

GPO Box 763
Nedlands, Western Australia 6009
Telephone 040302 2527
Fax: (08) 9386 7564
Email: doug@clarity.com.au

To: Ms Jo Lim, Secretariat, auDA Name Policy Advisory Panel

Dear Jo,

Below is my submission to the panel.

Doug Robb

doug@clarity.com.au

4.1.4 Conflict between domain names and trade marks

Domain name licence applicants should acknowledge at the time of application that their entitlement to a domain name may be challenged by a third party with existing trade mark rights in the domain name.

Submission:

In response to this statement Melbourne IT in their submission went further than this stating:

*Melbourne IT supports recommendation 4.1.4 that the Registration Agreement **includes a warranty** that the registration of the domain name, or its use, **does not** infringe on another party's rights.*

The Melbourne IT recommendation is far too expansive and I believe the original 4.1.4 statement is sufficient. It is quite legal for owners of domain names to operate their web sites and businesses without interfering with the trademark rights of third parties, even when the third party has a trademark on a particular root word used in a domain or business name.

The purpose of a trademark is simply to distinguish the goods and services of one trader from those of another - not in itself to form the basis of a claim on a domain name.

The protection a trademark owner receives is clearly defined in law and relates the narrow definition of goods or services within the class that the mark was awarded. For example there are 42 classes in which a trademark can be awarded.

These include Class 8 for *"Hand tools and implements (hand operated); cutlery; side arms; razors"*, Class 15: for *"Musical instruments"* and Class 9 *"Scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus"*.

The same mark is often awarded in different classes and in the case of broad classes such as 9; the same mark can be awarded to multiple owners within a class.

Then of course there are many existing enterprises using a mark that may be a trademark in a particular class. It should be obvious that these enterprises can (and do) co-exist without infringing registered trademarks since the purpose of trademarks is to distinguish one trader's goods or services from another - not to give exclusive use of that mark to one trader.

For this reason the allocation of domain names in my opinion should not be constrained by the fact that someone somewhere has a trademark. Indeed a trademark search itself will reveal multiple holders of the same mark. Why should one holder of mark be given preference over another?

It is not the case that a trademark holder has automatic rights under the trademarks act to the domain name in the.com or any other namespace. This is a common misconception.

Trademark holders have ample remedies available under the act if there is a violation of their statutorily rights and I do not feel it is the role of, nor reasonable to make a domain holder provide warranties of the nature suggested in the Melbourne IT submission. I think it is sufficient to simply point out that that their entitlement to a domain name may be challenged by a third party with existing trade mark rights in the domain name as stated in 4.1.4.

4.5.2 Dispute resolution procedure

- b. There should be two levels of dispute resolution procedure:
 - i. the first level should deal with due process - ie. where an applicant wishes to contest the implementation of a policy within a domain by a registrar; and

- ii. the second level should deal with bad faith registration and/or use of a domain name - ie. referral to a dispute panel for enforcement of third party rights.
- d. At the second (bad faith) level:
- i. there should be an appeal to an independent arbitrator;
 - ii. the arbitration should be binding on the applicant, the domain name licence holder and all registrars;
 - iii. it should be restricted to bad faith registration and/or use of a domain name;
 - iv. the domain name **should be** frozen pending arbitration;
 - v. only eligible applicants should have access; and
 - vi. the remedy can be cancellation of the registration or transfer of the domain name to a successful applicant.

Submission:

I think the wording of section d) item iv) should be amended to "**may be frozen**" rather than "**should be frozen**". This is because there may be cases where vexatious or highly ambitious claims are made and the incumbent should not be penalised by having the domain name suspended as a matter of policy while such claims are tested.

Major commercial damage could be done to an entity caught up in this process with their domain name suspended while a claim is arbitrated. It should only be in very special circumstances a domain should be frozen.

In terms of arbitration this process should only involve obvious cases of direct trademark infringement, passing off or other common law violations. The Issuing of a domain name in itself is not an infringement of a trademark and so more complex cases should be dealt with under the existing framework of company, commercial and trademark law.

I do not feel it is the role of the registrar or the auDA to arbitrate in complex matters of trademark law and perhaps usurp the common law rights of entities due the composition of a particular arbitration committee or prevailing opinions of members of such committees.

End of Submission.