Implementation of the .eu Top Level Domain

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In accordance with the requirements of Regulation (EC) No 733/2002 on the implementation of the .eu Top Level Domain, the Commission presents a report to the European Parliament and the Council concerning the implementation, effectiveness and functioning of the .eu TLD over the past two years. This Report follows on from the Reports of 2007 and 2009, and covers developments of the .eu TLD from 1 April 2009 to 31 March 2011. It focuses, among other things, on the introduction of Internationalised Domain Names. The report notes that in April 2011, the .eu Top Level Domain (TLD) celebrated its fifth anniversary. During those five years the .eu TLD became the 9th largest TLD and the 5th largest country code TLD in the world. With more than 3.3 million registrations, the .eu TLD has become a valued option for Europeans when choosing a domain name for their Internet presence.

Introduction of Internationalised domain names: Commission Regulation (EC) No 874/2004 was amended in 2009 by Regulation (EC) No 560/2009 in order to introduce the Internationalised Domain Names (IDNs) under the .eu TLD. The Registry selected by the Commission, EURid (European Registry for Internet Domains), is responsible for the organisation, administration and management of the .eu TLD.

On 10 December 2009, EURid began the registration of IDNs. Since then domain names have been available in all 23 official languages of the EU up to the final dot of any .eu address (i.e. in Latin, Cyrillic and Greek alphabets). The introduction of IDNs attracted much attention from the very start. In the first hour of its launch, 38 172 IDNs were registered under the .eu TLD. **At the end of March 2011, there were 56 961 domain names registered using IDNs**.

The introduction of IDNs at the top level, i.e. on the right-hand side of the last dot of a domain name, is a matter that falls within the competence of the Internet Corporation for Assigned Names and Numbers (ICANN). However, **one and a half years after EURid's application, ICANN has not yet completed the fast track procedure,** allowing for the introduction of IDNs at the top .eu level (. in Greek and . in Bulgarian). The Commission has urged ICANN to complete its examination by the end of 2011 at the latest. It has made it clear that the future rules establishing a 'permanent' IDN application procedure should be designed in such a way as to avoid any undue delays. This is one of the public policy issues that the Commission will continue to raise in the Governmental Advisory Committee which provides advice to ICANN.

Registration and use of the .eu domain name: in the reporting period the .eu TLD continued to grow steadily, in line with the other European country code TLDs (+6% in 2010 and +5% in 2009). There were 3.4 million registrations, making the domain the ninth largest TLD in the world and Europe's fourth most popular ccTLD. This demonstrates that the .eu TLD offers a valuable and tangible tool for companies, NGOs and individuals wishing to express their European identity online. In Europe, only three ccTLDs remain in a stronger position in terms of number of registrations: .de (Germany), .uk (UK) and .nl (the Netherlands). Globally, only four generic TLDs (.com, .net, .org and .info) and one ccTLD (.cn for China) have more registrations.

The report states that **after an initial period of rapid growth, the Registry has reached a plateau**. The macro-objective of the Registry is to become the number 3 domain in the EU countries and to consolidate positioning in these areas where it is already number 2 or 3. Given the historical trend and the current market situation, EURid's goal is to maintain a steady growth rate in registrations of around 5-8% per year. The Registry established a set of marketing and communication goals to achieve these objectives (e. g. to build on a single message: .eu shows that you are European, to introduce of multiyear registrations, to further develop customer service).

Financial situation: the key financial aspects of the Registry remained stable in 2009 and 2010.Both the revenues and costs of the Registry have been around EUR 12 million for both years. Consequently, the net financial result has been more balanced than in previous years with the surplus of EUR 1.2 million transferred to the EU budget in 2009. Preliminary figures for 2010 suggest that the surplus will be € 400 000.

Security: in September 2010, EURid completed the implementation of the Domain Name Security Extensions (DNSSEC) protocol for the .eu TLD. The DNSSEC is a protocol to verify the authenticity of the display name server responses (websites) up to the Internet root zone in what is called a 'chain of trust'. DNSSEC is designed to protect the Internet users from forged DNS data.

Alternative Dispute Resolution procedure: any disputes between the .eu domain names' holders or claims against decisions of the .eu Registry, can be submitted to the Alternative Dispute Resolution (ADR) provider - the Prague-based Arbitration Court (Czech Arbitration Court or CAC). During the past two years, an average of 13 cases has been filed per quarter. In the majority of cases published by CAC, the panel decided to transfer the domain name to the complainant. If a decision is rendered in favour of the complainant, the disputed .eu domain name is usually transferred to the latter within about 30 days following the panel decision, after the expiry of the right of appeal by the losing party.

The fees for ADR proceedings are based on the cost recovery principle. ADR fees, which originally started at EUR 1990, have been reduced several times since 2006 and currently start at EUR 1 300. This is comparable with the fees charged by similar arbitration bodies; despite the fact the latter do not produce translations of the complaints. Following recommendations by auditors, **the Commission, together with EURid, will examine solutions to ensure better accessibility of the ADR to individuals and SMEs** who have reasons to believe their .eu names have been improperly registered by third parties.

In the years to come the Registry should work on strengthening and developing the perception of the .eu TLD among different target groups, in order to expand its penetration in the European domain name market and to reinforce public awareness of the TLD. The stability and security of the associated TLD services must be ensured in accordance with the best standards in the field. Given the dynamic nature of the TLD environment, the Registry should continue to expand its dialogue with the European and international Internet community. The Commission will continue to cooperate closely with the Registry as set out in the terms of the legal framework.