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New species - 'Domain Name' or 'Cybermark'

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NEW SPECIES —
“Domain Name” or “Cybermark”

by Jay Forder, Consultant Editor

A new species develops

There is a growing realisation amongst lawyers that we are witnessing the development of a new species of intellectual property. Germinated by the Internet, its rapid growth is a result of the recent commercialisation of the World Wide Web. It is still unclear whether the "int will ultimately be known in law as a “domain name” (the technologists’ description) or a “cybermark” (a possible legal description).

The need for regulation of domain names is being driven by the merchants of the information age. It is a good illustration of the analogy we have drawn in this issue between cyberlaw and the development of the law merchant in a previous age.

The infant described

To pass messages on the Internet, computers identify each other by a sequence of numbers separated by “dots” (eg 131.244.24.1). While some technologists are able to work with these number strings, lesser mortals find it easier to remember names.

Hence the implementation of a domain name system (DNS). The owner of a computer on the Internet selects a suitable name (eg microsoft and registers it within an appropriate category (eg com for commercial entities), giving the domain name “microsoft.com”. (Note that there are also geographical categories designated by 2-character country codes, such as au for Australia. Most disputes to date have involved the one-character “international” or “generic” classes.) To communicate, other computers access a database that matches this name with its true numeric address. This happens in the background without intervention by the user.

For obvious reasons, each domain name must be unique for a message to be delivered correctly. Once a person has registered a name, it precludes any other person registering the same name.

Disputes on the increase

In July 1994, journalist Joshua Quittner published an article in Wired magazine describing how ignorant some of the large American corporations were about the Internet. To prove his point, when he got little response after his initial contact with McDonald’s Corporation, he registered the domain name mcdonalds.com and adopted the e-mail address Error! Bookmark not defined.. He received messages urging him to use the site to promote vegetarianism.

This and other initial skirmishes (MTV v Curry and Kaplan v Princeton Review) were settled out of court. Quittner surrendered mcdonalds.com when McDonald’s agreed to pay $3,500 to fund computers at a local school. But the number of disputes about domain names has grown steadily.

Current rules inadequate

Most complaints have been based on alleged infringements of trade mark. If Quittner had used the site for a fast-food outlet, McDonald’s could have complained that he was infringing their trade mark. But even without a trade mark infringement by Quittner, should McDonald’s prior trade mark or goodwill give them a superior right to the domain name? When are domain names themselves registrable as trade marks? Is trade mark law (or passing off) adequate to regulate the use of domain names? How should we resolve disputes between competing claimants for a particular domain name where neither has an established trade mark? Should people be prevented from anticipating popular or useful names, registering them and offering them for sale (known as “warehousing” or “squating”)?

Self-regulation

Legislators are slow to grapple with these problems. Like the medieval merchants before them, the Internet community has made an attempt to regulate some of these issues by consensus amongst themselves. During 1995 and 1996, Network Solutions, Inc (NSI) made a number of changes to their registration policy. The changes were criticised as favouring trade mark owners. The popular international commercial category (.com) has become congested, and unofficial rival categories are appearing.

Towards the end of 1996 the Internet Assigned Numbers Authority (IANA) and the Internet Society (ISOC) formed an ad hoc committee to look into the problem. Their final report of 4 February 1997 was debated at a meeting in Geneva, and a memorandum (with the apocryphal acronym gTLD-MoU) was signed on 1 May 1997 by 80 signatories. By August 1997 this had risen to 160 signatories. The memorandum contemplates an increase in the number of categories; a fairer registration process handled by several competing registrars; and a dispute resolution mechanism (called challenge panels) to be administered by the World Intellectual Property Organisation (WIPO).

As I write, the second session of the WIPO Consultative Meeting on Trademarks and Internet Domain Names is taking place in Geneva.

The shape of things to come

While acknowledging the similarities between domain names and trade marks, commentators suggest that cybermarks will require their own rules. Stanford Law School’s Kenton K. Yeung submits that “domain names are economically similar to real estate or business locations, and for this reason the efficient protection for them is somewhere closer to real property law than traditional trade mark law. I anticipate that the laws governing domain name ownership will evolve to ultimately more like real property law.”

The question remains whether legislators or cybermerchants will determine the shape of these laws. Given the international nature of the infant, and the benefit of a glance back through history, I’d put my money on the cybermerchants.

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1 See “Error! Bookmark not defined.”
2 The Austrian Association of Domain Names makes a useful chronology available at Error! Bookmark not defined.
3 See Carl Oppenheim, “NSI Flawed Domain Name Policy: Information Page” at Error! Bookmark not defined.
4 See the Generic Top Level Domain Memorandum of Understanding (gTLD-MoU) and other relevant documents at Error! Bookmark not defined.