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**THE WIPO ARBITRATION AND MEDIATION CENTER AND RESOLUTION OF
DISPUTES INVOLVING INTELLECTUAL PROPERTY
AND INTERNET DOMAIN NAMES**

Memorandum of the International Bureau

Introduction

1. The present document describes recent developments in relation to the proposed role of the WIPO Arbitration and Mediation Center in the administration of dispute-resolution procedures for disputes involving intellectual property and Internet domain names.

The Role of the WIPO Arbitration and Mediation Center

2. The WIPO Arbitration and Mediation Center has been requested to administer certain dispute resolution procedures relating to Internet domain names¹ registered under the generic

¹ An Internet domain name is the address of an Internet “site” on which an entity can put information to be viewed by the public (the domain name of WIPO is “wipo.int”; WIPO information and documents can be read by the public on the Internet site which corresponds to the domain name “wipo.int”).

Domain names consist of at least two levels. The “top-level” refers to the category in which users may register their second-level domain names. The current top-level domain names include the following: country-code top-level domain names (such as .ch for Switzerland); .int (for

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top-level domain names covered by the “Memorandum of Understanding on the Generic Top-Level Domain Name Space of the Internet Domain Name System” (“gTLD-MoU”).² The gTLD-MoU, which has entered into force under the authority of the Internet Assigned Numbers Authority (IANA) and the Internet Society (ISOC), was formally signed on May 1, 1997, in Geneva. As of the date of the present document, some 145 organizations and entities have signed this document or indicated their intention to sign it later.³ The Secretary-General of the International Telecommunication Union is the depositary of this document; this role was formally endorsed by the members of the ITU Council on June 26, 1997.

3. At the signing ceremony for the gTLD-MoU, the Director General of WIPO signed a declaration stating that “the WIPO Arbitration and Mediation Center is available for administering procedures for the settlement of disputes concerning second-level domain names registered in the gTLDs covered by the gTLD-MoU.”

The Proposed Policy in Respect of Seven New Generic Top-Level Domains

4. It is expected that, initially, seven new gTLDs will be covered by the gTLD-MoU.⁴ The expected seven new gTLDs are the following:

.firm	for businesses, or firms
.store	for businesses offering goods to purchase

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international treaty organizations); .com (for commercial entities), .org (for non-profit organizations), .net (for networks) (these three are collectively referred to as “generic” top-level domain names, or gTLDs); plus several other top-level domains (.gov, .mil and .edu) which are reserved for certain entities in the United States of America.

Second-level domain names may be registered in (that is, together with) one or more top-level domains. They appear to the left of the “dot” from the top-level domain (for example, in “wipo.int”, .int is the top-level domain name, and wipo is the second-level domain name). Each operator of an Internet web site can choose its own second-level domain name, within certain broad limits. This fact is what leads to conflicts in the domain names system, for example, if an operator chooses a second-level domain name that impinges on an existing intellectual property right.

Domain names must be used with certain other codes. For example, to access the “wipo.int” web site, a user would have to type in “http://www.wipo.int”. However, these codes are not significant in the context of domain name disputes.

² The gTLD-MoU is reproduced in Annex II to document TDN/CM/I/3 and is available also at the following Internet address: “www.gtld-mou.org”.

³ The current list of signatories is available on the web site of the International Telecommunication Union at the following Internet address: “www.itu.int”.

⁴ The gTLD-MoU states that .com, .org and .net will fall within the gTLD-MoU upon the expiration of the cooperative agreement with the United States Government under which the current registrar of those gTLDs operates. In addition, more gTLDs may be added under the gTLD-MoU in the future.

.web	for entities emphasizing activities related to the World Wide Web
.arts	for entities emphasizing cultural and entertainment activities
.rec	for entities emphasizing recreation and entertainment activities
.info	for entities providing information services
.nom	for those wishing individual or personal nomenclature, e.g., a personal <i>nom de plume</i>

5. In respect of the “second-level” (see footnote 1, above) part of the new domain names, section 2 of the gTLD-MoU sets out the following policy that is intended to assist in the protection of intellectual property rights in the administration of the gTLDs:

“(f) a policy shall be implemented that a second-level domain name in any of the CORE-gTLDs which is identical or closely similar to an alphanumeric string that, for the purposes of this policy, is deemed to be internationally known, and for which demonstrable intellectual property rights exist, may be held or used only by, or with the authorization of, the owner of such demonstrable intellectual property rights. Appropriate consideration shall be given to possible use of such a second-level domain name by a third party that, for the purposes of this policy, is deemed to have sufficient rights.”

This policy, which does not purport to deal comprehensively with the relationship between domain names and trademarks or other intellectual property rights, was adopted, *inter alia*, (i) in response to the growing practice of illegitimate appropriation of trademarks, through the registration by persons, other than the owners of the trademarks, of domain names that are the same as, or closely similar to, the said trademarks, and (ii) in response to the inherent limitations of national judicial remedies in dealing with such misappropriations in view of the global (rather than national) nature of the use of domain name. This policy is to be implemented by *administrative domain name challenge panels* pursuant to procedures to be administered by the WIPO Arbitration and Mediation Center.

Further Steps Relating to the Proposed Seven New Generic Top-Level Domains

6. Following the signature and entry into effect of the gTLD-MoU, a series of steps have been undertaken or will be undertaken (by entities other than WIPO) that should lead to the introduction of the seven new generic top-level domains and their opening for registrations of domain names. These steps include:

(i) the issuance, on July 18, 1997, of a call for tenders for entities which want to become *Registrars* of domain names in the seven new generic top-level domains (“Registrars” are the entities which accept applications for registration of second-level domain names, and which make the entries in the relevant registers of domain names);

(ii) the formation of a *Council of Registrars*, composed of all entities that satisfy the criteria established for becoming a Registrar, and the signature by all such entities of a Memorandum of Understanding for the Internet Council of Registrars (“CORE-MoU”) (“CORE” stands for Council of Registrars, and MoU stands for Memorandum of Understanding);

(iii) the development, commissioning and testing of *software* and a *database* for the registration of domain names in the seven new generic top-level domains.

7. A draft of the CORE-MoU has been published,⁵ which—as far as potential disputes are concerned—envisages that applicants for registrations of domain names in the seven new generic top-level domains would submit to on-line mediation, (optional) on-line expedited arbitration and on-line administrative challenge panel procedures to be administered by the WIPO Arbitration and Mediation Center. It further envisages that the Council of Registrars would be bound by the results of these procedures.

8. It is expected that the seven new generic top-level domains will be introduced and opened for registrations of domain names in the last months of 1997.

Expected Dispute Resolution Activities of WIPO

9. It is expected that the WIPO Arbitration and Mediation Center would administer the following three dispute-resolution procedures in connection with registrations of domain names covered by the gTLD-MoU:

(i) *On-line Mediation*. This would be conducted essentially under the *WIPO Mediation Rules* (modified, where necessary, to take account of the fact that the mediation would be conducted on-line). Any entity wishing to enter into a mediation with a domain name registrant concerning a domain name registration would be able to submit, on-line, a request for mediation to the WIPO Arbitration and Mediation Center. That Center would then appoint, after consultation with the parties, the mediator, whose task is to facilitate negotiations between the parties with a view to assisting them to reach a mutually satisfactory resolution of the dispute. The submissions of the parties would be exchanged on-line and it would be possible for the parties and the mediator to communicate simultaneously on a dedicated channel via a secure chat facility. Mediation is non-binding, both in the sense that either party may abandon the procedure at any stage and in the sense that the mediator has no power to impose a decision on the parties. But if the parties do conclude a settlement, the settlement has the effect of a binding contract between them.

(ii) *On-line Expedited Arbitration*. This would be conducted essentially under the *WIPO Expedited Arbitration Rules* (modified, where necessary, to take account of the fact that the arbitration will be conducted on-line), and would be available in the case of an unsuccessful mediation (unless the applicant for the domain name registration had, in the application, declined mandatory submission to arbitration). Any entity wishing to submit a dispute concerning a domain name registration to expedited arbitration would be able to submit, on-line, a request for expedited arbitration to the WIPO Arbitration and Mediation Center. That Center would appoint the arbitrator, who is responsible for the conduct of the proceedings and for giving a binding decision that is enforceable in law both nationally and internationally by virtue of a well-established legal framework. The pleadings would be exchanged on-line, except for original evidence that may need to be submitted by expedited postal means. It is to be expected that physical hearings would not normally be necessary, and the parties and the arbitrator would be able to communicate simultaneously on a dedicated channel via a secure chat facility.

⁵ It is available at the following Internet address: “www.gtld-mou.org”.

(iii) *On-line Administrative Challenge Panel Procedure*. This procedure would be conducted under the proposed *WIPO Rules for Administrative Challenge Panel Procedures Concerning Internet Domain Names* (“*WIPO ACP Rules*”). These Rules are intended to implement the intellectual property policy contained in Section 2 of the gTLD-MoU that is set out in paragraph 5, above. The procedure is described in detail in the draft Substantive Guidelines for Administrative Domain Name Challenge Panels,⁶ issued by the interim Policy Oversight Committee that was established by the gTLD-MoU and that is responsible for overseeing the implementation of the various steps leading to the introduction of the seven new top-level domains described in paragraph 6, above. Under this procedure, panels constituted by the WIPO Arbitration and Mediation Center would give determinations in two kinds of cases: (i) where an entity other than the registrant of the domain name, e.g., the holder of a trademark or other intellectual property right, *challenges* the legality of the domain name registration of the registrant, (ii) where an entity petitions that others should be excluded from registering domain names that conflict with its (the petitioner’s) internationally known intellectual property rights (in other words, the petitioner *challenges* the right of third parties to have certain domain names to be registered in their names). A draft of the WIPO ACP Rules has been distributed for comments and is reproduced in Annex I to document TDN/CM/II/3.⁷

10. Each applicant for a registration of a domain name in any of the new generic top-level domains would, in the application form, agree to submit to dispute-resolution procedures administered by the WIPO Arbitration and Mediation Center. In view of the finality of arbitration awards and the lack of availability of any substantive appeal from such awards, however, applicants would be able to decline submission to expedited arbitration (whereas they would not be able to decline submission to mediation or the administrative challenge procedures). In the event of a dispute, it would then be for the third party, which considers that its rights are violated by the domain name registration, to choose if it wishes to call the domain name registrant (i) to mediation followed, if the mediation is unsuccessful, by expedited arbitration (unless mandatory submission to expedited arbitration had already been declined by the applicant), (ii) to an administrative challenge panel procedure (which, as noted, includes a preventive option for a party to petition that others should be excluded from registering domain names that are identical or similar to the domain name or intellectual property rights of that party), or (iii) to other options, including litigation.

WIPO Consultative Meetings

11. In view of the wide-ranging and rapidly moving public discussion of domain names and their relationship to trademarks and other intellectual property rights, the Director General of WIPO convened, from May 26 to 30, 1997, a *Consultative Meeting on Trademarks and Internet Domain Names*, to which all member States of WIPO and a number of organizations

⁶ These draft Guidelines are reproduced in Annex II to document TDN/CM/II/3 and are available at the following Internet address: “www.gtld-mou.org”.

⁷ They are also available on the WIPO web site at the following Internet address: “www.wipo.int”.

were invited. The session considered various issues concerning domain names and trademarks, particularly the proposed dispute-resolution procedures to be administered by the WIPO Arbitration and Mediation Center in connection with disputes concerning registrations in the seven new generic top-level domains. The documents of that session (TDN/CM/I/1, 2, 3 and 4) are available on request.⁸

12. At the request of the said Consultative Meeting, a second session of the same Consultative Meeting has been convened to take place on September 1 and 2, 1997, to discuss questions relating to domain names and trademarks. The documents for that session (TDN/CM/II/1, 2 and 3, and any further documents that result from the session) are available on request.⁹

Conclusion

13. In preparation for the introduction of the seven new generic top-level domains and the consequent availability of the above-mentioned dispute-resolution procedures, the WIPO Center has, in addition to preparing the draft WIPO ACP Rules, been taking steps to include in the lists of WIPO mediators and arbitrators further persons specialized in domain names and trademarks, and to develop the computer system necessary to administer on-line the dispute-resolution procedures.

14. It is to be foreseen that, after the initial investment for preparing for the administration of these procedures, the services of the WIPO Arbitration and Mediation Center will be self-financing. The fees to be charged by the said Center will be established with a view to such financial self-sufficiency and will, if necessary, be adjusted periodically to ensure this result.

15. It is expected that the draft program and budget for the 1998-99 biennium to be presented by the new Director General will deal with the expected impact of the administration of domain-name dispute-resolution procedures by the WIPO Arbitration and Mediation Center over the said biennium.

16. The WIPO General Assembly is invited to note with approval the contents of this Memorandum.

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⁸ They are also available on the WIPO web site at the following Internet address: "www.wipo.int".

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