

prescriptive terms have meant that Australia's laws are less protective of copyright circumvention devices than those of the UK.

The policy issues underlying how the law should operate in this instance are complicated by the fact that the protection device in this case has a number of different purposes and effects. The pros and cons of each should be separately

debated. Three of these are:

- the prevention of playing of CD-ROMS with other regional coding,
- the prevention of playing of pirated copies and
- the prevention of playing of back-up copies.

The decision also highlights many flaws in the drafting of the *Copyright Act 1968* with respect to the protection of computer programs which are long overdue for correction.

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Domain Name Update - .au Gets an Overhaul

Chad de Souza and Jesse Gleeson consider recent changes to the administration of .au domain names.

The Australian domain name administrator, auDA, introduced a host of changes to the way that .au domain names are registered and administered. Most of these changes were effective from 1 July 2002 and will have an impact on the way that companies maintain and expand their domain name portfolios.

CHANGES TO DOMAIN NAME REGISTRATION RULES

Effective from 1 July 2002 the eligibility requirements for a .com.au and .net.au registration are that the potential registrant now has or is:

- (a) A registered Australian trade mark or an application for an Australian trade mark (new);
- (b) An Australian Company Number;
- (c) A registered Australian Business Name or partnership or sole proprietor;
- (d) An Australian incorporated association; or
- (e) A foreign company licensed to trade in Australia.

A domain name that is derived from one of the requirements above may be registered. However, there is still no hierarchy of rights themselves (ie. between a trade mark, company name

or business name), licences are given on a first in first served basis.

Once the eligibility requirements have been satisfied, a domain name which has a 'close connection' with the registrant may also be registered. This means that businesses can register domain names for products / services / premises / events / profession names even if they have no corresponding trade mark or business name.

A warranty is given by registrants at registration or renewal of the domain name that the criteria are satisfied (for instance that there is a valid basis for registration of a business name).

As with the previous domain name policy, there is no proprietary right in domain names, registrants obtain a renewable two year license to the relevant domain name. However, the licences themselves may be transferred in limited circumstances to another person pursuant to the new *Transfers (change of registrant) Policy* recently released by auDA. This is discussed further below.

As part of this overhaul of policy auDA decided to make available domain names previously considered too generic for registration. An auction of these names was held with the remaining unallocated names (about 1,400) being made available for allocation from 3 October 2002. The highest price paid for a

domain name at auction was \$153 000

for the domain name *flowers.com.au*. There are also current discussions as to the allocation of place names e.g. *www.ballarat.com.au*. This will possibly be administered by organisations in local communities. There will still be a reserved list of names that *cannot* be registered however, and these will include names prohibited from registration by the Commonwealth, some generic terms, as well as some specific place names and common individual names.

CONTINUING ELIGIBILITY FOR DURATION OF LICENSE

Under the new rules it is necessary for the registrant to satisfy a basis for entitlement to the domain name in question (eg. a trade mark, business name, close connection etc). This does not mean that the original basis on which it was registered must remain current - only that some basis must continue to be present. For instance if a domain name was based on a trade mark application, and the trade mark application is then rejected, it would be possible to retain entitlement on the basis that you were selling a product with that name.

If you cannot bring yourself within one of these broad eligibility categories (for instance because you have stopped producing and selling the product) it will

be open for the registrar or auDA to cancel your domain licence.

It will be also be crucial for the entitlement to be satisfied at renewal, as the registrant must warrant that they are eligible for the domain name. If a false warranty is made at this point it will be another ground for cancellation.

PROPOSED DISPUTE RESOLUTION POLICY

Another main feature of the .au reforms is the introduction of a compulsory arbitration policy, effective from 1 August 2002, that is modelled after the ICANN Uniform Dispute Resolution Policy (*UDRP*). However, the new auDRP procedure is meant to address some of the problems with the UDRP by, for instance, expanding the concept of legitimate rights holders beyond trade mark owners. Like the UDRP, the registrants of an domain names will submit to the auDRP procedure through their contracts with the domain name registrars. Domain names registered prior to 1 August 2002 will only be subject to the auDRP upon the renewal of those licences or if the registrants elect to submit to it. The main features of the procedure will be:

- (a) Arbitration may be sought for more than trade mark rights infringement (“names” are included in addition to trade marks and service marks);
- (b) Remedies are cancellation and transfers;
- (c) Complaints are filed for a fixed \$1500 fee;
- (d) All documentation is electronic;
- (e) Average turnaround of 14 days;
- (f) Domain names will be frozen until resolved;
- (g) Domain Names will not be transferred or cancelled if a court appeal is initiated within 10 days of a decision.

To succeed with a complaint, the complainant must show that:

- (i) the domain name is identical or confusingly similar to the *name* of the legitimate rights holder;
- (ii) the registrant has no legitimate rights to the domain;

(iii) the domain name has been used in *bad faith*, where *bad faith* includes registering a domain name to:

- (A) sell to another person;
- (B) prevent registration by a legitimate rights holder;
- (C) disrupt the business of a legitimate rights holder;
- (D) direct users to another web site by causing confusion with the name of a legitimate rights holder.

For a more in-depth examination of the auDRP, refer to the article by Andrew Byrne and Andrew Wiseman in this volume of Communications Law Bulletin.

TRANSFER OF DOMAINS

Since the introduction of the new *Transfers (change of registrant) Policy* on 14 October 2002, a registrant may transfer their domain name licence to a proposed new registrant if one of the following circumstances applies:

(a) if the domain name is used within the operations of the registrant and either the registrant or the operations are acquired by, merged into, devolved to or joined with the operations of the proposed new registrant;

(b) if the registrant, being a legal entity, is dissolved, liquidated, enters into administration or is wound up and as a consequence the registrant’s licence passes to the proposed new registrant by operation of law;

(c) if the registrant, being a natural person, dies, becomes insane or enters into a deed of family settlement and as a consequence the registrant’s licence passes to the proposed new registrant by operation of law;

(d) if the registrant is required to relinquish the licence to the proposed new registrant by order of a competent arbitrator, tribunal, court or legislative body;

(e) if the registrant has entered into an agreement to transfer the licence to the proposed new registrant in settlement of a dispute between the parties, as evidenced by a deed of settlement.

Ground (d) has been introduced to accommodate the auDRP, however ground (a) is most likely to affect commercial businesses in that in a sale of a business, the purchaser will now be able to have the domain names transferred specifically and not have to rely on the more cumbersome approach of deregistering the existing licence and applying for a new licence concurrently. It is also significant that ground (e) also allows parties to transfer a domain by agreement, without requiring a judicial or arbitral order, in the event of a dispute.

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