

For consideration
on 11 June 2001

**Legislative Council Panel on
Information Technology and Broadcasting**

The Administration of Internet Domain Names in Hong Kong

Purpose

This paper briefs Members on the latest development in respect of the administration of Internet domain names in Hong Kong.

Background

2. On 13 March 2000, we briefed Members on the existing arrangements in respect of the administration and assignment of Internet domain names in Hong Kong. Members were informed that a Task Force had been set up under the Information Infrastructure Advisory Committee (IIAC)¹ to review the administration and assignment of Internet domain names and Internet protocol addresses in Hong Kong, with a view to recommending a framework of arrangements which best suited the needs of Hong Kong.

3. The Task Force completed its review in May 2000 and subsequently submitted a list of proposals to the IIAC. Following IIAC's endorsement of these proposals, a consultation paper was issued on 5 June 2000 to invite comments from the public. The consultation paper covered issues in respect of the proposed institutional arrangements for the administration of Internet domain names and Internet protocol addresses in Hong Kong, and the registration policy and dispute resolution mechanism for ".hk" domain names. On 12 June 2000, we sought Members' views on the consultation paper. The consultation period ended on 16 July 2000.

¹ The IIAC was established in August 1998 to advise Government on the ways and means to promote the development of Hong Kong into a leading digital city. It is chaired by the Secretary for Information Technology and Broadcasting, with members drawn from a wide cross-section of the industry, business community and the academic field.

4. On 11 December 2000, we briefed Members on the results of the public consultation. In summary, the public generally support that the Joint Universities Computer Centre (JUCC), the current administrator of ".hk" domain names, should gradually transfer the Internet domain names administration function to a new non-profit making and non-statutory corporation which will assume the overall responsibility for Internet domain name administration in Hong Kong. The public also support the adoption of a more flexible domain name registration policy, aiming at promoting e-commerce in Hong Kong. New measures, including accepting registration of multiple domain names, allowing transfer of domain names on valid grounds, and creating a new second level domain category under ".hk" to enable registration by individuals, etc. should be adopted. Moreover, the public also support the establishment of an alternative dispute resolution mechanism to facilitate early resolution of domain name disputes so as to obviate the need to resort to court settlement.

5. At the same meeting, we also informed Members that a provisional board for the proposed new corporation would be set up under the auspices of the JUCC in December 2000. As the establishment of the new corporation and the implementation of the new registration policies require extra facilities, equipment and manpower resources, the Government made a one-off grant of \$3 million in December 2000 to enable the JUCC to set up the proposed new corporation as early as possible, with a view to modernising the Internet domain name registration regime and promoting Internet and e-commerce development in Hong Kong.

6. On 12 March 2001, we informed Members that the provisional board established had started to examine the proposed new registration policies, the registration fee schedule, the alternative dispute resolution mechanism, computer system development and migration, and the set up of the new corporation.

Latest development

7. The provisional board has met six times since its establishment. On the proposed new registration policies, the provisional board has agreed to adopt a more flexible domain name registration policy as supported in the public consultation exercise. To allow sufficient time for preparation and to avoid the large influx of registrations when the liberalisation policies are implemented, the provisional board has decided to first implement the measures to accept registration of multiple domain names and to allow transfer of domain names from 1 June 2001. The registration of domain name for individuals is planned to be implemented in late 2001. A new computer system to accommodate the new registration policies and procedures has been developed. The new system facilitates registration of domain names through the Internet.

8. To protect the rights of trademark owners during the initial period of implementation of the new policy which allows registration of multiple domain names, i.e. 1-8 June 2001, domain name applications will be processed in a batch and trademark owners will be given priority in registering domain names resembling their trademarks. This arrangement can also avoid the rush for registering new domain names under the new registration policy which allows multiple domain names.

9. As regards the alternative dispute resolution mechanism, the provisional board has invited major arbitration and mediation service providers in Hong Kong to submit proposals to provide dispute resolution service. The Hong Kong International Arbitration Centre (HKIAC) has made a submission to the provisional board. The proposal is accepted and the HKIAC has been appointed to provide arbitration service starting from 1 June 2001 to tie in with the implementation of the new registration policies. This allows dispute cases on domain names to be resolved quickly and without resorting to the court system.

10. In respect of domain name registration fee, the provisional board considers that this should follow the international practice, i.e. an annual fee should be charged. The one-off registration and annual renewal fees are both set at \$200, which are considered reasonable and

comparable to the rates of other economies. Existing domain name holders, who are not subject to annual fee payment, can opt for the new policies with the enhanced services by accepting a new agreement. Alternatively, they can retain the old agreement. In such cases, they do not need to pay the annual fee but they will not be eligible for the enhanced services under the new policies.

11. The JUCC has set up a new company, the Hong Kong Domain Name Registration Company Limited to deal with the implementation details. The provisional board has also set up a working group to draft the constitutional terms for the proposed new corporation to administer domain name registration, including the membership structure and composition of the board of directors. The new corporation will implement a membership scheme with its members recruited from ".hk" domain name holders, Internet Service Providers, the IT industry, the commercial sector and the academia. Its board of directors will be elected from its members. The Government will be represented to provide input pertaining to public policies. This arrangement is in line with the proposal supported in the public consultation. The board will consist of 13 directors as follows -

Class²	Members in the Class	No. of directors to be elected by members
User	".hk" domain name holders	6
Service Provider	Internet Service Providers	2
IT Industry	IT industry organisations as defined in the IT Functional Constituency of the Legislative Council Election By-law	2

² A member of any Class must not be a member of any other Classes at the same time.

Class²	Members in the Class	No. of directors to be elected by members
Commerce & Industry	Hong Kong General Chamber of Commerce, The Chinese General Chamber of Commerce, Federation of Hong Kong Industries, and The Chinese Manufacturers' Association of Hong Kong	1
Tertiary Institution	Tertiary institutions funded by the University Grants Committee	1
Government	N/A	1

It is expected that the new corporation will be set up by end 2001. The JUCC is now working out the arrangements for transferring its administration functions of Internet domain names to the new corporation.

12. We will continue to keep Members informed of the development of the subject.

Information Technology and Broadcasting Bureau
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