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## WIPO GENERAL ASSEMBLY

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#### MATTERS CONCERNING INTERNET DOMAIN NAMES

*prepared by the Secretariat*

1. The Internet Domain Name System (DNS) raises a number of challenges for the protection of intellectual property, which, due to the global nature of the Internet, call for an international approach. WIPO has addressed these challenges since 1998 by developing specific solutions, most notably in the First<sup>1</sup> and Second<sup>2</sup> WIPO Internet Domain Name Processes. In particular, the WIPO Arbitration and Mediation Center (Center) provides trademark owners with an efficient international mechanism to deal with the bad-faith registration and use of domain names corresponding to their trademark rights.

2. This document provides an update on the domain name-related activities of WIPO. It provides an update on the Center's administration of domain name disputes under different policies and various related developments in the DNS, as well as selected policy developments, in particular the introduction of new generic top-level domains (gTLDs), internationalized domain names (IDNs), and the status of the recommendations made by the Member States of WIPO in the context of the Second WIPO Internet Domain Name Process.

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<sup>1</sup> *The Management of Internet Names and Addresses: Intellectual Property Issues – Final Report of the WIPO Internet Domain Name Process*, WIPO publication No. 439, also available at <http://www.wipo.int/amc/en/processes/process1/report>.

<sup>2</sup> *The Recognition of Rights and the Use of Names in the Internet Domain Name System – Report of the Second WIPO Internet Domain Name Process*, WIPO Publication No. 843, also available at <http://www.wipo.int/amc/en/processes/process2/report>.

## Domain Names and Trademarks

### *Uniform Domain Name Dispute Resolution Policy*

3. The Center administers dispute resolution procedures under the Uniform Domain Name Dispute Resolution Policy (UDRP). The UDRP was adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) on the basis of recommendations made by WIPO in the First WIPO Internet Domain Name Process. The UDRP is limited to clear cases of bad-faith, abusive registration and use of domain names. It does not prevent either party from submitting a dispute to a competent court of justice. However, the UDRP has proven highly popular among trademark owners, and very few cases that were decided under the UDRP were also brought before a national court of justice.<sup>3</sup>

4. Since December 1999, the Center has administered more than 13,500 UDRP and UDRP-based cases. In 2007, the Center witnessed an 18% increase over the previous year, administering a total of 2,156 cases covering 3,545 domain names registered in generic gTLDs and country code top-level domains (ccTLDs). This represents the highest number of UDRP cases handled by WIPO since the year 2000, being the first full year after the UDRP took effect.

5. A diverse mixture of individuals and enterprises, foundations and institutions used the Center's dispute resolution procedures in 2007. The top five sectors for complainant business activity were Biotechnology and Pharmaceuticals, Banking and Finance, Internet and IT, Retail, and Entertainment. Pharmaceutical manufacturers remained the top filers due to numerous permutations of protected names registered for web sites offering or linking to online sales of medications and drugs. WIPO UDRP proceedings have so far involved parties from 143 countries. In 2007 alone, named parties to WIPO cases represented over 100 countries, with a significant jump in the number of respondent countries represented. The growth in respondent countries from 72 in the year 2000 to 96 in 2007 may in part reflect the expansion of Internet access across regions. WIPO UDRP proceedings have so far been conducted in 15 different languages, namely (in alphabetical order), Chinese, Danish, Dutch, English, French, German, Italian, Japanese, Korean, Norwegian, Portuguese, Romanian, Russian, Spanish, and Swedish, in function of the language of the applicable registration agreement of the domain name at issue. The List of WIPO Domain Name Panelists who decide UDRP cases includes some 400 trademark experts from 55 countries from all continents.<sup>4</sup>

6. Since the year 2000 all panel decisions are posted on the Center's website. To facilitate access to these decisions according to subject matter the Center also offers an online Legal Index.<sup>5</sup> This Index has become a highly-frequented professional resource, allowing panelists, parties, academics or any interested person to familiarize themselves with WIPO case

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<sup>3</sup> See the Selection of UDRP-related Court Cases at <http://www.wipo.int/amc/en/domains/challenged>.

<sup>4</sup> See the List of WIPO Domain Name Panelists at <http://www.wipo.int/amc/en/domains/panel/panelists.html>.

<sup>5</sup> The Index is available at the Center's web site at <http://www.wipo.int/cgi-bin/domains/search/legalindex>.

precedent, and is one of the Organization's most visited web pages. In the past twelve months the Index underwent further expansion with new search categories that primarily reflect developments in the Domain Name System itself.<sup>6</sup> In addition to its Legal Index, the Center also offers an overview of broad decision trends on important case issues, via the WIPO Overview of WIPO Panel Views on Selected UDRP Questions which distills thousands of UDRP cases handled by the Center. The Overview is an important instrument to help maintain the consistency of WIPO UDRP jurisprudence.<sup>7</sup>

7. In 2007 the Center introduced on its web pages an extended statistics search facility in relation to WIPO domain name dispute resolution, intended to assist WIPO case parties and neutrals, trademark attorneys, domain name policy makers, the media and academics. Available statistics cover many categories, such as "areas of complainant activity", "named respondents", "domain name script" and "25 most cited decisions in complaint".<sup>8</sup>

8. In addition, the Center regularly organizes Domain Name Dispute Resolution Workshops for interested parties<sup>9</sup> and meetings of its Domain Name Panelists.

#### *Country Code Top-Level Domains*

9. While the mandatory application of the UDRP is limited to domain names registered in gTLDs, such as .biz, .com, .info, .net and .org, the Center also assists many ccTLD registries in their establishment of registration conditions and dispute resolution procedures that conform with international standards of intellectual property protection. These procedures are mostly modeled after the UDRP, but may take account of the particular circumstances and needs of individual ccTLDs. Following further additions in recent months, the Center provides domain name dispute resolution services to 54 ccTLD registries.<sup>10</sup> Collectively the number of disputed ccTLD domain names has been increasing over the years, having moved from less than 1% in the year 2000 to over 7% in 2007.

#### *Recently Introduced Generic Top-Level Domains*

10. The Center also works towards enhancing the protection of trademark rights during the introduction of gTLDs. Especially where such gTLDs attribute domain names through a randomized procedure, the creation of new domains presents serious challenges for trademark owners who are concerned about protecting their identifiers against abusive registration by others. To address such issues, the Center has, in a 2005 report submitted to ICANN,<sup>11</sup> recommended a uniform preventive intellectual property protection mechanism that would be

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<sup>6</sup> By way of illustration, recently added Index categories include: Use of Privacy Service; Registrar Issues; Use of Dictionary Term; Automated Registration; Advertising Revenue Arrangements; Unauthorized Acquisition of Domain Name; Privacy; and Delay in Bringing Complaint.

<sup>7</sup> The Overview is available at the Center's web site at <http://www.wipo.int/amc/en/domains/search/overview>.

<sup>8</sup> The portal page of this new facility is located at <http://www.wipo.int/amc/en/domains/statistics>.

<sup>9</sup> See the list of events organized by the Center at <http://www.wipo.int/amc/en/events>.

<sup>10</sup> The full list of ccTLDs which have retained the Center as domain name dispute resolution provider is available at <http://www.wipo.int/amc/en/domains/cctld>.

<sup>11</sup> *New Generic Top-Level Domains: Intellectual Property Considerations*, available at <http://www.wipo.int/amc/en/domains/reports/newgtld-ip>.

applicable during the introduction of any gTLD. Such a preventive mechanism would be in addition to the curative relief option provided by the UDRP.

11. In addition to policy work addressing new gTLDs, the Center also administers cases under their start-up policies. In the past, this has in particular concerned some 15,000 cases processed under the .biz Start-Up Trademark Opposition Policy and the .info Sunrise Registration Challenge Policy.<sup>12</sup>

12. In 2007, the Center concluded its work on case administration under the Sunrise Challenge Policy and the Premium Name Trademark Application Rules for the .mobi gTLD, mechanisms which the Center created in collaboration with the .mobi registry operator. The Center published a Report outlining the policy and processing issues encountered during the administration of .mobi challenges and applications.<sup>13</sup>

13. Also in 2007, the Center crafted a new type of policy at the request of and in collaboration with the .asia registry operator. The introduction of a Pioneer Application period, a novelty in the DNS, allowed for pre-sunrise registrations by certain categories of parties (e.g., developers of generic names) based on supported proposals, whereby a challenge procedure allowed third parties to object to selected proposals. The .asia Pioneer Challenge Period ended in March 2008, with no challenges having been filed.<sup>14</sup>

#### UDRP-Related Developments in the Domain Name System

14. The DNS has been undergoing significant developments that create greater opportunities for mass registration of domain names and hence present greater challenges for intellectual property rights owners, in particular trademark owners, in policing and enforcing their rights. Such developments include the use of “Who is” privacy services for registrations; the growth in the number of professional domain name dealers and the volume of their activity; the use of computer software to automatically register expired domain names and their “parking” on pay-per-click portal sites; the option to register names for free for a five-day “tasting” period; the growth in the number of ICANN-accredited registrars, and the practices of certain of them; and the establishment of new gTLDs, further discussed in paragraphs 20-23. Domain names used to be primarily identifiers for businesses and other Internet users, but are increasingly taking on aspects of commodities for speculative gain. Whereas traditionally domain name abuse involved the registration of domain names by individuals seeking to sell the “squatted” names, nowadays a growing number of “domainers” are deriving income from the large-scale automated registration of domain names corresponding to third-party identifiers.

15. On March 27, 2008, the Secretariat issued a WIPO Press Release which, in addition to covering WIPO’s domain name-related activities over 2007, drew special attention to the

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<sup>12</sup> The Center’s Reports on its experience under these policies are available at <http://www.wipo.int/amc/en/domains/reports/biz-stop> and at <http://www.wipo.int/amc/en/domains/reports/info-sunrise>.

<sup>13</sup> End Report on Case Administration under the Sunrise Challenge Policy for .mobi and the Premium Name Trademark Application Rules for .mobi, available at <http://www.wipo.int/amc/en/domains/reports/mobi>.

<sup>14</sup> <http://www.wipo.int/amc/en/domains/gtld/asia>.

above developments and the legal and practical challenges which these pose for trademark owners and Internet users.<sup>15</sup>

#### *Domain Name Tasting*

16. The practice of registering domain names during a five-day registration fee grace period for pay-per-click revenue remains a significant concern for rights owners. Frequently involving trademarks, the often automated practice of “tasting” effectively prevents rights holders from assembling reliable and timely information that would enable the filing of a UDRP complaint, leading them in some instances to resort to court litigation. ICANN has been considering plans which may help to alleviate concerns that WIPO and other stakeholders have been voicing in recent years about abusive tasting.

#### *Privacy or Proxy Registration Services*

17. The Center faces an increasing number of UDRP cases where respondents are making use of privacy or proxy registration services. Recent WIPO panel decisions have pointed out that a privacy shield should not be used to protect cybersquatting practices. Panels have recognized legitimate uses of such services, but also make it clear that the shielding of information can create difficulties for panelists, parties and providers in determining the identity of the domain name registrant for cases brought under the UDRP. Panels have also found that privacy services should not shield registrants from knowledge of proceedings to which they may be a party as a result of their own conduct.

#### *Registrar Issues*

18. Close to 1,000 companies have been accredited by ICANN to act as registrars for one or more gTLDs. This increase from only a handful of registrars in the year 2000 raises concerns, for example where certain registrars appear to engage in or collude with cybersquatting practices. This situation can blur the distinction between the ICANN-mandated obligations of a registrar and speculative behavior in the domain name marketplace, often at the expense of trademark holders. WIPO actively engages with ICANN to bring to its attention circumstances that may frustrate the intended functioning of the UDRP with a view to preventing and resolving these issues.<sup>16</sup>

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<sup>15</sup> The Press Release, entitled *DNS Developments Feed Growing Cybersquatting Concerns*, is available at [http://www.wipo.int/pressroom/en/articles/2008/article\\_0015.html](http://www.wipo.int/pressroom/en/articles/2008/article_0015.html).

<sup>16</sup> These circumstances include non-compliant domain name registration provisions, the failure by a registrar to provide complete or correct registration information for a filed UDRP case, simple uncontactability of the registrar, ‘cyberflight’-related or other modifications to registrant data after a complaint is filed, and in some instances, failure to properly implement transfer decisions. An extensive overview of areas of non-compliant registrar behavior encountered by the Center is contained in a WIPO communication to ICANN of April 16, 2008, which together with other ICANN correspondence may be viewed at <http://www.wipo.int/amc/en/domains/resources/icann>.

## Policy Developments in the Domain Name System

19. Two more recent policy developments pending at ICANN will present opportunities and legal and practical challenges for intellectual property rights owners and users, namely the introduction of further new gTLDs and of IDNs at the top level.

### *New Generic Top-Level Domains*

20. In September 2007, ICANN's policy-formulating body, the Generic Names Supporting Organization (GNSO), issued a set of recommendations (GNSO New gTLD Report)<sup>17</sup> to ICANN to implement a process that allows the introduction of further new top-level domains, broadly expanding their currently limited number. On June 26, 2008, the Board of ICANN approved these recommendations and announced that it anticipates launching the first round for such new gTLDs in the second quarter of 2009.<sup>18</sup>

21. The GNSO New gTLD Report includes the following recommendations, of particular relevance for trademark owners:

“Recommendation 3: Strings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law.

Examples of these legal rights that are internationally recognized include, but are not limited to, rights defined in the Paris Convention for the Protection of Industry [sic] Property (in particular trademark rights), the Universal Declaration of Human Rights (UDHR) and the International Covenant on Civil and Political Rights (ICCPR) (in particular freedom of expression rights).”

22. ICANN's Governmental Advisory Committee (GAC) issued in 2007 the “GAC Principles regarding New gTLDs,”<sup>19</sup> which states *inter alia*:

“2.3 The process for introducing new gTLDs must make proper allowance for prior third party rights, in particular trademark rights as well as rights in the names and acronyms of inter-governmental organizations (IGOs).”

23. The Center is in regular contact with ICANN to attempt to safeguard the observance of general principles of intellectual property protection in the introduction of new gTLDs, and in particular to provide input, in so far as intellectual property implications apply, for the “Objection Procedure” that will apply during the new gTLD delegation process.

### *Internationalized Domain Names*

24. Another significant policy development in the DNS that is currently being addressed by ICANN is the introduction of IDNs (non-Latin script) at the top level. While this also relates to the introduction of new gTLDs, the pending policy development work includes a possible

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<sup>17</sup> ICANN GNSO Final Report on the Introduction of New Generic Top Level Domains is available at <http://gnso.icann.org/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm>.

<sup>18</sup> <http://www.icann.org/en/announcements/announcement-4-26jun08-en.htm>.

<sup>19</sup> [http://gac.icann.org/web/home/gTLD\\_principles.pdf](http://gac.icann.org/web/home/gTLD_principles.pdf).

process for a “Fast Track” introduction of a limited number of IDN ccTLDs to respond to near-term demand.<sup>20</sup> Clear timelines for the introduction of IDNs at the top level have not yet been announced.

### *Domain Names and Other Identifiers*

25. In addition to and in connection with the above developments, there are further developments taking place at ICANN in relation to the protection of non-trademark identifiers.

26. The First WIPO Internet Domain Name Process addressed the relationship between domain names and trademarks. The Second WIPO Internet Domain Name Process concerned the relationship between domain names and five other types of identifiers that had not been addressed, namely, International Nonproprietary Names for pharmaceutical substances (INNs), the names and acronyms of international intergovernmental organizations (IGOs), personal names, geographical identifiers, including country names, and trade names.

27. At its meeting from September 23 to October 1, 2002, the WIPO General Assembly recommended amending the UDRP in order to provide protection for country names and for the names and acronyms of IGOs.<sup>21</sup> The WIPO Secretariat transmitted these recommendations (the “WIPO-2 Recommendations”) to ICANN in February 2003.<sup>22</sup>

28. In a letter dated March 13, 2006,<sup>23</sup> the President and CEO of ICANN informed the Secretariat that it had not been possible to achieve a consensus among the various constituencies of ICANN. Since, by virtue of its Bylaws, ICANN was dependent on its “bottom-up consensus-seeking procedures” to introduce new policies or modify existing ones, the President and CEO of ICANN expressed doubts as to whether a re-launch of such a consensus-seeking procedure would result in a basis for moving forward with the WIPO-2 Recommendations as a whole. The letter however indicated that progress might be possible with regard to the protection of the names and acronyms of IGOs for which an established basis exists in international law.

29. In view of the statement made by the President and CEO of ICANN, it appears unlikely that ICANN will move to implement the part of the WIPO-2 Recommendations that concerns the protection of country names. As to the WIPO-2 Recommendations on IGO names and acronyms, upon the request of the GNSO Council, ICANN staff produced on June 15, 2007, an Issues Report on Dispute Handling for IGO Names and Abbreviations,<sup>24</sup> recommending as follows:

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<sup>20</sup> ICANN IDN Working Group’s Final Draft Report on Recommendations for Fast Track is available at <http://ccnso.icann.org/workinggroups/idn-cctld-fast-track-draft-final-report-recommendations-24jun08.pdf>.

<sup>21</sup> Document SCT/9/8, paragraphs 6 to 11. Same decision recorded in document SCT/9/9, paragraph 149.

<sup>22</sup> <http://www.wipo.int/amc/en/docs/wipo.doc>.

<sup>23</sup> A similar letter was sent to the then Chairman of the GAC, Mr. Sharil Tarmizi. It is posted on ICANN’s web site at <http://www.icann.org/correspondence/twomey-to-tarmizi-13mar06.pdf>.

<sup>24</sup> GNSO Issues Report on Dispute Handling for IGO Names and Abbreviations is posted on ICANN’s web site at <http://gnsso.icann.org/issues/igo-names/issues-report-igo-drp-15jun07.pdf>.

“Staff does not recommend a PDP on the protection of IGO names and abbreviations at this time. If staff was recommending a PDP, it would be within the scope of the GNSO;

“Staff recommends that new gTLD agreements may provide for protection of IGO names and abbreviations as a contractual condition for new gTLDs;

“Staff recommends that a separate Dispute Resolution Procedure [DRP] be developed for IGO names and abbreviations as domain names at the second or third level in new gTLDs and that a framework be developed for handling objections or challenges related to IGO names and abbreviations in the upcoming application round for new gTLDs. Staff believes that this action will be more efficient than launching a PDP at this time;

“Once the DRP has been developed, staff recommends that the GNSO Council consider launching a PDP to investigate its application to existing gTLDs;

“In the alternative, the GNSO Council may consider forming a Working Group or assistance group to collaborate on a DRP for IGO names and abbreviations and conduct a PDP for application of the DRP to existing gTLDs;

“The GNSO Council may also consider extending the work of the Protections of Rights of Others (PRO) Working Group to develop a DRP for IGO names and abbreviations.”

30. On June 27, 2007, the GNSO Council requested ICANN staff to provide a report on a draft IGO Domain Name Dispute Resolution Procedure, primarily foreseen for new gTLDs. Such Report was produced by ICANN Staff on September 28, 2007,<sup>25</sup> but to date has not been adopted by the GNSO Council.

31. As noted in paragraph 20 above, a significant number of new gTLDs are expected to be introduced and policy development is ongoing at ICANN.

32. With regard to the protection of country names, the GAC in its communiqué of June 26, 2008, expressed concern that the GNSO recommendations do “not include provisions reflecting important elements of the GAC principles, in particular sections 2.2, 2.6 and 2.7,” which *inter alia* cover country names.<sup>26</sup>

33. With regard to the protection of IGO names and acronyms in the new gTLDs, an ICANN staff document circulated to the GAC reports that the GAC principle on the protection of “prior third party rights [...] in the names and acronyms of inter-governmental organizations,” is addressed by the GNSO recommendations and rights in IGO names and

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<sup>25</sup> <http://gnso.icann.org/drafts/gnso-igo-drp-report-v2-28sep07.pdf>.

<sup>26</sup> “[T]he GAC expressed concern to the GNSO and to the ICANN Board that the GNSO proposals do not include provisions reflecting important elements of the GAC principles, in particular sections 2.2 [avoid country, territory or place names, and country, territory or regional language or people descriptions, unless in agreement with the relevant governments or public authorities], 2.6 and 2.7 [adopt appropriate procedures for blocking, at no cost and upon demand of governments, public authorities or IGOs, names with national or geographic significance at the second level of any new gTLD]. The GAC feels that these are particularly important provisions that need to be incorporated into any ICANN policy for introducing new gTLDs.” GAC Communiqué of June 26, 2008, available at <http://gac.icann.org/web/communiques/gac31com.pdf>.



acronyms would be a ground for objections from third parties to strings proposed by applicants. It remains to be seen whether ICANN's implementation of the introduction of the new gTLDs will indeed include such a protection mechanism.

34. The Secretariat will continue to monitor these developments and provide input where possible.

*35. The WIPO General Assembly is invited to take note of the contents of this document.*

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