

COMPUTERS & LAW

JOURNAL FOR THE AUSTRALIAN AND NEW ZEALAND SOCIETIES
FOR COMPUTERS AND THE LAW

Print Post — PP233867/00008

Editors: Brendan Scott, Simon Pollard and Kent Davey
Number 39

ISSN 08117225
December 1999

The WIPO Proposed Internet Domain Name Process

Simon Pollard & Tim Gole, Gilbert & Tobin

In *Domain Name Disputes: A View From The Antipodes*, published in the April 1999 edition of *Computers & Law*, Stephen Lance outlined the current Australian approach to domain name disputes. Since that article was published, the World Intellectual Property Organisation (WIPO) has published the final report of the WIPO Internet Domain Name Process (the WIPO Report).¹ This article outlines the key recommendations made in the WIPO Report, and their likely impact on the .au domain name space.


THE WIPO REPORT

The WIPO Report represents the latest in a long line of high level discussion papers which address the issue of Internet domain name registration and control. The impetus for the WIPO Report arose primarily out of a White Paper published by the United States Government entitled "Management of Internet Names and Addresses".² The White Paper called upon WIPO to:

"initiate a balanced and transparent process, which includes the participation of

trademark holders and members of the Internet community who are not trademark holders, to:


- i) *develop recommendations for a uniform approach to resolving trademark/domain name disputes involving cyberspace (as opposed to conflicts between trademark holders with legitimate competing rights);*
- ii) *recommend a process for protecting famous trademarks in the generic top level domains; and*

Continued on page 3 

In this issue...

The WIPO Proposed Internet Domain Name Process ... <i>by Simon Pollard & Tim Gole</i>	1
From the Editors' Desk	2
Domain Name Update	6
<i>by Stephen Lance</i>	
Digital Killed the Recording Star	7
<i>by Sean Simmons</i>	
An Essential Guide to Internet Censorship in Australia	13
<i>by Brendan Scott</i>	
And Now to Regulate Internet Gaming—A Gamble in Itself	19
<i>by John Lambrick</i>	

Understanding the Technology Legislation Onslaught 21 <i>by Rita Chowdhury & Christopher Wood</i>	21
Electronic Transmissions to Clients—A Lawyer's Duties	25
<i>by Tim Jones & Michael Rubb</i>	
Restricting Access to Content—Filtering, Labelling and Education	31
<i>by Nick Alston</i>	
Electronic Transactions Act	35
<i>by Brendan Scott</i>	
Book review of Artificial Legal Intelligence	37
<i>by John MacMillan</i>	
Three Dimensional Legal Logic and Standardisation of Legal Knowledge Engineering Instructions	40
<i>by Pamela N Gray</i>	

 Continued from page 1

iii) *evaluate the effects, based on studies conducted by independent organisations ... of adding new [generic top level domains] and related dispute resolution procedures on trademark and intellectual property holders*".

Following approval by each of its member states, WIPO initiated such an inquiry in July 1998. In addition to the above terms of reference provided by the White Paper, WIPO also examined the ways in which the incidence of disputes between domain names and intellectual property rights could be reduced.

THE DISJUNCTION BETWEEN INTERNET DOMAIN NAMES AND REAL-WORLD IP RIGHTS

To date the registration of a domain name has been a simple if not fast

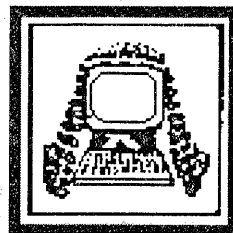
process. Quite often the terms and conditions which govern the contractual relationship between a domain name holder and the registration authority are not readily identifiable. Domain name holders are sometimes not required to provide anything more than a billing address upon registering a domain name, and there is certainly no obligation on a registration authority to maintain accurate real-world contact details for any of its domain name holders. This means that parties who wish to make a claim against an existing domain name holder are sometimes unable to make contact with that person, and are therefore unable to commence a dispute over ownership rights.

The WIPO report acknowledges that there is a large divergence of opinion as to whether domain name holders should be required to provide and

make publicly available accurate contact details. Some argue that such contact details are the only way of imposing real-world policies on the Internet. Others see it as an invasion of privacy, a destruction of anonymity and a threat to freedom of expression, particularly in relation to sites which deal with sensitive political or social issues.

The recommendations contained in the WIPO Report, at least in respect of gTLDs, are that:

- all domain name applicants be required to provide accurate contact details, both at the time of registration and on an ongoing basis. In addressing the desire for anonymity, the report points out that some Internet service providers provide anonymous sub-domains to users;



COMPUTERS & LAW

Editors

Brendan Scott
c/- Gilbert & Tobin
50 Carrington Street
Sydney 2000 Australia
Tel +61 2 9367 8964
Fax +61 2 9367 3111
e-mail: bscott@gtlaw.com.au

Simon Pollard
c/- Gilbert & Tobin
50 Carrington Street
Sydney 2000 Australia
Tel +61 2 9367 3103
Fax +61 2 9367 3111
e-mail: spollard@gtlaw.com.au

Kent Davey
c/-Australian Government
Solicitors
200 Queen Street (DX 50)
Melbourne VIC 3000
Tel +61 3 9242 1242
Fax +61 3 9242 1481
e-mail: kent.davey@ags.gov.au

Subscription: \$32.00 per 4 issues

Advertisements: Inserts \$300.00; for advertisements within the journal, rates and information will be provided by the Editors on request
Articles, news items, books for review and other items of interest may be sent to the Editors.
Journal contents may be reproduced if the source is acknowledged.

- all of these contact details should be made publicly available through a real-time, searchable database. The registration body would be required to prevent use of that data beyond the purposes for which it was collected;
- the provision of inaccurate contact details, or failure to update that information, should be a basis for cancelling the registration of a domain name;
- a domain name should not be made available to an applicant until payment is received by the registration body; and
- the registration of a domain name should be for a limited period and subject to the payment of a re-registration fee.

While most of these recommendations received considerable support from interested parties who contributed to the WIPO Report consultation process, they do represent a shift in the current anonymity paradigm which has at least in some sense driven the popularity of the Internet. The WIPO recommendations, if fully implemented, make publicly available more information about the owner of a domain name than is available in most other media. Importantly, however, the extent and nature of the information is no greater than that available about owners and directors of companies, and about owners of registered business names.

Some other more concrete aspects of the WIPO Report appear unworkable. For example, the report recommends:

- that each domain name registration agreement should include a representation that to the best of the applicant's knowledge and belief the registration of the domain name does not interfere with or infringe the intellectual property rights of another party.³ This representation is not limited geographically. As such, the representation is

almost absurd in the context of the Internet, where two or more people may each have a legitimate claim to the same domain name, for example because they operate complementary businesses using a related trade mark or because they operate substantially identical businesses in different countries; and

- that all domain name registrations be of limited duration. Failure to pay a re-registration fee or to provide accurate contact details at that time would result in deregistration of a domain name. This somewhat burdensome approach to re-registration means that a party who has fought long and hard to obtain a particular domain name may lose their rights to that domain name if they have relocated and forgotten to advise the registration authority of that fact.

The WIPO recommendations, if fully implemented, would certainly aid in the protection of domain names by large corporates, by ensuring that accurate contact details are available in respect of every domain name. The recommendations do leave unanswered some privacy and anonymity concerns, particularly considering that the ISP sub-domains which WIPO refers to are not as commercially valuable as the gTLDs. It will always be impossible, however, to arrive at a solution which satisfies everyone so long as domain names remain out of step with the real-world methods of intellectual property protection, which are jurisdictionally based. As the WIPO Report states:

"there is a lack of connection between the underlying theoretical foundations of differentiation in the registration and use of trademarks and differentiation in the registration and use of domain names, since differentiation is intended to serve a different purpose in each case".⁴

DISPUTE RESOLUTION AND DOMAIN NAMES

One of the more pressing and legitimate claims made by those wishing to protect a particular domain name is that existing protection mechanisms, such as litigation, are slow and expensive. More to the point, they are often ineffective given that so many ccTLDs exist, which means that proceedings may have to be commenced in several jurisdictions. As the WIPO Report states:

"a considerable disjunction exists between, on the one hand, the cost of obtaining a domain name registration, which is relatively cheap, and, on the other hand, the economic value of the damage that can be done as a result of such a registration and the cost to the intellectual property owner of remedying the situation through litigation, which may be slow and very expensive in some countries".⁵

The WIPO report recommends that several different dispute resolution mechanisms be made available to help resolve domain name disputes:

- Mediation is a mechanism designed to facilitate negotiations between parties to a dispute. It is a non-binding process because there is no decision-maker who can impose a determination on the parties, and the parties are free to abandon the process at any time. Mediation can be a powerful tool for parties in dispute to use, as it may result in an outcome which a court would be unable to order, such as an agreement to share a domain name. The *www.scrabble.com* site is a good example of this, directing users to either Hasbro (in the United States and Canada) or Mattel (in the rest of the world).

While not recommending that the option to mediate a dispute be included in a domain name registration agreement, the WIPO Report acknowledges its use should be considered by parties to a dispute.

- Arbitration is an adjudicative process, similar to court proceedings, where the parties submit to certain rules which govern the proceedings. The decision of the arbitrator is final and binding on the parties. Because of the private nature of the proceedings and the finality which is attached to an arbitration decision, the WIPO Report falls short of recommending compulsory arbitration for domain name disputes. Instead, like mediation, the report recommends that the procedure be made available to those parties who wish to use it.
- The final dispute resolution mechanism discussed by the WIPO Report is an administrative dispute resolution procedure. The ADR procedure proposed by WIPO differs from mediation and arbitration in that if a claim is brought against a party, they will by virtue of their domain name agreement be required to submit to the process. The procedure envisaged by the WIPO Report is limited in that:
 - i) it will apply only to deliberate, bad faith, abusive domain name registrations (cyber-squatting);
 - ii) it will address only the issues relating to an alleged infringement of trade mark rights, and not infringements of other forms of intellectual property; and
 - iii) the remedies available would be limited to cancellation or transfer of a domain name, and would not extend to damages.

The procedure would, however, be relatively cheap and fast in comparison with conventional litigation.

The limitation of the ADR procedure to instances of cyber-squatting as opposed to disputes over the legitimate use of a domain name may reduce the effectiveness of such a mechanism. Regardless of whether a particular dispute resolution mechanism is adopted by a party, they will retain the right to commence proceedings in any court of competent jurisdiction under the WIPO proposals.

The mechanisms recommended by the WIPO Report go some way to addressing the problems of delay, expense and effectiveness which plague the current judicial system of domain name dispute resolution.

FAMOUS AND WELL-KNOWN MARKS

Famous and well-known marks are currently protected under two international treaties, the Paris Convention for the Protection of Industrial Property, and the Agreement on Trade-Related Aspects of Intellectual Property Rights. Essentially these two documents protect the registration and use of a trademark that is a reproduction, imitation or translation of a well-known or famous mark. What constitutes a well-known or famous mark is not defined in either document, and must be determined by the courts of a particular jurisdiction.

Largely because the number of famous and well-known marks are limited, the WIPO Report recommends that their use be protected in the domain name system (DNS). The mechanism for determining whether a particular name deserves protection in this way would be made by an administrative panel of experts. Once a name is recognised as a famous or well-known mark, the use of that name would be excluded throughout the gTLD and also through any ccTLD in which the mark is famous or well-known. The WIPO Report also recommends that the protection afforded to a famous or well-known mark should extend, through an evidentiary presumption,

to any close phonetic or spelling variations of it.

NEW GTLDS

The final term of reference for the WIPO Report was to examine the possibility of introducing new gTLDs. There is a significant limit placed upon the number of readily identifiable domain names which are available for distribution. The DNS was designed as a simple and human-friendly method of navigating the Internet, and cannot reasonably be expected to handle without dispute the 9 million domain names which are currently registered.⁶

It is often argued that creating new gTLDs would reduce the level of competition which currently exists for them. Instead of reducing domain name disputes, however, the addition of new gTLDs may in fact increase the incidence of disputes, creating more domain names for cyber-squatters to register and creating conflict between parties with a legitimate claim to a particular name across several gTLDs.

In light of these conflicting arguments, the WIPO Report falls short of calling for the immediate introduction of any new gTLDs. Rather, the report sees the solution as lying in the recommendations discussed above. The report states that:

"with these improved practices and procedures, it is considered that, not only would problems in the existing gTLDs be reduced significantly, but also it would be possible to contemplate the introduction of new gTLDs from an intellectual property perspective".⁷

CONCLUSION

The WIPO Report makes a substantial number of recommendations. The report is to be provided to each WIPO member state, as well as to the Internet Corporation for Assigned Names and Numbers (ICANN). ICANN is a newly-formed body which will shortly become responsible for managing the gTLD space. ICANN will take over the functions currently

performed by the Internet Assigned Numbers Authority (IANA).

It remains to be seen which of the WIPO recommendations will be adopted by ICANN, although ICANN has demonstrated a willingness to adopt the recommendations in its interim Statement of Registrar Accreditation Policy.⁸ It also remains to be seen which of the recommendations will be flowed down to the ccTLD organisations, and in particular which recommendations will be adopted by .au Domain Administration (AUDA). AUDA is a newly formed organisation which will be responsible for administering the .au domain name space.

One issue which ICANN (and each ccTLD organisation, including AUDA) will have to consider carefully is how to enforce the recommendations against existing domain name holders. The WIPO Report envisages enforcing the recommendations against new domain name holders by making them conditions of their domain name registration agreement. It is difficult to see how ICANN and other ccTLD organisations will be able to make unilateral variations to the agreements which bind existing domain name holders. It is probably only at the time of re-registration that the WIPO recommendations could be imposed against existing domain name

holders, with the result that it could take several years for all domain name holders to be bound by the new arrangements.

¹ A copy of the report is available at <http://wipo2.wipo.int>.

² A copy of the White Paper is available from http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm.

³ Final report of the WIPO Internet Domain Name Process, supra n1 at paragraph 108.

⁴ Supra n3 at paragraph 261.

⁵ Supra n3 at paragraph 132.

⁶ See www.netnames.com.

⁷ Supra n3 at paragraph 342.

⁸ Available at http://www.icann.org/policy_statement.html.

Domain Name Update

Stephen Lance, Gilbert & Tobin

The Internet Corporation for Assigned Names and Numbers (ICANN) took one small step towards adopting the domain names dispute resolution policy promulgated by the World Intellectual Property Organisation (WIPO) in Berlin May 25-27. This could be one giant leap towards international cyberspace harmony and a uniform dispute resolution policy.

In answer to the increasing cyberspace conflict between domain names and trade marks, WIPO released its blueprint for curbing "cybersquatting" by consolidating domain name registration and administrative dispute resolutions in its Final Report issued April 30 1999. The Report recommends that ICANN should adopt a dispute-resolution policy under which an administrative dispute-resolution procedure is made available for domain name disputes in all generic top level domains (gTLDs) - although the scope of the administrative procedure should be limited to cases of bad faith and abusive registration

of domain names that violate trademark rights. This is a narrowing of the ADR procedure outlined in the 3rd Interim Report. Domain name holders would thus be required to submit to the administrative procedure only in respect of allegations that they are involved in cybersquatting - the abusive registration of domain names. The Report also includes a controversial provision which gives famous trademarks special protection as domain names. It recommends that a mechanism should be introduced whereby the owner of a famous or well-known mark can obtain an exclusion in some or all gTLDs for the name of the mark where the mark is famous or well-known on a widespread geographical basis and across different classes of goods or services. This provision has been criticised because it weighs the dispute resolution process too heavily in favour of big corporations. In particular, the Domain Name Rights Coalition argues that the proposed changes fundamentally modify

trademark law and create a system which favours large companies at the expense of individuals, not-for-profit organisations, small businesses and entrepreneurs. However, WIPO is confident that the system will increase consumer confidence in the Internet as a safe place to do business.

The potential adoption of the Report depends greatly upon ICANN's domain name supporting organisation (DNSO), which represents different constituents who are stakeholders in the Net addressing system. The DNSO advises the ICANN Board with respect to policy issues relating to the Domain Name System. These constituents form part of a Names Council consisting of six self-organised subdivisions which represent a wide range of commercial and non-commercial interests, including naming authorities which register gTLDs, such as Internet Names Australia. The DSNO will include the following Initial Constituency Groups: