Summary Report

Question Q173

Issues of co-existence of trademarks and domain names: public versus private international registration systems

Introduction

This Question has been selected to analyse the structure of the domain name system by comparing it to the trademark system and to encourage proposals for alleviating potential deficiencies of current domain name registration procedures. In addition, this Question has been selected to assess the adequacy and efficiency of the trademark registration system as compared with the domain name registration system.

The Reporter General received 41 Group Reports from the following countries (in alphabetical order): Argentina, Australia, Belgium, Bulgaria, Canada, China, Colombia, Czech Republic, Denmark, Ecuador, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Ireland, Italy, Japan, Latvia, Lithuania, Malaysia, Mexico, the Netherlands, Norway, Paraguay, the Philippines, Portugal, Republic of Korea, Romania, Singapore, Slovenia, Spain, Sweden, Switzerland, Thailand, United Kingdom and United States of America. While the Group Reports give an excellent overview of the law relating to domain name registration in the reporting countries the input in relation to the adequacy and efficacy of the trademark registration system has been much more limited. The majority of the Groups believes that the trademark system is cost effective and sufficiently efficient, given the fact that the trademark system creates exclusive legal rights and therefore must necessarily afford the parties due process.

1. Analysis of Current Domain Name Registration Procedures

1.1 Nature of signs

What is the status of a domain name in your country? Does the registration of a domain name confer exclusive rights to the proprietor? Can domain names be the subject of dealings such as assignment, mortgage and the like?

A number of reports (Australia, Belgium, Czech Republic, Ecuador, Germany, Japan, the Netherlands, Switzerland, UK and USA) state that a domain name is best seen as a contractual right to use the domain name subject to the terms and conditions of the registration agreement for the duration of the registration term. The Australian Group specifically refers to the registration agreement as a licence agreement between the registrar and the registrant.

Most of the Groups state that technically the registration of a domain gives a de facto exclusive right to the owner to use that domain, but registration in itself does not give rise to any proprietary rights in the name. Only the Group Report from the Philippines states that the registration of a domain name confers an exclusive right to the proprietor. The Dutch Group mentions a lower court decision holding that the registration of a domain confers an absolute right (*a ius in rem*) on the registrant. Some Groups (Ecuador, UK, USA) emphasise that only use and registration of the domain name as a mark will give rise to a proprietary right. The German Group mentions that use of the domain name as a sign in commerce may give rise to exclusive legal rights even without registration as a mark.

Every country which answered this question, save Australia, Greece and Spain, states that domain names can be the subject of assignments. In Australia, the registration agreement prohibits the registrant from transferring a proprietary right in a domain name registration. By selling or offering a .au domain name for sale a registrant will be in breach of the registration agreement and the registrar may revoke the registrant's licence. Registrants are however permitted to transfer their .au domain name licence to a third party in certain limited circumstances (including where the registrant has entered into an agreement to transfer the licence to the proposed new registrant in settlement of a dispute between them).

In Greece, domain names cannot be the subject of transactions, according to the registry's policy. In Spain, statutory law explicitly prohibits the assignment of domain names. The Finnish and Swedish Groups state that assignments are restricted to the extent that the assignee must meet the same requirements as a new applicant would have to meet for the domain name in question.

Some Groups (Argentina, Belgium, Columbia, Hungary, Mexico, the Netherlands, the Philippines, Switzerland, UK, USA) state that domain names can also be the subject of a mortgage. In many countries, however, it is either not clear or controversial whether domain names can be the subject of a mortgage (Bulgaria, Germany, Latvia, Portugal, Romania, Sweden) or domain names cannot be the subject of a mortgage (Australia, China, Czech Republic, Finland, France, Greece, Norway, Paraguay, Republic of Korea).

The Hungarian Group points out that domain names cannot be inherited under the current rules of registration. Only two Groups (France, UK) mention that domain names can be the subject of a license.

1.2 Legislation

Is there any legislation in your country dealing specifically with domain names and the domain name registry? If so, please describe it.

In most of the countries which answered this question there is no specific legislation dealing with domain names and the domain name registry. Some Group Reports mention that the registries responsible for the ccTLD domain in their countries have adopted their own rules regarding the registration and use of domain names and the domain name registry.

In some countries, there is specific legislation dealing with domain names and the domain name registry. In Argentina, China, the Philippines, Spain and Switzerland, government agencies and ministries have adopted specific regulations concerning domain names and the domain name registry. In Spain and the United States, statutory law specifically deals with the use and registration of domain names.

In a number of countries (Belgium, Colombia, Egypt, Finland, France, Italy, Norway and USA) efforts are under way to create specific legislation dealing with issues surrounding domain names and domain name registration.

1.3 Type of registry

Which organisation has been assigned responsibility for the ccTLD domain in your country? Is this organisation a public or a private entity? If it is a private entity is it subject to a regulator? Is the registry's conduct of business (e.g. the setting of registration fees) subject to judicial or independent review?

In most of the countries which responded to this question private sector, non-profit companies have responsibility for the ccTLD domain. In some cases, these private entities

are neither subject to a regulator nor is their business subject to judicial or independent review (Belgium, Czech Republic, France, Mexico, Sweden, UK). In France, however, government representatives are members of the board of the private registry AFNIC. In many countries, the activities of the private registry is subject to review by a regulator and/or a judicial or independent body. In Australia, Japan, Portugal, the Republic of Korea, Switzerland and the United States, for instance, the private registry's conduct of business and/or policy revisions are subject to review by or to the authority of a government agency or ministry, but not subject to judicial or independent review. In Greece and Hungary, the private registry is subject to both regulatory and judicial control. In Bulgaria, Colombia, Ecuador and Germany, the private registry is not subject to a regulator, but its conduct of business is subject to judicial or independent review. In Germany, this review is limited to whether the private registry DENIC complies with ordinary principles of bookkeeping and whether it adequately serves its purpose of administering the .de ccTLD domain.

Eight of the countries which have responded to this question have entrusted public sector agencies with the administration of the ccTLDs (Argentina, Egypt, Estonia, Finland, Latvia, Malaysia, Romania and Spain). These public entities are subject to administrative and judicial review.

In Paraguay, the ccTLD .py is co-administered by a joint operation between a public and a private entity which is not subject to any administrative or judicial review. In Thailand, a semi-private entity is responsible for registering .co.th domain names.

1.4 National treatment

Does the applicant require legal or national status in your country to register a domain name?

In some of the countries which answered this question registrants must be either citizens or permanent residents of the country, entities organised under the laws of the country or entities having a legal domicile in the country (Argentina, Colombia, Egypt, Estonia, Finland, France, Greece, Hungary, Malaysia, Norway Republic of Korea, Spain and USA). In Spanish legislation, efforts are under way to eliminate this requirement.

In a number of countries (Bulgaria, Canada, France, Greece, Hungary), foreign entities may nevertheless register a domain name if such entities hold a trademark registration in the respective country.

In the United States, registrants may also be entities that have a bona fide presence, in that they engage in lawful activities in the United States.

In the UK, some second level domain names, for example .ltd.uk and .plc.uk, are restricted to UK registered companies; registrants in .co.uk, however, do not need physical or legal presence. Likewise, a foreign company registered to trade in Australia or the owner of an Australian trademark may apply to register a .com.au or a .net.au second level domain name, while applicants for a .id.au second level domain name must be either an Australian citizen or resident. In Japan, there are two types of .jp domains. Legal or natural status is only required for organisation and geographic type .jp domains. For general use .jp domains a contact address is sufficient.

A contact address or representative, mostly for billing and delivery purposes, is also required in the Czech Republic, Germany, Paraguay, Sweden (under the new rules) and Thailand. In the Czech Republic, the applicant must also develop business activities in the country to register a domain name. In Italy, only members of the European Union may register a domain name.

In some countries (Belgium, China, Latvia, Mexico, the Netherlands, the Philippines, Portugal, Romania, Switzerland) no nexus between the registrant and the country is required.

1.5 Bars to registration

Is the domain name registry in your country entitled to reject applications on public policy grounds? If so, on which grounds (e.g. immorality or generic terms)?

In Belgium, the Czech Republic, Italy, the Philippines, Switzerland, UK and USA, the ccTLD registry is not entitled to reject applications on public policy grounds, such as immorality or generic terms.

However, most of the Groups who responded to this question state that the ccTLD registry is entitled to reject applications on public policy grounds. In a majority of countries, applications can be rejected if the domain names are illegal, offensive or contrary to morality and public order (Argentina, Bulgaria, China, Ecuador, Egypt, Estonia, Finland, France, Germany, Hungary, Latvia, Malaysia, Mexico, Paraguay, Portugal, Spain, Sweden). In Germany, Latvia and Mexico domain names can be rejected if they violate third party rights, such as well-known trademarks. In Latvia and Spain, applications can be rejected if they comprise person names and family names. In Latvia, Malaysia, Spain and Sweden the domain name registry can reject applications consisting of geographical locations. In Latvia and Sweden, an exception is made for local municipalities which are allowed to register their name as a domain name. In a number of countries, generic terms or words of common use cannot be the subject of a domain name (Egypt, Greece, Malaysia, Paraguay, Portugal, Spain). Some Groups state that misleading domain names can be rejected (Finland, Portugal, Romania, Sweden). In Argentina, Ecuador and Paraguay, more specifically, registration of domain names which may be confused with the name of State entities or International Institutions can be refused. In Australia and in France, registrars reject applications for domain names containing words that are on a "Reserved List". Such words include, for instance, names of international institutions and geographical locations, including all names of countries and Australian and French states and territories.

The Norwegian Group states that the applicant is required to sign a separate form stating that the domain name registration according to his knowledge will not infringe any third party intellectual property rights or otherwise be in breach with any law.

Both the German and Hungarian Group Reports state that in practice the registry does not examine applications, but that registrations may be cancelled upon third party notice. In the Netherlands, the registry is not entitled to reject applications on public policy grounds. After registration, however, any party who considers a certain domain name to be contrary to public order or morality may submit a complaint to the Complaints and Appeals Board. If the complaint is approved the registration will be cancelled again.

The Canadian and Japanese Group Reports state that the domain name registry has sole discretion to refuse and register any domain name for any reason whatsoever.

1.6 Appeals

Does the applicant for a domain name have the right to appeal against the refusal of the registry to register a domain name? If so, to which entity and based on what kind of procedure (e.g. arbitration or administrative procedure)?

In Belgium, the Czech Republic, Egypt, Malaysia, Mexico, the Philippines, the UK and the USA, there is no right to appeal against refusal of the registry to register a domain name. In Canada and Paraguay, the applicant can request re-examination in case an application is rejected. In Bulgaria, China, Ecuador, France, Germany, Japan, Paraguay, the Republic of Korea and Romania, there is no specific procedure for appealing against the refusal of the registry to register a domain name. Such refusal is however subject to judicial review by the ordinary courts.

In many of the countries which responded to this question the applicant specifically has a right to appeal against the refusal of the registry to register a domain name. In some countries the applicant may file an appeal to an administrative body, either a separate administrator or appellate body (Estonia, Latvia, the Netherlands, Spain, Sweden) or a government agency or ministry (Greece, Portugal). In Austria and Hungary, applicants can file a complaint to advisory boards which may direct the registries to remedy their errors. In Switzerland, applicants can file a complaint to a government office, but are not party to the proceedings. In Finland and Italy, an appeal may be taken directly from the registry to a court instead of an administrative body.

In Argentina, Greece, Latvia and Spain, there are two stages of appeal. In addition to the appeal from the registry to the administrative body there is an appeal from the administrative body to an administrative court.

1.7 Publication, opposition and cancellation

Is the application for or registration of a domain name made public in your country? Is there any procedure available to third parties to oppose such application (prior to registration) or registration? If so, on what (relative or absolute) grounds (e.g. prior trademark registration or generic term) and based on what kind of procedure (e.g. arbitration or administrative procedure)? Is it possible for a registered domain name to be cancelled? If so, by whom and on what (relative or absolute) grounds (e.g. prior trademark registration or generic term)? Is it possible to request cancellation of a domain name based on general statutory law (e.g. unfair competition law)? Which procedure is followed, in the case that cancellation is required? Is the ccTLD registry liable for domain names which infringe trademarks?

In every country which responded to this question, save Hungary, an application to register a domain name is not made public. However, the registration of a domain name, once issued, is made public insofar as all identifying data concerning the registration and its owner is usually made available online on a Whois database at no charge.

In all countries, except Hungary, there is no procedure available to third parties to oppose applications for a domain name prior to registration. In Hungary, non-priority applications, meaning that the applicant has neither trademark nor company name rights in the name sought to register, are made public prior to registration. Within a period of 14 days following publication third parties may oppose the application on absolute grounds (public policy reasons) and relative grounds (prior trademark registrations) in an administrative procedure.

In all of the countries which responded to the question, except Canada and Malaysia, there is no procedure available to oppose registrations of a domain name either. In Canada and Malaysia, the ccTLD registries have a dispute resolution process similar to UDRP that enables third parties to oppose a registered domain name in cases of bad faith registrations. To succeed under these dispute resolution processes, the complainant must

establish that the registrant's domain name is confusingly similar to the complainant's prior trademark, the registrant has no legitimate interests in the domain name; and the registrant has registered the domain name in bad faith.

In every country which responded to this question, save Hungary, it is possible for a registered name to be cancelled. Besides the pre-registration opposition procedure the rules of the Hungarian ccTLD registry only provide for an option that the registry itself may withdraw a registration on public policy grounds. In every other country which responded to this question, cancellation of a domain name may be requested in ordinary court or arbitration proceedings relying either on relative grounds (prior trademark registration), absolute grounds (public policy grounds) and/or general statutory law, specially unfair competition law. In Germany and UK a domain name cannot be cancelled solely on the basis that it is an absolute ground, e.g. a generic term. In Australia, Belgium, Canada, Japan, Malaysia, the Netherlands, the Republic of Korea and UK cancellation of a domain name may be also requested under a dispute resolution procedure. In Switzerland and in Sweden efforts are under way to create a dispute resolution procedure.

Most of the Groups state that the ccTLD registry is not liable for domain names which infringe trademarks. The Belgian, Canadian, French and Mexican Group Reports mention that the registrant agreement includes a provision that the registry will not be liable for any infringement claim against the registrant or the registry. In Canada, the registrant agreement also provides that the registrant will indemnify the ccTLD registry from any such claim. Some of the Groups (Germany, the Netherlands, Norway, Paraguay, USA, UK) stress that in principle the ccTLD registry, when put on notice, in case of bad faith or reckless disregard of the rights of the trademark owner, could be liable for registering domain names which infringe trademarks. Successful legal actions against registries however are extremely rare.

1.8 Maintaining the registration

Must use requirements be satisfied in order to maintain the domain name registration? If so, is there any definition of what constitutes use? Is a renewal fee payable, in addition to, or in place of, a maintenance fee?

In the majority of countries which responded to this question, no use requirements must be satisfied in order to maintain the domain name registration. In some countries (Estonia, France, Hungary, Mexico, Norway, Paraguay) it is required that the domain name servers are properly installed and thus technically operative. In Estonia and Paraguay, the domain name registration may be cancelled after 90 days of such non-use.

In Australia, Canada, Greece, Sweden and USA, non-use of a domain name is a factor that will be considered relevant in determining bad faith in a cybersquatting action in court or in a dispute resolution action.

In every country which responded to this question, save Argentina, Estonia and Romania, renewal or maintenance fees are payable to maintain the domain name registration.

1.9 Generic Top-Level Domains (gTLDs)

Are gTLDs subject to regulatory control in your country? If so, in what ways? Are there any differences to the treatment of ccTLDs? If so, what are they?

Every Group which responded to this question states that gTLDs are not subject to regulatory control in its country and that there are no differences to the treatment of ccTLDs.

2. Proposals for adoption of uniform rules

2.1 Nature of signs

Should the registration of a domain name confer exclusive rights to the proprietor? Should domain names be subject of dealings such as assignment, mortgage and the like?

Most Groups are in agreement that the registration of a domain name in itself should not confer exclusive legal rights to the domain name holder (Argentina, Australia, Canada, Czech Republic, Finland, Germany, the Netherlands, Norway, the Philippines, Republic of Korea, Romania, Sweden, Switzerland, UK, USA). Some Group Reports however state that the registration of a domain name should confer exclusive legal rights to the domain name holder (Colombia, Egypt, Estonia, Greece, Hungary, Malaysia, Mexico, Paraguay). The French and Latvian Groups find that the registration of a domain name should confer exclusive legal rights to the domain name holder if the domain name is effectively used and gives access to an active web-site.

Some Group Reports note that use of the domain name as a sign in commerce should give rise to exclusive legal rights, for instance to the extent that domain names incorporate trademarks, their use and registration should invoke the application of trademark law and the exclusive rights accorded to trademarks (Finland, Italy, USA).

Many Groups stress that domain names can become important company assets and therefore should be capable of being subject to dealings such as assignment, mortgage and the like (Argentina, Belgium, Bulgaria, Canada, Egypt, Estonia, France, Greece, Hungary, Italy, Japan, Latvia, Malaysia, Mexico, Paraguay, the Philippines, Portugal, Republic of Korea, Romania, Spain, Switzerland, UK, USA). The Finnish Group is of the opinion that assignments should be made subject to the condition that the assignee fulfils the same criteria for applying the domain name in question. The Australian Group believes that a registrant of a domain name should be entitled to transfer its rights in the domain name only in certain limited circumstances (for example, where the operations of the registrant are acquired by another party). The Czech Group Report states that domain names should not be capable of being subject to dealings such as assignment, mortgage and the like. The Swedish Group considers that domain names should not be the subject of mortgage and the like as a result of the unclear value and international character of a domain name.

The UK and French Group Reports emphasise that it would be advantageous to registrants if a file was added to the Whois database enabling notification of charges to be entered and possibly subsequent opposition by third parties.

2.2 Legislation

Should legislation be enacted to deal specifically with domain names and domain name registries?

A number of Groups do not consider specific legislation is necessary to deal with domain names and domain name registries at present (Australia, Germany, Hungary, Japan, Sweden, UK, USA). Many Groups however believe that legislation should be enacted to deal specifically with domain names and domain name registries (Argentina, Canada, China, Colombia, Czech Republic, Ecuador, Egypt, Estonia, Finland, France, Greece, Latvia, Malaysia, the Netherlands, Paraguay, Portugal, Republic of Korea, Romania, Spain, Switzerland). The Finnish Group would welcome unified policies regarding ccTLDs and an international treaty based structure to administer gTLDs. The Spanish Group is also in favour of harmonised legislation. The Group from the Philippines favours the adoption of a multilateral treaty which governs the use of domain names.

2.3 Type of registry

Do you think the domain name system should be administered by public or private entities?

If you think that the DNS should be administered by private entities should they only perform technical functions or should they also perform policy functions? If you think that they should only perform technical functions who should perform the policy functions? What do you think Government's involvement in a privately administered DNS should be? If the DNS is administered by private entities do you think that their actions should be subject to a regulator and to an independent review? If so, which institutions should perform these functions?

If you think that the DNS should be administered by public entities which institutions should perform the technical and policy functions? Should the assignment of gTLDs and the key internet co-ordination functions (e.g. the stable operation of the Internet's root server system) be performed by a treaty based multi-governmental organisation? If so, should an existing organisation such as WIPO or ITU be tasked with these functions or should a new one be created?

A small majority of the Groups who responded to this question think that the domain name system should be administered by a public entity, e.g. by an intellectual property or telecommunications government office (Argentina, Canada, China, Colombia, the Czech Republic, Ecuador, Finland, Latvia, Malaysia, the Netherlands, Portugal, Republic of Korea, Romania and Spain). The Group Reports of Argentina, China and the Netherlands state that the technical functions and/or the registering of the domain names may be delegated to private entities.

Many Groups think that the domain name system should be administered by private entities (Australia, Belgium, France, Hungary, Italy, Japan, Mexico, Norway, Switzerland, UK, USA). Most of the Groups who think that the DNS should be administered by private entities are of the opinion that these private entities should perform both technical and policy functions. A few Groups believe that policy functions should be performed by public entities (France, Mexico). Many Groups stress the necessity and importance of the involvement of the government as a regulator, independent review and judicial and alternative dispute resolution mechanisms (Belgium, Japan, Norway, Switzerland, UK). The US Group Report states that to the extent that the private entities meet basic standards of fairness and transparency, the involvement of the government or any other third party should be minimal. The Australian and Hungarian Groups emphasise that the private entities are required to use their best efforts to engage key stakeholders in the development of policy issues.

The UK Group notes that as long as the domain name system operates in a fair and efficient manner, the question of whether it is run by a public or private entity is of little concern to most users. The Swedish Group is of the opinion that the existing organisations should be relied on to maintain the stability of the system. The Finnish Group thinks that each nation should be able to decide on its own whether a private or a public entity should be tasked with the administration of the DNS.

Most of the Groups who responded to this question believe that the assignment of gTLDs and the key internet co-ordination functions should be performed by a treaty based multi-governmental organisation such as WIPO or ITU instead of ICANN (Australia, Bulgaria, Canada, Colombia, Ecuador, Estonia, Finland, France, Greece, Japan, Malaysia, the Netherlands, Norway, Paraguay, the Republic of Korea, Romania, Spain, Sweden). Only

the UK Group states that under the new ICANN structure various accountability mechanisms are built in, namely reconsideration, independent review and an ombudsman[1], and that this new structure should thus be given a sufficient trial period before considering a treaty based multilateral organisation. Among the Groups who are in favour of one of the existing treaty based multi-governmental organisations such as WIPO or ITU there is a clear preference for WIPO. The UK Group mentions that ITU has no experience of operating any registration system and is concerned that ITU would not be able to react with sufficient speed and flexibility. A few Groups believe that a new multi-governmental organisation should be created (Estonia, Greece, the Netherlands, Paraguay).

2.4 National treatment

Do you think domain name registries should be entitled to impose restrictions on the application process based on the nationality of the applicant?

Most Group Reports mention that there should be no discrimination among domain name registrants based on nationality (Argentina, Australia, Belgium, Bulgaria, China, Colombia, Czech Republic, Egypt, Estonia, France, Germany, Hungary, Latvia, Malaysia, Mexico, the Netherlands, Paraguay, Romania, Spain, Sweden, Switzerland, USA). A number of Group Reports state that ccTLD registries should be entitled to impose restrictions on the application process based on the applicant's nationality (Canada, Ecuador, Finland, Greece, Italy, Republic of Korea). The Finnish Group believes that this will make the domain names more accessible for small local entities. Some Groups believe that at least some degree of connection with the relevant country such as a contact address or representative, e.g. for notification purposes, should be required (Argentina, Australia, Germany, Japan, Norway, Portugal, UK). A number of Group Reports specifically mention that in view of the territorial nature of the ccTLD there should be a geographical nexus between the principal location of the entity concerned and the territory identified by the ccTLD (Italy, Japan, Norway, Spain). The Belgian Group Report states that no contact address should be required as an e-mail address would be sufficient.

2.5 Bars to registration

Do you think domain name registries should be entitled to reject applications on public policy grounds? If so, on which grounds (e.g. immorality or generic terms)?

The Belgian, German, Italian, Swedish and US Groups are of the opinion that domain name registries should not be allowed to reject applications on public policy grounds.

Almost all of the Groups who responded to this question however think that domain name registries should be allowed to reject applications on public policy grounds (Argentina, Australia, Bulgaria, Canada, China, Colombia, Czech Republic, Egypt, Estonia, Finland, France, Greece, Hungary, Japan, Latvia, Malaysia, Mexico, the Netherlands, Norway,

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1 The Working Guidelines mention that in June 2002 ICANN adopted "A Blueprint for Reform", prepared by ICANN's Committee for Evolution and Reform (ERC), setting out ICANN's proposals for reforming its structure. That document initiated a wide-ranging discussion throughout the ICANN community which resulted in the New Bylaws adopted at the ICANN Meeting in Shanghai, October 28-31, 2002. The New Bylaws create an ***At Large Advisory Committee***, which will serve as a vehicle for informed participation in ICANN by the global community of interested Internet users. In addition, the New Bylaws provide for a more effective integration of the ***Governmental Advisory Committee*** with the other constituent bodies of ICANN, including the ICANN Board. The New Bylaws further establish revised procedures for the independent review and reconsideration of ICANN actions and decisions, which should achieve accountability and transparency. Finally, the New Bylaws create an Office of Ombudsman, to serve as an advocate for fairness within ICANN. For more information see www.icann.org/committees/evol-reform.

Paraguay, the Philippines, Portugal, Republic of Korea, Romania, Spain, Switzerland, United Kingdom). The Spanish Group Report states that the same public policy grounds should apply in domain name registration as in trademark registration. The Australian Group suggests that the policy grounds be developed by the registry operator of the relevant ccTLD country, subject to input from interested parties.

Most of the Groups which are in favour of bars to registration are of the opinion that domain name registries should be allowed to reject applications which are contrary to morality and public order (Argentina, Bulgaria, China, Czech Republic, Egypt, Estonia, France, Greece, Hungary, Japan, Latvia, Mexico, the Netherlands, Paraguay, the Philippines, Portugal, Republic of Korea, Romania, Spain, Switzerland, United Kingdom). The Dutch and Swiss Groups specify that domain names should only be rejected on grounds of immorality in manifest cases. A number of Groups find that domain name registries should also be allowed to reject applications which contain generic terms (Argentina, Bulgaria, Czech Republic, Egypt, Greece, Hungary, Japan, Latvia, Paraguay, Portugal). The Groups from Argentina and France consider that applications which contain names of States and International Institutions should also be rejected. The Group from Argentina also proposes to exclude domain names which contain geographical locations, denominations of origin and names of persons and families. Finally, the Norwegian Group Report mentions manifest violations of third party rights as bars to domain name registration.

2.6 Appeals

Do you think that the applicant for a domain name should have the right to appeal against the refusal of the registry to register a domain name? If so, to which entity and based on what kind of procedure (e.g. arbitration or administrative procedure)?

All Groups which responded to this question, save the US and German Groups, believe that the applicant should have the right to appeal against the refusal of the registry to register the domain name in the framework of arbitration and/or administrative proceedings (Argentina, Australia, Belgium, Bulgaria, Canada, China, Colombia, Czech Republic, Ecuador, Egypt, Estonia, Finland, France, Greece, Hungary, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Paraguay, the Philippines, Portugal, Republic of Korea, Romania, Spain, Sweden, Switzerland). The Finnish Group notes that rules for appealing should also be established for gTLDs within the scope of a possible future international treaty. The Hungarian Group stresses the importance of the appeal body being completely independent from the registry.

Only the US Group is of the opinion that the applicant should not have the right to appeal against the refusal of the registry to register the domain name as appeals would only impose additional and unnecessary costs. The German Group finds that the applicant should only have the right to appeal against the refusal of the registry to register the domain name in case the registries are entitled to reject applications on public policy grounds.

2.7 Publication, opposition and cancellation

Do you think that the application for or registration of a domain name should be made public? Do you think that there should be a procedure available to third parties to oppose such application (prior to registration) or registration? If so, on what (relative or absolute) grounds (e.g. prior trademark registration or generic term) and based on what kind of procedure (e.g. arbitration or administrative procedure)? Do you think that it should be possible for a registered domain name to be can-

celled? If so, by whom and on what (relative or absolute) grounds (e.g. prior trademark registration or generic term)? Do you think it should be possible to request cancellation of a domain name based on general statutory law (e.g. unfair competition law)? If so, which procedure should be followed? Do you think domain name registries should be liable for domain names which infringe trademarks?

Many Groups think that domain name applications should be made public (Argentina, Canada, China, Colombia, the Czech Republic, Egypt, Greece, Hungary, Latvia, Paraguay, the Philippines and Romania). Most of the Groups think however that only domain name registrations and full identifying data concerning their owners should be made public and ascertainable online, e.g. in a Whois database without charge (Australia, Belgium, France, Germany, Mexico, the Netherlands, Norway, Portugal, the Republic of Korea, Sweden, Switzerland, UK and USA).

Some Groups believe that there should be an administrative procedure available to third parties to oppose domain name applications prior to registration (Argentina, Egypt, Italy and Paraguay).

Some Group Reports state that there should be an administrative procedure to oppose domain name registrations (Estonia, Mexico, Republic of Korea, Spain). The Swiss and Malaysian Group Reports that there should be a dispute resolution policy similar to UDRP, to oppose domain name registrations. The Swiss Group notes that unlike UDRP such dispute resolution process should not be restricted to trademarks.

A number of Groups favour the introduction of opposition proceedings without specifying whether third parties should be entitled to oppose applications prior to registration or to oppose registrations (Canada, Czech Republic, Germany, Greece, Hungary, Latvia, Philippines, Portugal and Romania).

Some Groups think that there should not be opposition proceedings because they would make the system more cumbersome and expensive (Australia, Belgium, China, Finland, Japan, the Netherlands, UK, USA).

All of the Groups who responded to this question are of the opinion that there should be a procedure for third parties to seek cancellation of registrations in court proceedings. Some Groups think that a cancellation should also be possible in arbitration proceedings (France, Germany, Italy and Latvia) or by application to the registry through its dispute resolution services (Belgium, Hungary, Japan, Malaysia, the Netherlands, Republic of Korea, Sweden, Switzerland and UK).

Most of the Groups who responded to this question think that it should be possible to request cancellation based on absolute or relative grounds as well as general statutory law such as unfair competition law. Some Groups think that it should not be possible to request cancellation based on absolute grounds (Belgium, Egypt, Germany, Italy) or general statutory law (Hungary, Norway). Some Group Reports state that cancellation based on general statutory law should only be possible by application to ordinary courts (Canada, France, Germany, Italy).

A number of Groups note that the domain name registries should be entitled to cancel the domain names if the registrants fail to comply with the administrative obligations arising from the registrant agreement (Australia, Canada, Italy).

Most Groups think that domain name registries should not be held liable for domain names which infringe trademarks (Argentina, Australia, Belgium, Canada, Colombia, France, Germany, Italy, Japan, Malaysia, Mexico, Norway, Republic of Korea, Romania, Spain, Sweden and UK). The Canadian, German and Greek Groups state that if domain

name registries were held liable the current regime would have to be abandoned for a slower, more labour intensive and thus more expensive process where rightful ownership of a domain name would have to be determined prior to registration. Some Groups think that domain name registries should only be held secondarily liable (with the domain name registrant having primary liability) for registering domain names which infringe trademarks in extraordinary circumstances when they have acted in bad faith or reckless disregard of the rights of trademark owners (Latvia, Paraguay, Switzerland and USA). The Dutch Group Report mentions the possibility of applying to registries the type of duties now being applied to internet service providers under the Digital Millennium Copyright Act in the USA and the E-Commerce Directive in the European Union. For instance, a trademark holder could demand that the registry temporarily blocks the access to a particular domain name.

2.8 Maintaining the registration

Do you think that use requirements should be satisfied in order to maintain the domain name registration? If so, what should constitute use? Should a renewal fee be payable, in addition to, or in place of, a maintenance fee?

Some Group Reports state that there should be no use requirement (Australia, Belgium, China, Japan, Latvia, Romania, Sweden, Switzerland, UK, USA). Many Groups however believe that there should be use requirements (Argentina, Canada, Colombia, Czech Republic, Ecuador, Estonia, France, Germany, Greece, Hungary, Malaysia, the Netherlands, Norway, Paraguay, the Philippines, Republic of Korea, Spain). Some Groups recognise the difficulty of defining "use" (Germany, the Netherlands). The Estonian and Paraguayan Group Reports consider that the technical availability of the domain name should be sufficient. The French and German Groups find that use of a domain name to give access to an active web-site should be considered sufficient use. The Norwegian Group notes that the domain name should be visible on the web-site as such. The Greek Group Report states that any kind of marketing activity should constitute use. The French and Korean Groups are of the opinion that a registered domain name should be vulnerable to revocation or declaration of invalidity after at least two years of non-use. The Group Report from Egypt states that an international treaty should define what constitutes use of a domain name. The Group Report of Argentina mentions that there should be a use requirement to the extent that an active bona fide site on the Internet is required. The Finnish Group finds that there should be no use requirements for ccTLDs, but that there should be use requirements for gTLDs.

All Groups which responded to this question, save the Group from Finland, agree that a renewal or maintenance fee should be required to extend the initial registration term (Argentina, Australia, Canada, Colombia, USA, Egypt, France, Germany, Greece, Italy, Latvia, the Netherlands, Malaysia, Norway, Portugal, Romania, Sweden). Only the Finnish Group finds that nations should be free to decide whether a renewal fee should be required for ccTLDs.

3. Assessment of the trademark registration system

Do you think that the publicly administered trademark registration system is adequate and sufficiently efficient as compared with the privately administered system of domain name registration? If not, please explain.

Most Group Reports state that the trademark system is adequate and sufficiently efficient (Australia, Belgium, Canada, Czech Republic, Egypt, Finland, France, Germany, Greece, Hungary, Japan, Latvia, the Philippines, Portugal, Republic of Korea, Romania,

Spain, Switzerland). The Australian Group Report emphasises that, given the tasks that the trademark system is charged with carrying out, the additional time and expense taken by the latter in its operations is necessary and appropriate. The Canadian Group mentions that the publicly administered trademark regime is cost effective and affords the parties due process. The German Group Report states that the adoption of some of the working methods of domain name registries such as the increased use of on-line operating procedures by trademark offices would help to reduce their backlogs.

Some Groups (China, Italy, Malaysia) believe that the trademark system is not adequate and sufficiently efficient. The Group from Ecuador finds the trademark system adequate, but not sufficiently efficient.

A few Groups consider a comparison between the trademark registration system and the system of domain name registration as inaccurate because the two systems are not analogous (Argentina, USA). The US Group Report states that the trademark system creates exclusive legal rights and therefore must necessarily include procedures to assure due process, fair adjudication of disputes and rights of appeal to a reviewing court while the system of domain name registration is designed to provide efficiently internet addresses to which their registrants have contractual rights but no broader trademark-type rights to stop others from using the same or similar names and marks.

4. Miscellaneous

The Argentinean Group mentions that further consideration should be given to the difficulties which arise from the fact that the trademark system grants territorial rights based on a classification of goods and services whereas the domain name system does not.

The Finnish Group notes the existence of parallel domain name systems (such as new.net) and emphasises that such parallel domain name systems should be taken into account when conducting efforts on the unification of the domain name system administered by ICANN.

The Norwegian Group Report notes the usefulness of a declaration of the applicant declaring that according to his knowledge the registration of the domain name will not infringe any third party intellectual property rights and proposes to consider whether such a declaration should be accompanied by a search report indicating that no identical or confusingly similar marks or company names are registered.

5. Summary

The many excellent Group Reports should enable AIPPI to put together a Resolution on this Question which identifies the key elements of domain name registration procedures that will support the twin aims of providing efficiently internet addresses while affording the parties the necessary due process. In drafting a Resolution on this Question the following parts seem to have a strong support by the Groups:

- The recommendation that the system does not confer exclusive legal rights to the domain name holder as a result of the registration of the domain name in itself. There should be the possibility, however, of obtaining exclusive legal rights as a result of the use of a domain name as a sign in commerce and/or as a result of registration as a mark. In addition, domain names should be capable of being the subject of dealings, given the fact that they can become important company assets.

- The recommendation that countries enact legislation to deal specifically with domain name registration, given that the administration of domain names is a matter of public interest.
- The recommendation of a system wherein countries should be free to decide whether the domain name system should be administered by public or private entities. However, the system should probably provide for accountability mechanisms, including minimal involvement of the government as a regulator and independent review. The Resolution may make a recommendation as to tasking WIPO with the key internet co-ordination functions and overseeing the assignment of gTLDs. Alternatively, the Resolution may consider giving the new ICANN structure a sufficient trial period before considering a treaty-based multilateral organisation.
- The recommendation of an open system with the removal of any registration requirements which discriminate in favour of local entities or individuals.
- The recommendation that domain name registries should be entitled to reject domain name applications on public policy grounds such as immorality. However, domain name registries should not be allowed to refuse to register a domain name which contains generic terms.
- The applicant should have the right to appeal against the refusal of the registry to register a domain name.
- The recommendation that domain name registrations and full and accurate ownership and contact details should be made public online, preferably in a Whois database without charge. The system should further include a process by which a third party whose trademark rights are infringed can seek cancellation of domain name registrations. We should also recommend the imposition of a dispute resolution procedure to provide for quick and transparent decisions in domain name disputes.
- The recommendation that there should be no use requirements to maintain the domain name registration.