SUBMISSION TO auDA NAME POLICY ADVISORY PANEL

by Southcorp Limited

in response to

PUBLIC CONSULTATION REPORT
(November 2000)

on the

REVIEW OF POLICIES IN .au SECOND LEVEL DOMAINS

This submission does not address all of the proposals contained in the Report, it only addresses those areas where the company has had some experience, and has a view regarding the proposal.

4.1.1a. The proposed use of the domain name licence must fit the purpose envisaged by the relevant 2LD.

Subject to the comments in relation to Proposal 4.1.1c. below, this is acceptable.

4.1.1b. There must be a declaration of a bona fide intention to use the domain name licence for the purpose envisaged by the relevant 2LD.

This is good in theory, but if someone does not have a bona fide intention to use, this is unlikely to stop them making a declaration that they do have a bona fide intention to use.

By the time the issue arises as to their bona fides, they will either have moved on or will have been able to put together some form of "after the fact" evidence in support of their earlier declaration.

4.4.1c. A bona fide intention to use the domain name licence for the purpose envisaged by the relevant 2LD should be demonstrated in accordance with the rules applicable in that 2LD.

This appears to be the relevant proposal in relation to which the list of eligibility indicators set out in the table in Schedule A should be addressed, specifically for an Australian trade mark application to be one of the criteria on which an application for a domain name licence may be based.

From a practical perspective, it is absolutely crucial that a trade mark application give sufficient eligibility for entitlement to a corresponding domain name licence.

When a new brand or product is being developed, there will sometimes be a large number of alternative names proposed. Trade mark and domain name availability searches are conducted to ensure that the word(s) are available for use with the product in question. Once a decision is made on the word(s) to be used, the business must move as quickly as possible to secure rights to that word(s). Traditionally, this has involved filing a trade mark application, and in today's environment it should also involve securing the corresponding domain name licence. Labels, brochures and other promotional and point of sale material will be developed, and the product will often be on the shelves before the trade mark application

proceeds to registration. Therefore, it is crucial that the domain name licence be obtainable at the outset, rather than waiting for the trade mark application to be accepted.

The issues raised under "Cons of Proposal 4.1.1" in relation to trade mark applications should not stop this being introduced as a criteria for domain name licence eligibility. The essential factor appears to be one of "intention to use". The expense and work in filing a trade mark application at least indicates some form of bona fide intention to use.

If, as alluded to in foot note [5] the applicants intention is to deprive or frustrate another party with a legitimate interest, then there are likely to be other legal avenues open to that party.

There should be no need for a system of monitoring and identifying the status of trade mark applications or revoking domain name licences if the application has not proceeded to grant because:

- if another party claims an earlier right to the word(s) which constitute the domain name, that party will have rights either under the Uniform Domain Name Resolution Policy or in the normal Courts to pursue the domain name licensee;

- if no-one is disadvantaged or aggrieved by the existence of the domain name, then there should be no reason for its removal.

Alternatively, given the two year renewal requirement, domain name licensees whose entitlement derived from a trade mark application could be required to provide proof of trade mark registration upon renewal of the domain name licence.

The Report's note about sham business name registrations is entirely accurate. Some of the State business name systems are severely underfunded, in that there is little or no examination of the business name applied for in terms of whether it should be granted, or whether the applicant has any intention to engage in any form of business other than the obtaining of a domain name licence. The system is regarded merely as a revenue-raising mechanism for the State government.

4.1.1d. It is not considered bona fide to licence a domain name for the sole purpose of selling it.

Agree.

4.1.2 One domain name licence per entity.

Agree. Companies such as Southcorp may have different businesses operating through different companies (such as its Wine and Water Heater Groups), but may also have different businesses and brands operated through the same company. It is a sham for it to have to register separate business names when it already has separate trade marks registered.

In relation to the business name system helping consumers to identify with whom they are dealing, this can be achieved just as easily through the trade marks register (in fact, more so, as the Trade Marks Register is a national register, rather than state based).

The use of lower level domain names does not provide the same level of business efficacy and marketing desirability as separate top level (2LD) domain names.

4.1.3 Appropriateness of direct derivation of a domain name from an entity name.

Agree. Doing away with the requirement for an exact or close match undermines the existence of the eligibility indicators.

4.1.4 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 words forming the domain name.

We agree that it is not possible for applicants to search for unregistered marks, so it is not practical to impose such a requirement on domain name licence applicants.

Whilst we would prefer to impose a requirement on applicants to actually conduct a trade mark search for the words / numbers they propose to use in the domain name, rather than simply give the acknowledgement referred to in the proposal, we do not think this is practical - especially given that trade marks are registered for different classes or goods and services, and use by another person in a different class will not necessarily be an infringing use.

4.1.5 Renewal period for domain name licences.

Agree.

4.2.1e Applicants can challenge domain names on the reserved list, and auDA will determine whether the domain name should remain on the reserved list or whether changed circumstances mean the name can be registered.

If domain names are to be made available at a future date, after an earlier application for the domain name licence was refused, there should be some mechanism by which the proposed licensing is advertised, together with a mechanism that allows the earlier applicant to have some opportunity to obtain or bid for the licence to the domain name in question.

The means by which this would occur should be the subject of public consultation. Options are the use of a lottery, public tender, or auction.

4.2.2 Relax the current policy and enable licensing of generic and geographic domain names using an appropriate licence allocation system, such as a market-based one.

The same submission applies as in relation to 4.2.1e above.

It is not appropriate for these names to be allocated on a first come, first served basis, given that applications have already been refused. It would just be a case of the "luck of the draw" as to whose application was before the registrar at the time the policy is relaxed in relation to a particular name, or generic or geographic names generally.

4.3.2 Consideration be given to the introduction of a system of gateways, following consultation, along the lines of one or more of the possible models.

If a system of gateways is to be established, then the entity responsible for administering the gateway should be separate to the relevant Registry, and should stand or fall as a commercial entity in its own right.

That said, there should be certain rules by which gateway "registrars" must operate, particularly if they are established in relation to geographical domain names. Such rules could be similar to those which operate for "certification trade marks".

Preference could also be given to not-for-profit bodies seeking to establish such gateways, such as local Councils for gateways using geographic names.

4.5.1 Changes to domain name eligibility and allocation policies will not have retrospective effect for current domain name licence holders and will only apply to existing domain name licences at the time of re-registration.

Agree.

4.5.2 Proposed dispute resolution procedure.

Reference is made to arbitration being "compulsory and binding on the applicant, the domain name licence holder and all registrars".

This may be an incorrect description of what is being proposed from a legal sense, if the intent is to continue the type of process provided for in the Uniform Domain Dispute Resolution Policy. In the example of the UDRP, the only person on whom the arbitration is effectively binding is the registrar, who makes the change (if any) ordered by the arbitrator.

Either party is free to pursue court proceedings under the "normal" laws of the land. Given the possibility that a dispute will involve matters beyond the jurisdiction or expertise of an arbitrator appointed in relation to the domain name, the result of the arbitration should not be binding on the applicant or domain name licence holder, except to the extent of action to be taken by the registrar pursuant to the decision of the arbitrator.

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