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## DOMAIN NAME PROTECTION IN SOUTH AFRICA

### 1 Introduction

This paper investigates the legal mechanisms that are available when one is dealing with domain name disputes. It describes the domain name system and contrasts this with other forms of intellectual property. The different types of domain name conflicts are discussed and the legal measures available for protection of domain names as intellectual property are highlighted. Reference is made to national protection measures such as the Trade Marks Act 194 of 1993 and common law protection of intellectual property. Certain international legal mechanisms such as the World Intellectual Property Organisation's rules with regard to online domain name dispute resolution and the United State's Anticybersquatter Consumer Protection Act of 1999 are also discussed as these measures have a direct influence on some domain names of South African businesses. Lastly the changes to domain name dispute resolution procedures envisaged by the Electronic Communications and Transactions Act 25 of 2002 are discussed.

Since the advent of e-commerce a new species of highly valuable intellectual property has developed. Although there are remarkable similarities between domain names and "common law trade marks" and trade marks protected by the Trade Marks Act 194 of 1993 there are also important differences, which cause uncertainty and confusion when disputes involving domain names arise (see in general Hofman *Cyberlaw* (1999) 98 *et seq*; and Buys *Cyberlaw* (2002) 74 *et seq*). These differences flow mainly from the unique characteristics of domain names. The purpose of this note is to investigate the domain name system as it is used in South Africa, to compare domain names and trade marks, and to look at the protection mechanisms which an aggrieved party may have at his or her disposal if he should find that his business name or trade mark (or something similar) is being used by a domain name registrant in a way that conflicts with his interests. In addition, a short comparison of how these problems are addressed by the international community, particularly the USA and Britain, will be made.

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## 2 The domain name system as identifier of internet addresses

Computer readable Internet addresses are reflected by means of numbers. A typical Internet address would be, for example, 196.41.128.254. A domain name is the user-friendly substitute for such an address. The domain name for the above numbers, for instance, is Yebonet.co.za. The domain name system was developed in the USA by The Internet Society (ISOC). This body was formed in 1992 with its headquarters in Virginia (Buys 33). Its purpose is the global coordination of the Internet. One of the groups closely associated with ISOC is The Internet Corporation for Assigned Names and Numbers (ICANN) which is recognised as the responsible body for the global operation of Internet addresses and the domain name system. ICANN is a non-profit corporation that was formed in 1998 to assume responsibility for the IP address space allocation, protocol parameter assignment, domain name system management, and root server system management functions previously performed under US Government contract by the Internet Assigned Numbers Authority (IANA) and other entities (see <http://www.icann.org/general/abouticann.htm> – 2003-07-21; Powers *The Internet Legal Guide* (2002) 152; Hurter “Acting Against Cybersquatters” 2001 9 *JBL* 174-177).

For purposes of this note, a distinction must be drawn between two very different types of domain names, namely, top-level domain names (hereafter referred to as TLD's) and second- and third-level domain names or sub-domain names. A typical example of a top-level domain name is the .com in widgets.com or the .za in widget.co.za. An example of a second level domain name would be the .co in widgets.co.za where .co indicates the fact that widgets are registered under the genus commerce. Widget, the first word in the address, is then the typical identifier of the specific business or other entity. Top level domain names can be classified as either generic TLD's (gTLD's) (the .coms, .net's .org's *etc*), which do not indicate a country of origin, or as country code TLD's (ccTLD's) which indicate that the name is registered in a specific country. For example, .za refers to South Africa, .uk to the United Kingdom, .il to Israel, *etcetera*. It must further be noted that the generic TLD's (eg .com) originated in the USA (Buys 32).

(IANA) (the predecessor of ICANN) assigned the .za domain space to South Africa. Originally Uninet controlled the .za domain names (Buys 33). From the end of 2001, prior to the commencement of the Electronic Communications and Transactions Act 25 of 2002, Namespace South Africa was responsible for controlling .za domain names. Namespace in turn assigned the administration of sub-domains to other entities such as UniForum SA, which administered the .co.za domain names before the enactment of the Electronic Communications and Transactions Act 25 of 2002 (see [www.namespace.org.za](http://www.namespace.org.za) – 2003-09-10).

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Although Namespace makes provision in its “Policies and procedures” for parties applying for sub-domains to include dispute resolution processes in their contracts with prospective domain name owners, Namespace itself has no dispute resolution process and many of its registrars such as UniForum specifically refrain from attempting to resolve domain name disputes administratively.

Before the enactment of the Electronic Communications and Transactions Act, conflicts between domain name owners *inter se* and domain name owners and the registrants of trade marks or business names in the .za name space had to be solved by means of existing legal principles relating to trade marks and the common law.

### **3 The main differences between domain names, trade marks and business names**

Some of the most important differences between domain names and trade marks are the following:

- (i) Trade marks are registered in terms of the Trade Marks Act 194 of 1993 while domain names are registered on a first-come first-served basis by private entities and nothing (except perhaps the policy of the registry) prevents the registration of confusingly similar names or names in conflict with trade mark laws.
- (ii) While a domain name is unique, there can be a multitude of similar trade marks, as long as they are used for different classes of goods or services. This is not possible as far as domain names are concerned (Buys 74).
- (ii) Trade marks are territorial, while domain names are visible worldwide. The Internet knows no borders.
- (iii) Trade mark protection is normally afforded for a specific category of goods while domain names may cut across different classes of goods (see par 5 1).
- (iv) It is possible for an individual to register the name of a business (or the name of a well-known individual or celebrity) as a domain name and then, at a later stage, abuse the name or attempt to sell it to the business or individual concerned at an exorbitant price. This phenomenon is known as Cybersquatting and Cyberpiracy, and can cost both businesses and private individuals millions of rands. It is often too time-consuming or expensive to make use of available laws to act against cyber pirates and often the law does not give adequate protection (see in general Buys 74; and Hofman *Cyberlaw: A Guide for South Africans Doing Business Online* (1999) 99).
- (vi) Certain names, such as those of countries, are regarded as generic and are only afforded protection under trade mark law in exceptional

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circumstances (Visser *The New Law of Trade Marks and Designs* (1995) 12). It is, for instance, a question whether a domain name such as South Africa.com will be protected under trade mark law (see par 4 3 3).

#### **4 The nature of conflicts between domain name registrants *inter se* and other interested parties**

Because domain names are intellectual property, they can have enormous monetary value. The generic name business.com, for instance, was sold in 1999 for \$7.5 million (Powers 157). Because of the peculiar way that the domain name system has developed, conflicts often arise between different domain name owners or between domain name owners and trade mark holders. These conflicts arise “due to the failure of intellectual property systems worldwide to keep pace with technological developments” (Ryan “Playing by the Rules” May 2001 *De Rebus* 27). What follows are examples of typical disputes in this field.

##### *4 1 Cybersquatting, cyber hijacking, reverse domain name hijacking*

The terms “cybersquatting”, “cyber piracy”, “cyber hijacking” and “cyber snatching” are often used to denote situations where unscrupulous persons register domain names similar to trade marks or business names, with the intention of selling them at a later stage at an exorbitant price to interested parties such as trade mark owners (Hofman 99). A characteristic of the above is that the holder is usually acting in bad faith, that is, the sole purpose of the original registration is to resell the name to the lawful owner at a later stage and not to use it for a legitimate purpose. In many cases such web sites are not used at all or are used as “adult sites” to force the trade mark holders to buy the domain name in order not to be associated with the material displayed on the site (see the examples discussed in par 4 3).

In similar fashion generic names such as business.com or place names such as newzealand.com are sometimes registered as domain names and, at a later stage, sold to interested parties (Powers 156 *et seq*).

The term “reverse domain name hijacking” refers loosely to the “unlawful” obtaining of a domain name that had been registered previously by a “lawful” holder (see for instance: “HM the Queen Found Guilty of Reverse Domain Name Hijacking” [http://www.demys.net/news/2002/12/02\\_dec\\_20\\_queen.htm](http://www.demys.net/news/2002/12/02_dec_20_queen.htm) –2003-09-03).

##### *4 2 Legitimate conflicts of interest*

Not all conflicts of interest between domain name holders *inter se* and domain name holders and trade mark owners arise out of bad faith. Because

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of the differences between the domain name system and the trade mark system referred to above, it is possible to register a trade mark in one country for a specific type of goods and use the same (or a similar) name for another business selling other goods in the same country, without infringing the registered trade mark. This is so because trade mark registration protects a mark against the use of the same (or confusingly similar) names relating to a specific class of goods and within specific geographical boundaries. On the other hand, domain names cut across borders and are visible wherever a person can access the Internet. It is thus possible that a trade mark may exist in one place but that a similar domain name is registered in a country or for goods where the trade mark is not protected. Because the domain name is visible everywhere, a legitimate conflict of interest may arise and adjudication will become necessary.

### *4 3 Particular problems and potential conflicts*

What follows is a discussion of typical examples of particular problems, illustrating the different types of domain name disputes that often arise.

#### **4 3 1 Conflicts between domain names, trade mark and business names**

Although there are numerous international cases dealing with conflicts in this regard (see for instance Buys 77 *et seq*; Powers 155 *et seq*), only one South African case dealt with this type of problem. In *Azisa (Pty) Ltd v Azisa Media* (2002 4 SA 377 (C)) the applicant applied in terms of section 20(2)(b) of the Close Corporations Act 69 of 1984 for an order to prohibit the first respondent from using the name azisa.com, because it was undesirable in terms of section 20(2)(b) as it could lead to confusion. The Cape High Court found that, although the name “Azisa Media” was not undesirable, the abbreviation of the name was, and the respondent was ordered not to use the abbreviation azisa.com (396).

The fact that a business has registered a trade mark does not necessarily mean that it has the right to register the name as a domain name. The well-known huge Internet retailer, Amazon.com, was registered in spite of the existence of a small feminist bookstore called “Amazon” which had been in operation since 1970. Although this conflict was settled out of court, it is by no means certain that the registered Amazon would have succeeded in an action for trade mark infringement. The cost of legal action against Amazon.com and the risk inherent in any legal action forced the settlement (Powers 155).

The following are examples of problems that registered trade mark owners sometimes experience when they find that their registered trade marks are used as domain names.

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When the well-known Australian Essendorf football club attempted to register the name `essendorffc.com` they found that the name had already been registered and used by an “adult site”. The Essendorf football club then registered the domain name `essendorf.com.au`. Their attitude was that it was simply not worth risking the cost and effort to enter into a dispute resolution process to obtain the `.com` name ([www.zdnet.com.au/newstech/ebusiness/story/0,2000048590,2721284,00.htm](http://www.zdnet.com.au/newstech/ebusiness/story/0,2000048590,2721284,00.htm) – 2003-09-20).

An almost similar example is the case of the Australian broadcasting network, Ten. When they wanted to register `ten.com`, they found that the name had already been registered and used by a pornographic site. Ten likewise decided to register `ten.com.au` rather than entering into a costly dispute ([www.zdnet.com.au/newstech/ebusiness/story/0,2000048590,2721284,00.htm](http://www.zdnet.com.au/newstech/ebusiness/story/0,2000048590,2721284,00.htm) – 2003-09-20).

An example of a failed dispute of a similar nature to the above which went through the UDRP process was the dispute between the Prudential Insurance Company of America and `prudentialmotors.com`. The insurance company lost its dispute against `prudentialmotors.com`, which is used as a pornographic site. According to the panel that decided the dispute, the respondent “prudentialmotors” had no apparent connection with the complainant or the insurance industry and there was therefore no infringement of the trade mark (“Insurance Giant Fails in Porn Site Domain Challenge” available at [http://demys.net/news/2003/04/10\\_pr.htm](http://demys.net/news/2003/04/10_pr.htm) – 2003-08-30).

#### 4 3 2 Generic names and geographical indicators

Generic names are in general not protected by trade mark laws (see in general Powers 157; Pink *The Internet & E-Commerce Legal Handbook* (2001) 193). Words such as “business”, “ecstasy” *etcetera* are therefore open to abuse. According to Powers, a Houston businessman bought `business.com` in 1997 for \$150,000 and sold it two years later to a Californian company for \$7.5 million (see Powers 156-159 for this and other examples).

Place names are also generic and are, as geographical indicators, generally not protected by trade mark laws (Visser 12). Such names obviously have potentially huge economic value and have been the subject of many domain name disputes. Two examples will suffice.

Virtual Countries Inc. is an American company that had registered many place names as domain names in the `.com` domain space. It then promotes tourism to those countries. After an unsuccessful attempt to force Virtual Countries Inc., through a dispute resolution process, to hand over the name `newzealand.com`, the government of New Zealand bought the name for one million dollars from Virtual Countries Inc. (*HER MAJESTY THE QUEEN, in right of her Government in New Zealand, as Trustee for the Citizens,*

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*Organizations and State of New Zealand, acting by and through the Honorable Jim Sutton, the Associate Minister of Foreign Affairs and Trade v Virtual Countries, Inc* (WIPO Case No. D2002-0754) available at <http://arbiter.wipo.int/cgi-bin/domains/search/DomainSearch?lang=eng & domain=newzealand> – 2003-09-01. See also [http://www.demys.net/news/2003/04/30\\_nz.htm](http://www.demys.net/news/2003/04/30_nz.htm) – 2003-09-20).

The second example relates to South Africa. It is well known that the government of South Africa has, until now, been unsuccessful in obtaining the domain name *southafrica.com* from Virtual Countries Inc. After a drawn out battle to obtain the name the Government is now negotiating to buy the name from Virtual Countries Inc. (“SA to Pay Big for Rights to Southafrica.com” *Business Day* 2003-05-05 <http://www.bday.co.za/bday/content/direct/1,3523,1338476-6078-0,00.html> – 2003-11-20).

It must be mentioned that, in October 2002, WIPO adopted a decision that the short and long names of states, as set out in the United Nations Terminology bulletin, should be protected against identical or misleading registrations by persons unconnected with the constitutional authorities of the states concerned. This protection however, only relates to future registrations and will not be of any assistance in helping South Africa to obtain *southafrica.com* (see [http://www.demys.net/news/2003/05/28\\_co.htm](http://www.demys.net/news/2003/05/28_co.htm) – 2003-09-20).

### 4 3 3 Personal names

Another problem area is the use (or abuse) of personal names, well-known or not, as domain names. Many celebrities have found their names being hijacked by Cyber pirates who intend making money. The names are either not used at all, or are used to refer to pornographic sites with the intention of forcing the celebrity in question to buy the name in order to protect it.

Examples of this type of abuse are *gwbush.com*, which refers to an anti-Bush site, *Leoblair.com* which was registered shortly after the birth of Mr Tony Blair’s son who has the same name, and many celebrity names such as *madonna.com*, *juliaroberts.com*, *sting.com*, *etcetera*. Although a personal name may be protected as a trade mark, not all names fulfil the necessary requirements to be entitled to this protection (see for instance *Julia Fiona Roberts v Russell Boyd* (WIPO Case No D2000-0210) available at <http://arbiter.wipo.int/cgi-bin/domains/search> – 2003-09-01).

### 4 3 4 Metatags and the abuse of keyword banner advertisements

Metatags are codes that are embedded in a party’s web site that are not visible to the ordinary user. They are, however, capable of being located by

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search engines (Pink 211). The tags are recognised by search engines and can lead to all kinds of abuse. A search for a name of a specific product, for instance Coca-Cola, will then also produce the name of a competitor, for instance Pepsi-Cola, as a hit, if Pepsi-Cola has used the name as a metatag. This is obviously not in the interest of the original competitor. In the United States it was recently held that the use of metatags constituted trade mark infringement (*Horphag Research Ltd v Pellegrini* (CV-00-00372-VAP) (9<sup>th</sup> Cir. May 2003)).

Keyword banner advertisements are sold by particular search engine operators to clients and are then displayed as pop-up advertisements when a particular search is conducted. An example of this type of advertisement is the following: An Internet user searches for Coca-Cola. The search engine operator then displays a Pepsi banner somewhere on the page where the hits for Coca-Cola are displayed. Although Pepsi is not one of the hits, the searcher becomes aware of the product and its advertised qualities. Although this type of advertisements does not strictly result in domain name infringement, it may, under certain circumstances, be regarded as unlawful competition. (For a more detailed discussion see Ebersön “Keyword Banner Advertisements” 2003 *JBL* 11(1) 10-14).

## **5 Protection mechanisms in South Africa prior to the enactment of the Electronic Communications and Transactions Act**

Before the enactment of the Electronic Communications and Transactions Act, the following remedies were, depending on the circumstances, available to a party who wanted to act against the holder or registrant of a domain name that infringed his interest.

### *5 1 The Trade Mark Act 194 of 1993*

The act is complex and a detailed discussion of its provisions falls outside the ambit of this note. It is, however, necessary to refer briefly to the protection that the act affords to registered trade marks.

In terms of the Act, trade marks can be registered in one of several classes, depending on the type of product or service (s 11).

Once it is shown that a domain name, which is the same or confusingly similar to a registered trade mark, is used for similar products in the same category, the provisions of the Act can be invoked. Section 34(1)(a) and (b) provide that:

“(1) The rights acquired by registration of a trade mark shall be infringed by –

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- (a) the unauthorized use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion;
  - (b) the unauthorized use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, that in such use there exists the likelihood of deception or confusion.”

If a mark, confusingly similar to a trade mark which is well-known in South Africa, is used with reference to any goods or services, the “dilution” provision of the act becomes available (s 34(1)(c)). This section deals with “the unauthorized use in the course of trade in relation to any goods or services of a mark which is identical or similar to a trade mark registered, if such trade mark is well known in the Republic and the use of the said mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception ...”

In the case of domain names, this provision becomes available if a domain name “would be likely to take unfair advantage of, or be detrimental to the distinctive character or the repute of the registered (well-known) trade mark”. Provision is also made for the protection of unregistered well-known foreign trade marks against unlawful use (s 35).

One of the obvious questions is whether a mark is used if it is simply registered as a domain name (and offered for sale to the trade mark owner).

At the stage of publication of this note, there were no reported South African court cases dealing with infringements by domain name registrants in terms of the Trade Marks Act. This does not mean that there have been no conflicts. Trade mark infringements have, thus far, been settled out of court.

## 5.2 *Common law protection*

Even if a business name is not registered as a trade mark, the common law affords protection under certain circumstances. At common law, the remedies of passing off and unlawful competition are available to holders of marks or names that are not registered. In the case of passing off, the aggrieved party must show that his mark or name has earned a reputation in the market place and that the defendant’s use of the name is intended to confuse the public as to the quality or origin of the product (see in general Van Heerden and Neethling *Unlawful Competition* (1995) 169; and Neethling, Potgieter and Visser *Law of Delict* (2002) 314-322). Unlawful competition can be defined as an unlawful infringement of a competitor’s right to its goodwill (Neethling, Potgieter and Visser 316) and can take place in many ways. An example of unlawful competition in the current context may be the use of keyword banner advertisements (Ebersön 10-14).

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The requirements that have to be proven in order for these remedies to be available are, however, often cumbersome and expensive.

### 5 3 *International protection*

International protection measures are relevant to South Africa because these measures are sometimes available in disputes relating to South African domain names. They are also capable of being used by non-South Africans against South African domain name owners (see, for instance, the cases discussed by Ryan “Playing by the Rules” May 2001 *De Rebus* 27-30. The author refers to disputes relating to safmarine.com, nondoschicken.com and sanlam.com. These cases can be assessed at [http://arbiter.wipo.int/domains/cases – 2003-08-30.](http://arbiter.wipo.int/domains/cases-2003-08-30))

It is not possible to discuss all the international measures that may have a bearing on South African registrants and, for the purposes of this paper, the two most important international remedies that have an effect on South African holders of gTLD’s, will briefly be mentioned.

#### 5 3 1 WIPO’s uniform dispute resolution policy

After a process initiated by the United States, the World Intellectual Property Organisation (WIPO) formed the Internet Corporation for Assigned Names and Numbers (ICANN) that administers the domain name system. After many deliberations with interested parties, ICANN adopted a Uniform Dispute Resolution Policy (UDRP) in 1999 (Powers 159-162; Hurter 174-178; and Ryan 27-30). The policy applies to all open gTLD’s such as .com, .org, .net *etcetera* and to those ccTLD’s of countries that have agreed to be subject to the policy. The policy creates an online dispute resolution process where appointed panellists, on application by parties concerned, solve disputes. (The policy and its rules are available at [http://www.icann.org/dndr/udrp/policy.htm – 2003-08-30.](http://www.icann.org/dndr/udrp/policy.htm))

In order to be successful with an action under the policy, the applicant must prove the following regarding the domain name in dispute:

- (i) that the name complained of is identical or confusingly similar to a trade mark, business name or domain name to which the complainant has a right;
- (ii) that the domain name registrant has no rights or legitimate interest in respect of the domain name; and
- (iii) that the domain name is used in bad faith (a 4(a)).

Well-known South African companies that have been involved in disputes relating to gTLD’s are Nando’s Chicken, Sanlam and the shipping company, Safmarine. When Safmarine wanted to register safmarine.com it found that it

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had already been registered by United Artists who offered to transfer the name to Safmarine against payment of US\$20 000. After Safmarine initiated a complaint in terms of the UDRP, United Artists agreed to transfer the name.

When the South African-based food franchise, Nando's Chicken, attempted to register *nandos.com* they found that *nandos.com* and *nandoschicken.com* had already been registered and were held by a Californian resident. The Panel heard the dispute and it ordered transfer of the names to Nando's (Ryan 29).

Although the UDRP is mandatory, in the sense that all relevant parties are subject thereto, the policy does not exclude the jurisdiction of the courts and can therefore be overruled by a court of law with jurisdiction (Ryan 30).

ICANN's UDRP has been criticised as being inconsistent, unpredictable and favouring trade mark holders. It is, however, a relatively cost effective way to deal with domain name disputes that are subject thereto (Hurter 178).

### 5 3 2 USA Anticybersquatting Consumer Protection Act

In November 1999 (the same year that ICANN's UDRP was adopted) the US Government enacted the Anticybersquatting Consumer Protection Act (15 U.S.C. par 1125). In terms of the Act action can be taken against a domain name holder in circumstances that result in cybersquatting. The significance of the Act, also in the South African context, is that action can be taken in the US against a holder of a domain name in South Africa if, in terms of the Act, it amounts to cybersquatting. Remedies in terms of the Act are the normal trade mark remedies, including an order for statutory damages of US\$1000-US\$100 000 per registration. The enforcement of awards outside the US will be difficult as a result of jurisdictional problems. The Act, however, also creates *in rem* jurisdiction, which implies that a court can order the transfer of the name to a complainant even if the respondent cannot be found. (For a discussion of the Act see Davis "A comparison of UDRP and the US ACPA" *Domain Name Special Supplement, Trademarks World* April 2000; and Hunn "AntiCybersquatting Consumer Protection Act: A Powerful Remedy in Domain Name Disputes or a Threat to Electronic Commerce?" <http://www.fnnew.com/archive/cybersquat> – Aug 2003).

Any order in terms of the act will override an order in terms of ICANN's UDRP.

## **6 Domain name protection and the South African Electronic Communications and Transactions Act 25 of 2002**

Chapter ten of the Electronic Communications and Transactions Act deals with “Domain Name Authority and Administration” and establishes the .za Domain Name Authority “for the purpose of assuming responsibility for the .za domain space” (s 59). The authority will be incorporated as an association not for gain in terms of section 21 of the Companies Act 61 of 1973 and it will be managed and controlled by a board consisting of nine directors (s 62(1)). No person may update a repository or administer a second level domain name unless the Authority licenses that person to do so (s 64).

In an apparent attempt to democratise the authority, section 60(2) provides that all citizens and permanent residents of South Africa are eligible for membership of the Authority and for the purpose of incorporation a person representing the Minister of Communications and “the members of Namespace ZA as at the date of application for incorporation must be deemed to be members of the Authority” (s 60(3)). If one looks, however, at the compilation of the Board of Directors, it is clear that the Minister has the last say. The Minister appoints an “independent selection panel consisting of five persons” (s 62(2)(a)). The Minister then invites nominations for the Board of Directors from the public (s 62(2)(b)). The selection panel must recommend the names of persons to be appointed to the Board of Directors to the Minister (s 62(2)(a)). If the Minister is not satisfied that the recommendations of the panel comply with the appointment criteria, he/she may request the panel to review the names and make new recommendations (s 62(2)(e)). The appointment criteria set out in section 62(3) determine the following:

- “(a) The Board, when viewed collectively, must be broadly representative of the demographics of the country, including having regard to gender and disability.
- (b) Sections of stakeholders ... are:
  - (i) The existing Domain Name community;
  - (ii) Academic and legal sectors;
  - (iii) Science, technology and engineering sectors;
  - (iv) Labour;
  - (v) Business and the private sector;
  - (vi) Culture and language;
  - (vii) Public sector;
  - (viii) Internet user community.”

The detailed functions of the Authority (under control of the Board of Directors) are set out in sections 64 and 65 and an in depth discussion of these functions falls outside the scope of this note. Suffice to say that the Authority through the Board of Directors will be in full control of the .za domain name space. One can only hope that these functions will be

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exercised in such a way that potential disputes between domain name owners *inter se* as well as between domain name owners and holders of other intellectual property rights are limited. This can easily be done by, for instance, setting more stringent requirements for registration of domain names that may potentially be in conflict with existing rights. This can be done in terms of section 65(1)(e) which authorises the authority to *inter alia* publish guidelines on the requirements and procedures for domain name registration.

The new Domain Name Authority was appointed in July 2003 (“New Domain Name Authority has Healthy Diversity” *Business Day* 2003-7-24 <http://www.bd.co.za/bday/content/direct/1,3523,1395046-6129-0,00.html> – 2003-11-20). The process is thus in motion.

The Act creates a new, separate alternative dispute resolution process for the .za domain name space. Section 69 determines that the Minister, in consultation with the Minister of Trade and Industry, must make regulations for an alternative mechanism for the resolution of disputes in respect of the .za domain name space (s 69(1)). The regulations cover the total field of alternative dispute resolution including the procedures that must be followed (s 69(3)(a)); the appointment, role and function of adjudicators (s 69(3)(c)); what actions are regarded as unlawful and can lead to civil or criminal liability (s 69(3)(e)); the manner, cost and time within which a determination must be made (s 69(3)(g)); and the enforcement and publication of determinations made by adjudicators (s 69(3)(j)). The regulations also determine what role the Authority must play in administering the dispute resolution procedure (s 69(3)(b)). The regulations must further also determine the limitation of liability of registrars and registries for implementing a determination (s 69(3)(i)).

The only limitation on the power of the Minister, is that the regulations must be made “with due regard to existing international precedent” (s 69(2)).

From the above the following can be concluded.

- The .za Domain Name Authority will have full control over the .za domain space.
- Because it regulates the whole process, the Authority will be directly and actively involved in the setting of requirements for registration of domain names and the management of the domain space.
- It is clear that South Africa will shortly have its own alternative dispute resolution process for the .za domain name space.
- Except if so expressly stated, the domain name dispute resolution process will not replace the legislation and common law discussed in the previous paragraphs.

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- The Act will also have no effect on ICANN's Uniform Dispute Resolution Process as far as gTLD's are concerned. In short, the .com top-level domain names will still be subject to ICANN's UDRP.
  - International legislation such as the US Anticybersquatter Consumer Protection Act can still affect South African domain names.

One can only hope that an effective South African domain name registration and dispute resolution process will come into operation soon because at this stage, the only remedy available to an aggrieved party is the expensive and often time consuming judicial process. In conclusion, one can agree with Hurter that “[a] legal framework needs to be developed that obviates reliance on the traditional cumbersome litigation procedures so as to stay in tune with our times and the needs of our diversified society” (Hurter “Dispute Resolution in Cyberspace: A Futuristic Look at the Possibility of Online Intellectual Property and E-Commerce Arbitration” 2000 12 *SA Merc LJ* 199).

*Quaere:* As an afterthought it may be asked whether it would not have been better (and at least more cost effective for the state) to make use of WIPO's online dispute resolution process for the .za domain name as well. The infrastructure is available. This could have been achieved by means of a simple agreement with ICANN.

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