

DOMAIN NAMES IN AUSTRALIA

This paper looks at “.com.au” domain names used on the Internet. There are things to know about these names, and some you may not expect.

What is it?

A name is easier for humans to remember and use than a string of digits, and a domain name is merely a plain English form (say, www.xyzcompany.com.au) of a digital website address (say, 194.92.475.51).

Domain names are however evolving into valuable brands, because businesses market themselves using their domain names and as customers use domain names to find businesses on the Internet. The names also are usually derived from and so linked to a registrant's existing legal name, business name or trade mark.

Registrars

Until July 2002 Melbourne IT was the only registrar for “.com.au” domain names. Now there are over a dozen registrars. Their prices are about \$200 for a 2 year licence.

Before Registering

A person might register with State or Territory authorities a business name so that the person can then apply to register a domain name (see later). A business name may however infringe the rights of a third party (particularly those of a registered trade mark) and registration of the business name is no defence. So you should always search a proposed business name before you move on to register a domain name. Otherwise, the business name and domain name may both infringe another party's rights. If this occurs you may be sued for damages, and also forced to give up your business name and domain name.

Applying for Registration

A registrar may have its own eligibility requirements for registration, but all registrars require:

- the applicant must be either: (a) an Australia registered company (or a foreign company licensed to trade in Australia), (b) a sole trader or partnership trading under a

Australian registered business name, (c) the applicant for or owner of an Australian registered trade mark, or (d) an incorporated association or a commercial statutory body; and

- the name must either: (a) exactly match or be an acronym or abbreviation of the applicant's name or of the words in its application for an Australian registered trade mark, or (b) otherwise be closely and substantially connected to the applicant because the domain name refers to its products, services, events, activities, venue or profession.

The proposed domain name must:

- be at least 2 characters long;
- contain only letters (a-z), numbers (0-9) and hyphens (-) or a combination of the same; and
- not contain hyphens in the third and fourth position.

Usually, Australian place names will not be registered, nor names considered obscene or offensive.

A registrant may hold any number of domain names.

What You Get

In law you do not own a domain name. You only have a licence to use the domain name for 2 years (together with a right to renew).

However, your actual use of a domain name may result in you building up goodwill that can be valued, sold and protected under general law principles.

The licence terms will oblige you:

- to comply with the published policies of the .com.au domain name administrator (.auDA Domain Administration Limited); and
- not to grant a security or encumbrance over the domain name (a rule often overlooked in practice).

Selling and Transferring

The licence terms prohibit the sale of domain names, and the registrar can revoke a domain name where a party attempts to sell.

Only in limited cases can a domain name be transferred, including:

- if the registrant or its commercial operations are acquired or merged with those of the transferee;
- by operation of law (such as a court order, or on the winding up or death of the registrant); or
- the registrant transfers the domain name in settlement of a dispute over the domain name (see later).

Domain Name Disputes

A domain name licence does not give you exclusive rights to use its contents, nor a defence against your infringing any third party rights. So you can be sued, despite and perhaps because of registering the domain name.

It gets worse. A domain name can be accessed on the Internet worldwide and not just in the legal jurisdiction where the registrant conducts their business. A third party with legal rights to the name or brand in another jurisdiction might sue you, in that other jurisdiction.

Some disputes are not accidental. Some people register domain names intending to sell them for a profit to a business that has a similar trading name to the domain name. Such "cyber squatting" has been less of a problem with .com.au domain names, because registration requires the applicant to have a business name etc (see earlier).

Another problem is international companies seeking to force domain names from small local business as those companies enter new markets. Those companies may allege they hold (unregistered) intellectual property rights in Australia because of their international operations and then use the threat of expensive legal action to pressure a transfer of the desired domain name. The target has no legal defence from having registered and used the domain name in good faith.

Resolving Disputes by Transfer

Disputes are often resolved by the transfer of the disputed domain name.

However to do that with .com.au domain names requires:

- a signed deed of settlement, to evidence the dispute;
- lodging a form showing the transferee meets the eligibility requirements for the domain name; and
- payment of a fee of about \$339 (administration fee + a new 2 year licence).

Dispute Resolution Policies

The registrant of a .com.au name that is registered or renewed after 1 August 2002 is subject to a mandatory dispute resolution policy.

This means a complainant can either invoke the policy or take legal action to enforce any legal right the domain name may infringe, such as for infringement of a registered trade mark. Also, either party may take legal action if they do not agree with the results of the dispute resolution process.

A complainant must:

- submit a compliant to an approved dispute resolution provider;
- choose either a single member (cost \$1,500) or 3 member panel (\$3,000);
- specify the domain name in dispute and any names or trade marks on which the complaint is based;
- describe (as per the policy) the grounds for the complaint and the remedy sought (such as cancellation or, if they meet the eligibility requirements, transfer of the domain name).

A complainant must prove:

- the domain name is identical or confusingly similar to its trading, company or business name or trade mark;

- the registrant has no rights or legitimate interest in the domain name; and
- the domain name has been registered or subsequently used in bad faith, such as:

registration was for the purpose of selling or transferring it to another person in excess of the registrant's out of pocket costs

registration was to prevent the owner of a business or company name or trade mark from reflecting that name in a corresponding domain name

registration was primarily for disrupting the business or activities of another person

by using the domain name, the registrant has for commercial gain intentionally attempted to attract Internet users to a website by creating a likelihood of confusion with the complainant's business or company name or trade mark as to the source or endorsement of that website or of a product or service.

There is a uniform dispute resolution policy that covers .com names. This is broadly similar to the above, but differences include:

- the policy does not extend to trade, business or company names which are identical or confusing to a domain name (ie it only covers trade and service marks); and
- the policy requires the domain name to have been registered *and* used in bad faith (rather than registration or use in bad faith).

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