



Create Your Opportunity

.CO Auctions Guide for Participants

for Sunrise & Landrush Auctions

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The .CO Auctions Guide for Auction Participants provides an overview of the .CO Auction Process for Sunrise and Landrush auctions from a Participants perspective. This guide is for informational purposes only. Auction Participants will be required to accept the 'Terms and Conditions' posted at the auction site (Ref: www.COauctions.co and www.COsubastas.co). The auction site also includes a set of 'FAQs' describing general auction protocols.

While all necessary measures have been taken in order to provide you with clear and detailed information in this Guide, neither .CO Internet S.A.S., Pool.com, Arcelandia SA, Deloitte, Laga, and/or Neustar; nor any principal or agent thereof, can be held liable for any errors, inaccuracies or omissions in this document. Your use and reliance on the information contained herein is your sole responsibility.

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1. INTRODUCTION

.CO Internet is committed to ensuring a fair, orderly and equitable launch of the .CO domain. Pursuant to the authority granted by the Policies of Administration governing the .CO domain in Resolution 1652 of 2008, and in accordance with Law 1341 of 2009, issued by the Government of the Republic of Colombia, a multi-phase, gradual offering plan, or “Launch Plan” that takes into account the prior rights of key stakeholders has been created.

The .CO Launch & Registration Rules (<http://www.cointernet.co/domain/policies-procedures>) were designed to provide for the planned allocation of domain names throughout the course of the .CO Launch Plan in a manner that gives priority registration rights to owners of certain relevant intellectual property – including certain eligible trademark holders, and to determine the final Registration Fee¹ applicable to a domain name.

By gradually allocating domain names to eligible persons, we intend to avoid the chaos and inequities that have been caused by more traditional “first-come, first-served” allocation methods relied on by many registries in the past.

Based on the lessons learned from previous TLD launches, the .CO Registry will deploy a domain name auction process (whenever multiple valid applications are received in a single phase for a specific domain name) instead of a first-come, first-served allocation system.

Pool.com has been engaged by .CO Internet to run the .CO auctions using an online process. The .CO Sunrise and Landrush Auctions will be governed by the Auction 'Terms and Conditions'. The auction protocols are described explicitly in the 'FAQs' published by the Auction Provider on the .CO websites (www.COauctions.co and www.COsubastas.co).

¹ The Registrar's fee plus the auction fee constitute the total Registration Fee for the first year of registration. Subsequent renewal fees will correspond to standard registrar fees.

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2. THE BENEFIT OF DOMAIN NAME AUCTIONS

As other TLD registries have noted in the past, a pure first-come, first-served process for Sunrise and Landrush allocations may create a race-like scenario and turn the domain name allocation process into an unpredictable, lottery-like situation.

Instead of pitting registrants and registrars against each another in a frenzied race to secure key domain names -- as typically happens when everyone is racing to "submit their application first" -- an auction process will help to facilitate the fair, orderly and equitable distribution of domain names.

The success of the entire .CO domain space lies in the active development and positive usage of registered .CO domain names. An auction process featuring competitive bidding will result in a more just and predictable distribution of domain names to those who ascribe the greatest value to them. It is likely that those who are willing and able to bid the highest for a particular domain name are the most likely to invest the time and resources required to develop the secured name into a viable website with credible content.

An auction process will also spare companies from having to submit applications to multiple registrars in an effort to increase their chances for securing the domain names that they want most -- as has been the case in past domain launches. Since the auction process will ensure the allocation of domain names in an orderly, fair and consistent process, you can feel more confident in your ability to secure your domain name(s) of choice by working exclusively with your trusted registrar partner.

3. THE .CO AUCTION PHASES

As described further below, the .CO Auction Process will apply only during Local Sunrise A, Global Sunrise B and Landrush phases of the .CO Launch Plan. All applications received during each of the specified timeframes will be considered received at the same time. That means that all qualified domain name applications received within each phase will be treated equally without prejudice.

Domain names that receive only one qualified application during Local Sunrise A, Global Sunrise B and/or Landrush, will be allocated to the single applicant

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If a domain name receives more than one qualified application during Local Sunrise A, Global Sunrise B and/or Landrush, an auction will be held for the domain between the qualified applicants. In this case, the applications will be treated as though they were received at the same time – and the domain name will be allocated to the highest bidder, in compliance with the auction protocols.

Local Sunrise A *April 1st – April 20th, 2010*

Period during which holders of eligible trademarks that have obtained registered status by the Colombian trademark office can apply for their corresponding domain name(s) directly under the .CO TLD before registration is open to the general public, presuming the domain names were not previously registered during the Grandfather process or otherwise reserved by the Registry or restricted by policy.

To be eligible to participate in the Local Sunrise A, the applicant must be the holder of a trademark that has obtained registered status from the Colombian trademark office on or before July 30, 2008.

If more than one eligible applicant seeks the exact same domain name during the Local Sunrise A, the domain name will be allocated pursuant to an auction process, as described further below.

Global Sunrise B *April 26 - June 10th, 2010*

Period during which holders of trademarks of national effect that have obtained a registered status in their respective country or region anywhere in the world can apply for their corresponding domain name(s) directly under the .CO TLD before registration is open to the general public, presuming such domain names were not previously registered during the Grandfather Process or Local Sunrise A, are pending validation, or pending auction, or are otherwise reserved by the Registry or restricted by policy.

To be eligible to participate in the Global Sunrise B, the applicant must be the holder of a trademark of national effect that has obtained registered status on or before July 30, 2008.

If more than one eligible applicant has submitted a domain name application for the exact same domain name during

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Global Sunrise B, the domain name will be allocated pursuant to an auction process, as described further below.

Landrush
June 21 - July 13th, 2010

Period during which interested parties can submit applications for domain names not previously registered through the Grandfather Process and Sunrise Process, are pending validation, or pending auction, or otherwise reserved by the Registry or restricted by policy.

An auction process will be used to allocate domain names in the event that more than one applicant applies for the same domain, as described further below.

4. GENERAL FORM OF AUCTION

Auctions for qualified domain name applications received during one of the above-mentioned launch phases will be conducted with transparency at the end of each successive phase of the Launch Plan.

Auctions will be held exclusively among eligible bidders. As such, this is considered to be a “closed auction” as opposed to an “open auction” where additional bidders (i.e. other domain name applicants) may join in at anytime during the auction period.

A conventional “English-style” auction format where eligible bidders will bid against other eligible bidders will be deployed. In an English-style auction, each bid must be at least one increment higher than the prevailing auction price, and the auction ends when no participant has submitted a higher bid within a reasonable period of time, as determined by the Registry or its auction agent. The winner of the auction is the highest bidder.

5. BIDDER INFORMATION

Prior to the commencement of Sunrise auctions, each qualified bidder will be provided with the registration information of the other qualified bidders. This allows participants to assess the identification of other bidders, as well as to consider whether or not to participate in the auction.

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Once any auction has commenced, all qualified bidders, now auction participants, will be able to see the bidding alias of the other auction participants. Each participant will be able to observe the bidding history of bids placed by itself or its competitors. That is, the current bid price and whether or not the applicant is the leading bidder. The only exception to this rule is where the current winning bid reflects a proxy bid that is actually higher than the auction amount. In this case, the actual proxy bid will not be shown. This is true both during the auction and once the auction has successfully closed. In essence, any proxy bid is not generally revealed until such time as the auction value exceeds the proxy bid.

Anyone will be able to verify whether or not an application for a particular domain name has been submitted during Sunrise and/or Land-Rush by using a lookup service made available by the Registry. The limitations of the lookup service and the lack of traditional WHOIS service are intended to prevent domain name application information being harvested and used against the applicant.

For domain name applications made in the Local and Global Sunrise Phases, WHOIS information and information relating to the prior right that gives rise to an applicant's eligibility to that domain will be provided to all the eligible bidders for that domain name, for their reference. At the Registry's discretion, particular information about an applicant may be withheld.

6. ELIGIBILITY OF BIDDERS

An applicant is considered to be an eligible bidder for a domain during Local Sunrise A and Global Sunrise B only if its domain name application (or request for reconsideration), documentary evidence, and all fees payable were submitted on time, and if it passes the trademark verification/validation process. The .CO Registry and/or the validation agent only verify an applicant's eligibility against the rules, regulations and protocols set out in .CO Launch & Registration Rules.

Any decision of an applicant's eligibility is not an indication of an applicant's legal entitlement to a registered name, registered trademark, or other intellectual property rights. So long as an applicant is deemed eligible under the specific rules for Sunrise A and/or Sunrise B, it has a prima facie right to take part in the auction for the domain name it applied for when and if an auction ensues.

If an invited bidder disputes the entitlement of any competing bidder, it must notify the Registry and initiate a dispute prior to the commencement of the auction for that domain

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name. The Registry and the auctioning process is not a forum for a bidder to challenge the entitlement of other bidders. It would be the responsibility of any challenging bidder to establish its rights against other bidders in a competent court.

In the event of any disputes or challenges amongst eligible bidders, the Registry shall at its sole discretion, or at the direction of the competent court, suspend the auction of a domain name until such disputes or challenges are resolved or otherwise mitigated based on the Registry's knowledge or understanding.

7. ALLOCATION OF DOMAIN NAMES

The level of interest for domain names in the case of Local Sunrise A, Global Sunrise B and Landrush is expected to be high. To avoid a chaotic rush for domain names and to preserve an orderly and equitable process, the .CO Registry has devised certain rules regarding the allocation of domain names.

A competitive closed auction will resolve competing claims in the case where there are two or more competing qualified applications for the same domain name. No auctions will be conducted for domain names with only one qualified applicant.

Domain name applications made during the Sunrise process will go through the verification / validation process, as set out in .CO Launch & Registration Rules. It is quite possible, and in some cases even likely, that the same words or phrases could be validly held or registered by two or more different owners, with the same or different trademark offices, for the same or similar classes of products and services and/or in the same country or different countries. As such, there will likely be scenarios where two or more domain name applications can be successfully verified for the same domain name during one of the two Sunrise periods.

Those applicants whose domain applications are successfully verified will be invited to an auction for the particular domain names(s) in question. Bidding will be open to successfully verified applicants only.

Once the verification process is completed, all eligible applicants will be notified of the intended auction start. Such notification will include login credentials (if not previously sent) to access the auction site. This notice will be sent reasonably ahead of time for applicants to prepare for the auction and for a quiet period to ensue prior to the auction being held.

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At the end of every phase of the Launch Plan, if there is only one successfully verified application, the domain name will be allocated to the applicant accordingly. If there are two or more successfully verified applications, all successful applicants will be invited to bid for the particular domain name through an auction.

At the end of Local Sunrise A, applicants that have submitted applications that have been successfully verified / validated will be invited to bid for the relevant domain at an auction. The domain name will be allocated to the highest bidder and consequently become unavailable to applicants from later phases (i.e. those in Global Sunrise B and Landrush).

In the event that all applicants for a domain name in Local Sunrise A failed the verification process, the applications for the domain name received in Global Sunrise B will be considered. If two or more of these applications are successfully verified, an auction for those successfully verified domain name applicants will be held.

While an auction is pending, the domain name will remain unavailable for applications in the current phase. For example, if a Sunrise B auction is ongoing while Landrush begins, that domain will be unavailable for applications in Landrush or even GA if the auction extends past July 20th 2010.

The same auction process will be followed for Landrush applications, except that no verifications will be conducted and information about other applicants for the same domain name will not be distributed prior to the commencement of the auction.

The domain name will be allocated to the winner of each particular auction.

An eligible bidder may withdraw from an auction provided that it notifies the Registry in good time and in any event prior to the commencement of the auction it is due to take part in. In any event, the bidder has no obligation to actually place bids in an auction.

After any such withdrawal, if there is only one bidder remaining, the auction will be cancelled and the domain allocated to the remaining bidder.

If no bids were received during the time allotted for an auction, the eligible bidders for the domain name will be considered to have forfeited their interest for the domain name. The domain name may be re-auctioned at the Registry's discretion or released and become available for registration in subsequent phases of the Launch Plan.

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8. AUCTION SCHEDULING

For domain names receiving multiple qualified applications, auctions will be scheduled as the verification process is completed. The auction for a domain will be scheduled soon after the registrant has received notice from .CO Auctions that a Sunrise application has been successfully verified and that there is more than one qualified applications for the domain.

Note that if there is only one successful verified application, the domain will be awarded in the applicant's favor without auction and you will see this reflected in the .CO WHOIS information (without requirement of a Domain ID) within 24 hours of the notification.

Auctions will be scheduled to minimize the number of simultaneous auctions that any one participant may have to monitor. However, due to the strong interest from domain applicants a large volume of domain names are likely to enter auction. Therefore we cannot guarantee that domain auctions will not be simultaneously held.

Auction start dates will be on a Monday, Tuesday, Wednesday or Thursday. We will try to accommodate and adjust for major holidays, however, the closing date for any particular auction cannot be predicted because of the auto-extension mechanism for the auctions. All auctions will be scheduled to complete in seven (7) days unless a change in leader occurs in the last 24 hours of the auction in which case the auction is extended to close 24 hours after the change in leader occurred. This extension model provides the most fair opportunity for bidders in all time zones to respond to changes in auction leadership and formulate their bid strategy accordingly.

9. AUCTION NOTICES

Pool.com will send the first auction notification email message to the auction participant *with a copy to the registrar* 5-10 days prior to an auction starting. The auction notification email message will contain the domain auction details, an account activation link, and login credentials. Once the auction participant has activated their account they will have access to the "Auction Tutorial" available on the auction interface. Note: Auction messages will be sent from service@CoAuctions.co (you may wish to white list this address to ensure that you receive these emails).

All auction Participants are encouraged to view the Auction Tutorial that will be available on the auction site (once logged on) in both video and printed form. These will provide

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the Participant with all the information necessary to successfully place bids in the auction.

Once an auction is scheduled but not yet started, Sunrise and/or Landrush domain auctions will appear in the “UPCOMING” Auction section on the auction portal. As soon as an auction starts, the auction will appear in the “OPEN AUCTIONS” section. Once complete, participants will be able to review the final status of their auctions in the “CLOSED AUCTIONS” section.

Participants in an auction will receive email notifications for a variety of purposes. These include:

- Initial account verification
- An auction is started
- The participant has been outbid and they will lose the auction if no further action is taken
- An auction end date/time has been extended
- The participant has won an auction
- Request for payment
- Confirmation of payment processed and allocation pending
- Once a domain name is allocated, the registry will send out email notifications to the registrars indicating the status of the application for all their domain names. Registrars will then email registrants and/or resellers.

10. PRIORITY OF APPLICATIONS

Auctions for domain names applied for during the Sunrise phases by applicants who have claimed an eligible trademark right will generally be scheduled first, however due to verification schedules, schedules may overlap. Domain name applications for Sunrise will carry a higher priority than for Landrush and Sunrise A applications will carry a higher priority than Sunrise B.

While an auction is pending, the domain name will remain unavailable for applications in the current phase. For example, if a Sunrise B auction is ongoing while Landrush begins, that domain will be unavailable for applications in Landrush or even GA if the auction extends past July 20th 2010.

A pending auction is defined as an auction that has not yet closed or where the auction fees have not yet been remitted by the winning bidder.

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11. ABANDONED AND INVALID AUCTIONS

An Abandoned Auction means an auction where no participant has successfully placed a bid during the time period allocated for an auction. An Invalidated Auction means an auction which failed to produce a valid winner. In the event of an Abandoned Auction or an Invalidated Auction, .CO reserves the right to the following lines of actions, at its sole discretion:

- a. invite or not invite one or more of the original applicants as well as additional qualified bidders or the public to a Re-Auction.
- b. consider passing the domain to a subsequent phase (i.e. from Local Sunrise A to Global Sunrise B, or from Global Sunrise B to Landrush, etc) in the Launch Plan, inviting qualified applicants from the subsequent phase to a re-auction that could include the original applicants.

12. AUCTION BID INCREMENTS

At any time an auction bid is placed, it will be verified against the then current auction price. Acceptable auction bids must be at least one increment higher than the current auction price. The required increment changes as the auction value increases in accordance with the following table:

Bottom Range	Top Range	Minimum Increment Amount
\$0.00	\$499.00	\$10.00
\$500.00	\$999.00	\$25.00
\$1,000.00	\$2,499.00	\$50.00

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\$2,500.00	\$9,999.00	\$100.00
\$10,000.00	\$24,999.00	\$500.00
\$25,000.00	\$-----	\$1,000.00

13. AUCTION EXTENSIONS

To provide the fairest opportunity for all bidders in all time zones, an auction will only come to a complete close provided the auction leader has not changed within the last 24 hours of the auction. As a result, whenever an auction is in the last 24 hours of scheduled time and the auction leader changes, the auction close will be automatically extended by 24 hours after the leadership change occurred.

14. PROXY BIDDING

When placing bids, the auction system will accept proxy bids which are defined as maximum bids above the minimum required (i.e. current auction value plus one increment). The auction system will only place that portion of the bid necessary to establish the bidder as the auction leader provided their maximum bid is greater than the current leader's maximum bid. The final auction value, and the amount that will be charged to the winning bidder will always be at most one auction increment higher than the second highest bid, not exceeding the winning bidders highest bid.

For example, if the current auction value and highest bid is \$600, then the minimum valid bid would be \$625. If a bidder places a maximum bid at \$800, the system will only place a bid of \$625 and retain the \$800 bid as a proxy bid. The system will continue to bid automatically on this bidder's behalf until a maximum bid greater than \$800 is submitted.

A second example, if the current auction value is \$600 and the leader's maximum bid is \$750, the minimum valid bid is still \$625. If a bidder places a bid of \$625, the system will automatically place an overbid of \$650 on the current leader's behalf as a proxy.

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Another way to consider a proxy bid is that the bidder is authorizing the system to bid on their behalf up to their maximum bid but never bid more than what is necessary to take the lead. That bid requirement at any point in time is always the auction value plus one increment. So, if a winning bidder who has placed a high proxy bid is outbid, basically the system will rebid on their behalf.

15. MISCELLANEOUS TERMS

- a) **Payment Terms:** Payment terms will be net 7 (seven) days from an auction closing. Payment will be made direct to the Auction Provider. Accepted payment methods will depend on the amount of the auction fees outstanding at the time payment is due as follows:
 - i) Up to \$1,000USD: Payment will be accepted by Credit Card
 - ii) >\$1,000USD and < \$2,500USD: Payment will be accepted by Credit Card with a completed Billing Authorization including the provision of a copy of Government Issued Identification.
 - iii) \$2,500USD and above: Payment must be made by Wire Transfer
- b) **Credit Cards:** Only VISA and MasterCard will be accepted.
- c) **Chargeback:** .CO Internet has the right to cancel the winning bidder's registration and transfer the name back to the registry in the event that payment is not received or in the event of a Chargeback.
- d) **Registrar Fees:** The final auction fee collected does not include the registrar registration fee for the domain which will be collected from the winning bidder by the Registrar through which the application was submitted. Any questions about registrar fees will be directed to the Registrar.
- e) **Pre-Authorization:** When an Auction Applicant account is first established at www.COauctions.co or www.COsubastas.co, a valid credit card will be required that will be used to verify the applicant's identity as a valid bidder. To this end, a pre-authorization charge of \$60USD will be applied against the credit card account. A pre-authorization validates a credit card and reserves a specified amount of available credit. It is not a charge, although it may appear on an online statement. This reservation of credit is usually in effect 48 to 72 hours, and will expire automatically. This is a security measure that the Auction Provider uses to protect their customers and Pool.com from fraudulent acts.

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- f) Currency: During Sunrise A, all auctions will be conducted and settled in Colombian Pesos. Subsequent auctions being held in Sunrise B and Landrush will be conducted and settled in United States Dollars.