

# WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION  
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## WIPO GENERAL ASSEMBLY

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#### WIPO INTERNET DOMAIN NAME PROCESS

##### *Memorandum of the Director General*

1. At its meeting in September 1998, the WIPO General Assembly approved the undertaking of an international process ("the WIPO Process") on certain questions relating to the interface between Internet domain names and intellectual property, including dispute resolution procedures (see document A/33/8, paragraph 156).
2. The WIPO Process was conducted as planned, culminating in the publication of a Report (*The Management of Internet Names and Addresses: Intellectual Property Issues*), containing the findings and recommendations of the Process, on April 30, 1999, on the website that was established for the purpose of the Process (<http://wipo2.wipo.int>). The bound printed version of the Report was subsequently sent to all Member States of WIPO. Further copies of the Report may be downloaded from the Process website (<http://wipo2.wipo.int/process/eng/processhome.html>) or are available, in bound, printed form, from the Secretariat.
3. The Report of the Process contains full details of the modalities used for the conduct of the WIPO Process (see, in particular, paragraphs 26 to 31 and Annexes I to III of the Report). In brief, those modalities included:
  - (i) the establishment of a web site (<http://wipo2.wipo.int>) in three languages (English, French and Spanish), on which 1,358 persons and organizations from 74 countries

registered to receive regular e-mail communications concerning the Process;

(ii) the conduct of 17 physical meetings in 15 countries and five continents, which were attended, in all, by 1,264 participants; the audio and text records of the proceedings of those meetings are available on the Process web site;

(iii) the establishment of an unmoderated list server for open discussion of the issues dealt with in the Process, in which 420 persons participated;

(iv) the issuance of three Requests for Comments (RFCs) in three languages (English, French and Spanish), which were published electronically and distributed in paper form to all Member States and to intergovernmental organizations and non-governmental organizations having observer status with WIPO;

(v) the receipt of 332 written comments on the RFCs and, altogether, throughout the Process, the receipt of written comments or formal presentations at meetings from:

- 40 governments or government agencies
- 4 international organizations
- 74 professional, industrial and academic organizations
- 181 corporations and law firms
- 183 individuals.

4. The Report of the Process also contains full details of the findings and recommendations of the Process. In brief, those findings and recommendations included:

(i) the recommendation that improved registration practices for domain names be introduced in order to reduce tension and the possibility of conflict between domain names and intellectual property rights (Chapter 2 of the Report);

(ii) the recommendation that a uniform dispute-resolution policy be adopted in the generic top-level domains (gTLDs) under which domain name applicants would be required to submit, at the request of a third party, to an administrative procedure when it is alleged that a domain name has been registered and used in bad faith and in abuse of trademark rights (Chapter 3 of the Report);

(iii) the recommendation that a procedure be established for the grant of exclusions for marks which are famous across a widespread geographical area and across different classes of goods, the effect of which would be to prohibit any third party from registering as a domain name in the gTLDs any such marks for which an exclusion has been granted (Chapter 4 of the Report);

(iv) the finding that, if the recommended improved registration practices, the uniform dispute-resolution policy and the procedure for exclusions were adopted, the introduction of new gTLDs would not unduly harm intellectual property rights, provided that any new gTLDs were added in a controlled manner (Chapter 5 of the Report).

For ease of reference, the Executive Summary of the Report is set out in Annex I to the present document.

5. In accordance with the decision of the WIPO General Assembly in September 1998, the Report of the Process is, through the present document, transmitted to the WIPO General Assembly. In addition, this document provides information on developments that have occurred in relation to the Report of the Process subsequent to the publication of that Report.

#### Submission of the Report to ICANN

6. As mandated, the Report of the WIPO Process was submitted to the Interim Board of the Internet Corporation for Assigned Names and Numbers (ICANN). It is recalled that ICANN is the private corporation that has been formed for the purpose of assuming responsibility for the technical management of the Internet domain name system. The Bylaws and the composition of the Interim Board of ICANN, as well as other pertinent documentation concerning ICANN, can be found at ICANN's web site, <http://www.icann.org>.

7. The Report of the WIPO Process was posted for comment by ICANN on its web site, with a view to consideration by the Interim Board at its meeting that was held in Berlin on May 27, 1999.

8. Prior to the meeting of the Interim Board of ICANN on May 27, 1999, a meeting was held of the Governmental Advisory Committee (GAC) of ICANN in Berlin on May 25, 1999. The GAC was established by the Bylaws of ICANN, Article VII, Section 3(a) of which provides as follows:

“There shall be a Governmental Advisory Committee. The initial chairman of the Governmental Advisory Committee shall be appointed by the Board and shall hold that position until the election of his or her successor; subsequent chairs shall be elected by the members of the Governmental Advisory Committee pursuant to procedures adopted by such members. Membership of the Governmental Advisory Committee shall be open to all national governments. Membership shall also be open to Distinct Economies as recognized in international fora, and multinational governmental organizations and treaty organizations, on the invitation of the Governmental Advisory Committee through its Chair, or on invitation of the ICANN Board. Members of the Governmental Advisory Committee shall appoint one accredited representative to the Committee. The accredited representative of a Member must hold a formal official position with the Member's public administration. The term 'official' includes a holder of an elected governmental office, or a person who is employed by such government, public authority or multinational governmental or treaty organization and whose primary function with such government, public authority or organization is to develop or influence governmental or public policies. The Governmental Advisory Committee should consider and provide advice on the activities of the Corporation as they relate to concerns of governments, particularly matters where there may be an interaction between the Corporation's policies and various laws, and international agreements. The Board will notify the chairman of the Governmental Advisory Committee of any proposal for which it seeks comments under Article III, Section 3(b) and will consider any response to that notification prior to taking action.”

Further details of the GAC and its composition may be found at <http://www.icann.org/governmental-com.html>.

9. The meeting of the GAC on May 25, 1999, was attended by representatives of 29 governments and four intergovernmental organizations. At the meeting, the GAC adopted a recommendation on the Report of the WIPO Process, the text of which is set out in Annex II to this document, which was transmitted to the Interim Board of ICANN.

10. At its meeting on May 27, 1999, the Interim Board of ICANN adopted a resolution on the Report of the WIPO Process, the text of which is set out in Annex III to this document. In summary, the effect of that resolution was that:

(i) the Interim Board noted that most of the recommendations concerning *registration practices* contained in Chapter 2 of the Report of the WIPO Process had, following the publication of the Interim Report of the WIPO Process on December 23, 1998, been adopted by the Interim Board in its statement of Registrar Accreditation Policy on March 4, 1999;

(ii) the Interim Board referred the recommendations concerning a *uniform dispute-resolution policy* in the generic top level domains (gTLDs) of .com, .net and .org, which were contained in Chapter 3 of the Report of the WIPO Process, to the ICANN Domain Name Supporting Organization (DNSO) (see paragraph 11(ii), below) for recommendations by the DNSO to the Interim Board by July 31, 1999; the Interim Board also requested comments from any persons desiring to submit comments concerning a uniform dispute resolution policy in those domains by August 20, 1999, and scheduled action on such a policy for its meeting to be held in Santiago, Chile, from August 24 to 26, 1999;

(iii) the Interim Board referred the recommendations concerning a procedure for the protection of *famous marks* and concerning *the impact on intellectual property of adding new gTLDs* contained in Chapters 4 and 5 of the Report of the WIPO Process to the DNSO for recommendations by the DNSO to the Interim Board after its August 1999 meeting in Santiago, Chile.

#### Subsequent Developments: The Present Focus on a Uniform Dispute-Resolution Procedure

11. The focus of present attention on the recommendations and findings of the WIPO Report is centered on the recommended uniform dispute-resolution procedure for the following reasons:

(i) In the first place, the other areas of recommendations of the WIPO Report either have been implemented or have not yet become operationally important and, for these reasons, are not the subject of immediate attention. The area of the recommendations of the WIPO Report that has, for the most part, been implemented, are the recommendations concerning registration practices (see paragraph 4(i), above). As noted above (see paragraph 10(i)), most of these recommendations have been adopted by the Interim Board in its statement of Registrar Accreditation Policy. The areas of the recommendations of the WIPO Report that have not yet assumed operational importance are the recommendations and findings concerning a procedure for the protection of famous marks (see paragraph 4(iii)),

above) and concerning the impact on intellectual property of adding new gTLDs (see paragraph 4(iv), above). It is generally considered that the question of a procedure for the protection of famous marks will, from an operational point of view, assume greatest importance only with the eventual introduction of any new gTLDs. In the existing gTLDs, the protection of the exact form (as opposed to close variations) of famous marks seems to have been largely regulated as a result of litigation and negotiation over the past five years. The procedure for exclusions for famous marks will be of greatest value in avoiding the repetition of the experience in the existing gTLDs and, in particular, in avoiding the squatting in bad faith by unauthorized third parties of the names of famous marks through their registration as domain names in any new gTLDs that may be introduced. At the moment, however, ICANN has no immediate plans to adopt a policy on the introduction of new gTLDs. Thus, the timetable envisaged by ICANN for the consideration of the recommendations of the WIPO Report on a procedure for the protection of famous marks and on the impact on intellectual property of adding new gTLDs (after the August meeting of the Interim Board of ICANN (see paragraph 10(iii), above)) does not appear to be inappropriate.

(ii) Secondly, attention is focused on the recommendations concerning a uniform dispute-resolution policy because of the current consideration of those recommendations, in accordance with the resolution of the ICANN Board, by the ICANN DNSO (see paragraph 10(ii), above). The DNSO is one of three “Supporting Organizations” established under Article VI of the ICANN Bylaws (the other two Supporting Organizations are the Address Supporting Organization and the Protocol Supporting Organization). The Supporting Organizations serve as advisory bodies to the ICANN Board, “with the primary responsibility for developing and recommending substantive policies regarding those matters falling within their specific responsibilities” (Article VI, Section 2(b) of the ICANN Bylaws). In the case of the DNSO, its specific responsibilities are to “advise the Board with respect to policy issues relating to the Domain Name System” (Article VI-B, Section 1(a) of the ICANN Bylaws).<sup>1</sup> As noted above, the DNSO has been asked to advise the ICANN Board on the recommendations concerning a uniform dispute-resolution policy contained in the WIPO Report by July 31, 1999.

(iii) The third reason for the current focus on the recommendations concerning a uniform dispute-resolution policy is that ICANN has commenced implementation of the policy of introducing competition in the provision of registration services by accrediting five testbed registrars to participate in an initial testbed phase of the Shared Registry System for the .com, .net and .org gTLDs.<sup>2</sup> In addition, a further 52 post testbed registrars have been accredited by ICANN to provide registration services in the future.<sup>3</sup> These registrars have been asked by ICANN to sign Registrar Accreditation Agreements, one of whose terms is that the registrars must have a dispute-resolution policy. At the same time, in the resolution adopted by the ICANN Board on the WIPO Report (see Annex III), the ICANN Board has “endorse[d] the principle that a uniform dispute-resolution policy should be adopted for

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<sup>1</sup> Further information on the DNSO and its structure and operation may be obtained from its website, <http://www.dnsso.org>.

<sup>2</sup> See <http://www.icann.org/registrars/QANDA.htm>.

<sup>3</sup> See <http://www.icann.org/registrars/accredited-list.html>.

Registrars in the .com, .net and .org top-level Domains” and “encourage[d] the testbed registrars to work together to formulate a model dispute-resolution policy for voluntary adoption,” as well as “directe[d] the President to provide information and similar assistance to the testbed registrars in this regard.”

12. The current situation is thus one in which consideration of the adoption of the recommendations in the WIPO Report on a uniform dispute-resolution policy is of immediate operational importance. If registrars commence providing registration services with different dispute-resolution policies, it may become difficult to establish, retroactively, uniformity in those policies, particularly as registration services are provided on an increasingly widespread geographical basis.

#### Interim Steps being Taken by WIPO

13. The Secretariat has been approached by a number of the accredited testbed and post-testbed registrars and requested to provide advice on the implementation, on a voluntary basis, of the recommendations in the WIPO Report on a uniform dispute-resolution policy. In order to coordinate those efforts, and at the suggestion of several such registrars, the Secretariat has convened a meeting, to take place in Washington, D.C., on July 27, 1999, to which all accredited testbed and post-testbed registrars have been invited, as well as several international arbitration institutions. The objective of the meeting is to endeavor to settle the details of the uniform dispute-resolution policy recommended in the WIPO Report, the rules pursuant to which it would be conducted and an implementation schedule for voluntary adoption by registrars.

14. As an independent initiative, WIPO is also providing advice to registrars of certain country code top-level domains (ccTLDs) in relation to the possible adoption by them of the uniform dispute-resolution policy recommended in the WIPO Report. While the WIPO Report was directed formally only at the gTLDs, at the request of several registrars of ccTLDs, the Report indicated why and how it might be considered desirable for registrars of ccTLDs to adopt the recommendations on a voluntary basis (see Annex VIII of the WIPO Report). In this regard, the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) has convened a meeting of the registrars of the ccTLDs in SIECA region, to take place in Guatemala City on August 5 and 6, 1999, for the purpose of considering and planning the adoption by those registrars of the uniform dispute-resolution policy recommended in the WIPO Report.

Further information

15. Since developments are rapid in this area, it is proposed that an addendum be issued to the present document in the month of September which will provide information on developments that occur between the date of this document and the date of the addendum.

*16. The WIPO General Assembly is invited to note the Report of the WIPO Internet Domain Name Process and the contents of the present document.*

[Annexes follow]

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]

ANNEX II

Extract from the *Communiqué<sup>1</sup> of the May 25, 1999, Meeting of the Governmental Advisory Committee of ICANN*

...

“The Committee has had fruitful discussions around substantive issues relating to the usage of the Internet across the worldwide community, the administration of the country code top level domains (ccTLDs), and the WIPO Internet domain name process. The Committee initiated a positive and constructive process for addressing these and other significant Internet policy issues, and as a consequence makes the following recommendations to the ICANN Board.

“With regard to the text of the WIPO final report on the Internet domain name process, that:

“1. The GAC welcomes the World Intellectual Property Organisation (WIPO) report on the Management of the Internet Names and Addresses and endorses the general principles developed in the report related to best practice, Administrative Dispute Resolution (ADR), abusive domain name registration, and generally to help resolve differences between domain name and intellectual property rights address holders. The GAC notes, that, for the time being, the proposed trademark policy and disputes policy recommended by the WIPO report could be applied to gTLD’s including existing and future Registries and Registrars.

“2. The GAC reaffirms the requirement for transparency and reliability of DNS registration data, as recommended by the WIPO report, and requests that ICANN put in place an appropriate system to authorise and ensure access to data, consistent with applicable law or standards, including defining the purposes of such access.

“3. In view of the extensive public international consultations undertaken by WIPO in cooperation with ICANN during 1998-1999, we look to ICANN’s procedures to result in rapid resolution of the issues concerning dispute settlement and treatment of well known and famous marks. Specifically, the GAC calls on ICANN to report on implementation of the dispute settlement proposals by its Santiago meeting and to engage in further consultations with the Supporting Organisations and Advisory Committees with respect to the treatment of well known and famous marks.”

[Annex III follows]

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<sup>1</sup> The full text of the *Communiqué* is available at <http://www.icann.org/gac-comm-25-may99.html>.

WO/GA/24/1  
ANNEX III

Resolution of the Interim Board of  
the Internet Corporation for Assigned Names and Numbers (ICANN)  
on the Report of the World Intellectual Property Organization

WHEREAS, in the White Paper the U.S. Government called on the World Intellectual Property Organization (WIPO) to develop recommendations regarding trademark disputes concerning domain names;

WHEREAS, on April 30, 1999, WIPO submitted a report to the ICANN Board containing numerous recommendations that resulted from an extensive consultative process;

WHEREAS, the first ICANN-accredited registrars (testbed registrars), are preparing to introduce competition in the provision of domain registration services and accordingly are required soon to implement dispute resolution policies;

RESOLVED, the ICANN Board commends the WIPO on its report, which the ICANN Board finds represents a substantial and positive contribution to the analysis and discussion of issues concerning the relationship between the domain-name system and intellectual property rights;

FURTHER RESOLVED, the ICANN Board notes that most of the recommendations in Chapter 2 of the WIPO report relating to best practices for registrars are closely similar to many of the elements of the Statement of Registrar Accreditation Policy adopted by the Board on March 4, 1999 and that the provisions of that policy are scheduled for review by the Board in the first half of 2000;

FURTHER RESOLVED, the ICANN Board endorses the principle that a uniform dispute resolution policy should be adopted for Registrars in the .com, .net, and .org Top-Level Domains (TLDs);

FURTHER RESOLVED, the ICANN Board encourages the testbed registrars to work together to formulate a model dispute resolution policy for voluntary adoption and directs the President to provide information and similar assistance to the testbed registrars in this regard;

FURTHER RESOLVED, the ICANN Board refers the recommendations in Chapter 3 of the WIPO report (with associated annexes) to the ICANN Domain Name Supporting Organization (DNSO) for recommendations the DNSO, to be submitted to the ICANN Board by July 31, 1999;

FURTHER RESOLVED, the ICANN Board requests that by July 31, 1999 the DNSO submit to the Board any other recommendations the DNSO may have concerning a uniform dispute resolution policy for registrars in the .com, .net, and .org TLDs;

FURTHER RESOLVED, the ICANN Board requests all persons desiring to make written comments concerning a uniform dispute resolution policy for registrars in the .com, .net, and .org TLDs to submit those comments by August 20, 1999, in advance of the Board's meeting scheduled for August 24-26, 1999 in Santiago, at which time Board action on such a policy is hereby scheduled; and

FURTHER RESOLVED, the ICANN Board refers the recommendations in Chapters 4 and 5 (with associated annexes) of the WIPO report to the ICANN DNSO for recommendations on the topics of those chapters, to be submitted to the ICANN Board at the earliest practicable time after the Board's meeting scheduled for August 24-26, 1999 in Santiago.

[End of Annex III and of document]