

Consumer Affairs Victoria

eCommerce Factsheet

Domain names

October 2003

In recent years, people have been experiencing problems registering domain names. Some have fallen victim to scams run by domain name registrars, others to a phenomenon called cybersquatting. This fact sheet explains how domain names are managed in Australia and what to do if you run into trouble.

Need more information?

Call Consumer Affairs Victoria Helpline on 1300 55 81 81

Key Terms

IP address – The physical location of a website, expressed as four blocks of numbers, eg 192.91.247.53

What is a domain name?

A domain name is the user-friendly form of an internet address. It is usually snappy or easy to remember, such as www.yahoo.com.

A web-page's actual address is expressed as a string of numbers (eg 123.12.12.247), known as the Internet Protocol (IP) address.

In the early days of the web, IP addresses were the way all web addresses were formulated. Domain names were introduced partly because this is such an anonymous and unfriendly method of identifying and remembering web addresses.

Generally speaking, a domain name is composed of three parts: the organisation's name, type and geographical location. Eg:

Name	Type	Location
telstra	.com	.au

Registering a domain name

The domain name system is globally administered by ICANN (Internet Corporation for Assigned Names and Numbers). Under its auspices, each country manages the allocation of domain names ending in their country code. In Australia, .au domain names are managed by auDA (.au Domain Administration Ltd).

auDA sets policy on, among other things, eligibility for domain names, and licences registrars to sell domain names. Registrars are accredited by auDA and bound by a code of conduct. Some registrars licence resellers to sell on their behalf. When you deal with a reseller, your domain name will be registered with a registrar, not the reseller themselves. Licensed resellers are not licensed by auDA.

auDA maintains a list of current registrars and the resellers that have been notified to auDA by their registrars at www.auda.org.au.

NOTE: If you successfully apply for a domain name, you don't actually own it. Instead, you hold a licence to use it for two years.

At the end of that time, you can renew your

licence provided you still meet the eligibility rules.



What to look out for Licence registrations and renewals scams

It is possible for any company to register or re-register a domain name on behalf of an eligible registrant. Many ISPs offer this service, particularly in the .com.au domain space.

Before taking up this offer, you should be aware of the current market prices for a two-year registration and check this against what you are being asked to pay for someone else to register or renew on your behalf. The current price of a DIY .com.au registration can be checked on the sites of the official registrars (see auDA's list).

Some companies have also begun sending renewal notices to registrants that are in the form of invoices, and which may mislead you into paying more than you should for renewal of your licence. You should not assume that any renewal letter or invoice is from your original supplier and should read the document carefully.

If you believe you have been misled or deceived into purchasing or renewing your domain name licence to your disadvantage, then you should contact the Australian Competition & Consumer Commission (ACCC), which has been investigating the conduct of these organisations.

Offers for longer licence periods

Some .com.au domain name suppliers offer to license or renew a .com.au domain name licence for periods ranging from 2 to 10 years. .com.au licences are for a fixed period of two years and must be renewed at the end of the period. The service that you are being offered is not a licence for a longer period. It is a service to renew your licence at the end of each two-year period. A six-year renewal, for example, is really a renewal of two years and pre-payment of two further two-year renewals after that.

You should be wary of these offers and act only after careful consideration.

- If the supplier goes out of business during the period, they will not be able to process the renewal even though it has been paid for in advance. So, you will have to pay the cost of renewal again, losing the money you have pre-paid.
- A domain name licence may be revoked if the licence holder no longer meets the eligibility rules. In future, it is possible that a renewal might be rejected because the applicant no longer complies with the rules. If that occurs, there is no guarantee that you will be able to recover the pre-paid sums from the supplier.

Key Terms

Cybersquatting
– The practice of registering domain names for the purpose of selling them to people or organisations that have a more legitimate right to them.

- It is possible that .com.au domain names (and others) will be significantly cheaper in two or four years time than they are today. Accordingly, you may be paying more for your domain name renewal than you need to.

Again, you should contact the ACCC if you believe you have been misled or deceived about purchasing or renewing your domain name licence. The ACCC has undertaken successful prosecutions of companies claiming to offer longer registration periods.

Cybersquatting

Cybersquatting is the practice of registering a domain name in the hope that someone with a more legitimate claim to the name will pay large amounts to have it transferred for their use. Victims of cybersquatting can include businesses and well-known people as well as ordinary users of the internet.

The rules governing Australian domain names, particularly the .com.au name space, discourage this practice and it is much more prevalent with .com names, which are not subject to the same rules.

ICANN has adopted a Uniform Domain Name Dispute Resolution Policy (UDRP) that provides an expedited procedure for the resolution of cybersquatting disputes without the cost and delays often encountered in court litigation. A cybersquatting complaint can be filed online through the WIPO (World Intellectual Property Organisation) Arbitration and Mediation Centre at <http://arbitrator.wipo.int/domains/filing/udrp/complaint.html>.

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Useful Contacts

Australian Consumer & Competition Commission (ACCC)

The ACCC publishes FAQs and safety guidelines for e-commerce in Australia. Call 1300 302 502 or visit their website on www.accc.gov.au

About domain names

- Internet Corporation for Assigned Names and Numbers (ICANN) - www.icann.org
- World Intellectual Property Organisation (WIPO) - www.wipo.int/
- .au Domain Administration Ltd (auDA) - www.auda.org.au

More information

Information on eCommerce is available from:

Consumer Affairs Victoria Victorian Consumer & Business Centre

113 Exhibition Street
Melbourne 3000

Telephone: 1300 55 81 81

Website www.consumer.vic.gov.au

Further reading

Consumer Affairs Victoria has a range of eCommerce related factsheets:

- Buying a Computer
- Getting a refund on the web
- Internet service providers
- Online auctions
- Online privacy
- Online scams
- Online security
- Shopping online
- Spam
- Tips for business
- Top 10 tips for shopping online



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