

A beginner's guide to buying an ENS domain

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So you've heard about the ENS launch and want to buy a .eth domain for yourself? Here's what you need to know.

Why would I want an ENS name?

ENS eliminates the need to copy — and worse, type — long hexadecimal addresses. With ENS, you'll be able to send money to your friend at 'aardvark.eth' instead of '0x4cbe58c50480...', interact with your favorite contract at 'mycontract.eth', or visit a Swarm-hosted site at 'swarmsite.eth'.

Once you own an ENS domain, you can point it to whatever resources you choose, as well as creating subdomains and assigning them as you wish.

ENS is an entirely decentralised system. Handing out new domains under the ".eth" top-level-domain (eg, 'yourname.eth') is handled by an auction process that runs on the Ethereum blockchain, and anyone can participate in the auction process to reserve a domain for themselves.

How name auctions work

New names are allocated using an auction process based on a "Vickrey auction". Auctions proceed in three stages:

1. First, someone opens an auction for a name they wish to buy, and places a bid. This starts a 3 day timer for other people to place bids on the name. During this period, the details of bids are obscured: nobody can tell how much you bid, or even what name you are bidding on.
2. After the three day auction finishes, a two day "reveal" period begins. During this period, everyone who bid must reveal the details of their bid — if they don't, they lose their entire bid. If your bid is not the highest, you are refunded your bid, less a 0.5% fee, which is burned.
3. At the end of the two day reveal period, the winner is the person who revealed the highest bid, but they only have to pay the amount of the second-highest bidder. This amount is locked up in a contract for as long as the winning bidder retains control of the name. The winner must send a "finalise" transaction to receive a refund of any extra funds, and to be assigned control of the name in ENS.

Once someone wins an auction, the name is theirs for at least the duration of the initial registrar. After holding the name for at least a year, however, they can choose to release the name and recover the entire amount of their deposit.

The "soft launch"

Not all names in ENS are available immediately for bidding. In order to provide ample time for finding and fixing any bugs as the system scales up, and to prevent a massive land rush on day 1, names are being released for auction on a gradual basis over 8 weeks. Every possible name becomes available at a random time during that period. You can find out when the name you want becomes available by entering it into one of the apps described below.

In addition, only names that are seven characters or longer may be registered at the present time. This is done in order to make sure that the highly valuable short names are only made available once the system has gained enough attention to ensure they get bid on fairly, and not all grabbed by early movers intending to resell them.

How to buy a name yourself

There are now several user-friendly interfaces for buying ENS domains:

- registrar.ens.domains, the 'official' dapp. Requires a blockchain-enabled browser (Mist, chrome with the Metamask plugin, or Parity with the browser plugin).
- My Ether Wallet, an open-source client-side solution that runs entirely in your browser, and requires you to upload wallet credentials to use.
- ETHTools' ENS integration, a closed-source solution that walks you through the entire process, and uses server-side

storage to facilitate easy bidding.

- Really adventurous users can bid using the command line, as explained [here](#).

Remember that any time you place a bid, you must reveal it during the 48 hour reveal period, or you will lose the entire bid. Revealing requires access to your account/private key, and additional information as well. When using the official app, this information is stored in your browser's local storage, and can be backed up to a JSON file. MEW provides you with the information and expects you to take a screenshot and reenter it when revealing, while ETHTools' solution stores the information for you on the server side.

It's critical that you make sure you safely back up your bid information if your solution-of-choice requires you to do this; otherwise you will be unable to reveal your bid when the time comes, and lose the entire amount of your bid.

More ENS resources

Codetract provide an excellent dashboard for tracking the process of ENS and seeing metrics on bids and auctions.

Etherscan provides tools for looking up domains and auctions, and seeing the latest auction activity.

The official ENS site has more information on ENS, and the documentation provides resources for developers and an FAQ.