Implementation of the .eu Top Level Domain

2000/0328(COD) - 19/11/2013 - Follow-up document

This Report to the European Parliament and the Council concerns the implementation, effectiveness and functioning of the .eu TLD over the past two years.

In accordance with Article 8 of Regulation (EC) No 733/2002 on the implementation of the .eu Top-Level Domain, the Commission is required to submit a report to the European Parliament and the Council one year after the adoption of the Regulation and every two years thereafter.

This Report follows on from the Reports of 2007, 2009 and 2011 (*please refer to the respective follow-up documents*), and covers developments of the .eu TLD **from 1 April 2011 to 31 March 2013**.

Main conclusions: the report notes that the **.eu TLD model has been successfully implemented and is operating effectively**. Over the past two years, the .eu TLD has strengthened its position as one of the biggest and most popular Top-Level Domains in Europe and the world. **It remains successful** despite the continued, although slower, growth of the 27 national country-code TLDs in the Member States and the availability of generic TLDs such as .com and .org.

International domain names (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 ICANN (Internet Corporation for Assigned Names and Numbers). On 16 November 2009, ICANN launched the IDN country code TLD Fast Track Process to facilitate the introduction of Internet Top Level Domain extensions representing country codes (e.g. .gr, .bg, .eu) using non-Latin characters (e.g. Cyrillic, Greek, Arabic and Chinese characters).

In August 2012, EURid (European Registry for Internet Domains) submitted a study on the visual representation of the Greek string (.) to ICANN. ICANN has not yet completed the changes in the ccTLD IDN strings evaluation procedure allowing for the re-assessment of the rejected string (. in Greek because of allegedly confusingly similarity with other strings). The Commission has urged ICANN to **complete this process as soon as possible**. 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.

Financial situation: the report states that the key financial aspects of the Registry remained stable in 2011 and 2012. Both the revenues and costs of the Registry have been around EUR 13 million for both years. Consequently, the net financial result has been more balanced than in previous years with a surplus to the benefit of the EU budget of EUR 772,892 for accounting year 2011 and EUR 443,117 for 2012.

Alternative Dispute Resolution procedure (ADR): the ADR system provided by the Czech Arbitration Court allows for the protection of the rights of registrants in all the EU languages. The Commission monitors the actual use of the system. Complaints are mostly initiated against .eu domain name holders. This is because any party may initiate ADR proceedings against the domain name holder and claim that the registration is speculative or abusive under Article 21 of Commission Regulation No 874/2004.

Following recommendations by auditors, EURid has implemented an ADR fee reduction to ensure better accessibility of the ADR to individuals and SMEs who have reasons to believe that their .eu names have been improperly registered by third parties. Since the introduction of the reduced fee in July 2012, **the average number of ADR cases filed per month has risen by 80%**.

Perspectives: in the years to come, the Registry should work on strengthening and developing the perception of the .eu TLD amongst different target groups in order to expand its penetration of 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 maintain and expand its dialogue and exchanges 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.