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in the name of the United States Group
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**Issues of co-existence of trademarks and domain names: public
versus private international registration systems**

1. Analysis of current domain name registration procedures

The United States Group hereby responds to the following questions and expresses its opinions as to the current situation in the United States.

1.1 Nature of signs

What is the status of a domain name in your country? Does the registration of a domain name confer exclusive rights to the proprietor? Can domain names be the subject of dealings such as assignment, mortgage and the like?

No legal rights flow from the registration of a domain name per se, other than the obvious contractual right to use the name subject to the terms and conditions of the registration agreement for the duration of the registration term. However, a domain name that is used as a trademark or service mark will be protected, registered and accorded exclusivity as a trademark or service mark in accordance with normal U.S. trademark law. Domain names seem to be treated as a form of property (although there is a case currently pending[1] that expressly addresses the issue of whether a domain name is a form of property that can be the subject of a conversion action) and can be the subject of transactions such as assignment and mortgage.

1.2 Legislation

Is there any legislation in your country dealing specifically with domain names and the domain name registry? If so, please describe it.

The principal U.S. statute dealing with domain names is the Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d), which creates a cause of action against anyone who, with bad faith intent to profit from use of someone else's registered mark, registers, traffics in, or uses a domain name that is identical or confusingly similar to the registered mark, or dilutes a famous mark.In addition, although not specifically directed at domain names, the Lanham Trademark Act, 15 U.S.C. §§ 1051 *et seq*., does deal with domain names to the extent and in the sense that they may be used as trademarks or service marks, or used in a way that infringes trademarks or service marks.[2]

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[1] Kremen v. Cohen, No. CV-98-20718-JW (N.D. Cal. 2003).

[2] Also, to promote transparency, a legislative proposal, HR 4640 IH, is pending in the United States House of Representatives that would create criminal penalties for providing false information in registering a domain name.

1.3   *Type of registry*
Which organisation has been assigned responsibility for the ccTLD domain in your country? Is this organisation a public or a private entity? If it is a private entity is it subject to a regulator? Is the registry's conduct of business (e.g. the setting of registration fees) subject to judicial or independent review?

Neustar, Inc., a private corporation, administers the .us ccTLD domain pursuant to a contract with the U.S. government, and its policy revisions are subject to review by the United States Department of Commerce. It is noted incidentally that another private corporation, Network Solutions, Inc. ("NSI"), administers some gTLD domains in the United States, e.g., .com, .net. As of January 1, 2003, another private corporation, the Public Interest Registry ("PIR") took over responsibility for administering the .org gTLD.

1.4   *National treatment*
Does the applicant require legal or natural status in your country to register a domain name?

A nexus between the registrant and the United States is required in order to register a .us domain name; registrants must be either: (1) citizens or permanent residents of, or whose primary place of domicile is in, the United States or any of its possessions or territories; or (2) entities organized under the laws of the United States or any of its possessions or territories; or (3) entities that have a bona fide presence in the United States, in that they engage in lawful activities in the United States.

1.5   *Bars of registration*
Is the domain name registry in your country entitled to reject applications on public policy grounds? If so, on which grounds (e.g. immorality or generic terms)?

Neither the gTLD nor the ccTLD domain name registry in the United States is entitled to reject applications on public policy grounds, such as immorality or generic terms. However, clauses prohibiting the registration of names that are immoral or contrary to the public interest do exist in some registration contracts.

1.6   *Appeals*
Does the applicant for a domain name have the right to appeal against the refusal of the registry to register a domain name? If so, to which entity and based on what kind of procedure (e.g. arbitration or administrative procedure)?

There is no procedure for appealing from the administrative refusal to register a domain name in the United States. However, if a domain name is successfully challenged on cybersquatting grounds in a federal district court under the ACPA, those decisions can be appealed to reviewing courts subject to the usual protections of equal protection and due process. Similarly ICANN UDRP decisions ordering the transfer of a domain name by its registrant to an objecting party are subject to *de novo* review in the U.S. federal district courts.

1.7   *Publication, opposition and cancellation*
Is the application for or registration of a domain name made public in your country? Is there any procedure available to third parties to oppose such application (prior to registration) or registration? If so, on what (relative or absolute) grounds (e.g. prior trademark registration or generic term) and based on what kind of procedure (e.g. arbitration or administrative procedure)? Is it possible for a registered domain name to be cancelled? If so, by whom and on what (relative or absolute) grounds (e.g. prior trademark registration or generic term)? Is it possible to request cancellation of a domain name based on general statutory law (e.g. unfair competition law)? Which procedure is followed, in the case

that cancellation is required? Is the ccTLD registry liable for domain names which infringe trademarks?

In the United States, an application to register a domain name is not made public. It is normally acted upon very quickly and either granted or rejected. However, the registration of a domain name, once issued, is a matter of public record and all identifying data concerning the registration and its owner is normally made available online and at no charge. There is no general U.S. procedure for third parties to oppose applications prior to registration, although the creation of some new domains has been accompanied by "sunrise" opposition procedures through which prior trademark owners were able to oppose the registration of domain names incorporating their prior trademarks, e.g., the .info and .name domains. Also, as noted above, the ACPA creates a cause of action against anyone who, with bad faith intent to profit from the registered mark, registers, traffics in, or uses a domain name that is identical or confusingly similar to the mark or dilutes a famous mark. Furthermore, the ACPA allows a court to order the cancellation or transfer of a cybersquatting domain name. Similarly, under general statutory law and inherent judicial powers, the courts have the power and discretion to cancel or transfer a domain name as part of the relief granted in appropriate cases. In both the ccTLD and gTLD registries, secondary liability can be asserted only for registering domain names which infringe trademarks when such acts have been done in bad faith or reckless disregard of the rights of the trademark owner. Successful legal actions against registries and/or registrars (the service companies that normally assist in obtaining domain name registrations) are extremely rare.

1.8 *Maintaining the registration*
Must use requirements be satisfied in order to maintain the domain name registration? If so, is there any definition of what constitutes use? Is a renewal fee payable, in addition to, or in place of, a maintenance fee?

There are no use requirements to maintain a domain name registration. However, non-use of a domain name in a legitimate business is a factor that may be considered relevant in a cybersquatting action under the ACPA or in a UDRP action. A renewal fee is payable upon expiration of the initial term, rather than a maintenance fee.

1.9 *Generic Top-Level Domains (gTLDs)*
Are gTLDs subject to regulatory control in your country? If so, in what ways? Are there any differences to the treatment of ccTLDs? If so, what are they?

In the United States, gTLDs, unlike ccTLDs, are not subject to regulatory control or to a U.S. nexus requirement. However, gTLDs administered outside the U.S., such as .biz, and .aero, are subject to regulatory control.

2. Proposals for adoption of uniform rules

2.1 *Nature of signs*
Should the registration of a domain name confer exclusive rights to the proprietor? Should domain names be subject of dealings such as assignment, mortgage and the like?

No, the registration of a domain name should not confer exclusive rights to the proprietor, beyond the obvious exclusive contractual right to use the particular domain name registered during the term of the registration. Nevertheless, to the extent that domain names incorporate or reflect trademarks, their use and registration may invoke the application of trademark law and the exclusive rights accorded to trademarks and service marks. Yes,

the owners of domain names should be able to freely assign, mortgage, and alienate them just like other forms of property.

2.2 Legislation
Should legislation be enacted to deal specifically with domain names and domain name registries?

No. New legislation is unnecessary and over-regulation of the Internet should be avoided. The Uniform Domain-Name Dispute-Resolution Policy ("UDRP") of the Internet Corporation for Assigned Names and Numbers ("ICANN") is a functioning system, and its effectiveness would be enhanced if it were applicable to all ccTLDs.

2.3 Type of registry
Do you think the domain name system should be administered by public or private entities?

If you think that the DNS should be administered by private entities should they only perform technical functions or should they also perform policy functions? If you think that they should only perform technical functions who should perform the policy functions? What do you think Government's involvement in a privately administered DNS should be? If the DNS is administered by private entities do you think that their actions should be subject to a regulator and to an independent review? If so, which institutions should perform these functions?

If you think that the DNS should be administered by public entities which institutions should perform the technical and policy functions? Should the assignment of gTLDs and the key internet co-ordination functions (e.g. the stable operation of the Internet's root server system) be performed by a treaty based multi-governmental organisation? If so, should an existing organisation such as WIPO or ITU be tasked with these functions or should a new one be created?

The domain name system should be administered by private entities so long as they do so efficiently and adhere to minimum standards of fairness and transparency in their administration. Moreover, these entities should perform both technical and policy functions. To the extent that these private entities meet basic standards of fairness and transparency, the involvement of the Government or any other third party should be minimal.

2.4 National treatment
Do you think domain name registries should be entitled to impose restrictions on the application process based on the nationality of the applicant?

No. There should be no discrimination among domain name registrants based on nationality.

2.5 Bars to registration
Do you think domain name registries should be entitled to reject applications on public policy grounds? If so, on which grounds (e.g. immorality or generic terms)?

While domain name registries should be entitled to perform policy functions, they should not be able to reject applications on public policy grounds. It is essential to the efficient administration of the domain name system that substantive and procedural impediments to registration be kept to an absolute minimum.

2.6 Appeals
Do you think that the applicant for a domain name should have the right to appeal against the refusal of the registry to register a domain name? If so, to which entity and based on what kind of procedure (e.g. arbitration or administrative procedure)?

No. Appeals would impose additional and unnecessary costs and burdens upon the administration of the system and would be passed on to all registrants, making the registration of domain names more expensive and less accessible to all. As noted above, there are not many impediments to registrations of domain names other than prior registration by another party, and there are already procedures for contesting a party's domain name registration when it violates prior legal rights of another.

2.7   Publication, opposition and cancellation
Do you think that the application for or registration of a domain name should be made public? Do you think that there should be a procedure available to third parties to oppose such application (prior to registration) or registration? If so, on what (relative or absolute) grounds (e.g. prior trademark registration or generic term) and based on what kind of procedure (e.g. arbitration or administrative procedure)? Do you think that it should be possible for a registered domain name to be cancelled? If so, by whom and on what (relative or absolute) grounds (e.g. prior trademark registration or generic term)? Do you think it should be possible to request cancellation of a domain name based on general statutory law (e.g. unfair competition law)? If so, which procedure should be followed? Do you think domain name registries should be liable for domain names which infringe trademarks?

The trademark registration system is not analogous to, and should not be emulated by, the domain name registration system. Domain name applications should not be made public and there should not be an opposition procedure, all of which would make the system more cumbersome and expensive. However, domain name registrations, and full identifying data concerning their owners, should be made public and ascertainable online without charge and there should be a procedure for third parties to seek cancellation or transfer of registrations. Domain name registries and / or registrars should be held secondarily liable (with the domain name registrant having primary liability) for registering domain names which infringe trademarks only in extraordinary circumstances when they have acted in bad faith or reckless disregard of the rights of trademark owners.

2.8   Maintaining the registration
Do you think that use requirements should be satisfied in order to maintain the domain name registration? If so, what should constitute use? Should a renewal fee be payable, in addition to, or in place of, a maintenance fee?

No, there should be no use requirement. In the United States, a renewal fee is already required to extend an initial registration term, and no maintenance fee should be added or substituted therefor.

3.   Assessment of the trademark registration system
Do you think that the publicly administered trademark registration system is adequate and sufficiently efficient as compared with the privately administered system of domain name registration? If not, please explain.

As stated above, a comparison between the trademark registration system and the privately administered system of domain name registration is inaccurate and misleading because the two systems are not analogous. The trademark system creates exclusive legal rights and provides notice thereof to stop others from using the same or similar marks in a manner likely to create deception or confusion as to source or origin, and therefore must necessarily include procedures to assure due process, fair adjudication of disputes, and rights of appeal to a reviewing court. The system of domain name registration is designed to provide efficiently "Internet addresses" to which their registrants have contractual rights but no broader trademark-type rights to stop others from using the same or

similar names or marks. Because of these and many other differences, domain names should not be compared to trademarks.

4. Miscellaneous

We have no additional comments.

Summary

The domain name registration system should not be encumbered and made more expensive by procedures more applicable to the trademark registration system. However, the domain name registration system should be administered fairly and efficiently, subject to minimum standards of transparency and equal treatment, with post-registration dispute resolution procedures available, e.g., the ICANN UDRP or court actions, to protect the rights of trademark owners.

Résumé

Le système d'enregistrement des noms de domaine ne doit pas être alourdi et rendu plus coûteux par des procédures qui sont plus applicables au système d'enregistrement des marques. Cependant, le système d'enregistrement des noms de domaine doit être administré de façon équitable et efficace, en étant soumis à des standards minimums en termes de transparence et de traitement égal, avec des procédures de résolution des litiges post-enregistrement, tels que l'UDRP de l'ICANN ou des procédures contentieuses, afin de protéger les intérêts des propriétaires de marques.

Zusammenfassung

Das Registrierungsverfahren für Domains sollte nicht durch eine dem Markenregistrierungsverfahren angelehnte Ausgestaltung des Verfahrens erschwert oder verteuert werden. Gleichwohl sollte auch das Verfahren zur Registrierung von Domains effektiv und gerecht ausgestaltet sein, ein Minimum an Transparenz und Gleichbehandlung gewährleisten und für die Zeit nach der Eintragung über ein Schlichtungsverfahren verfügen, z.B. dem ICANN UDRP oder den Klagemöglichkeiten vergleichbar, die für Markeninhaber bestehen.

ICANN = Internet Corporation for assigned names and numbers = Internetvereinigung für geschützte Namen und Zahlen

UDRP = Uniform Domain-name Dispute-resolution body = Gemeinsames Konfliktbeilegungsverfahren für Domainnamen