# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision 2000/0328(COD) procedure) Regulation	Procedure completed
Implementation of the .eu Top Level Domain Repealed by 2018/0110(COD)	
Subject 3.30.25 International information networks and society, internet	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, External Trade, Research, Energy		24/01/2001
		ELDR FLESCH Colette	
	Former committee responsible		
	ITRE Industry, External Trade, Research, Energy		24/01/2001
		ELDR FLESCH Colette	
	Former committee for opinion		
	JURI Legal Affairs and Internal Market		06/02/2001
	(Associated committee)	PSE MCCARTHY Arlene	
	BUDG Budgets	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	2420	25/03/2002
	Economic and Financial Affairs ECOFIN	2382	06/11/2001
	Transport, Telecommunications and Energy	2364	27/06/2001
	Transport, Telecommunications and Energy	2340	04/04/2001
European Commission	Commission DG	Commissioner	
	Communications Networks, Content and Technology		

Key events			
12/12/2000	Legislative proposal published	COM(2000)0827	Summary
18/01/2001	Committee referral announced in Parliament, 1st reading		
04/04/2001	Debate in Council	2340	
20/06/2001	Vote in committee, 1st reading		Summary

20/06/2001	Committee report tabled for plenary, 1st reading	A5-0226/2001	
27/06/2001	Debate in Council	2364	
03/07/2001	Debate in Parliament	Fig. 1	
04/07/2001	Decision by Parliament, 1st reading	T5-0383/2001	Summary
02/10/2001	Modified legislative proposal published	COM(2001)0535	Summary
06/11/2001	Council position published	12171/1/2001	Summary
15/11/2001	Committee referral announced in Parliament, 2nd reading		
24/01/2002	Vote in committee, 2nd reading		Summary
24/01/2002	Committee recommendation tabled for plenary, 2nd reading	A5-0027/2002	
27/02/2002	Debate in Parliament	-	
28/02/2002	Decision by Parliament, 2nd reading	T5-0075/2002	Summary
25/03/2002	Act approved by Council, 2nd reading		
22/04/2002	Final act signed		
22/04/2002	End of procedure in Parliament		
30/04/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2000/0328(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealed by <u>2018/0110(COD)</u>
Legal basis	EC Treaty (after Amsterdam) EC 156; Rules of Procedure EP 57
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/14954

Documentation gateway				
Legislative proposal	COM(2000)0827 OJ C 096 27.03.2001, p. 0333 E	12/12/2000	EC	Summary
Economic and Social Committee: opinion, report	CES0399/2001 OJ C 155 29.05.2001, p. 0010	28/03/2001	ESC	
Committee report tabled for plenary, 1st reading/single reading	<u>A5-0226/2001</u>	20/06/2001	EP	
Text adopted by Parliament, 1st reading/single reading	T5-0383/2001 OJ C 065 14.03.2002, p. 0060-0147 E	04/07/2001	EP	Summary
Modified legislative proposal	COM(2001)0535	02/10/2001	EC	Summary

Council position	12171/1/2001 OJ C 045 19.02.2002, p. 0053 E	06/11/2001	CSL	Summary
Commission communication on Council's position	SEC(2001)1758	07/11/2001	EC	Summary
Committee recommendation tabled for plenary, 2nd reading	A5-0027/2002	24/01/2002	EP	
Text adopted by Parliament, 2nd reading	T5-0075/2002 OJ C 293 28.11.2002, p. 0019-0063 E	28/02/2002	EP	Summary
Commission opinion on Parliament's position at 2nd reading	COM(2002)0165	22/03/2002	EC	Summary
Implementing legislative act	32004R0874 OJ L 162 30.04.2004, p. 0040-0050	28/04/2004	EU	Summary
Follow-up document	COM(2007)0385	06/07/2007	EC	Summary
Follow-up document	COM(2009)0303	26/06/2009	EC	Summary
Follow-up document	COM(2011)0616	05/10/2011	EC	Summary
Follow-up document	COM(2013)0804	19/11/2013	EC	Summary
Follow-up document	COM(2015)0680	18/12/2015	EC	Summary
Follow-up document	COM(2017)0725	04/12/2017	EC	Summary
Document attached to the procedure	SWD(2018)0120	27/04/2018	EC	
Document attached to the procedure	SWD(2018)0121	27/04/2018	EC	
Document attached to the procedure	SWD(2018)0122	27/04/2018	EC	
Follow-up document	COM(2020)0063	19/02/2020	EC	Summary

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Additional	l information	

European Commission <u>EUR-Lex</u>

#### Final act

Regulation 2002/733

OJ L 113 30.04.2002, p. 0001-0005 Summary

# Implementation of the .eu Top Level Domain

PURPOSE: to propose a regulation of the European Parliament and of the Council on the implementation of the Internet Top Level Domain ".EU". CONTENT: The current proposal for a regulation concerns the creation of the .EU Internet Top Level Domain (TLD). In the aftermath of the approval of the proposed domain name by the Internet Corporation for Assigned Names and Numbers (ICANN), the main provisions of the proposed regulation are the following: - the Registry is the entity that will be entrusted with the organisation, administration and management of the .EU TLD and the Commission will designate its organisation. The proposed regulation specifies the conditions according to which the Registry will organise, administer and manage the .EU TLD; - public policy rules concering the implementation of the .EU TLD. However, those policy rules not laid down in the regulation will be adopted by the Commission in accordance with the procedure referred to in Article 5, the Registry being consulted; - in order to prevent and resolve conflicts between domain names registration and intellectual property rights, the Commission shall, in accordance with the procedure laid down in the regulation, adopt a policy to prevent speculative and abusive registration of domain names and a policy for the extra-judicial settlement of conflicts which shall conform to best practices including the recommendation of the World Intellectual Property Organisation (WIPO); Finally, with regard to the financial impact of the operation of the .EU Internet TLD, it will cost EUR 120.000 in the first year, lowering to EUR 90.000 in the fourth year.?

# Implementation of the .eu Top Level Domain

The committee adopted the report by Colette FLESCH (ELDR, L) broadly approving the proposal under the codecision procedure (1st reading), subject to a number of amendments. It felt that creating the domain ".EU" would be a crucial factor in speeding up the development of the e-economy and e-commerce in Europe. However, many of the amendments sought to spell out clearly that the proposed Registry should be set up and should operate fairly and transparently, functioning independently of the persons or entities acting as Registrars. The committee also felt that the list of the Registry's tasks as set out in the proposal was not sufficiently detailed, and adopted a series of amendments designed to make them more specific. Among other things, it wanted to establish the principle that registrations should be done on a "first come, first served" basis. Moreover, the Registry should be simply a registry and not a supervisory body, and every precaution should be taken to avoid its incurring legal liability as a result of the registration of names. In the event of disputes, it should provide a mediation and arbitration service either free of charge or on a cost-recovery basis. The Registry should also operate at no net cost to the EU budget, and the Commission should therefore be entitled to make a management charge for all services it provided to support the registry activities. The committee also wanted the Registry to have a Policy Advisory Board for allocating second-level registrations, with representatives from a broad cross-section of society. Another amendment said that Member States should be able to prevent the registration under the ".EU" domain of terms containing established geographical, geopolitical or historical concepts which impacted upon the territorial organisation of a Member State. Lastly, the committee wanted the proposal to initiate a process whereby on-line traders registered under ".EU" would eventually adhere to a duly-accredited code of conduct and an extrajudicial dispute-resolution scheme, thereby ensuring that consumers would come to have confidence in the ".EU" zone. ?

# Implementation of the .eu Top Level Domain

The European Parliament adopted the report by Collette FLESCH (ELDR, L) amending the Commission's proposal on the Internet Top Level Domain ".EU". The non-profit Registry proposed should enter into contracts with the Commission and the Internet Corporation for Assigned Names and Numbers (ICANN) and deal with the daily running of the domain. (For other amendments please refer to previous text).?

## Implementation of the .eu Top Level Domain

Of the thirty nine amendments proposed by the European Parliament, the Commission was able to accept 23 fully. The rest were accepted in part or in principle. The most important amendments accepted are outlined below: The introduction of a new recital stating that the establishment of the .EU country code TLD will strengthen the image of the EU in terms of global information networks. The introduction of the 'Whois' -type databases and their role in boosting users confidence. The introduction of the international practice whereby Internet management is based on the principles of non-interference, self-management and self-regulation. A reference to EU legislation on the protection and privacy of personal data. Mention of the fact that the Registry will not be empowered to issue sub-domain registrations using Member State domain identities. Specifically, second level domains will not include combinations of letters which appear to refer to individual Member States. A new provision stipulating that the regulation shall apply without prejudice to arrangements in Member Stats regarding country-code Top Level Domains. An amendment defining the 'Registrar'. The provision that the Registry shall not act as a Registrar. An amendment proposing the deletion of the provision requiring that the Registry observe applicable public procurement rules. - New provision proposing explicit references to the Registry's responsibilities for accrediting .EU Registrars and thereby ensuring the integrity of the database and for the suspension, cancellation and transfer of registrations which are normal functions of a Registry. A proposal that the registry shall determine registration policy in areas not covered by general policy rules. The provision that extra-judicial settlements of conflicts policy should be settled promptly. This procedure will be either free of charge or on no more than a cost-recovery basis. In addition to the amendments accepted fully the Commission accepted the following amendments subject to some rewording. Concerning costs, the Commission can accept the Parliamentary amendment on condition that the text should now read as follows: 'All costs related to the organisation, administration and management of the .EU Top Level Domain shall be supported exclusively by the Registry.' On the question of setting up a Policy Advisory Board', the Commission proposes that 'The registry could establish an advisory body to organise such consultation.' On the matter of a 'code of conduct', the Commission can accept this concept subject to some rewording. On the question of 'first come first serve', the Commission can again, in principle, accept this policy, with the exception of cases covered by the public policy rules set out in article. Similarly, the Commission can accept the need for an implementation in a phased manner of the registration of domain names of holders with proper rights recognised orestablished by national and/or Community law. Lastly, the Commission feels that the registration of a name should at least confer rights of use to the registrant and that liability of the registry will already be covered by applicable law or by the contractual framework.?

#### Implementation of the .eu Top Level Domain

The Council welcomes the main thrust of the modification to the draft Regulation. It has made a number of alterations to the wording of the Commission text as presented to the Council following the incorporation of Parliamentary amendments. The main changes are as follows: - The revised text requires the Commission to adopt public policy rules. Additionally a special procedure for the use of geographical and or geopolitical names is included in a revised recital. - A new specific regulatory committee has been replaced by the advisory committee under the telecommunications framework-Directive. - A clearer definition is drawn between the Registry and the Registrar. - A clearer distinction between the responsibility of the Commission and that of the Registry in implementing the .EU TLD has been established. As regards Parliaments 'first come first served' amendment, the Council has opted to delete this requirement on the grounds that registration policy will be defined more precisely in the public policy rules referred to in Article 5.?

#### Implementation of the .eu Top Level Domain

The Commission accepts all the Council's adjustments to the text for a proposed Regulation on the .EU Top Level Domain bar the proposed changes to article 6. By revising article 6 the Council seeks to establish a regulatory specific committee aimed at assisting the Commission on the management of .EU TLD. The Commission maintains the position that it would rather seek assistance from the advisory committee to be established by the Directive on a common regulatory framework for electronic communications networks and services. Until this Directive has entered into force, the Commission will seek assistance from the committee established for telecommunications services through the

implementation of open network provision. Commission assistance from the later two committees, as opposed to the creation of a new committee, will ensure it remains updated on developments in the ever evolving world of information and communication technologies associated with internet use. The Commission notes that Parliament's amendment 39 supports the Commission position. To conclude the Commission had decided to maintain its initial proposal and thus rejects Article 6 of the Council's common position. For the rest, the Commission accepts all of the Council's modifications noting that they add both clarity and insight to the proposed Regulation.?

# Implementation of the .eu Top Level Domain

The committee adopted the report by Colette FLESCH (ELDR, L) amending the Council's common position under the second reading of the codecision procedure. The key amendments were in relation to Article 6. Whereas the common position had provided for the creation of a specific regulatory committee to assist the Commission with the management of the .eu Top Level Domain, MEPs felt that the Commission should be assisted by the advisory committee to be established by the Directive on a common regulatory framework for electronic communications networks and services. Until that Directive came into force, the Commission should be assisted by the advisory committee established for telecommunications services through the implementation of open network provision. The committee argued that a regulatory committee would be an unnecessarily cumbersome procedure. Another amendment sought to ensure that the .eu Registry would be launched without delays and be fully operational 15 months after the entry into force of the regulation, unless exceptional circumstances intervened. Finally, although the Council had rejected Parliament's 1st reading amendment providing for registrations to be on a 'first come, first served' basis, the committee wanted it to be stated that registration policy should be based on this method "provided there is nothing to prevent it in the regulation". It argued that this was the general rule in many of the Member States and was the basis for most registration policies. ?

#### Implementation of the .eu Top Level Domain

The European Parliament approved the report by Mrs Colette FLESCH (ELDR, L). (Please refer to the summary dated 24/01/02). Commissioner Viviane Reading announced that the Commission is ready to support the compromise.?

#### Implementation of the .eu Top Level Domain

The Commission accepts all six of the Parliamentary amendments tabled at second reading. The first set of amendments determines what type of committee should assist the Commission. It was a compromise solution and represents a balance whereby the "communications committee" and the "ONP committee" will support the Commission. The second set of amendments relate to the registration method. A new recital makes reference to the "first come first serve" principle. The third set of amendments clarify the obligations of the Registry. Since the amendments voted on were a compromise reached between the institutions the conciliation procedure will not be invoked. Final adoption is foreseen in March 2002 following verification of the texts by the jurist-linguists.?

#### Implementation of the .eu Top Level Domain

PURPOSE: implement the .eu country code Top Level Domain (ccTLD) within the Community.

COMMUNITY MEASURE: Regulation 733/2002/EC of the European Parliament and of the Council on the implementation of the .eu Top Level Domain.

CONTENT: the objective of this Regulation is to establish the conditions of implementation of the .eu TLD, to provide for the designation of a Registry and establish the general policy framework within which the Registry will function. National ccTLDs are not covered by this

The objective of this Regulation is to implement the .eu country code Top Level Domain (ccTLD) within the Community. The Regulation sets out the conditions for such implementation, including the designation of a Registry, and establishes the general policy framework within which the Registry will function. This Regulation shall apply without prejudice to arrangements in Member States regarding national ccTLDs. The creation of the .eu Top Level Domain (TLD) is included as one of the targets to accelerate electronic commerce in the e-Europe initiative as endorsed by the European Council at its meeting in Lisbon on 23 and 24 March 2000, in order to promote electronic commerce.

The .eu TLD should promote the use of, and access to, the Internet networks and the virtual market place based on the Internet, in accordance with Article 154(2) of the Treaty, by providing a complementary registration domain to existing country code Top Level Domains (ccTLDs) or global registration in the generic Top Level Domains, and should in consequence increase choice and competition. The .eu TLD should also improve the interoperability of trans-European networks by ensuring the availability of .eu name servers in the Community.

This Regulation is without prejudice to Community law in the field of personal data protection. This Regulation should be implemented in compliance with the principles relating to privacy and the protection of personal data. The Registry is the entity charged with the organisation, administration and management of the .eu TLD, including maintenance of the corresponding databases and the associated public query services, the accreditation of Registrars, the registration of domain names applied for by accredited Registrars, the operation of the TLD name servers and the dissemination of TLD zone files.

After publishing a call for expressions of interest in the Official Journal of the European Communities, the Commission should, on the basis of an open, transparent and non-discriminatory selection procedure, designate a Registry. The Commission should enter into a contract with the selected Registry which should specify the conditions applying to the Registry for the organisation, administration and management of the .eu TLD and which should be limited in time and renewable.

Within the framework established by this Regulation, the public policy rules concerning the implementation and functions of the .eu TLD and the public policy principles on registration, various options including the 'first come, first served' method should be considered when registration policy is formulated.

ENTRY INTO FORCE: 30/04/2002.

## Implementation of the .eu Top Level Domain

LEGISLATIVE ACT: Commission Regulation 874/2004/EC laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration. CONTENT: the initial implementation stages of the .eu Top Level Domain (TLD) created by Regulation 733/2002/EC, have been completed by designating a legal entity to administer the eu TLD Registry function. The Registry, designated by Commission Decision 2003/375/EC, is required to be a non-profit organisation that will provide services on a cost covering basis and at an affordable price. This Regulation sets out the eligibility and general principles for registration and deals with requests for domain name registration, and the accreditation of registrars. The main points are as follows: - requesting a domain name will be possible through electronic means in all official languages of the Community, through accredited registrars; - the Registry will carry out the accreditation of registrars following a procedure that ensures fair and open competition between Registrars. Only parties who meet certain basic technical requirements to be determined by the Registry will be eligible for accreditation; - Registrars will only accept applications for the registration of domain names filed after their accreditation and will forward them in the chronological order in which they were received; - the applicable law in disputes between registrars and registrants on matters concerning Community titles will be the law of one of the Member States; -Registrars must require accurate contact information from their clients, such as full name, address of domicile, telephone number and electronic mail, as well as information concerning a natural or legal person responsible for the technical operation of the domain name; pursuant to Regulation 733/2002/EC, Member States may request that their official name and the name under which they are commonly known should not be registered directly under eu TLD otherwise than by their national government; - a Member State will be authorised to designate an operator that will register as a domain name its official name and the name under which it is commonly known. Similarly, the Commission is authorised to select domain names for use by the institutions of the Community, and to designate the operator of those domain names. The Registry is empowered to reserve a number of specified domain names for its operational functions; - some Member States have notified to the Commission and to other Member States a limited list of broadly-recognised names with regard to geographical and/or geopolitical concepts which affect their political or territorial organisation. Such lists include names that could either not be registered or which could be registered only under the second level domain in accordance with the public policy rules. The names included in these lists are not subject to the first-come first-served principle; - the principle of first-come-first-served will be the basic principle for resolving a dispute between holders of prior rights during the phased registration. After the termination of the phased registration the principle of first come first served willapply in the allocation of domain names; - a procedure for phased registration must put in place. Phased registration will take place in two phases. ENTRY INTO FORCE: 30/04/04.?

# Implementation of the .eu Top Level Domain

This Communication takes stock of the preparations that were needed for the creation of the ?.eu? TLD and informs the European Parliament and the Council on the implementation, effectiveness and functioning of the ?.eu? TLD as foreseen in Article 8 of Regulation (EC) No 733/2002 on the implementation of the ?.eu? TLD. The European Registry for Internet Domains (EURID) was designated by the Commission as the ?.eu? TLD Registry.

The paper describes the framework legislation and measures for the protection of end users. The latter includes the reservation of names, the phased registration period and the Alternative Dispute Resolution (ADR) procedure. The Commission also describes the sunrise period, whereby holders of prior rights recognised or established by national and/or Community law and public bodies benefit from a specific period of time ("sunrise period") during which the registration of their domain names is exclusively reserved to such holders of prior rights. These rules have been further developed by the Registry through the "sunrise rules". Considerable efforts were made by the Registry to simplify as much as possible the sunrise procedures taking into account that the sunrise period concerns prior rights established under the laws of the Member States. Special consideration had to be given to the different legal systems and to the different means that were required to prove the existence and validity of those rights. This necessarily had an impact on the complexity of the application procedure.

With regard to the ADR system, disputes within the ADR system for ?.eu? may be initiated against bad faith or abusive registrations from third parties or against decisions taken by the Registry. he level of the fees for ADR proceedings is based on the cost recovery principle. The ADR fees (starting at ?1,850) compare favourably with those charged by similar arbitration bodies. In view of the good results during the first year of operations, the Czech Arbitration Court lowered its fees by 7% as of 1 January 2007. There is a further 10% discount on the ADR fees applicable to the parties who use advanced esignature during ADR Proceedings.

The effectiveness of the ?.eu? TLD system can be gauged on the basis of two indicators: the number of domain names applied for and the efficiency of the Registry in dealing with the daily functioning of the registration system. A year after launch, some 2.4 million ?.eu? names are been registered under the ?.eu? TLD, making ?.eu? Europe's third most popular country code top level domain name, and the seventh most popular TLD worldwide to date. Within the EU, the ?.eu? is only surpassed by the national Top level domains (ccTLDs) for Germany and the United Kingdom while globally, only .com, .net, .org and .info can claim more registrations. Moreover, now that the initial wave of registrations has passed, there is an increasing trend towards using .eu domains once they have been registered as opposed to simply registering them as a precautionary measure. Thanks to the huge interest in ?.eu? and the high number of registrations, the Registry has managed to lower the fees associated with owning a ?.eu? domain name. As of 1 January 2007, the price for registering a domain name and the annual renewal fee was reduced from 10 to 5 ?. Taking into account the non-profit character of the ?.eu? Registry further reductions may be envisaged in the future. Note that this fee is charged to accredited ?.eu? registrars that, in turn, set the prices for their customers. Many registrars bundle their services to include web hosting and email packages, for instance. Nowadays, the price for a domain name under ?.eu? starts at around 15?, thus matching the prices usually charged for other domain names under .com, .net, .co.uk, .de, etc? All in all, it can be concluded that the launch of the ?.eu? TLD has been a successful and effective exercise, which meets real demand among the European citizens, industry and other organisations.

To assess the performance of the registration system an independent audit was performed at the end of the phased registration. The findings

of the audit report can be summarised as follows:

- as concerns the validation of rights during the Sunrise, the auditor established that the selection of the validation agent and the drawing up of the applicable rules for the Sunrise was done according to the specifications of the PPR and within the confines of an acceptable economic (cost) and operational (throughput) model for the execution of the process. In view of statistical data, the auditors concluded that no discrimination could be found against citizens of any particular Member State;
- regarding abusive registrations, the Registry consistently maintained the first come ? first served principle. As regards to "warehousing practices" by some registrars, the Registry performed investigations based on sampling and complaints and terminated the contract with those registrars whose practices were proven inadmissible;
- as concerns registration by non-eligible registrants, the Registry performed post-factum investigations and revoked, where appropriate, domain names which consequently became available again to the public;
- the several hundreds of registrars accredited to the Registry with the sole purpose of massively obtaining domain names for certain registrants (the so-called "phantom registrars") was the subject of legal proceedings brought by the Registry before the relevant courts;
- -regarding operational and technical questions, the findings of the audit report confirm the robustness of the system implemented by EURid which has proven appropriate in view of the load and volume of applications during the Sunrise period and afterwards;
- in relation to the massive registrations taking place after 7 April 2006, i.e. at the moment when applications were open to the wider public ("landrush") and subsequent releases ("mini-landrush"), this is a phenomenon that many other registries have also experienced. This practice seems to be the result of technical craftsmanship and performance on the side of the registrars. After careful and extensive sampling of the EURid registry logs, no evidence was found by the auditors that parties would have been unduly advantaged, nor that the first-come first-served principle was infringed, nor that unallowed manipulations were performed upon the database by any party, nor that the logging system was tampered with, nor that the protective firewalls installed by EURid were broken.
- as concerns the assistance to end users, the Registry put in place a support team to handle telephone calls, e-mails, faxes and postal mail from the opening of the "Sunrise" phase (7 Dec 2005). However, the support team appears not have kept track of its exchanges with third parties with a proper ticketing system until July 2006.

Conclusions: the audit report shows that the Registry has overall performed very efficiently during the start up phase of the ?.eu? TLD and in full conformity with the legal framework. There is no indication that the level of disputes or problems within ?.eu? was any higher than for any comparable TLD. Being a successful TLD that attracts high numbers of registrants inevitably involves having to deal with complaints about disputed domain names. Given the history of disputes in other TLDs over the years, a certain level of complaints was to be expected. To the surprise of some observers, the launch of ?.eu? attracted a lot more registrations than expected. Some of the registrations were speculative and/or defensive, but most were in good faith. Some, inevitably, will have been made by people trying to "exploit" the system for financial gain. Such behaviour was to a large extent anticipated. Indeed, a large part of the discussions on ?.eu? when the legislation was being adopted by the European Parliament and the Council was on how to minimise abuse. The evidence suggests that that legal framework and the implementation of defensive measures by EURid has been largely effective in this respect. As the start-up phase finished some time ago, the objectives for the ?.eu? Registry have evolved. The challenges now are to further improve the service given to customers by, for instance, the adoption of a code of conduct for registrars. Moreover, the promotion of further registrations as well as that of the actual use of the ?.eu? TLD by citizens, institutions and companies should be ensured.

#### Implementation of the .eu Top Level Domain

The purpose of this Report from the Commission is to inform the European Parliament and the Council on the implementation, effectiveness and functioning of the ?.eu? Top Level Domain (TLD), as provided for in Article 8 of Regulation (EC) No 733/2002. The aim of introducing the ?.eu? TLD was to provide Community residents, organisations and undertakings with a specific pan-European identity on the Internet. The Report focuses on recent developments concerning the ?.eu? TLD which took place from the adoption of the previous Report on 6 July 2007 until 31 March 2009.

The report notes that, three years after its launch, the ?.eu? TLD has succeeded in becoming a valued option for Europeans when choosing an Internet identity. With over three million domains, ?.eu? has exceeded expectations and is well established among the world?s top ten TLDs. After the initial surge in registrations, there is a growing trend towards using ?.eu? domains immediately when they are registered as opposed to simply registering them as a precautionary measure pending a later decision on their use. Nowadays, ?.eu? domain names are increasingly adopted by undertakings, organisations and individuals for the unique benefit they offer. The number of disputed domain names has been constantly decreasing and the Alternative Dispute Resolution (ADR) system has been seen as effective in protecting the rights of registrants. Whereas the overall registration growth of 22 % over the period 2006-2008 can be judged satisfactory, it has been particularly impressive in Poland (+149 %), Lithuania (+142 %), Luxembourg (+95 %) and Ireland (+94 %). In addition, the Registry operates smoothly and in line with industry best practices. Nevertheless, the Registry will face a series of challenges in the coming years. The most immediate milestone will be the introduction of Internationalised Domain Names (IDN).

Further down the road, the coming introduction of new generic TLDs as well as the uncertain economic environment could limit the growth of ?.eu?. A proactive strategic approach is therefore required. In particular, the Registry should work to further raise awareness of the existence of the ?.eu? TLD and to strengthen its perception. By doing so, it will attract more registrations, as well as boosting the adoption of ?.eu? websites, if possible, by renowned undertakings and organisations.

Given the dynamic nature of the TLD environment, the Registry should continue to maintain and expand its dialogue and exchanges with the Internet community. This will allow the Registry to identify relevant market developments and to continue to adopt best practices. The Commission will continue to closely monitor the development of the ?.eu? TLD, ensuring that it meets the needs of EU residents, organisations and undertakings.

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.

#### Implementation of the .eu Top Level Domain

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.

## Implementation of the .eu Top Level Domain

In accordance with Regulation (EC) No 733/2002 on the implementation of the .eu Top Level Domain (TLD), the Commission presents a report concerning the implementation, effectiveness and functioning of the .eu TLD over the past two years, in particular during the period from 1 April 2013 to 31 March 2015.

Registration and use of .eu domain names: the Commission states that the .eu TLD model has been implemented successfully and is operating effectively. In the period covered by this report, the .eu ccTLD continued to grow steadily in line with the other European ccTLDs. In 2014 the .eu annual growth was exceptionally high (5.3%). The .eu ccTLD had a total of almost 3.9 million registrations at the end of Q1 2015, representing a 4.3 % net increase of .eu registrations since the last report and making the .eu ccTLD the fourth most popular in the EU.

Changes in domain name landscape: the domain name landscape has changed dramatically in the past two years because of the introduction of new gTLDs following the opening of the gTLD space by the Internet Corporation for Assigned Names and Numbers (ICANN). At the same time, the advent of social media has led to a dropping-off of interest in domain names, as younger Internet end users and dynamic new companies prefer to communicate their online presence via the faster social media avenues.

However, the eu. TLD remains successful despite the continued, albeit slower, growth of the 28 Member States ccTLDs and the increased availability of gTLDs, with which the Registry has been able to cope thanks to the quality label associated with the .eu TLD.

The .eu TLD and its Registry have shown that they are able to cope very well with the challenges to date, although the environment is expected to be even more competitive in the future.

Considering the historical trend, the current market situation and the prediction for future growth, the goal is to maintain a growth rate in registrations of around 4% per year.

Internationalised domain names (IDN): the introduction of IDNs at the top level, is a matter that falls within the competence of ICANN. On 16 November 2009, ICANN launched the IDN ccTLD 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).

Five years after EURids application for the .eu string in Greek and Cyrillic, ICANN has not approved the Greek .?? on the grounds that it is confusingly similar to other strings in upper case

The Commission has repeatedly urged ICANN to complete this process as soon as possible. It has stressed that the rules for a permanent IDN application procedure should be set out so as to avoid undue delay. This is one of the public policy issues that the Commission will continue to raise in the Governmental Advisory Committee, which provides public policy advice to ICANN, as well as in other ICANN constituent bodies.

Functioning of the Registry: to recall, EURid is a Europe-wide non-profit organisation with its head office in Diegem (Belgium) and regional offices in Stockholm, Prague and Pisa. It comprises two founding members: DNS Belgium (the .be registry) and the Istituto di Informatica e Telematica (the .it registry), and eight associate members. The main EURid servers are located in Belgium (Brussels) and in The Netherlands (Amsterdam).

The Registry has launched its own registration platform, which went live on 15 September 2014 after intensive and structured communication with the .eu registrar community.

Over the past two years EURid has conducted multiple marketing activities at two levels:

- by establishing a sound partnership with its registrars to promote the .eu TLD via the co-funded marketing programme and other incentive schemes;
- by recourse to direct marketing to raise awareness of .eu through dedicated online display actions and a regular billboard campaign at the Brussels Airport.

The report notes that the financial situation of the Registry remained stable during the reporting period.

Legal proceedings and disputes concerning domain names: any disputes between .eu domain name holders or claims against .eu Registry decisions, can be submitted to the Alternative Dispute Resolution (ADR) provider, which is the Czech Arbitration Court.

The Commission monitors the use of the ADR system provided by the Arbitration Court, which allows for the protection of registrants' rights in all EU languages. Following recommendations by auditors, EURid has reduced fees to improve access to the system for individuals and SMEs who have reasons to believe that their .eu names have been improperly registered by third parties.

Conclusion: over the past nine years, the .eu country code TLD profiled itself as an innovative and modern extension, very much able to catch up both with the TLDs which have been in the domain environment since the late nineties and to compete with the new generic Top-Level Domains (gTLDs) that have been introduced in 2014. With almost four million registrations, the .eu TLD has become a valued option for Europeans when choosing a domain name for their Internet presence.

The Commission has a regular and constructive dialogue with the Registry to investigate and identify possible ways of dealing with the new DNS landscape while keeping the .eu space secure, reliable and worthwhile for current and future stakeholders.

## Implementation of the .eu Top Level Domain

In accordance with Regulation (EC) No 733/2002 on the implementation of the .eu Top-Level Domain (.eu TLD), the Commission presented a report on the implementation, functioning and effectiveness of the .eu TLD in the last two years, in particular during the period from 1 April 2015 to 31 March 2017.

Key findings and developments: the .eu TLD model has been implemented successfully according to the report. At the end of the first quarter of 2017, the .eu TLD was the 7th largest country code TLD in the world. With over 3.7 million registrations, the .eu TLD has established itself as a valuable option for any European resident choosing a domain name for their Internet presence.

The renewal rate of .eu domain names remains at an average of 80%, which is a very healthy rate compared to the industry average of 73%.

The domain name landscape has changed significantly over the past two years, due to the introduction of new gTLDs (e.g. .car, .hotel). At present, their registrations account for 25.6 million domain names out of 329.3 million registered domains worldwide (142.7 million being registered under the cc TLDs).

Although the new gTLD market has not met expectations, given that user demand has been much lower than expected, its growth has been higher than that of legacy TLDs.

More and more registrars have become involved in the management of the new extensions, while the legacy TLD operators have started to look into options to differentiate their offerings and expand into new business areas, which might compensate for the lower income coming from new registrations in the long-term.

The Commission stated that the .eu country code Top Level Domain (ccTLD) has continued to market itself as an innovative and modern extension, very much able to both catch up with the legacy TLDs, which have been in the domain environment for three decades, and to compete with the new generic Top-Level Domains (gTLDs) which were introduced in 2014.

Functioning of the Registry: EURid is the current Registry operator, responsible for the organisation, administration and management of the .eu TLD. It is a Europe-wide non-profit organisation with its head office in Diegem (Belgium) and regional offices in Stockholm, Prague, and Pisa. Its top priority remains to provide quality service to its 693 accredited registrars. In the reporting period, the .eu Registry has continued to engage regularly and effectively with the Internet ecosystem.

Multilingualism continues to be a primary goal both for the .eu Registry and the European Commission. It is worth noting that, seven years after EURids application for the .eu string in Greek, .?? in Greek has not yet been approved by ICANN on the grounds that it is confusingly similar with other strings. The Commission has repeatedly urged ICANN to complete this process.

The Registry has been applying measures to counter malicious online behaviour with the abuse of domain names on a daily basis, including e.g. copyright infringements, phishing and cyberattacks including the distribution of malware. Domain names, in particular, are checked against eligibility criteria, and new registrations are screened for suspicious patterns or other anomalies.

The recent proactive Registry support of actions that have the aim to prevent the abuse and improve the security and trustworthiness of the .eu domain are considered important and will be further encouraged in a digital environment where the threat and impact of cybercrime have significantly increased.

Next steps: the European Commission will continue its regular and constructive communication flow with the Registry, both to maintain the .eu TLD at the highest standards of DNS, and to make it the extension of choice for Europeans. Conclusions on the performance of the .eu TLD will be drawn again in 2018 when the results of the ongoing REFIT evaluation will be available.

#### Implementation of the .eu Top Level Domain

In accordance with Regulation (EC) No 733/2002 on the implementation of the .eu Top-Level Domain (.eu TLD), the Commission presented a report on the implementation, functioning and effectiveness of the .eu TLD in the last two years, in particular during the period from 1 April 2017 to 31 March 2019.

#### Key findings and developments

The report noted that the .eu domain continues to function in an effective way, facilitating access to the Digital Single Market in a secure and trustworthy way and allowing Europeans to display their European identity online.

With 3.7 million registered domain names, the .eu domain remained the seventh largest ccTLD worldwide. The growth stagnated during the period covered due to the maturity of the domain name market. The performance of the .eu domain however remained on par with other ccTLDs despite a significant decrease in .eu registrations caused by the United Kingdoms intended withdrawal from the European Union and the suspension of domain names due to stricter checks on registration data.

The impact of the United Kingdoms intended withdrawal from the EU on the .eu domain began to be felt in 2018. For United Kingdoms residents, the possibility of losing eligibility for the registration of .eu domain names triggered cancelations, non-renewals and a decrease in new registrations. In addition, some United Kingdom-based registrars ceased to offer the .eu domain. As a result, the number of .eu registrations in United Kingdom fell from around 240 000 to around 190 000 by the end of the first quarter of 2019; a decrease of 24 %.

Confronted with growing competition, the .eu Registry focused increasingly on quality of service and security, rather than on price. This proved successful: the renewal rate of .eu domain names remained high and grew from 78.6 % to 80 % in the period covered in this report.

#### New framework

In 2017, the Commission evaluated the .eu regulatory framework under the Regulatory Fitness and Performance Programme (REFIT) review process and subsequently undertook a revision. The Commission made a legislative proposal to replace the existing .eu Regulation(s). This proposal was ultimately adopted into law as Regulation (EU) 2019/517 of the European Parliament and of the Council on the implementation and functioning of the .eu top level domain and amending and repealing Regulation (EC) No 733/2002 and repealing Commission Regulation (EC) No 874/2004 (revised .eu Regulation).

The revised .eu Regulation provides the legal flexibility for the .eu domain to adapt to market changes, modernises its governance structure, and expands the eligibility criteria for .eu domain names to enable EU citizens to register a domain name, regardless of their place of residence.

The revised .eu Regulation entered into force on 18 April 2019. It shall apply from 13 October 2022, on which date Regulations 733/2002 and 874/2004 will be repealed, except for the provisions expanding the eligibility criteria, which apply from 19 October 2019.

#### Trust and security

The increased focus on quality of service and security helped the .eu domain to maintain its market position during the period considered in the report. It also directly contributed to the EU objectives of increasing trust and security on the internet and in the Digital Single Market.

The .eu can become a model for other domain names in terms of building a trusted and secure domain name space.

Based on its solid customer base, its strong relations with registrars and targeted actions towards under-served geographic markets and EU citizens living abroad, the .eu domain has the potential to strengthen further its position as the domain of choice of EU citizens and businesses