

AN OVERVIEW OF THE “BEST PRACTICES REPORT” FOR COUNTRY-CODE DOMAINS

By Peter K. Yu

Introduction

Country-code top-level domains (“ccTLDs”) are the two-letter suffixes the Internet Assigned Numbers Authority (IANA) assigned to countries for their use in Internet addresses. Examples of these suffixes include “.fr” (for France), “.tv” (for Tuvalu) and “.uk” (for the United Kingdom).

In recent years, domain names in the ccTLDs have become very popular. For example, television stations are eager to register domain names in Tuvalu (“.tv”), whereas doctors in the United States find very attractive domain names in the Republic of Moldova (“.md”). With the advertisement of “.ws” as “web site,” domain names in Samoa have become an instant sensation.

Unfortunately, the increasing popularity of the ccTLDs has led to predatory practices and abusive and bad-faith registrations of protected names in the ccTLDs. Even worse, because each ccTLD administrator sets its own policy for selling, operating and managing Internet addresses within its proprietary domain, trademark owners have a very difficult time enforcing their rights.

To alleviate intellectual property disputes concerning domain name registrations in the ccTLDs, the World Intellectual Property Organization (WIPO), in June 2001, issued a report titled the ccTLD Best Practices for the Prevention and Resolution of Property Disputes (the “Report”). This Report seeks to provide a set of voluntary guidelines for ccTLD administrators to develop their domain name registration practices and dispute resolution procedures. It also aims to provide the minimum standards for intellectual property protection in the ccTLDs.

The Report focuses on three main areas: (1) domain name registration agreement; (2) the collection and availability of the registrant contact details; and (3) alternative means for resolving disputes concerning domain name registrations.

Domain Name Registration Agreement

As with other registration agreements, a domain name registration agreement usually contains a large number of provisions stipulating the rights and obligations of the domain name registrant and the ccTLD administrator. These provisions include those concerning the payment of fees, the renewal of the registration, and the liability of the ccTLD administrator.

However, if the agreement is drafted with foresight, it may contain provisions that curb cybersquatting and help prevent and resolve disputes between domain name registrants and trademark holders. Among the terms and conditions proposed in the Report are:

- the registrant’s representation that, to the best of its knowledge, the domain name registration or the manner in which the domain name will be used does not infringe upon the intellectual property rights of another party;

- the registrant's representation that it has provided true and accurate information at the time of the initial registration and that it will update the contact details throughout the period during which the domain name is registered;
- a stipulation that the provision of inaccurate or unreliable registrant contact details, or the registrant's failure to update such information, constitutes a material breach of the registration agreement and a basis for the ccTLD administrator to cancel the registration;
- the registrant's agreement that all registrant contact details will be made publicly available in real time through a WHOIS or similar service, subject to any contrary mandatory privacy regulations;
- the ccTLD administrator's clear notice of the purposes of the collection and public availability of the registrant contact details; and
- the registrant's agreement to submit to the dispute resolution procedure adopted by the ccTLD administrator.

Collection and Availability of the Registrant Contact Details

To effectively protect its intellectual property rights (through formal legal proceedings or other informal means), a trademark complainant must be able to contact the domain name registrant. Unfortunately, in some ccTLDs, the registrant's contact details may not be readily available.

Under the current administrative rules regarding the domain name registration in a generic top-level domain, such as ".com", ".net" or ".org", all contact details have to be made publicly available in real time through WHOIS services. In light of the success and benefits of this requirement, the ccTLD Best Practices report recommends all ccTLD administrators adopt a similar system in the absence of any contrary local mandatory privacy regulations.

According to the Report, a ccTLD administrator should require the domain name registrant to provide accurate and reliable information concerning his or her full name, postal address, e-mail address, telephone number and facsimile number (if applicable). Where the registrant is an organization, association or corporation, the registrant also should provide the name of the authorized person (or office) for administrative and legal contact purposes.

In jurisdictions where mandatory privacy regulations forbid the disclosure of the registrant contact details through WHOIS or similar services, the Report recommends alternative measures that enable bona fide complainants to enforce their intellectual property rights. According to the Report, these measures should be assessed in light of the precise scope of disclosure restricted by the relevant privacy regulations.

Alternative Dispute Resolution

As the Uniform Domain Name Dispute Resolution Policy (UDRP) demonstrates, alternative dispute resolution provides a simple and cost-effective means of resolving trademark disputes in the domain name system. Since the UDRP entered into force in December 1999, more than 3,000 cases have been filed under it, and a majority of these cases have been resolved satisfactorily and efficiently.

In view of the success of the UDRP, the ccTLD Best Practices Report recommends ccTLD administrators adopt similar procedures to resolve intellectual property disputes concerning domain name registrations in the ccTLDs. Although the Report strongly recommends the UDRP, it recognizes the significant differences in the organization and registration conditions of the ccTLDs, the laws under which the ccTLDs operate and the varying cultural contexts.

Thus, instead of proposing a uniform alternative dispute resolution model that would apply to all ccTLDs, the Report delineates the minimum conditions that any dispute resolution procedure should meet to be effective and to receive broad market acceptance. These conditions include:

- The procedure must be mandatory. Even if the domain name registrant is unwilling to participate in the procedure, the complainant must be able to run the full course of the procedure and to culminate in a decision.
- Decisions must be made on the basis of all relevant facts and circumstances. Each party must have an adequate opportunity to present its version of facts and circumstances.
- The ccTLD administrator must be able to block the transfer of the contested domain name at the earliest possible time after the administrator has been formally notified of the filing of the complaint.
- The ccTLD administrator must be willing to implement directly into its database decisions resulting from the dispute resolution procedure without the need for judicial review.
- The procedure must produce quick results.
- The costs of the procedure must be substantially lower than the costs of litigation.
- The procedure should shield the ccTLD administrator from legal liability and extricate the administrator as far as possible from the dispute.
- The procedure should be provided in addition to, rather than in lieu of, court proceedings. At any time before, during or after the procedure, each party should have the ability to bring the case to court.
- Before adopting any procedure, the ccTLD administrator should consider carefully and define precisely the scope of the procedure.

Limitations of the ccTLD Best Practices Report

Despite the goal to set the standard registration practices and dispute resolution procedures for ccTLD administrators around the world, the ccTLD Best Practices Report has several limitations.

First, the Report fails to address the procedural weaknesses of the UDRP. Since the adoption of the UDRP, commentators have criticized the procedural flaws of the UDRP and how it has violated the established notions of due process. Among the criticisms are the problems arising from the selection and composition of the dispute resolution panel, the failure to provide adequate time for a domain name registrant to reply to a complaint, the failure to ensure that the registrant has received actual notice of the complaint, and the registrant's limited access to courts for judicial review upon an adverse decision by the dispute resolution panel.

Second, as it acknowledges, the Report has limited application to closed domains, in which local presence is required for domain name registration. In such a domain, it may be a better approach

to require local rights, such as local trademark rights, as the basis for a complaint. On the one hand, such a requirement is more consistent with the concept of a closed domain, which focuses on the local audience. Such a requirement also would shield domain name registrants from attacks by parties who have no ties to the territory, thus preventing undesirable interference with an otherwise properly operating ccTLD. On the other hand, regardless of whether the domain is closed or open, the global presence of a domain name may infringe upon valuable rights of foreign intellectual property rights holders and may lead to confusion among a worldwide audience. Requiring local rights therefore would frustrate legitimate attempts by trademark holders to enforce their rights.

Finally, the Report overlooks the difficult conflict of law questions, which are further complicated by the potential procedural problems concerning the selection and composition of dispute resolution panels. Different countries have different intellectual property laws and place different emphasis on different rights. Some countries may place very heavy emphasis on trademark rights, whereas others may place higher values on authors' rights or rights of personalities. Unless the dispute resolution procedure is limited to universally accepted intellectual property infringement claims or unless the dispute resolution panel can resolve the conflict of law issue satisfactorily, the interests of one party—in most cases, the domain name registrant—will be prejudiced.

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Notwithstanding the various limitations, the ccTLD Best Practices Report provides useful guidelines for ccTLD administrators to develop their registration practices and dispute resolution procedures. The document also provides effective tools to curb abusive and bad-faith registrations of protected names and to resolve disputes arising from such registrations.

In light of the rapidly changing domain name system environment, new problems and concerns will arise. For example, the recently released Interim Report of the Second WIPO Internet Domain Name Process highlights concerns about the abusive registration of domain names in relation to the International Nonproprietary Names for pharmaceutical substances, the names and acronyms of the international intergovernmental organizations, personal names, geographical indications and designations, and trade names. Thus, it is anticipated that WIPO will review the ccTLD Best Practices Report on a regular basis and update it when necessary.

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