

ANNEX I

The Management of Internet Names and Addresses: Intellectual Property Issues  
Report of the WIPO Internet Name Process

EXECUTIVE SUMMARY

Background

Domain names are the human-friendly form of Internet addresses. While designed to serve the function of enabling users to locate computers in an easy manner, domain names have acquired a further significance as business identifiers and, as such, have come into conflict with the system of business identifiers that existed before the arrival of the Internet and that are protected by intellectual property rights.

The tension between domain names, on the one hand, and intellectual property rights, on the other hand, have led to numerous problems that raise challenging policy questions. These policy questions have new dimensions that are a consequence of the intersection of a global, multipurpose medium, the Internet, with systems designed for the physical, territorial world.

On the proposal of the Government of the United States of America, and with the approval of its Member States, WIPO has since July 1998 undertaken an extensive international process of consultations ("the WIPO Process"). The purpose of the WIPO Process was to make recommendations to the corporation established to manage the domain name system, the Internet Corporation for Assigned Names and Numbers (ICANN), on certain questions arising out of the interface between domain names and intellectual property rights. Seventeen consultation meetings were held in 15 different cities throughout the world in the course of the WIPO Process, and written submissions were received from 334 governments, intergovernmental organizations, professional associations, corporations and individuals.

An Interim Report containing draft recommendations was issued in December 1998 as part of the WIPO Process. The present document constitutes the Final Report. It is being submitted to ICANN and to the Member States of WIPO. The main recommendations in the Final Report are summarized below.

Best Practices for Registration Authorities

- (i) The adoption of a number of improved, standard practices for registrars with authority to register domain names in the generic top-level domains (gTLDs) will reduce the tension that exists between domain names and intellectual property rights.
- (ii) In particular, the collection and availability of accurate and reliable contact details of domain name holders is an essential tool for facilitating the protection of intellectual property rights on a borderless and otherwise anonymous medium. Such contact details provide the principal means by which intellectual property owners can go about the process of enforcing their rights.

(iii) Where it is shown that contact details are inaccurate and unreliable and that contact cannot be established with a domain name holder through them, a third party should have the right to serve a notification to this effect on the responsible registrar. Upon independent verification of the impossibility of establishing contact, the registrar should be required to cancel the domain name registration.

(iv) In the WIPO Interim Report, it was suggested that consideration be given to the introduction of a non-commercial, use-restricted domain, where the contact details of domain name holders would not be publicly available, as a means of allaying the concerns of those who consider that the public availability of contact details may lead to intrusions of privacy. In the Final Report, it is concluded that this idea requires further consideration, elaboration and consultation in a separate process before any recommendation can be made on it.

#### Administrative Procedure Concerning Abusive Domain Name Registrations

(v) ICANN should adopt a dispute-resolution policy under which a uniform administrative dispute-resolution procedure is made available for domain name disputes in all gTLDs. In the Interim Report, it was recommended that domain name applicants should be required to submit to the procedure in respect of any intellectual property dispute arising out of a domain name registration. The Final Report recommends that the scope of the administrative procedure be limited to cases of bad faith, abusive registration of domain names that violate trademark rights (“cybersquatting,” in popular terminology). Domain name holders would thus be required to submit to the administrative procedure only in respect of allegations that they are involved in cybersquatting, which was universally condemned throughout the WIPO Process as an indefensible activity that should be suppressed.

(vi) The administrative procedure would be quick, efficient, cost-effective and conducted to a large extent on-line. Determinations under it would be limited to orders for the cancellation or transfer of domain name registrations and the allocation of the costs of the procedure (not including attorneys’ fees) against the losing party. Determinations would be enforced by registration authorities under the dispute-resolution policy.

#### Exclusions for Famous and Well-known Marks

(vii) Famous and well-known marks have been the special target of predatory and parasitical practices on the part of a small, but active, minority of domain name registrants. A mechanism should be introduced whereby the owner of a famous or well-known mark can obtain an exclusion in some or all gTLDs for the name of the mark where the mark is famous or well-known on a widespread geographical basis and across different classes of goods or services. The effect of the exclusion would be to prohibit any person other than the owner of the famous or well-known mark from registering the mark as a domain name.

(viii) The exclusion mechanism gives expression in cyberspace to the special protection that is established for famous and well-known marks in the Paris Convention for the Protection of Industrial Property and the TRIPS Agreement.

(ix) Since an exclusion would cover only the exact name of the famous or well-known mark, and since experience shows that cybersquatters typically register many close variations of famous or well-known marks, an exclusion, once granted, should give rise to an evidentiary presumption in the administrative procedure. The effect of the evidentiary presumption would be to place the burden of proving justification for the use of a domain name on the domain name holder where the domain name is identical or misleadingly similar to the famous or well-known mark and the domain name is being used in a way that is likely to damage the interests of the owner of the mark.

#### New gTLDs

(x) The evidence shows that the experience of the last five years in gTLDs has led to numerous instances of abusive domain name registrations and, consequently, to consumer confusion and an undermining of public trust in the Internet. It has also led to the necessity for intellectual property owners to invest substantial human and financial resources in defending their interests. This arguably wasteful diversion of economic resources can be averted by the adoption of the improved registration practices, administrative dispute-resolution procedure and exclusion mechanism recommended in the Final Report of the WIPO Process.

(xi) In view of past experience, intellectual property owners are very apprehensive about the introduction of new gTLDs and the possible repetition in the new gTLDs of that experience.

(xii) Many issues other than intellectual property protection are involved in the formulation of a policy on the introduction of new gTLDs. Insofar as intellectual property is concerned, it is believed that the introduction of new gTLDs may be envisaged on the condition that the recommendations of the WIPO Final Report with respect to improved registration practices, dispute resolution and an exclusion mechanism for famous and well-known marks are adopted, and on the further condition that any new gTLDs are introduced in a slow and controlled manner that allows for experience with the new gTLDs to be monitored and evaluated.

#### First Steps and Outstanding Issues

The recommendations of the Final Report of the WIPO Process have been directed at the most egregious problems between intellectual property and domain names and at obtaining effective solutions to those problems. Other issues remain outstanding and require further reflection and consultation. Amongst these other issues are:

(a) as signaled above, the exploration of the feasibility of introducing a non-commercial, use-restricted domain where contact details of domain name holders might not be readily available publicly;

(b) the problem of bad faith, abusive domain name registrations that violate intellectual property rights other than trademarks or service marks, for example, geographical indications and personality rights;

(c) the problem of bad faith, abusive domain name registrations of the names and acronyms of international intergovernmental organizations that are protected against use and registration as trademarks by the Paris Convention; and

(d) the problem of bad faith, abusive domain name registrations of International Nonproprietary Names selected by the World Health Organization for the identification of specific pharmaceutical substances under single, globally available names in order to protect the safety of patients.

[Annex II follows]