

Working Guidelines

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Question Q173

Issues of co-existence of trademarks and domain names: public versus

private international registration systems

Introduction

Trademarks are signs by which the goods of the applicant may be distinguished from the goods of others. Trademarks function as communicators because they enable consumers to distinguish between products and allow marketers to offer products of diverse qualities at diverse prices. Domain names are internet addresses identifying computer sites connected to the internet and as such also convey information. The Domain Name System (DNS) enables users to send e-mails and navigate through the internet to access web-sites. Both trademarks and domain names are secured through registration systems. The nature and structure of these registration systems however differ in fundamental ways. The trademark system is publicly administered and - based on national and regional filings - gives rise to exclusive rights that are exercisable only within the territory concerned. On the other hand, the Domain Name System (DNS) is largely privately administered and gives rise to registrations that result in a global presence, accessible from anywhere in the world.

The structure of the DNS has been the subject of intense debate in several circles. There are many in the Internet community who have concerns about the legitimacy of private sector corporations such as the Internet Corporation for Assigned Names and Numbers (ICANN) administering such an important global tool for commerce, communication and education as the Domain Name system. Some are arguing that Governments should become more involved in the administering of the DNS through, or under the umbrella of, an intergovernmental treaty based organisation like WIPO or the International Telecommunications Union (ITU). In response

to the concerns expressed about it ICANN is currently considering reforming its structure. On a country level, the Colombian Ministry of Communications recently announced that the administration of the .co country code top-level domain (ccTLD) is a matter of public interest that should be administered by the Ministry of Communications and not by a private entity, which is currently the case in Columbia. In Switzerland, the Federal Office of Communications had considered regulating the administration of the .ch ccTLD applying principles of trademark law to the registration procedure including public policy restrictions and use requirements, among others.

This question seeks 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 seeks to assess the adequacy and efficiency of the trademark registration system as compared with the domain name registration system.

AIPPI Studies

AIPPI has considered issues of co-existence of trademarks and domain names in previous questions. In Q143 (internet domain names, trademarks and trade names, Yearbook 1998/VIII, pages 405-410) AIPPI investigated conflicts between domain names, trademarks and trade names and noted its belief that domain name registrars should adopt stricter registrations conditions for domain names in order to prevent such conflicts.

In Q164 (the use of trademarks and other signs on the Internet, available at www.aippi.org) AIPPI noted the contents of WIPO Doc. SCT 6/7 Prov. I of March, 30, 2001 and resolved that when assessing the infringement of intellectual property rights by the use of a sign on the Internet, national authorities should take into account whether the use of that sign has an actual or threatened commercial effect in the territory concerned.

These previous questions dealt with conflicts between domain names and trademarks. This topic should be left out from the scope of this question Q173. This question looks at the interface between the domain name registration system and the trademark registration system from a comparative policy perspective rather than investigating conflicts between domain names and trademarks.

Special Committee Q166 is in charge of monitoring, studying and advising on all issues brought forward by ICANN and to represent AIPPI in the respective bodies of the DNSO (Domain Name Supporting Organisation), primarily in the Intellectual Property Constituency (IPC), and as such is also considering ICANN restructuring issues. However, Special Committee Q166 is required to work on an urgent and more specific basis to provide input in the framework of the IPC. Q173 looks at these issues from a more general perspective and in doing so seeks to provide additional guidance to the direction of future work efforts of Special Committee Q166.

The Domain Name System (DNS)

The DNS operates on the basis of a hierarchy of names. At the top are the top-level domains, which are divided into two categories: the generic top-level domains (gTLDs) such as .com or .org and the country code top-level domains (ccTLDs) such as .ar for Argentina or .sg for Singapore. There are, at present, twelve gTLDs and over 240 ccTLDs. One more gTLD (.pro) is scheduled to be introduced at the end of 2002. In addition, efforts are under way to create a top-level domain .eu for the European Union.

Underpinning the DNS is the root server system consisting of 13 geographically distributed root name servers (10 in the USA, one in London, Tokyo and Stockholm). The root server computers contain all the internet addresses of the top level domain registries. The volume of internet traffic handled by the root server computers is huge; one server alone handles hundreds of millions of queries a day.

For many years, the operation and management of the DNS was performed on a mostly informal, ad hoc basis by a global network of academic researchers, technical organisations and contractors to the United States Government. The emergence of the Internet in the 1990's as an important global tool for commerce, communication and education however necessitated the development of a more formal and representative system to perform these functions. Based on global input, the United States Government began the process of privatising and internationalising the management of the DNS and related internet co-ordinating functions. In 1999, the United States Department of Commerce signed an agreement with ICANN for the transfer of responsibilities for the domain name system.

ICANN is an independent, non-profit, private sector corporation based in Marina del Rey, California, formed by the global community of Internet stakeholders including businesses, consumers and Internet Service Providers (ISPs), among others. Governments generally feed into the ICANN process through the Government Advisory Committee (GAC) which meets simultaneously with ICANN Board Meetings to address issues of concern. However, ICANN still defers to the United States Department of Commerce on key decisions.

ICANN co-ordinates the stable operation of the Internet's root server system and performs a number of other key internet co-ordination functions. In addition, ICANN is tasked with overseeing the assignment of domain names. Some of ICANN's technical functions have public policy implications in areas such as competition, privacy, security and consumer protection. ICANN is thus a private organisation performing quasi-governmental roles.

ICANN does not register domain names itself. The gTLDs are operated by private sector corporations which are authorised by ICANN. For instance, Verisign Inc. of Mountain View, California, currently operates the .com, .net and .org registries. Registrations of ccTLDs are administered by country-code managers which are directly or indirectly authorised by ICANN.

Many ccTLD registries are also private sector corporations. For instance, in Switzerland, domain names with the ccTLD .ch are allocated by a non-profit organisation by the name of Swiss Academic and Research Network (SWITCH). However, some countries (e.g. Argentina, Chile) have entrusted public sector agencies with the administration of ccTLDs. The domain name registration procedures vary among the numerous registries. Some countries have restrictions on the number and types of names that can be assigned.

ICANN reform

ICANN's performance role and future is currently the subject of intense debate in several circles: the Internet Community at large, the United States Senate and within ICANN itself. In June 2002, the United States Senate Subcommittee on Science, Technology and Space conducted a hearing into ICANN's Governance after some politicians threatened to introduce legislation to give the US government more influence in managing the DNS. In February 2002, ICANN's president, Stuart Lynn, produced a report "ICANN, the case for Reform" in which he considered ICANN's unstable structure should be replaced with an effective "public-private partnership" rooted in the private sector but with the active backing and participation of national governments. The President's paper has started an international process to reform ICANN. Following its Board Meeting in Bucharest in June 2002 ICANN adopted a document, prepared by ICANN's Committee for Evolution and Reform, called "A Blueprint for Reform", setting out ICANN's proposals for reforming its structure in response to the concerns expressed about it.

Underpinning these debates are sharply contrasting views over the proper ambit of ICANN's role: should it simply be a technical role which assesses and implements technical and operational standards for the Internet or should it have a wider role in policy development? The view of ICANN's Committee for Evolution and Reform, as expressed in "A Blueprint for Reform" is that "ICANN, today, inevitably has a global policy role". There are many in the Internet community however who have concerns about the legitimacy of ICANN as a policymaking institution. Some are suggesting that ICANN's role be confined to technical functions such as co-ordination of the root server computers and the policy functions transferred to an intergovernmental treaty based organisation like WIPO or the International Telecommunications Union (ITU), similar to the situation in international trademark law. Many believe that, at the very least, Governments should become more involved in ICANN. "A Blueprint for Reform" addresses Government Participation and seeks to strengthen GAC's integration into ICANN by way of appointment of non-voting board members. A recent commentator has called this plan a "half-hearted attempt to broaden ICANN's legitimacy".

There is a further issue. Those who challenge the legitimacy of ICANN request that an independent review process be established to control ICANN's power. "A Blueprint for Reform" however lays out a narrow role for independent review.

Questions

1. Analysis of Current Domain Name Registration Procedures

The National and Regional Groups are invited on all of the following questions to express their opinion as to the current situation in their countries.

1.1 Nature of signs

Trademark registration confers exclusive rights to the proprietor to use the protected sign as a trademark. Registration of a domain name results in a global presence, the status of a domain name however is unclear.

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?

1.2 Legislation

The trademark registration system is governed by national trademark law. The registration of the Community Trademark is governed by the community trademark regulation (CMTR) and other regulations. On the other hand, the administration of domain names is traditionally not subject to specific legislation.

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

1.3 Type of registry

The national trademark system is administered by public agencies (trademark offices), whose conduct of business is based on a statutory legal framework and subject to judicial review. Similarly, the office for Harmonisation in the Internal Market (OHIM) administers the community trademark system based on the community trademark regulation (CMTR) and other regulations. The domain name system however is largely privately administered. Some countries have entrusted public regulatory entities with the administration of the ccTLDs (e.g. Argentina, Chile).

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?

1.4 National treatment

Under Article 3 of TRIPS contracting states must accord to the nationals of other contracting states treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property, including trademarks among others. In many countries the registration of a ccTLD requires legal or natural status in the country.

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

1.5 Bars to registration

The publicly administered trademark system typically provides for bars to registration for public policy reasons. For instance, national trademark laws traditionally prohibit registration of a mark that consists of or comprises immoral or scandalous matters. The same applies to generic terms. In many jurisdictions, even proof of secondary meaning cannot transform a generic term into a subject for trademark. On the other hand, privately administered domain name registries typically do not refuse an application on the basis of obscenity, generic terms or other public policy restrictions.

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)?

1.6 Appeals

If the trademark examiner refuses to register a trademark the applicant has traditionally a right to appeal to a Board of Appeals or ultimately a Court.

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)?

1.7 Publication, opposition and cancellation

Under Art. 15 TRIPS trademarks must be published either prior to registration or promptly after registration. Members also have the obligation of providing for a procedure to cancel trademarks, and may afford an opportunity for the registration of a trademark to be opposed. Such opposition procedure may be provided before or after registration. Accordingly, if a trademark examiner does not make any objection to a trademark application or if the applicant overcomes the objection made by the examiner and the examiner approves the trademark application for publication or for registration, all TRIPS member countries must give any third party the opportunity to challenge a trademark through cancellation procedures and optionally through opposition proceedings that might be before or after grant.

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?

1.8 Maintaining the registration

Trademark laws traditionally require use of the mark to maintain the registration. Under Article 19 of TRIPS a registered mark may be vulnerable to revocation or declaration of invalidity after "at least three years of non-use". Maintaining the trademark registration also requires the payment of renewal fees.

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?

1.9 Generic Top-Level Domains (gTLDs)

The gTLDs are not administered by national operators and as such not subject to specific national legislation. Some countries however may also exert regulatory authority over 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?

2. Proposals for adoption of uniform rules

The National and Regional Groups are invited to put forward any proposal for adoption of rules alleviating potential deficiencies of current ccTLD and gTLD domain name registration procedures. More specifically, the Groups are invited to answer the following questions both with regard to ccTLD and gTLD registration procedures.

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?

2.2 Legislation

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

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?

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?

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)?

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)?

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 cancelled? 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?

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?

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.

4. Miscellaneous

The National and Regional Groups are invited to comment on any additional aspect which they find relevant with regard to the foregoing questions and the specific aspects of trademark and domain name registration.

Note: It will be helpful and appreciated if the Groups follow the order of the questions in their Reports and cite the questions and numbers for each answer.