Antisquatting

First and foremost, a namespace must be efficient . What does efficiency mean? It means that a high proportion of names are owned by people who are actively using them. Ecosystems that are too value extractive will suffer a weak community, but a lesser understood counterpoint is that ecosystems which do not properly price the most valuable assets will end up with high inefficiency, captured by squatters who do nothing to further social awareness and usage of the protocol. This short-term hype is outweighed by long-term frustration of potential future users who will go elsewhere.

So Clusters introduces demand-based capped recurring pricing, as proposed by Vitalik inhttps://web.archive.org/web/20231102073510/https://vitalik.ca/general/2022/09/09/ens.html . This mitigates malicious squatting while also providing simple longterm digital property rights guarantees for the average user.

How does it work practically?

- 99% of users with an uncontested name like boldleonidas/ will pay a cheap minimum price
- For competitive names like defi/, users can bid on names owned by others which will increase the recurring fee. This introduces an explicit demand-based cost for squatting and squatters will be forced to sell into bids.
- If a prankster decides to grief an uncontested user like foobar/ by bidding on their name, the user can accept the bid and make money, while the prankster loses lots of money. [Previous Wallet Bundles](#) [Next Wallet Generation](#) Last updated4 days ago