

**Via E-mail Only**

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13 March 2018

To The Chairman and Members  
auDA Policy Review Panel**Re:** Submission by Davies Collison Cave Pty Ltd  
Registrant Policy: Enabling Australia's Digital Economy and Society  
Issues Paper January 2018

Dear Chairman and Members

Davies Collison Cave Pty Ltd (DCC) appreciates the opportunity to respond to the Registrant Policy: Enabling Australia's Digital Economy and Society ("the Registrant Policy") Issues Paper January 2018. We comment on the matters raised in the Issues Paper as follows:

**Guiding Principles**

DCC considers the following principles should inform the review process:

- preserve and enhance the integrity and identity of the .au domain space.
- ensure that domain name registrants should not be able to register or maintain domain names which infringe or seek to profit from an established right or reputation in the name or trade mark of another person.
- domain name registrants should not be permitted to "warehouse" domain names consisting of common generic or geographical terms. By "warehouse" we mean the practice of domainers registering large numbers of generic, descriptive or geographical expressions as domain names for the purpose of selling or leasing. We believe this to be an unjustified appropriation of the public domain.

**.au Structure****1. Should the .au Domain namespace be a 'general purpose' domain for all Australians allowing use for any purpose?**

DCC does not generally see any need for or merit in introducing direct registrations for the reasons stated on page 5 "Cons of Direct Registrations" in the Names Policy Panel Final Report (<https://www.auda.org.au/assets/pdf/2015npp-final-report.pdf>). DCC does not consider that there is any legitimate need that is not already met by the existing regime. In particular, DCC considers that the introduction of an additional domain name space will impose an additional burden on Australian business and trade mark owners to protect their intellectual

property from cybersquatters and domainers who seek to profit from the appropriation of generic terms and the reputation of others.

If however, direct registrations are introduced, DCC favours maintaining the current eligibility and allocation criteria (including, subject to further comment below, that applicable to foreign entities and individuals) to maintain the identity and integrity of the Australian domain name space as discussed further in Part 10 of this Response.

### **.net.au Domain Name Space**

- 2. Should net.au be closed to new registrations? If so, should existing net.au registrants be permitted to continue to renew their domain name indefinitely?**

DCC favours retaining the .net.au namespace. Many brand owners register in the .net.au domain name space as an alternative to .com.au. While .net.au is not as popular as .com.au, there is still demand for this name space.

### **asn.au Domain Name Space**

- 3. What should happen to the asn.au namespace? Should it be closed to new registrations or retained as a dedicated namespace for associations?**

DCC favours retaining the asn.au namespace. This domain name space clearly conveys to a consumer that the user is an incorporated or unincorporated association.

### **State and Territory Domain Name Space**

- 4. Should the State and Territory namespaces be used for other purposes? If yes, why and what are the purposes for which domain names should be registered under these namespaces?**

DCC favours opening up the State and Territory namespace to the courts or judiciary, parliament and state and territory governors as an effective use of this name space.

### **Reserved Names**

- 5. Should auDA continue to maintain a public reserved list? Should the public reserved list be published? What process or steps should auDA take before deleting a restricted or prohibited domain name registration?**

DCC favours auDA retaining a published public reserved list. DCC notes that the Australian *Trade Marks Act* 1995 (Cth) section 42(b) prohibits the registration of trade marks that are contrary to law and this includes marks that contain or consist of a sign the use of which is precluded under a particular piece of legislation. The Trade Marks Examiner's Manual, features an Annexure containing a non-exhaustive list of example of statutory legislation which prohibits the use of words and signs. auDA should engage with IP Australia to see how it manages that process.

If however, a newly reserved domain name conflicts with a trade mark right, which is already the subject of a domain name, that domain name registration should not be deleted provided the rights holder can demonstrate eligibility under the relevant eligibility and allocation policy and rules.

**6. Should auDA be able to reserve names in the public interest? How should the public interest be defined? What names should be reserved in the .au domain namespace? Should a public interest test replace the Prohibition on Misspellings Policy?**

DCC supports auDA being able to reserve names in the public interest.

While the public interest test could include criteria allowing for deletion of a domain name that is misleading or confusing and/or a deliberate misspelling of a brand or personal name, DCC favours retaining the existing Misspelling Policy. The Misspelling Policy is an effective tool against typo-squatting.

**7. Should the names identified in the discussion paper be reserved as future 2LD namespaces? Are there other names that should be reserved for use as future 2LD namespaces and why?**

DCC supports the reservation of the names listed at paragraph 59 of the Issues Paper from general registration. If they are made available as new 2LD namespaces, they should only be available under strict eligibility and allocation criteria and should not conflict with trade mark rights. DCC would welcome the opportunity to comment further on this issue should auDA decide that these names be released as future 2LD name spaces.

**8. Should there be a requirement for auDA to publish a list of names that are reserved for use by the registry and names that pose a risk to the operational stability and utility of the .au domain? Should there be any exceptions to the publication of names?**

A published list of reserved names can be a useful tool in determining whether a domain name is likely to be available for registration.

### **Eligibility and allocation rules**

**9. How should the Australian presence requirements be defined? Should trademark applicants and registrants only be allowed to register a domain name that is an exact match to their Australian trademark application or registration when relying on the trademark application or registration to establish an Australian connection?**

The Canadian Presence Requirements for registrants is a good model for .au provided, an applicant is still required to satisfy other eligibility requirements in a name space (e.g. non-commercial organisation for .org.au). The "legal representative" category does not seem necessary.

Regarding foreign entity and individual applicants, DCC understands that the current Domain Name Eligibility and Allocation Policy Rules (Eligibility and Allocation Policy) for the Open 2LDs, do not permit a foreign entity or individual that owns an Australian trade mark to register "any domain name".

We believe that the intention behind the Eligibility and Allocation Policy was that foreign entities and individuals could satisfy the eligibility criteria by owning an Australian trade mark application or registration *and* then be allocated a domain name that matched that trade mark. This interpretation is adopted by many users of the system in practice and

we understand by the Registry see: <https://www.ausregistry.com.au/a-guide-to-protecting-international-trademarks-in-comau/>.

However, through various iterations of the Eligibility and Allocation Policy, it appears that a different interpretation has arisen so that there are instances where a foreign entity is allocated a domain name on the basis the domain name has a substantial connection to its business. DCC considers this approach undermines the Australian domain space identity and integrity. DCC therefore advocates clarifications of the Eligibility and Allocation Policy to ensure that foreign applicants who rely solely on an Australian trade mark application can qualify only on the basis of the exact match, abbreviation or acronym criterion and not the "close and substantial connection" criterion.

**10. A. What eligibility and allocation rules should apply to .au and the open 2LD namespaces, and why? Should allocation criteria be removed, and the focus be on registrant eligibility? Should the close and substantial connection rule be retained and why?**

DCC favours Model A (page 24 of the Issues Paper) except that it considers that domain monetisation should only be permitted in certain limited circumstances. DCC also confirms its previous submission that rights holders and existing registrants be allowed to apply for a .au domain name during a sunrise period prior to general release.

Both Model B and C have potential to undermine the utility of and trust in the .au domain name space. Having no allocation criteria for any domain name (Model B) or direct registrations (Model C) could lead to a proliferation of bad faith registrations. For example, if a commercial applicant for a .com.au or .au domain name does not have to show that the domain name is an "exact match or abbreviation of its company name, business name or trademark", there will be no deterrent preventing that applicant from registering another business's trade mark or company name as a domain name. The allocation criteria are a useful tool for ensuring the Australian domain name space is relatively free of bad faith registrations.

**10. B. Should domain monetisation continue to be permitted in the com.au and net.au 2LD and at the second level? How should interests of those involved in domain monetisation be balanced against the needs of the broader Australian Internet Community?**

DCC considers domain monetisation should be permitted only in strictly limited circumstances where the domain name is used for the purpose of genuine advertising or community communication. DCC can see merit in:

- (a) defining "monetised website" to ensure that the domain name is for the purpose of offering genuine and useful advertising and information links to Australian entities. E.g. community service groups.
- (b) Setting a time limit by which the domain name must be used for its designated purpose.
- (c) Prohibiting registration of domain names for the purpose of leasing email addresses.

In relation to (c) there is a serious issue of domain names being registered for the purpose of sending phishing emails. If the email address is being leased it is near impossible to find out the true identity of the phishing email sender.

It appears some domain name wholesalers may be associated with or have special relationships with domain name registrars. This presents as clear conflict of interest for the registrar. Steps should be taken to prohibit these associations or relationships.

### **Internationalised Domain Names**

**11. Should internationalised domain names be trialled at the second level, and under what conditions?**

DCC can see merit in trialling internationalised domain names. There should be readily available English transliterations of the internationalised domain name.

### **Licence conditions**

**12. Should a registrant be able to sublease the domain name to an unrelated party? If yes, in what circumstances should this be permitted?**

DCC considers that allowing subleasing of domain names to unrelated parties will undermine the identify and integrity of the Australian domain name space. Otherwise, a registrant may sublease a domain name to an unrelated party which may not have a genuine connection with the domain name and may not satisfy the eligibility and allocation requirements.

### **Transferee**

**13. Where a domain name licence is transferred between registrants, should the transferee receive the benefit of the remainder of the licence period?**

DCC sees no reason why the transferee of a domain name licence should not receive the benefit of any remaining licence period.

### **Suspension of Domain Name License**

**14. Should auDA be given the power to suspend a domain name licence? When should auDA suspend rather than cancel a domain name licence? What should be the maximum suspension period before a domain name licence is cancelled?**

DCC considers there are circumstances in which auDA should have power to suspend domain names as set out in paragraph 17, below.

### **Registrant Data**

**15. For what purposes should auDA be allowed to collect, use and disclose registrant data?**

DCC believes there is merit in full public disclosure of WHOIS data as stated in paragraph 16 below.

## Whois

### **16. Are there any concerns with the current level of information included in the public WHOIS service? Should the technical contact field be utilised for agent and lessee details?**

DCC favours disclosure of full registration and registrant details on the WHOIS database for ease of information about and communication with a registrant, including:

- Domain name registration date and expiry date.
- Domain name registrant name, contact name, address, phone number, contact email address for the true owner of the domain name. The present policy of not permitting proxy registrations should be maintained.

There are often times when a domain name creation date is needed for a reason other "a claim under the auDRP or Australian Court proceeding." Examples of when it would be useful to know the domain name creation date include:

- Knowing when a domain name is due for renewal can help businesses to determine whether they should file an auDRP or wait to see if the problematic domain name is renewed (which it may do if the domain name is due to expire soon).
- Knowing when a domain name was registered comparative to when a brand came into existence can be important when a business files a Complaint against a domain name (other than an auDRP), for example, a Complaint against a domain name for breach the Guidelines Domain Monetisation Allocation Criteria.

DCC considers that the publically available WHOIS records provided by The Canadian Internet Registration Authority (CIRA) is a good model for Australia.

Agent details could be listed as an "administrative contact" if this is the registrants preferred method of communication, but should not replace the true registrant identity being disclosed on the WHOIS database.

### **17. Other Policy Consideration**

#### **Phishing Policy**

DCC would be pleased to see auDA consider the introduction of a Prohibition on Phishing Policy.

The use of domain names and emails addresses associated with domain names for phishing is a serious issue affecting many Australian businesses and individuals. Domain names are being registered to use the email address associated with the domain name to send phishing emails to Australian consumers. Often a phishing email will contain material which infringes intellectual property rights, but not the domain name, so there is no recourse under the .auDRP. In these cases auDA should have power to investigate and if appropriate immediately suspend or cancel a domain name licence.

#### **Domain Name Warehousing**

The registration and warehousing for resale at prices vastly in excess of the cost of registration of common generic and descriptive names and surnames as single word domain names is an unwarranted appropriation of the common heritage of the English

language. It is anti-competitive and imposes a burden to entry to businesses seeking to promote operation in the field related to the single word registration of the descriptive word or by those who have a right to use their own surname.

A recently published study by Beebe and Fromer 131 Harv.L.Rev (2018) shows that of 86,408 commonly used English words 77,340, 86%, are currently registered as domain names in the .com domain. Similarly, the study shows that "90% of the US population carries a surname that has already been claimed in the .com space". The study further comments that "the Verisign data do not indicate the proportion of .com domain name registrations that are held by cybersquatters engaging purely in rent-seeking. It may be that a high proportion of .com domain name registrations are actively for sale. Still, the .com domain name data provide further evidence of the enormous friction that entrants face in developing a new brand name".

In the overall context of the study covering depletion and congestion of trade marks and domain names, Beebe and Fromer conclude that "*but as depletion and congestion continue to intensify, firms will do so at greater cost and with less benefit. Incumbent advantages will grow as will barriers to entry for non-incumbents. Consumer search costs will continue to increase.*" DCC therefore supports:

- Maintaining the current prohibition on registering domain names solely for resale in term 8 of the 2012-04 - Domain Name Eligibility and Allocation Policy Rules for the Open 2LDs.
- Maintaining the current requirement that registrants who buy a domain name satisfy the existing Domain Name Eligibility and Allocation Policy Rules for the Open 2LDs as presently set out under the 2011-03 - Transfers (Change of Registrant) Policy.

Yours sincerely



**DAVIES COLLISON CAVE PTY LTD**