

## **Mexico: Evolution of the UDRP in Mexico**

### **Jesus Molina and Coauthor explain how domain name proceedings in Mexico have evolved, and outline some proposals for change**

At present, Mexico has the third highest number of local domain names in Latin America, behind only Argentina and Brazil. Mexico has over 60,000 domains registered under the six available top level domains (TLDs), namely: .mx, .com.mx, .net.mx, .org.mx, .edu.mx and .gob.mx.

The domain name system in Mexico is administered by NIC-Mexico (the Network Information Centre of Mexico). NIC-Mexico is not an authority nor depends or operates under the supervision of any Mexican authorities. Rather, it is a private entity, which is subsidized by one of the most famous and prestigious universities of Mexico, the Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM), located in the city of Monterrey.

NIC-Mexico has operated since 1993 and, since then, it has been in charge of the administration and registration of domain names under the country code top level domains (ccTLD) .mx.

NIC-Mexico, like other domain name registries, has adopted its own policies for the administration and registration of domain names under the ccTLD .mx. For instance, as of December 1 2000 NIC-Mexico has enacted The General Domain Name Policies (GDNP).

The evolution in the scope of protection of the GDNP is clear. In comparison with the former NIC-Mexico's policies, the current GDNP establishes new and important issues which seek better protection for legitimate and bona fide domain name registrants, as well as for intellectual property owners' rights.

As a reference, the former NIC-Mexico's policies provided a dispute proceeding for conflicts arising between domain name holders registered under the .mx ccTLD and trade mark owners. This was a summary proceeding that was resolved and decided by NIC-Mexico in 30 days from the filing of the "complaint". No fees had to be paid to NIC-Mexico for initiating/prosecuting/deciding this proceeding.

According to the former policies, any person who demonstrated that they had rights to a trade mark in any country was able or subject to initiate a domain name dispute proceeding. The policies did not establish (1) the need to demonstrate that the domain name holder had rights and/or legitimate interests with respect to the domain name; and/or (2) that the domain name had been registered and was being used in bad faith.

Hence, the former dispute proceeding was apparently effective for trade mark owners to recover their domain names. From 1999 to the end of 2000 many trade mark owners elected to initiate the aforesaid proceeding to recover their domain names, more easily than it would have been in the event of having filed a legal action with the Mexican authorities. However, contrary to what it seemed, these rules had some deficiencies and the resolution service provided by NIC-Mexico began to face complex conflicts. For example, many reverse domain name hijacking conflicts arose as cybersquatters went to other countries (such as Tunisia, where a trade mark registration is granted in one day) to obtain registration for a trade mark on which they obviously had no rights and/or legitimate interests, before going to NIC-Mexico to request the transfer of the domain name related to that trade mark.

As a consequence of the above problems, NIC-Mexico realized that it does not have the proper infrastructure and human resources to provide fair proceedings and decisions for conflicts which arise between domain name registrants and trade mark owners. Therefore, NIC-Mexico decided to provide in the GDNP a more effective and fair dispute proceeding that is prosecuted and decided by experts on domain name and trade mark issues.

The proceeding to solve these controversies is known as the local dispute resolution policy (LDRP). In general terms this proceeding is the same as the policies followed by ICANN, known as the UDRP. One of the few differences between ICANN's UDRP and NIC-Mexico's LDRP, is that NIC-Mexico has appointed WIPO as the only provider of dispute resolution services, while in other countries there are more than one.

Another difference in NIC-Mexico's policies is that they provide a summary proceeding to decide conflicts concerning the ownership of domain name registrations. This proceeding has nothing to do with conflicts between trade marks and domain names and is decided based on the documentation that the parties may have to prove who is the owner of a domain name registration granted by NIC-Mexico, such as invoices, agreements with internet service providers, etc.

Going back to the policies to solve conflicts between trade marks and domain names, under the current LDRP only six disputes have been solved. These conflicts involved the domain names `nivea.com.mx`, `diverseylever.com.mx`, `kellog.com.mx` and `toyota.com.mx`. In these four cases the panellists in charge decided to transfer the domain name to the complainants, who were all trade mark owners. The fifth proceeding solved under these policies involved the domain name `zdnnet.com.mx`. In this case the panellist decided in favour of the complainant, cancelling the domain name registration. In the sixth dispute, which involved the domain name `escolastica.com.mx`, the panellist denied the transfer of the domain name to the complainant, because he considered that it was not confusingly similar to the trade mark Scholastic and because he considered that it was not registered and used in bad faith by the domain name holder. Details of these decisions can be studied on the WIPO web site, at

<http://arbiter.wipo.int/domains/decisions/2001/dmx0000-0199.html>.

## **Proposed amendment to LDRP**

During 2002, NIC-Mexico, its Advisory Committee and the Internet Committee of the Mexican Group of AIPPI (AMPPI), have been working on an amendment to the current LDRP, to make it more suitable for Mexican practice and to broaden the scope of protection to intellectual property owners' rights. The main changes suggested are:

1. To change the requirement of proving that the domain name has been "registered *and* is used in bad faith" to "registered *or* used in bad faith". This change was suggested because in practice it was seen that it was a very heavy burden to request the complainant to prove that the domain name registration was registered *and* used in bad faith. With this change it is expected that it will be easier to take action against cyber-squatters.
2. To allow persons or companies that own IP rights other than trade mark rights to take action against domain name registrations. It is suggested that the holders of trade names, slogans, indications of origin, copyrights and the figures known in Mexican law as "reservas de derechos", should be able to take actions based on the LDRP. Reservas de derechos are a *sui generis* figure of Mexican Copyright Law, which grants the holder the exclusive right to use the title of a periodical publication, symbolic characters, characters of human personification, artistic names and original advertising mechanisms. Although some of the figures protected by the reservas can also be protected through trade marks (for example titles of periodical publications and artistic names) in practice we have observed that the protection granted by the reservas differs substantially from protection granted by trade marks. In fact, trade marks protect the commercial scope of the figures that are also protected by reservas, while these protect the artistic part of the figures. This change suggested in the LDRP is of great significance in Mexico, in virtue of the close relationship existing between reservas and domain names. As a matter of fact, the Mexican Copyright Office considers that there is a relationship between reservas and domain names to such a degree that it has issued reservas for titles that include the reference to <http://>, the triple "w" and the suffix [.com.mx](http://www.eluniversal.com.mx), for example <http://www.eluniversal.com.mx>.
3. To designate another organizations besides WIPO as providers of dispute resolutions services. However, at this point in time no other arbitration and mediation centres have been appointed.
4. To change the language of the LDRP to avoid juridical terms. This is due to the fact that it has been considered that the LDRP is a *sui generis* procedure with a wider scope than juridical proceedings.

NIC-Mexico expects to put into practice the above-cited changes by the first months of 2003. But there is no fixed date for the changes yet.

With the upcoming enactment of these changes some questions arise. This is due to the fact that the current LDRP has been working well so far, because it follows the same rules established by ICANN, which allow uniformity in the criteria followed by the panellists all around the world. However these changes will cause the establishment of new, different and very particular criteria, which could even become contradictory with those criterions established in the past.

Although certain problems may arise with the introduction of these new policies, once again NIC-Mexico is taking bold and innovative steps to achieve better protection of intellectual property rights on the internet.

