

Ms Jo Lim
auDA
GPO Box 424G
MELBOURNE VIC 3001

Dear Ms Lim,

RE: Review of Policies in .au Second Level Domains
Our Ref: DCC:TG

Thank you for the opportunity to comment on the proposals for changes to domain name policy. As our members represent a substantial proportion of the intellectual property constituency of Australia and elsewhere, the issues of eligibility, conflict, restrictions and dispute resolution are of real concern to us.

Of the proposals in the report which affect us and our members, we will make specific submissions. Our lack of submission on any particular proposal should be understood to mean that this Institute has no particular position in relation to that proposal.

4.1.1

We agree with the proposals a, b, c and d outlined in the report. In particular, we believe there must be a specific statement, if not a declaration, of intention to use the domain name licence for the purpose envisaged by the relevant 2LD.

More importantly, however, is that at least the open 2LDs should provide that a trade mark provides a sufficient prerequisite for the domain name licence application. The trade mark should, in our view, be either a trade mark registration or an application for registration but the prerequisite should not extend to unregistered trade marks which are not the subject of an application. The trade mark must conform to the definition of Appendix 3 so that composite trade marks consisting of words and devices, or the like, would not provide the necessary basis.

While we believe that the proposal should include the application for registration as being sufficient basis for a domain name licence application, we are cognisant of the fact that it is a relatively expensive exercise to police trade mark applications and to revoke a domain name licence if the application does not proceed to registration. Against this, however, is the fact that a domain name licence applicant will generally need to apply for the domain name quickly and will be unable to wait until a trade mark becomes registered. The failure of a trade mark application to precede to registration will be only one of many grounds for revoking a domain name. Consequently, it is our strongly preferred position that trade mark applications do provide a basis for a domain name licence, while a registered trade mark within the definition should, without question, provide the basis for a domain name licence. Further, if a registered mark lapses after 10 years due to non-renewal, such lapsing should not be a basis for revoking the domain name.

4.1.2

We agree with the proposal that the rule of only one domain name licence per entity be removed. Many of the clients of our members have a number of very well known trade marks by which their products, and the proprietor, is known. We believe those companies ought to be able to register domain names based on each of their trade mark registrations to provide the commercial link between the internet user and the trade mark owner. At present, the restriction is avoided by companies registering numerous, unwanted business names incorporating their trade marks.

4.1.3

We agree that there must be a connection between the domain name and the domain name licence holder. That connection can either be a direct connection between the respective names or a connection through the registration of the proposed domain name as a trade mark.

The question of whether a semantic connection between the domain name and the registered trade mark is a sufficient connection should be considered. There is one proposal that the domain name must exactly correspond with the registered trade mark, and there is another school of thought which says that, particularly for well known or famous marks, small variations in the spelling should be allowed to prevent cybersquatters, or other traders, trading off a reputation. However, a semantic connection may result in a domain name for which the connection is unrecognisable.

Further, it may be necessary for the trade mark owner to use its trade mark in a way which distinguishes one trade mark and domain name, for certain goods or services, from another. For example, the owner of the trade mark “CAT” for watches may need to use “cattime” as its domain name to distinguish from another owner of the trade mark “CAT” in respect of tractors.

Therefore, we believe that the definition of the connection must be such as to enable the domain name to be seen as being derived from either the name of the licence holder or from a registered trade mark owned by the licence holder. We believe that a “direct derivation” test should apply at least for those names based on a trade mark right.

4.1.4

We agree that domain name licence applicants must acknowledge that their entitlement to a domain name may be challenged by a third party with trade mark rights in the domain name. This leads, however, to the sort of complications which arise between trade marks, including unregistered trade marks. Sections 41 to 44 of the Trade Marks Act provide an insight as to some of the difficulties which will be faced by domain name licence holders if the name is challenged by the alleged owner of an unregistered trade mark.

We also agree that domain name licence applicants should be alerted to the potential of infringement of a trade mark registration through use of a domain name as a trade mark. Many companies are using their domain names in this manner and, without checking trade mark rights, or even registering the domain name as a trade mark, potential difficulties may arise.

At the same time we believe that, in the interests of “transparency”, the names and addresses of owners of domain names must be available to the public. This is necessary to both enable third parties to communicate with a name holder and to serve documents in the event of a challenge or the like.

Still further, we believe that a register of names and owners should be available on the auDA website or other suitable location to enable trade mark owners and others to check that names licensed do not conflict with existing rights. In addition, newly registered names should be published on the website each week, fortnight or month to enable the public to easily check the new names. The technology is clearly available for this to be done and it would enable convenient policing of those names by trade mark owners and other domain name licencees.

4.1.5

We believe that all domain name licences should be renewed every two years. This will enable unused and unwanted names to be recycled so that the registry is not cluttered. At the same time, a license holder can be required to comply, as far as possible, with any new eligibility requirements such as dispute resolution procedures.

4.2.1

Generic and geographic words are not able to be registered as trade marks in Australia without evidence establishing that the trade mark, by reason of use, is capable of distinguishing the goods or services of the trade mark owner from goods or services of other persons. We are using the word “generic” here to mean words which are ordinarily used to indicate a quantity, quality, value, kind or intended purpose of the goods or services. Searching for a definition of what constitutes a generic word has exercised the minds of the judiciary for many decades in trade mark matters. The considerations, however, are different with domain names where we are not dealing with the use of the name in relation to specific goods or services. However, we believe that the present policy should be retained restricting the licensing of generic, geographic and objectionable domain names. The development of appropriate “reserved” lists will assist together with clear definitions, and we are in favour of this.

4.3.2

The proposal for the introduction of a system of gateways would appear to us to resolve at least some of the difficulties associated with banning generic and geographic names and would enable businesses to be grouped so as to be easily located. While this question does not appear to have any implication in relation to trade mark owners, as users of the internet we believe the proposed gateway system may give many benefits to the community and would assist in differentiating names (trade marks) in relation to different industries.

4.5.2

Internationally, the dispute resolution experience with respect to the top level domain names provides a lead for Australia, particularly in relation to cybersquatting and other abuses of domain name registration.

In Australia, while trade mark owners may take action the Trade Practices Act or the Trade Marks Act 1995, such proceedings will not generally be appropriate in relation to cybersquatting disputes.

We are concerned that, at present, there is currently no formal dispute resolution procedure in place. In our view, the present provision for an independent arbitration in relation to .com.au domain names is insufficiently detailed or clear to constitute an adequate dispute resolution procedure.

In relation to the proposed first (due process) level of dispute resolution, we support the proposal as set out in the report. In relation to the second (bad faith) level of dispute resolution, we believe that Australia should adopt the ICANN UDRP rules. We can either adopt the procedure in its present form, as have a number of other countries or we can set up similar procedures based on the ICANN UDRP rules but with the process undertaken here.

We understand that the ICANN UDRP has, to date, been largely successful in correctly arbitrating disputes between domain name licensees and trade mark owners. The decisions given in these cases will provides some guidance. To adopt the ICANN UDRP procedures would avoid the need to duplicate what is already available.

If the ICANN UDRP were to be adopted, it might then be possible to persuade ICANN to appoint a dispute resolution service provider based in Australia.

Also, whatever dispute resolution process is adopted, the process must be open to others besides "only eligible applicants", such as trade mark owners. However, the opposer must be able demonstrate locus. In relation to the second (bad faith) level, all domain name licence applicants must be required to compulsorily submit to the dispute resolution procedure.

Yours sincerely,

Doug Carter
President