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The Problem of the Absence of Legal Regulation of Domain Names in Russia,
and the Consequent Difficulties which Arise in Connection with Trademarks

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Table of Contents

| | |
|---|----|
| 1 Introduction | 1 |
| 2 Domain names as subjects of legal regulation: their definition and role | 5 |
| 2.1 Definition of domain names in the technical aspect | 6 |
| 2.2 Domain names in terms of civil law | 9 |
| 2.3 Combined approach to definition of domain names | 13 |
| 2.4 Role of domain names | 14 |
| 2.5 Foreign policies on determination of domain names | 15 |
| 3 History of regulation of domain names in the Russian legal system | 20 |
| 3.1 First reference to a domain name in Russian law | 20 |
| 3.2 Reform of civil law regulations in the sphere of intellectual property in 2006 | 22 |
| 3.2.1 Draft Part 4 of the Civil Code of the Russian Federation | 22 |
| 3.2.2 Provisions on means of individualization in the draft Civil Code | 24 |
| 3.2.3 Provisions on domain names in the draft Civil Code | 25 |
| 3.2.4 Relation between domain names and other means of individualization pursuant to the draft Civil Code | 27 |
| 3.2.5 Expert discussions of the concept of the draft Civil Code | 31 |
| 3.2.5.1 Arguments in favour | 31 |
| 3.2.5.2 Arguments against | 34 |

| | |
|--|----|
| 3.3 Regulation of domain names in the Civil Code of the Russian Federation | 38 |
| 4. Interference proceedings: domain names v. means of individualization | 40 |
| 4.1 Case on domain name v. Russian Federation in the ECHR? | 41 |
| 4.2 Domain names v. Trademarks | 44 |
| 4.2.1 Corporation “Eastman Kodak Company” v. Grundul A.V. | 45 |
| 4.2.2 Cases on coca-cola.ru, sprite.ru and miele.ru domain names | 46 |
| 4.2.3 Case on domain name amstel.ru | 48 |
| 4.2.4 Case on domain name denso.com | 49 |
| 4.3 Domain names v. Company names | 52 |
| 4.3.1 Case on domain name quelle.ru | 53 |
| 4.3.2 Case on domain name autodialer.ru | 54 |
| 5 Conclusion | 56 |
| 6 Table of reference | 58 |
| Annex I Table on court cases | i |

1 Introduction

"Domain names of top- and other levels
are actually a means of individualization and
therefore it is essential to have the rule on this phenomenon
in our legislation."¹

President of the Russian Federation D. Medvedev, 2006

Progressive development of society and the social relations to which it gives rise have always been considered as reasons for influencing the appearance of new objects of the intellectual property and subsequently amendment of legal regimes concerning the results of intellectual activity by members of respective society. In order to distinguish themselves and/or their goods and services producers of certain goods and service providers actively explore different types of means of individualization. Such necessity to distinguish one's own goods and services arises from demands of a consumers market and competition between market players. In the former case, means of individualization are aimed at attracting consumers to specific goods and services and/or to the producer of certain goods and services on the consumers market. The latter is aimed at preventing potential conflict of interests between market players.

One such means of individualization is the domain name, which allows market players to explore the Internet to conduct their participation in social relations and commercial activity through the use of the latest so-called "advances of civilization".

¹Speech of the Russian President at round table discussion of the draft Civil Code Part 4. Lopatin V.N. "Belaia kniga: Istorii i problemi kodifikatsii zakonodatelstva ob intelektualnoi sobstvennosti". Moscow (Publication of the Soviet Federatsii) 2007. P. 38.

Lack of a proper or even basic legal regulation of the domain names' legal regime in the Russian Federation brought ambiguity to the status of domain names. In practice it leads to conflicts with trademarks and other means of individualization of legal entities, such as appellations of origin and company names, where their proper legal regulation stipulates their priority ranking through legal proceedings.

Nowadays it is unremarkable when further to court rulings actions to register and use a domain name which reproduces a trademark, which has become known to consumers prior to the registration or usage of such domain name, are considered illegal and an infringement of exclusive rights of the trademark right holder.

A wide response is evoked when it involves conflict between a trademark and domain name with earlier priority, which is considered to be of great commercial value for the trademark owner. I would like to provide an example of such a raid action against a domain name on the basis of later registered company name² in order to justify the need for proper legal regulation of domain names in Russia, or provide a uniform summary of the court judgments on them. More detailed analysis of the court decision will be given in chapter 4 of this thesis. Briefly, a conflict arose between the domain name O2.ru (registered in 2003) and the company name LLC Odva (spelling in the Russian - ООО "ОДВА") ("dva" in Russian means two or 2), registered as a legal entity in 2007, on the grounds of alleged breach by the registrant of the domain name o2.ru, the company name which registered four years later on behalf of plaintiff. It should be noted that the current Civil Code of the Russian Federation Part 4. No. 230-FZ, dated December 18, 2006³ does not contain any prohibitions on the illegal use of company name on the Internet, including in a domain name and for other means of addressing by third parties. Further the fact that the domain name had been registered much earlier was not taken into consideration by judges when giving their decision to approve the plaintiff's claims. As a result, the rights to

² LLC "Odva" v. Volkov A.V. Decision of the first instance Moscow court in case №A41-48441/12 dated 29.01.2013 http://ras.arbitr.ru/PdfDocument/19af61d5-a8d3-4ac3-80ad-ccbdf4bed698/A41-48441-2012_20130129.pdf [09.11.2014]

³ Russian Civil Code. Part 4. No.230-FZ, dated December 18, 2006.
http://www.rupto.ru/rupto/nfile/3b05468f-4b25-11e1-36f8-9c8e9921fb2c/Civil_Code.pdf[09.11.2014]

the domain name were assigned to the plaintiff, and the previous owner of the domain after unsuccessful appeals two higher Russian courts lodged a complaint before the European Court of Human Rights in early 2014.

Interest in this case and other judgments about domain names stimulated consideration of the problematic lack of the domain names regulation in Russia and the conflicts with trademarks to which it gives rise. This topic is highly relevant to Russian registrants of domain names, and, at the same time, to foreign companies which pursue commercial interests in Russia.

The objective of this thesis is to analyse Russian and international private law provisions in conventions and international treaties on intellectual property, settled judicial practice in the sphere of domain names and reasons for contradictory court decisions. The conclusion will offer reasons for such decisions and my vision of potential ways of resolving the current situation.

The scope of this thesis is confined to:

- determination of a definition and the role of domain names in the Russian legal system;
- brief comparison with domain name status in foreign jurisdictions;
- tracing the changes of their status in Russia;
- analysis of Russian court practice in this sphere.

My research is based on legal dogmatic method when considering the historical development of legislation on domain names, analysing and comparing the Russian legal provisions on domain names and other means of individualization, and a consideration and brief analysis of foreign legal provisions.

The regulatory framework consists of provisions of international private law on intellectual property, which are contained in international conventions to which the Russian Federation is a signatory, and national legal provisions, both of which constitute sources of Russian law. The empirical framework for the thesis is based on Russian national doctrines, analysed with respect to draft Part 4 Civil Code and Russian court decisions on domain names cases.

The thesis is comprised of introduction, three chapters and conclusion.

Chapter 2 presents a definition of the domain name as a subject of legal regulation and its role. The first chapter considers three aspects of the definition of domain names and provides brief summary of the relevant legislation of the USA, the EU, in general (Germany and France in particular) and China. The choice of these jurisdictions is attributable to the fact that initially the Internet appeared in the USA, both Germany and France, like Russia are civil law jurisdictions, and China was chosen as example of one of the Asian approach to the Internet governance.

Chapter 3 researches the historical evolution of the domain names status in the Russian Federation with an analysis of transitory and proposed law, and provides information on the current status of domain names under Russian laws. The summary of the development of national legislation notes the changes in the status of domain names and the ensuing conclusions reached by the courts on domain names disputes.

Chapter 4 elaborates inconsistent court judgements on the domain names in their correlation with trademarks and other means of individualization.

The thesis concludes with my opinion on ways to overcome the current unresolved status and legal regime of domain names in the Russia Federation.

2. Domain names as subjects of legal regulation: their definition and role

A growing number of trial proceedings which involve domain names in Russia involves the problem of the legal regime of domain names and their role in comparison with objects which are regulated by the provisions of civil law. The legal nature of domain names has been the subject of disputes between Russian legal scientists and practitioners on the pages of learned journals and in the course of court proceedings.

The significance of the problematic of the legal definition of domain names is constantly growing due to the vigorous growth in the use of domain names as society and originating from it social relations progresses. Usage of domain names involves application of knowledge and experiences in the sphere of the law, economics and technologies. And therefore it can claim that domain names require both legal and technical regulation as an adequate and timely response to it.

In this chapter I will consider approaches to a definition of domain names, a very recent phenomenon, which has caused a number of disputes at the level of legislative and regulatory compliance practices. I will also evaluate its role among other means of individualization in accordance with the provisions of Russian law.⁴

My analysis will be based on three approaches to the definition of domain names in Russia, namely 1. as a means of identifying information resources and addressing queries on the Internet (i.e. in the technical aspect); 2. as a means of individualization of the goods and services in the context of the civil law (i.e. in the legal aspect, namely civil law aspect); and 3. a combined (or compromise) approach. This chapter will also provide a brief review of the status of domain names in foreign jurisdictions.

⁴ The role of domain names, in opinion of Russian courts, will be considered in chapter 4.

2.1 Definition of domain names in the technical aspect

The legal term “domain name” is cited only a few times in those legal texts which comprise the legal system of the Russian Federation. The legal provisions set forth in the Russian Civil Code⁵ mention domain names only 3 times with respect to their correlation with such means of individualization of the legal entities, provided by their services and produced goods, as trademarks and appellations of origin. In the Civil Code the legislator uses the prohibitive type of legal regulation of matters which concern domain names, and domain names in such a context appear as means of unlawful use by third parties of protected trademarks and appellations of origin.

Apart from the Civil Code domain names are also referred to in other Russian federal laws.⁶ In these laws domain names are regulated as a reference to web-pages and net addresses which allow identifying web-sites on the Internet (art. 14.1, items 16 and 17 in the Law N 244-FZ dated 29.12.2006 regulating gambling business), or as a designation of symbols aimed at addressing web-sites on the Internet allowing access to the information mounted on the Internet (art. 2, item 15 of Law No. 149-FZ dated 27.07.2006 on information, information technologies and data security). While in art. 10 of the Law No. 2124-1-FZ dated 27.12.1991 on mass communications domain names are listed as formal requirements for application for registration of the mass media.

As follows from the laws cited, the legislator circumstantially introduced domain names into Russian legal sources by referring to them as a means intended for identification of information resources and addressing queries on the Internet. Therefore I will consider this

⁵ http://www.rupto.ru/rupto/nfile/3b05468f-4b25-11e1-36f8-9c8e9921fb2c/Civil_Code.pdf [27.10.2014]

⁶ See for ex. Federal Law “On mass communications” No.2124-1-FZ dated 27.12.1991 <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=148788>[27.10.2014]

Federal Law “On state regulation of gambling activities” No.244-FZ dated 29.12.2006 <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=165951>[27.10.2014]

Federal Law “On information, information technologies and data security” No.149-FZ dated 27.07.2006 <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=165971> [27.10.2014]

approach of the legislature as the technical aspect when analyzing potential definitions of domain names.

Taking into account the problematic considered by this thesis, it seems advisable and logical to review judiciary opinions on the definition of domain names. In this chapter I will consider the first court opinion on a definition of domain names, which was given in the first judgment on domain names in the history of Russian disputes resolution practice. It was given by the Ruling No. 1192/00 dated 16.01.2001 of the Presidium of the Supreme Arbitration Court⁷ against the background of a total lack of any legal reference to domain names in 2001 (one year before the first reference to the domain names was introduced into Russian trademark law) in a lawsuit filed by Eastman Kodak Company against individual entrepreneur concerning use of the word “Kodak” which was registered as a trademark in the name of the claimant, in the domain name of the respondent. This very first ruling and later rulings will be considered in greater detail in chapter 4. For now we will consider the court’s opinion on domain names.

The Supreme Arbitration Court considered that the main function of a domain name is translation of IP addresses which are expressed by means of certain digits into a domain name in order to identify the owner of an information resource and simplify search. Thus we can see that the Supreme Arbitration Court considers domain names from the standpoint of their functional role, i.e. in the technical aspect.

However, the following statement from that very ruling also deserves our attention as it gave a reason and laid the foundation for the subsequent confusion among judges when considering claims on domain names in their correlation with trademarks and company names. The Supreme Arbitration Court, in particular, stated “domain names, in fact, have transformed into an instrumentation which possesses the functions of a trademark, which provides the opportunity to distinguish respectively the goods and services of one legal

⁷ Ruling No.1192/00 dated 16.01.2001 of the Supreme Arbitration Court’s Presidium. [http the://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=ARB;n=11952\[29.10.2014\]](http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=ARB;n=11952[29.10.2014])

entity or physical person from the same kind goods and services from another legal entity or physical person.”⁸

Such conclusion of the court impresses on one hand with the complexity of its approach to the function of domain names, while on the other hand, recognizing the novelty of this category of disputes the Supreme Arbitration Court managed to discern and bring to notice an additional function of domain names, i.e. the function of individualization, which could bring them into the line with subjects of civil law rights and relationships under private law.

The importance of this ruling is explained by the fact that notwithstanding that the legal system of the Russian Federation belongs to the Romano-Germanic legal family and hence that legal acts, rather than court judgments, are considered to be the main sources of law, currently we can observe the institutionalization of case law in Russia with the meanings of the Supreme Arbitration Court’s judgments. Such judgments are perceived by the lower courts as levers to promote adoption of a uniform enforcement of current laws within judgments as a guarantee of the proper and consistent application of the legal acts.

The draft Russian Civil Code,⁹ which will be considered in details in chapter 3 of the thesis, contained the following definition of a domain name - “...as symbol designation, intended for identification of information resources and addressing of queries on the Internet...”¹⁰ In this sense the first part of the definition seems disputable as identification of information resources for the following reasons.

In practice numerous different domain names can identify the same information resource, comprising the same content. And vice versa, if we consider only the part of a domain name which contains a designation which is identical or similar to a trademark, as it is widely used by international corporations – right holders of well-known trademarks in each country where they carry on business and possess rights to the trademark, then we are faced with a situation when the same designation within a domain name identifies

⁸ Ibid.

⁹ Draft Part 4 of the Russian Civil Code.
http://www.unescochair.ru/index.php?option=com_content&task=blogcategory&id=7&Itemid=7&limit=10&limitstart=10[29.10.2014]

¹⁰ Ibid, art.1540.

information resources with different content and which are intended to be reached by users in absolutely different countries.

Then in the second case we may assume that trademarks constituting part of domain names are also used by the relevant international corporations as a means which ensure that the domain names are capable of individualizing web-pages containing information resources on their goods and/or services and distinguish them from the same offered by third parties. This example with international usage of domain names with trademarks as their elements, in their turn, can explore the advertisement functions of domain names for potential customers' engagement and as a guarantee function of domain names.

For this reason we can claim that domain names have simply ceased to perform the functions of domain names as they are conventionally understood or in the traditional technical meaning as a means for identification of information resources and addressing the queries on the Internet.

Therefore I consider it advisable to examine domain names through the prism of potential subjects regulated by the provisions of civil law, namely as a means of individualization in terms of civil law.

2.2 Domain names in terms of civil law

For the purpose of numbering domain names with subjects regulated by civil law, then they have to be considered as those in respect of which subjects of law are legally bound into legal relations, and they are to be those ones whereat are addressed the rights and duties of the very subjects.

In accordance with abovementioned ruling of the Supreme Arbitration Court in 2001 the domain names were considered as having the function of individualization which could bring them into line with subjects of civil law rights and relationship under private law.

It should be noted that a similar conclusion coincides with the opinion of World Intellectual Property Organization¹¹ (report of April 30, 1999) relating to domain names, when WIPO in acknowledging the fact of transmutation of domain names, stated:

¹¹ Final Report of the WIPO Internet Domain Name Process, of April 30, 1999, Genève. <http://www.wipo.int/amc/en/processes/process1/report/finalreport.html>[30.10.2014]

“...domain names have become part of the standard communication apparatus used by businesses to identify themselves, their products and their activities.”¹² So, since 2001 through the Supreme Arbitration Court ruling the lower courts have been given a recommendation on the functions of the domain name in correlation with means of individualization.

Indeed, taking into account the fact that with intensive usage of the Internet in commercial activity, domain names are used as an essential means for promotion of goods and/or services of business organizations it therefore seems logical to examine them also, firstly, as subjects of legal – civil law regulation and, secondly, as subjects related to a sub-category, to intellectual property, and to be more precise, to means of individualization.

In accordance with the Russian Constitution of December 12, 1993¹³ (art.71) adoption of civil laws is under the supervision of the Russian Federation, in the meaning of the federal level of the legislature; while other legislative powers are divided between federal and sub-federal units; and the rest is delegated to municipal bodies. In this sense rules regulating the origin, usage, assignment and protection of rights to domain names in Russia are established by regulatory acts, rather than regulatory statutes, and are adopted by registrars of the domain names.

In other words, adoption of the regulatory acts on the domain names is not under the supervision of the state legislature. And as follows from the position of the legislative bodies in Russia further to the lack of special regulatory statutes, the domain names are not considered to be subjects of the civil law.

Per contra, in support of the current situation, reflecting the legislature’s opinion on insufficiency of the legal value of domain names, in my opinion, with the features of legislative proceedings in Russia, the state regulation of domain names’ legal regime would be confronted with difficulties on the timely and actual response to rapid changes which arise given the nature of domain names and their usage.

¹² Ibid, item. 10.

¹³ The Russian Constitution. Adopted December 12, 1993.
http://base.garant.ru/10103000/3/#block_71[30.10.2014]

As shown in practice, domain names appear for issues for litigation, possess commercial value when they serve as subjects for assignment contracts, i.e. they can be sold, and what is most remarkable, their lawful and to some extent unlawful usage in commerce produces value for their holders. Above noted could be taken into consideration as pro argument for recognition that domain names should be subjects of civil law regulation. This position can be supported by the statement of Professor V. Kaliatin: “in the case of the domain names, it is obvious appearance of the certain public relations on their usage, and it ex facto requires provision of their transferability.”¹⁴

When considering domain names as subjects related to intellectual property, namely as means of individualization, then it sounds logical to review them for compliance with the functions and characteristic features peculiar to intellectual property, namely for trademarks for the reason that conflict with the very means of individualization is considered as the most problematical in Russia.

First of all, domain names are characterized with the uniqueness of the designations of which it is comprised.

Secondly, domain names could be considered as objects possessing an intangible nature as they do not relate to property in the physical sense and to chose transitory and, at the same time, domain names could not be allocated to such intangible benefits as life, health, and reputation etc. in the context of art. 150 of the Russian Civil Code.

Thirdly, just like a designation within a trademark, domain names should fulfill the requirement of novelty with respect to combination of the top-level domain with a designation in the second-level and, if any, with a third-level domain.

Further, rights to domain names, in the same way as rights to trademark, are exclusive and rights to them reside in the right holder, with domain names – to registrant, i.e. they belong only to the one right holder (it should be noted that rights to a trademark can belong to a joint group of right holders, which is considered as one right holder). And as stated above, both trademarks and domain names perform guarantee functions and advertisement

¹⁴ Kaliatin V.O. Is domain name considered as object of the law? Moscow 2006. <http://www.russianlaw.net/law/individualization/a196/>[11.11.2014]

functions for the owner of the goods/services/information resources which they designate. In addition to that domain names also provide information about the producer of goods, their quality, marketability and clients of the producer, i.e. the owner of the domain name.

As we can see, this comparative analysis has proven that domain names fall under the criteria indicative for one of the types of means of individualization – trademarks. Such conformity is stipulated by the fact of the intensive usage of domain names within the commercial activities on the Internet, when both the trademark and the domain name fulfill the similar functions. These factors, at the same time, are also bound to come into conflict with the means of the individualization, which were traditionally used within commerce before its coverage by the Internet.

It should be noted, that the second approach (in the civil law aspect) to the definition of domain names cannot be considered as cross-functional because not all domain names perform the function of individualization of goods and/or services within the content of the information resources on the Internet.

Some domain names are used as a means intended for identification of the information resources and addressing queries on the Internet, where such information resources are not connected with commercial activity of the registrant and the registrant has no commercial plans around usage of the domain name. Besides that, such domain names can be registered in the name of physical persons having registered them solely for individual and personal needs.

With regard to requirements for business activity with the usage of domain names, then in accordance with Russian civil law (art.23 of the Civil Code) physical persons who are citizens are entitled to conduct business activity without forming a legal entity provided that for these purposes they are registered as individual entrepreneurs. So in this sense, not all domain names are connected with commercial activity and not all registrants of domain names are considered as entitled to conduct business in accordance with the Civil Code. In support of this position I will adduce the argument of A.Sergo, where he states that the main function of the domain name is to “individualize information resource and this

function is primary, while another possible, but secondary function of the domain name is to individualize other objects or subjects.”¹⁵

We can conclude that consideration of domain names registered in the names of physical persons, exclusively as a means of individualization of goods and/or services solely from the aspect of the civil law, does not provide an all-embracing resolution of the problematic of the definition and status of the domain names.

Therefore, in my opinion, it would be challengeable to consider domain names from the two standpoints of their definition and state that they can fall into the category of a technical facility that enables the identification of information resources and addressing of queries on the Internet or into the category of means of individualization.

2.3 Combined approach to definition of domain names

Both the abovementioned approaches to the definitions of domain names reflect only one-side of such a complex subject as a domain name. And these approaches are based on one or other functions of domain names, i.e. technical or individualization function within the framework of Russian civil law. Taking into account that both these definitions of domain names could not be considered as reflecting all-embracing approaches thereto, I would suggest combining the characteristics of domain names which were peculiar to the abovementioned approaches.

In this respect, based on the technical function of the domain names - identification of information resources and addressing the queries on the Internet, and taking into consideration the capability of domain names to individualize (it should not be considered solely in connection with individualization of goods and/or services within the commercial activity and business turnover as the contents of web-pages are not necessarily connected with legal entities and their business), for me it seems appropriate to consider domain names in the following manner.

Domain names are designations, which accomplish the functions of addressing queries on the Internet, identification of information resources, and individualization of the very

¹⁵ Sergo A.G. Domain names. Legal regulation. Moscow (Russian state academy of intellectual property), 2013.P.72

information resources of one person from those of others, irrespective of the commercial or individual orientation of such information resources.

2.4 Role of domain names

Analysis of the main aspects of different approaches to the definition of domain names reveals that domain names can play a technical role in the boundless nature of the Internet by facilitating addressing queries and identification of information resources.

What concerns the determination of the domain names' role as means of individualization in the legal aspect then we can claim the following. Because of the nature of their legal regulation, namely a lack of legal regulation, but in the context of the growing number of court cases involving domain names, it seems problematical to determine the role of domain names among such means of individualization as trademarks, appellations of origin, and company names. Not being independent means of individualization like trademarks, appellations of origin, and company names and not being regulated by civil law, domain names nevertheless act as objects of commercial contracts and the subject-matter of disputes.

So it appears that, in the conditions of lack of legal regulation of their status, and lack of legal provisions on their protection, domain names act as a robust object of legal relations, which are regulated by Russian civil law.

Further, the role performed by domain names on the Internet, jointly and at the same time when

- addressing queries;
- identifying and
- individualizing information resources,

could be considered and recognized as unique and hence that domain names are liable to legal regulation if not by the Civil Code, then at least by institutional regulatory acts of the Federal Department of the mass media and communications under whose supervision the Russian authorized registrars of domain names operate.

2.5 Foreign policies on determination of domain names

Having regard to the problem of the status of domain names in Russia, it appears advisable to consider briefly the policies of foreign countries with respect to domain names.

The doctrine and legal provisions of the USA are one of the most interesting since the Internet originated from the USA. The statute containing a domain name definition is the USA Trademark Act 37 C.F.R. of 1946,¹⁶ and in accordance with its § 45 domain names are considered as “any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet,”¹⁷ and it is given in the list of definitions to the Act.

Just as in the Russian law system, domain names in the USA are introduced in connection with unlawful means of using trademarks (§ 43 of the Act), and court practice reveals that domain names could be used as possible ways of dilution the value of trademarks, and as expression of bad-faith in the conduct of their owners.¹⁸

The European approach to domain names, as a general principle, is expressed in a Communication from the Commission to the Council and European Parliament on the issue of organization and management of the Internet, issued in Brussels in 2000,¹⁹ where, firstly, domain names are considered as “means of addressing which are used to route data from one host computer to another.”²⁰ Secondly, this Communication allocated an identification function to domain names, specifying that the very names “serve for easy

¹⁶ U. S. Trademark Act of 1946, 37 C.F.R. <http://www.uspto.gov/trademarks/law/tmlaw.pdf>[04.11.2014]

¹⁷ Ibid.

¹⁸ Domain Names and Trademarks by Sharie Mendrey
<http://cyber.law.harvard.edu/property00/domain/main.html>[04.11.2014]

¹⁹ The Organization and Management of the Internet International and European Policy Issues 1998 – 2000. Brussels. April 11, 2000.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52000DC0202&from=EN>[11.11.2014]

²⁰ Ibid., item 3

identification of the Internet hosts.”²¹ With regard to the correlation with intellectual property rights, namely with trademarks, the Communication refers to the fact that “domain names have been an easy target for abuses”²² of them.

Another European law which relates to domain names, which is binding on EU member states, is Commission Regulation (EC) No 874/2004 of 28 April 2004. This lays down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration.²³ The Regulation specifies the names with earlier priority, which can be used by their right holders within the .eu top level domain names, and at the same time establishes a broad list of objects, the use of which within the later registered .eu top level domain name can be qualified as illegal. Among them are listed inter alia: both national within EU and community trademarks, geographical indications or designations of origin and, in as far as, they are protected by the national law of a given member State of the European Union (as it is in German law – see below) - unregistered trademarks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic works.²⁴

According to the general rule on names in the German Civil Code of 1896, (this is pertinent to this question since the principle of the pandects system of the codification of Russian civil law was adopted from the German Civil Code) unauthorized use of a name, the right to which appears pursuant to the German Civil Code (section 12)²⁵, is prohibited and is subject to a penalty. This rule is used by the courts when considering conflicts between domain names and the names of individuals, companies (business names), of cities etc. In regard to correlation between domain names and trademarks, the German courts apply the provisions of the German Trademark Act of 25 October 1994 (section

²¹ Ibid., item 5

²² Ibid., item 6.2

²³ Signed in Brussels
<http://eurlex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32004R0874&from=EN>[11.11.2014]

²⁴ Ibid., subitem 2 art.10

²⁵ Civil Code of 1896, in the version promulgated on January 2, 2002.http://www.gesetze-im-internet.de/englisch_bgb/englisch_bgb.html#p0043[05.11.2014]

14),²⁶ consisting of a prohibition on third parties' use in the course of trade of a trademark which is registered in the name of a right holder. Such acts of unauthorized usage of the right holder's trademark by third parties is qualified in Germany as an act of misleading commercial practices (Section 5.2 of the Act),²⁷ while in Russia it is regarded as an act of unfair competition.

French experience on this matter is of interest not only because the French Civil Code or Napoleonic Code is considered as one of the oldest amongst modern European civil codes, but also in view of the signing in Paris in 1883 and earliest ratification by France in 1884 of the fundamental legal act on industrial property - the Paris Convention for the Protection of Industrial Property (hereinafter – “Paris Convention”). The Russian Federation (by that time - the USSR) became a signatory in 1965.

In 2011 a law was enacted to harmonize French national legislation with the provisions of the European regulation on communication. This amended the French Code of Post and Electronic Communications of 1952²⁸, by introducing to the Code provisions on domain names and enunciating the principles that they are registered in accordance with rules

²⁶ German Act on the Protection of Trade Marks and other Symbols of 25 October 1994
http://www.gesetze-im-internet.de/englisch_markeng/englisch_markeng.html#p0085[05.11.2014]

²⁷ German Act Against Unfair Competition in the version published on 3 March 2010 (Federal Law Gazette [BGBl.])http://www.wipo.int/wipolex/en/text.jsp?file_id=229700#LinkTarget_603Section_5[05.11.2014]

²⁸ LOI n°2011-302 du 22 mars 2011
http://www.legifrance.gouv.fr/affichTexteArticle.do;jsessionid=AAA9DA1B89BA8641E0AB5821E0822A82.tpdjo04v_2?cidTexte=JORFTEXT000023751262&idArticle=LEGIARTI000023752116&dateTexte=20110323[05.11.2014]

http://www.legifrance.gouv.fr/affichCode.do;jsessionid=AAA9DA1B89BA8641E0AB5821E0822A82.tpdjo04v_2?idSectionTA=LEGISCTA000006150688&cidTexte=LEGITEXT000006070987&dateTexte=20140114[05.11.2014]

which guarantee observation of intellectual property rights (art.L45-1),²⁹ and are subject to withdrawal if they are likely to infringe intellectual property rights (item 2 art. L45-2).³⁰

When in practice domain names are in conflict with trademarks, then court proceedings may be instituted by the right holder of the trademark on the basis of the provisions of the French Intellectual Property Code, introduced by Act No. 92-597 of 1 July 1992, which are applicable (item a art.L713-2),³¹ to prohibit unauthorized usage of a trademark by third parties.

I now turn to regulation of domain names in China as an example of the Asian approach to the question of domain names. In view of the fact that the Internet is subject to strict control and surveillance of the Chinese government, legal regulation of domain names (art. 27 of the Rules adopted by Order No. 30 of September 28, 2004)³² is also concentrated under supervision of state bodies, rather than private registrars as in Russia. The main purpose of such supervision is prevention of the publishing of undesirable political or immoral content on the Internet, rather than with regulation of the balance between the domain names and means of individualization.

As we can see, the European and US concepts of domain names, just as in Russia, do not regard them as means of individualization alongside trademarks, company names and appellations of origin, but there is difference in the courts' approach to the conflict between those under consideration, where from the outset priority is not given to the owner of the means of individualization, but is regarded as bona or mala fide on the part of the domain name registrant, starting out from the point of parity of subjects. In this sense the European and US approaches could be perceived as interesting for the Russian courts and particularly, for the Presidium of the Supreme Arbitration Court which issues

²⁹ Ibid.

³⁰ Ibid.

³¹ French Intellectual property Code, introduced by Act No.92-597 of 1 July 1992
http://www.wipo.int/wipolex/en/text.jsp?file_id=179120[05.11.2014]

³² China Internet Domain Name Regulations adopted by Order No.30 of September 28, 2004
http://www.wipo.int/wipolex/en/text.jsp?file_id=182419[05.11.2014]

recommendations for the lower courts, in order to produce just and consistent judgments on matters relating to domain names.

3 History of regulation of domain names in the Russian legal system

In this chapter I will describe the situation with domain names in the Russian legal system, starting from when they were first mentioned in the law in 2002. Then I will give a summary and analysis of the revolutionary draft Civil Code, and at the end I will detail the actual status of domain names in Russian legal system. The importance of the analysis of the status of domain names in the legal system is demonstrated by the contradictory practice of the Russian courts, which has been elaborated at the different stages of enforcement of the law regulation of domain names.

3.1 First reference of domain name in Russian law

The term “domain name” appeared for the first time in Russian legislation in 2002 as amendment into the Federal Law No. 3520-I, dated September 23, 1992 “On trademarks, service marks and appellations of origin”³³ and at the same time the legislature determined its correlation to means of individualization of legal entities and individuals entrepreneurs. At that stage, under Russian law, means of individualization were described as items of intellectual property and they were comprised mainly of trademarks, utility models, inventions and industrial designs.³⁴

Owing to the significant growth in use of the Internet both for daily personal use and for commercial purposes, the Russian legislature introduced the concept of usage of trademarks on the Internet, namely as a part of domain name and for other means of addressing. By introduction of domain names in the abovementioned federal law on trademarks, the legislature determined new ways of use trademarks on the Internet and at

³³Federal Law “On trademarks, service marks and appellations of origin” No.3520-I, dated September 23, 1992. <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=39999>[29.07.2014]

³⁴ Federal Law "Patent Law" No.3517-1, dated September 23, 1992, art.3 <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=58232>[29.07.2014]

See also Federal Law “On trademarks, service marks and appellations of origin”, art.1

the same time established prohibitions against unlawful use of the trademarks by third parties.

Art. 4 of the said law clearly states that a breach of a trademark holder's rights (unlawful use of a trademark) occurs “when a trademark or confusingly similar designation are used by third parties without obtaining permission to use it in commercial relations in the territory of Russia for designation of the declared goods or related goods by means of the Internet, namely as part of a domain name and for other means of addressing.”³⁵

With this wording the legislature specified the place and role of domain names in the system of items of intellectual property, namely, their usage was confined to and as one of the ways of usage of the trademarks regardless the priority, or so called dates of registration of domain name and trademark.

It should be noted that in referring to domain names in the law in 2002 and establishing a correlation between domain names and trademarks the legislature predetermined a potential dispute for domain names in the system of means of individualization. The legislature determined that it leads to “a breach of the exclusive rights to trademarks when a designation identical or similar to a registered trademark is used in a domain name irrespective of the dates of registration of the given domain name and trademark.”³⁶ However, at the same time the legislature failed to list among the relative grounds for refusal of official registration of a trademark the fact of an earlier registration of domain name, rights to which appeared prior to the date of filing the application for the relevant trademark.

This innovation was intended to help the courts to clarify the position of domain names in relation to trademarks when considering claims for breach of exclusive rights to the latter on the Internet, and it provided trademark owners with leverage against third parties using a similar or identical designation within a domain name as a competitive advantage for promotion of the declared goods or related goods via use of the Internet. Such an innovation introduced by the legislature was the result of the growing number of disputes

³⁵Federal Law “On trademarks, service marks and appellations of origin”, art.4[29.07.2014]

³⁶Ibid., art. 7

initiated by lawful trademark owners against those who breach their rights to the trademarks by means of the Internet, namely within domain names and for other means of addressing.

3.2 Reform of civil law regulations in the sphere of intellectual property in 2006

It was this legislative approach to placing domain names into the Russian legal system which continued till 2006 when in the light of conducting negotiations for accession to the World Trade Organization (hereinafter “WTO”), the Russian Federation was obliged to bring its statutes into conformity with the requirements of the WTO, namely with provisions of the Agreement on Trade Related Aspects of Intellectual Property Rights of April 15, 1994.³⁷

3.2.1 Draft Part 4 of the Civil Code of the Russian Federation

For the reason mentioned above, in 2006 the Working Party on the draft of Part 4 of the Russian Civil Code started its work on the draft and codification of Russian laws in the sphere of intellectual property. As distinct from the legal systems of the countries which were signatories to the Agreement on Trade Related Aspects of Intellectual Property Rights, the Russian Working Party decided to repeal six special laws regulating different items of intellectual property and unify them into single code.³⁸

The initial draft of the civil code consisted of several chapters with a general part and special parts devoted to aspects intellectual and industrial property which were already known and recognized. And in addition to that new items such as commercial names and domain names were also introduced into this draft, and more over the drafters elaborated legal regimes for new items such as commercial name and domain names. The draft itself, as a matter of principle, regulates and introduces such provisions at the level of a federal law and particularly within the framework of the Civil Code.

³⁷ Agreement is Annex1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on April 15, 1994[18.09.2014]

³⁸ See for ex. Civil Code of RSFSR of 1964; Federal Law “On trademarks, service marks and appellations of origin”; Federal Law “Patent Law”; Federal Law “On legal protection of topographies of integrated circuits” N3526-I of September 23, 1992; Federal Law “On legal protection of computer software” N3523-I of September 23, 1992; Federal Law “On copyright and related rights” N5351-I of July 9, 1993. [29.07.2014]

Introduction of domain names alongside other items of intellectual property contrasted with its passing reference in the Federal Law “On trademarks, service marks and appellations of origin” was perceived by some members of Working Party, legal scientists and legal practitioners as a groundbreaking measure.³⁹ Certain members of the Working Party, especially a group of lawyers from the Coordination Center for Top Level Domain RU, suggested that a “separate chapter of the draft would comprise general provisions regulating issues on the legal concept of the domain name and its relation to other items of intellectual property, while provisions regulating registration and use of domain names in Russia should be incorporated into regulatory legal acts within the framework of subordinate legislation, rather than at the level of the federal law.”⁴⁰

The initial draft of the Civil Code contained Chapter No. 76⁴¹ in which independent paragraph 5 “Rights to domain name” was devoted to domain names in Russia.

³⁹Comments on chapter 76 draft Part 4 of Civil Code .http://info.nic.ru/st/65/out_1226.shtml[07.08.2014]

Comment of Professor A.P.

Sergeev.http://www.unescochair.ru/index.php?option=com_content&task=blogcategory&id=7&Itemid=7&limit=10&limitstart=10[07.08.2014]

⁴⁰ Comments on draft Civil Code http://info.nic.ru/st/65/out_1226.shtml[07.08.2014]

⁴¹Draft Part 4 of the Russian Civil Code.

http://www.unescochair.ru/index.php?option=com_content&task=blogcategory&id=7&Itemid=7&limit=10&limitstart=10[07.08.2014]

3.2.2 Provisions on means of individualization in the draft Civil Code

Before introducing of provisions of the separate chapter about domain names I would like to draw attention to the fact that art.1225 of the draft Civil Code provides an exhaustive list of the results of intellectual activity and means of individualization which are given statutory protection, and it includes domain names.⁴²

Also it should be noted that the chapter devoted to trademarks, namely art. 1481 establishes new rule of law, which should be mentioned as an unprecedented legal development, when listing relative refusal grounds for trademark, in item 8 it is stated that the “designations shall not be registered as trademarks if they are identical to a domain name, the rights to which appeared in third parties in Russia before the date of priority of the trademark in respect of which registration is being applied for.”⁴³

With this wording the legislature firstly establishes new complex of items of intellectual property and means of individualization by including domain names as an independent subject of civil law and by acknowledging it as a protected means of individualization. Secondly it establishes rules on the relations between various protected means of individualization. In paragraph 8 of this article the legislature establishes a rule pursuant to which it is not permissible to register a trademark which is identical to a domain name, rights to which are owned by third parties.⁴⁴

Such an approach excludes the unlawful use of a designation within a denomination as trademark for which registration has been applied for, which is similar to a designation contained in a domain name registered earlier. At the same time such wording conduces to a heavy increase in disputes between the lawful owners of trademarks and domain names (even despite an earlier priority of a domain name registration) which contain similar designations.

In addition to that wording the legislature leaves the matter of specification of goods and services under similar designations within a trademark and domain name in abeyance. In

⁴² Ibid., p.1

⁴³Ibid., p.129, 131

⁴⁴ Ibid., p.129,131

other words, without specifying the requirements on criteria (identical or similar) for goods and services designated by a trademark and the identity or similarity with them of a domain name its content seems obvious that this will cause a problem when a domain name earlier registered will lead to the blocking of further registration of a trademark with an identical designation with respect to all 45 classes of goods and services in accordance with the Nice Classification of goods and services of June 16, 1957.⁴⁵

When considering the financial and time expenditures, formal requirements and registration features, registration of domain names and trademarks it is clear that prompt and simple registration of domain names leads to adverse consequences (in a comparison study of procedures for registration) for other third parties interested in registration of an identical trademark for completely different goods and services. Such is contrary to the principle of unhindered exercise of civil-law rights (or in other words the principle of freedom to enforce rights of a subject which is in circulation) and therefore should not be established by law. Later I will consider the potential consequences to which this innovation would lead.

Below there is translation of extracts from the draft provisions of paragraph 5 in chapter 69.⁴⁶ I would like to draw attention to the fact that for the first time ever provisions on domain names were subject to statutory regulation in Russia and at the same time they were incorporated into the draft Civil Code. I consider that such a legal development is revolutionary not only with respect Russian law, but also in terms of comparison to foreign legal systems.

3.2.3 Provisions on domain names in the draft Civil Code

⁴⁵The Nice Classification of goods and services, established by Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, dated June 16, 1957, signed in Nice. http://web2.wipo.int/nicepub/edition-20140101/taxonomy/pagination=no&lang=en&mode=flat&explanatory_notes=hide&basic_numbers=show [16.09.2014]

⁴⁶Draft Part 4 of the Russian Civil Code. http://www.unescochair.ru/index.php?option=com_content&task=blogcategory&id=7&Itemid=7&limit=10&limitstart=10. Pp. 160-162.[16.09.2014]

Domain names were defined in customary business practices as symbolic designations, intended for identification of the information resources and addressing queries on the Internet and which are registered in the registry of the domain names in compliance with a commonly-agreed procedure and customary business practices. Thus it acquires exclusive right. Item 2 of the art. 1540 draft Civil Code stipulates that a domain name “consists of a hierarchical sequence of names of domains, which are regions of address spaces.”⁴⁷ Each of the domains occupies "a defined level in such hierarchical sequence, such that the top-level domain includes second-level domain, second-level domain includes third-level domain, and so on.”⁴⁸ While the top-level domain is perceived as that: "whose designation is indicated in the rightmost domain name.”⁴⁹

Art. 1541 draft Civil Code contains provisions on exclusive rights to domain names and stipulates that the provisions of the current Civil Code⁵⁰ cover domain names which are "registered in the region covered by top-level domains, which were assigned to the Russian Federation within a commonly agreed procedure.”⁵¹ Domain names are subject to exclusive rights, which is recognized and protected by virtue of registration of the very domain name. The body empowered to register top-level domain names, which were assigned to the Russian Federation within a commonly agreed procedure, determines the rules for regulation of the registration procedure (art.1542 of the draft Civil Code).

Rights which derive from exclusive rights to a domain name are determined in art. 1543 of the draft Civil Code. The draft consisted of a provision, that in accordance with art. 1229 of the Civil Code the owner of the domain name acquires exclusive rights to it, which could be explored in any legitimate manner “inter alia in the manner of using a domain name with respect to

⁴⁷Ibid., p. 160-161

⁴⁸Ibid.

⁴⁹Ibid.

⁵⁰ Russian Civil Code. Part 4. No.230-FZ, dated December 18, 2006. Unofficial English translation available on: http://www.rupto.ru/rupto/nfile/3b05468f-4b25-11e136f89c8e9921fb2c/Civil_Code.pdf[17.09.2014]

⁵¹Draft Part 4 of the Russian Civil Code.

http://www.unescochair.ru/index.php?option=com_content&task=blogcategory&id=7&Itemid=7&limit=10&limitstart=10. Pp. 160-162.[17.09.2014]

information resources on the Internet, including detachment of new domains in the framework of the addressing space to which the domain name indicates."⁵²

Art. 1229 of the draft expands the meaning of exclusive rights with respect to the results of intellectual activity and means of individualization.⁵³ The draft Civil Code provides that a right holder to results of intellectual activity or to means of individualization (a right holder is considered to be a physical person - citizen or a legal entity) shall explore the use of such items of intellectual property at his discretion in any legitimate manner.

It should be noted that in current version of the Civil Code part 4 refers only to legal entities (and individual entrepreneurs only with respect trademarks) which possess the exclusive rights to means of individualization because of the specificity of the business activity being engaged in, and the items of intellectual property which related to it. Such right holders may exercise the exclusive rights to means of individualization, namely at their discretion they are entitled to permit or prohibit the use of means of individualization, while absence of such prohibition cannot be considered as consent to the use of such means of individualization.

For third parties it means that they should apply to the right holder for consent to use the relevant means of individualization, and granting third parties the right to use means of individualization is considered as one the ways in which items of intellectual property may be used.

3.2.4 Relation between domain names and other means of individualization pursuant to the draft Civil Code

Art. 1544 of the draft Civil Code consists of a provision, which on the legislative level prescribes the only possible way to use trademark, and company and business names within domain names. It states: "incorporation into the second-level domain of a trademark, company name or well-known business name in Russia, or a designation confusingly similar to them, and which are protected in Russia, is prohibited without the consent of the right holder of the exclusive rights to such trademark, company name or

⁵² Ibid.

⁵³ Ibid., p.2-3

business name."⁵⁴ When using the word “incorporation” of a trademark, company name or well-known business name in Russia, which is protected in accordance with the Civil Code, legislator implies incorporation of a designation identical to such means of individualization of legal entities (and of individuals entrepreneurs with respect to their trademarks).

This article contains provisions which assume the obligation of domain name registrars (and of responsible applicants – as a preparatory measure) to examine whether a registration applied for as a second-level domain name is identical or confusingly similar to a trademark, company name or business name well-known in Russia, and if a designation is considered as identical or confusingly similar then the applicant is obliged to submit a letter of consent from the owner of the corresponding means of individualization.

With regard to examination of a trademark and company name registered in Russia, this task involves verification with Registers of trademarks (both national Russian trademarks, well-known trademarks in Russia, and also international registration of trademarks valid in Russia) and also company names indicated in the Uniform State Register of Legal Entities in the Russian Federation.

But with regard to comparison of identity or confusing similarity between a domain name and business name well-known in Russia, we are faced with the problem of specifying criterion of popularity and the detection of such names. By virtue of (art. 1536 draft Civil Code)⁵⁵ Russian Civil Code (art. 1538) "legal entities conducting business activity (including non-commercial organizations to which a right to conduct the activity concerned has been granted pursuant to statute by their charter documents) and also individual entrepreneurs for individualization of trade, industrial and other enterprises belonging to them, have the right to use business names that do not constitute company names and are not subject to obligatory inclusion in the charter documents nor the Uniform State Register of Legal Entities in the Russian Federation."⁵⁶

⁵⁴ Ibid., p.161

⁵⁵ Ibid., p. 158

⁵⁶ See references 50,51.

As we can see, firstly because such business names are not included in the official register, or in the charter documents, this causes difficulties in detecting such business name in the course of examining domain name application, and secondly, even after detection of such business name, which is considered as identical or confusingly similar to a second-level domain name, for which registration has been applied for, we are faced with the problem of considering whether it is a well-known business name, albeit there is a total absence of legally determined criteria for popularity of business names.

When analyzing the provisions on relative grounds for refusal of a trademark registration which are set in the draft Civil Code it is evident that legislator has established different, and to a certain extent inconsistent legal regimes for designations submitted for registration as trademarks and domain names. As indicated above in item 8 art. 1481 draft Civil Code it is prohibited to register as a trademark a designation which is identical to a domain name, rights to which are owed by third parties, and at the same time when establishing a legal regime for domain names legislator substantively limits the range of designations, which may be used for the second-level domain: identical and also a designation confusingly similar to the protected in Russia trademarks, company names or well-known business names in Russia.

By this approach legislator extended the boundaries for designations within trademarks and at the same time charges applicants for domain names to seek from owners of the protected in Russia trademarks, company names or well-known business names in Russia their permission to use an identical or confusingly similar designation within the domain name. Such an innovation also brings the risk of possible reverse domain name hijacking (or reverse cybersquatting, or recapture of a domain name) on behalf of the owners of a trademark (company name or well-known business name in Russia) against bona fide owners of domain names containing a similar designation at the second-level domain.

With such requirements for lawful use of designations within a second-level domain, in order to prevent claims on behalf of third parties, mainly trademark owners, less often the owners of company names or well-known business name in Russia, the owner of a domain name is forced to apply for trademark registration of a designation which reproduces its domain name.

Also in my opinion there is an obvious omission by the legislator in terms of failure to stipulate the conditions when use of a domain name in relation to owners of a trademark, company name or well-known business name in Russia (extent of goods or services, spheres of economic activities) is considered to be a potential infringement of the latter's rights. In this context there logically arises the question of conflict of interests of the domain name owner and the several right holders of identical trademarks aimed at designation of different goods and services, which are not considered as similar goods or services.

The situation only becomes more complicated when both such trademark owners decide to register an identical domain name and both trademarks have the same priority date (because of assignment agreement with respect certain classes of goods or services submitted for one and the same trademark or because of division of the trademark application at the registration stage and further paperwork on one of two separate applications). Here arises the question of preferences between applicants which initially are considered as equal applicants and yet at the stage of considering of their applications for domain name registration they are substantially regarded as stranded equal.

In terms of using a domain name as a tool for addressing information resources or its content, which intercrosses (identically or similarly) with goods or services, spheres of economic activities of the owners of a trademark, company name or well-known business name in Russia, which are protected in Russia, it seems that certain concerns of the legislator about such a conflict is a matter of principle.

But how should we consider the situation when the content of an Internet site under a certain domain name, which is considered to be identical or confusingly similar to a trademark, company name or well-known business name in Russia, which are protected in Russia, is not connected to any extent with goods or services, spheres of economic activities under the said means of individualization of third parties, or in the extreme situation when the domain name is not used for addressing to the Internet site and has no content?

In such situation it seems obvious that the lack of content on the Internet site or default of addressing, which in actual fact is the non-use of the domain name, could nevertheless be

qualified as a breach of the rights of the owners of an identical or confusingly similar trademark, company name or well-known business name in Russia.

3.2.5 Expert discussions of the concept of the draft Civil Code

3.2.5.1 Arguments in favour

It should be noted that discussions of this draft spread over two parliamentary readings in the lower chamber of Russian Parliament. In accordance with reglament of the lower chamber of Russian Parliament of State Duma No.2134-II, dated January 22, 1998 (art.116)⁵⁷ in general rules bills are to be considered over three readings (in the first reading the concept of the bill is discussed, with its practical relevance and topicality. This reading also considers its compliance with the Russian Constitution. The second reading considers the bill itself and amendments to it, which were proposed by special responsible committee of the lower chamber of Parliament). When the bill has passed two readings, it proceeds to the final stage on the third reading where members of Parliament vote for or against adoption of the specific bill as a federal law. So as we can see, draft Civil Code reached the second stage of the adoption procedure.

As was mentioned above, the draft itself was considered as revolutionary and it seemed logical that it raised various conflicting opinions on its merits among drafters, their supporters and opponents. Below I will present their comments and opinions on the provisions regarding domain names in the draft Civil Code and provide my view on them.

It seems advisable to start consideration of opinions from the perspective of the head of the Working Party on the draft part 4 of the Civil Code – V. Jakovlev. He claimed that the Working Party worked over 4 years on the draft, which would compile provisions on already existing and new items of intellectual property, and which is aimed at "solving the problem ...on continuity between the Russian Civil Code currently in force and forthcoming amendments, directed at improvement of its effectiveness"⁵⁸ in accordance

⁵⁷Reglament on reading of the bills by the State Duma of the Russian Federation. No.2134-II, dated January 22, 1998. [http://base.garant.ru/1575717/15/\[20.09.2014\]](http://base.garant.ru/1575717/15/[20.09.2014])

⁵⁸ Report of V. Jakovlev, Councillor of the President, before the State Duma. [http://www.duma.gov.ru/news/273/150104/\[20.09.2014\]](http://www.duma.gov.ru/news/273/150104/[20.09.2014])

with the task set by the President of the Russian Federation. In support of the very form of lodgment the law, namely the Civil Code, V. Jakovlev claims that in his own belief "complete codification is the most effective way to increase the level of protection for items of intellectual property."⁵⁹

Another supporter and drafter of the bill, P. Krasheninnikov, sets forth his arguments in favor of codification of legislation in the sphere of intellectual property and incorporation of the provisions on new items and states: "the amendments mentioned in the draft Russian Civil Code will allow elimination of fundamental problems and legal deficiencies which currently exist in the legal regulation of civil relations and will provide improvements and systematization of the civil law."⁶⁰

I regard the opinion of Professor V. Kaliatin as one of the most thoughtful opinions on the draft Civil Code and its innovation since his judgment is formed from his position as a practitioner and it looks into the future of the implementation of provisions on domain names. He says: "the appearance of a new item of the individualization..."⁶¹ (in the Russian version "could not not give rise"⁶²) engendering "a rise in the conflicts, related to determination of their place in the system of the currently means of individualization"⁶³, and justification of this opinion could be acknowledged from my part when earlier in this chapter I considered potential conflicts which could arise when considering the relation between trademark, company name or well-known business name in Russia, on the one hand and domain names on the other.

⁵⁹ http://www.copyright.ru/library/analytika/obsuzhdenie_4_gk/[20.09.2014]

⁶⁰ Opinion of the P. Krasheninnikov on draft Civil Code. <http://www.duma.gov.ru/news/273/150104/>[20.09.2014]

⁶¹Kaliatin V.O. Problems of the legal regulation of the domain names in the civil legislation."Vestnik grajdanskogo prava", 2006, №.2. P.32[21.09.2014]

⁶²Ibid.

⁶³Ibid.

Professor also refers to the World Intellectual Property Organization's (hereinafter - "WIPO") Final Report of the WIPO Internet Domain Name process⁶⁴ and states that in the report of 1999 "it was noted that domain names took on significance as means of individualization having importance and as a result they came into conflict with the system of means of individualization existing prior to the appearance of the Internet."⁶⁵ This can be seen since submission of this report by the WIPO and by the time taken for discussions over the provisions in the draft Civil Code over the past seven years.

Seeing the dynamism of the exploitation of the domain names as a way of addressing to the certain web-pages with certain content and as usage them as means of individualization by usage of the same designation within the domain name and with respect goods or services to which addresses the domain name it becomes evident that escalated acute need in legal determination of the role, place of the domain names in Russian civil legislation and its correlation to the means of individualization already existing and holding a prominent place in the system of the civil legislation and civil turnover.

As supposes professor Kaliatin such a conflict between means of individualization takes systemic problem and its settlement "doesn't seem possible by means of the small-scale amendments, which would regulate already existing means of individualization."⁶⁶ I agree with professor and would like to note in this case - if doing so, we cannot build new responding to needs of its applicants legal system in the sphere of intellectual property law, which would be characterized with legal equity between considered objects, set in the in harmonically functioning system and guaranteed conditions of the lack of the priority of the already existing and legally recognized objects over those, which arose our discussions. For me sounds wise conclusion of the professor Kaliatin that we cannot distinguish two means of individualization "given the fact that real intension is to draw line between, rather than depreciation of one of them."⁶⁷

⁶⁴ Ibid, it refers to Final Report of WIPO Internet Domain Name Process, April 30, 1999. <http://www.wipo.int/amc/en/processes/process1/report/finalreport.html>[21.09.2014]

⁶⁵ Ibid., p.32

⁶⁶ Ibid.

⁶⁷ Ibid., p. 33

Indeed, legislator input domain names into the draft Civil Code as an equal object alongside with other known and widely used in the civil turnover and newly introduced subjects, but as it was compared above correlation of these subjects based on the newly drafted provisions already revealed prioritized means of individualization (obvious priority of trademarks and company names over domain names, questionable priority of the famous business names over domain names), which from hypothetical point of view raised numerous questions on further implementation of the provisions regulating their status and correlation within civil turnover.

Professor Kaliatin came to a conclusion that such an attempts with introducing of the separate provisions into the civil legislation are considered as “prospective less”⁶⁸ and I support his proposal on necessity of the “full-scale”⁶⁹ consideration and regulation of the problem, in contrast to inclusion of the separate minor remarks containing mentioning of domain names into chapters devoted to the status, ways of use and examples on potential breach of rights to the trademarks and other means of individualization. It seems ineffective to introduce domain names through the prism of the possible way of the lawful or unlawful use of the very trademark.

3.2.5.2 Arguments against

In opposition to the supported by me aforementioned view, there are expressed opinions and arguments against codification of the provisions on domain names within discussed draft, in particular, and against their legal regulation on the whole. Within the course Internet Governance we considered logos of some organizations claiming that the Internet should be a zone without governing and free from law (the Internet’s freedom from law),⁷⁰ but when conflicts arise within jurisdiction of one or another state it is law which needs to be applied to such conflicts in cases when parties apply for enforcement of their rights or protection of their interests.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ See for ex. <http://www.internetgovernance.org/2013/04/14/an-internet-free-from-government-control-a-worthy-principle/>[22.09.2014]

Depending on the approach to a domain name, i.e. its definition and role, there could be met uttermost opinions, for ex. like the following. Seeing that a domain name is already registered and used as a mean of addressing to certain web-page, and then its registrant doesn't run the risk that the very domain name could be registered and/or used by third parties. Such opinions are based on a wrong, in my opinion, perception of the factual or physical possession of the object (called in Russian civil law - law of property), rather than possessing exclusive rights to the means of the individualization, those which are considered in Russian laws as non-material values. And further to the logic of the proponents of aforementioned approach to the role of domain names, object in question does not require any legal determination and regulation, as physically no one else cannot use two identical domain names.

In the chapter devoted to the definition of a domain name and its role are considered some of the approaches to it and my opinion on this question is provided.

Seeing that we are discussing provisions within the draft Civil Code, below I will consider arguments of the opponents of the codification of provisions regulating domain names.

As it was told above one of the reasons for appeared legal regulation of domain names within the Civil Code was forthcoming accession of the Russian Federation to WTO and discussion of its draft involved participation of the representatives of the various scientific organizations.

One of them, which played an active role in establishing concept of the intellectual property, was the UNESCO Chair on copyright and other intellectual property rights. In accordance with their conclusion on the draft Civil Code "project goes far beyond the task of codification as it consists of row of legal items and institutions which were not known from before to the domestic legislation."⁷¹ Further to their opinion there should be included provisions into the Civil Code, which already have stood the test of time and therefore they would be capable to claim the inclusion into the Civil Code. And therefore UNESCO Chair appealed before the State Duma to exclude from the draft apart from others chapters also a chapter with provisions regulating domain names.

⁷¹Opinion on the draft.

http://www.unescochair.ru/index.php?option=com_content&task=view&id=80&Itemid=7[22.09.2014]

Logic of the UNESCO Chair is understandable to the extent connected with the legal force and status of the Civil Code in the system of the sources of law in the Russian Federation; then in this case remains unclear the status of domain names and unsolved questions on regulation of the conflicts between domain names and objects regulated by the Civil Code. This opinion is expressed by legal scientist and is based on their theoretical assumptions on the future implementation of the legal provisions.

For sake of comprehensive overview of opinions on novelties in the civil law, seems advisable to consider opinion of legal practitioners and representatives of the agency registering top-level domain in Russia. According to their opinion on provisions regulating process of registration and conditions of the usage of domain names, legislature's attempt on "tough legal regulation inevitably will bring to that the very system registration in the domain .ru would not be capable to prompt reaction on external changes."⁷² And with this regard they expect that facing difficulties on discussed issues users of domain names would prefer to explore domain names in other zones with more preferable legal regime.

And further to development of aforementioned concern, representative of lower chamber of Russian Parliament expressed his contemplation that enacting of the Code with provisions on domain names would bring to that "...domain zone .ru would be excluded from international law... and cause additional difficulties with accession of the Russian Federation into WTO..."⁷³

Another convincing argument, which brought opponents of the draft in support of their position, appeals to lack of the recognition of domain names as an intellectual property object per se by international intergovernmental organizations and trade organizations within international treaties and agreements, to which the Russian Federation is a signatory.⁷⁴ Indeed, if we refer to the provisions of the Convention Establishing the

⁷² http://info.nic.ru/st/65/out_1213.shtml[22.09.2014]

⁷³ Opinion of Markelov M.J.in book of Lopatin V.N. "Belaia kniga: Istorii i problemi kodifikatsii zakonodatelstva ob intelektualnoi sobstvennosti". Moscow (Publication of the Sovet Federatsii) 2007. P. 38.

⁷⁴ Report of the Working Party on the accession of the Russian Federation to the World Trade Organization. Moscow 2006.

WIPO of July 14, 1967, in item viii art. 2 is given definition of the intellectual property and it refers to “the rights relating to ...trademarks, service marks, and commercial names and designations, protection against unfair competition, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.”⁷⁵ It appears that opponents did not consider the underlined wording in the latitudinal interpretation and did not refer domain names to objects resulting from the intellectual activity in the industrial field.

And if we follow the logic of the opponents and consider provision of the Paris Convention, historical convention adopted in 1883 and lately amended in 1979, no doubt there would be no mentioning of domain names among objects of the industrial property “patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition”⁷⁶ (art. 1 item 2). Even in the Agreement on Trade-Related Aspects of Intellectual Property Rights (part II of the agreement),⁷⁷ signed in 1994, domain names are not listed among the objects regulated by the intellectual property. Taking into consideration lack of the regulation of domain names on the aforementioned agreement, in the terms of the accession of the Russian Federation into WTO to some extent seem sound arguments against codification of provisions on domain name.

Arguments of the opponents were considered as reasonable, and subsequent to the results of voting within second reading in the State Duma draft Civil Code passed to adoption as a federal law stage without chapter on domain names.

http://www.economy.gov.ru/wps/wcm/connect/economylib4/mer/activity/sections/foreignEconomicActivity/wto/doc20120201_0017[22.09.2014]

⁷⁵Signed on July 14, 1967 in Stockholm. http://www.wipo.int/treaties/en/text.jsp?file_id=283854. Emphasis added[23.09.2014]

⁷⁶Signed on March 20, 1883 in Paris. http://www.wipo.int/treaties/en/text.jsp?file_id=288514

⁷⁷ http://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm[23.09.2014]

3.3 Regulation of domain names in the Civil Code of the Russian Federation

So in accordance with final version of the draft which was adopted as Part 4 Russian Civil Code (adopted December 18, 2006 and is valid since January 1, 2008) domain names were mentioned in it 3 times and only in correlation with trademarks and appellations of origin. The legislature establishes prohibition to registration as a trademark of a designation which is identical to domain name the rights to which arose earlier than the priority date of trademark to be registered (sub item 3 item 9 art.1483), alongside with that law prescribes that lawful manners to explore exclusive rights to trademark and appellations of origin by their right holders could be accomplished inter alia “on the Internet including in a domain name and by other means of addressing.”⁷⁸

Comparing legal prohibition on registration designations as a trademarks which are identical to earlier registered domain names (in the Civil Code Part 4) with provision considering breach of the exclusive rights to trademark when trademark or confusingly similar designation are used as domain name (Law on trademarks 1992) we can see that the legislature used positive way to define borders between domain names and trademarks in the light of omission of legal introduction and regulation of domain names in the Civil Code. To some extent, such a wording in the Civil Code set criteria on lawful use of the trademark and appellations of origin on the Internet and limited scope of designations (to identical) which could not be applied for registration as a trademark in conditions of presence of the earlier registered domain name.

Later I will consider how courts considered aforementioned limitation-provision in the course of the consideration of the disputes between right holders to trademark and domain names. Subsequent to considerable growth of disputes arisen due to unrestricted interpretation by the Russian intellectual property office and courts of sub item 3 item 9 art.1483 establishing correlation between earlier registered domain name and identical designation applied for registration as a trademark there was adopted federal law (No. 259 dated October 4, 2010) amending article 1483 by exclusion of prohibition set in sub item 3 item 9 to register trademark identical to earlier registered domain name. The legislature

⁷⁸ <http://www.consultant.ru/popular/gkrf4/#info>(provisions on art. 1483 valid till October 14, 2010)[24.09.2014]

excluded mentioned ground for refusal the trademark registration with intention to prevent rise of disputes resulting from multifarious consideration of criteria set in the Civil Code. In chapter devoted to current status and correlation between domain names and trademarks I will consider more detailed consequences of adoption of the Civil Code in the very version and decisions of the courts based on it.

4. Interference proceedings: domain names v. means of individualization

As it was discussed above in previous chapters, the legal status and legal regime of domain names in Russia is not properly regulated by national civil law provisions.

Examination of the considered in the chapter 1 of thesis legal acts⁷⁹ and analysis of the doctrines conveyed within the framework of drafting Civil Code part 4 could not provide the entire understanding of legal status of domain names in Russia. Within the last 14 years (since the first high-profile case on a domain name reached the Supreme Arbitration Court⁸⁰) domain names were issues in litigations in Russia in the conditions of the lack of their legal status regulation.

As it turned out, the legal practice of the Russian courts reflects objective situation with domain names and reveals entire divergence of the courts' opinions on the subject matter.⁸¹

In this chapter we will consider the most interesting court decisions containing various approaches to the place and role of domain names amongst means of individualization protected by civil law regulation in Russia. Scope of consideration will be limited with decisions of the Russian arbitration courts of all instances – the first, appeal, cassational and supervisory instances.⁸²

⁷⁹ Law regulating gambling business No.244-FZ dated 29.12.2006, Law on information, information technologies and data security No.149-FZ dated 27.07.2006, Law on mass communications No.2124-1-FZ dated 27.12.1991, Russian Civil Code Part 4. No.230-FZ, dated December 18, 2006

⁸⁰ Ruling of the Presidium of the Supreme Arbitration Court No.1192/00 dated 16.01.2001 <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=ARB;n=11952>[29.10.2014]

⁸¹ See Appendix1 on table on court cases.

⁸² The first instance examines case on its merits. Other instances conduct review proceedings; where appeal instance considers first instance decision, which has not taken legal effect yet and it is not admissible to bring new claim; cassational instance reviews court decisions, which have taken legal effect after examination in the appeal, or were dismissed for consideration in the appeal instance in terms of lapse of

It should be noted that subject-matter jurisdiction of the Russian arbitration courts is determined as sphere of competence of the very courts and is confined to cases on economical disputes and other cases arising in the course of business and other economic activity.⁸³

4.1 Case on domain name v. Russian Federation in the ECHR?

Consideration of domain names' judgments will start with one of the high-profile cases in this sphere – case on the domain name O2.ru.⁸⁴

LLC Odva filed claim against physical person Volkov A.V. on breach of plaintiff's company name by registration of domain name O2.ru in the name of respondent.

LLC Odva – plaintiff (original spelling in the Russian - ООО "ОДВА", where "dva" in Russian means two or 2) was registered as legal entity in 2007 and at the same time acquired exclusive rights to the very company name, and domain name O2.ru was registered in 2003 in the name of the physical person – respondent.

With respect to the essence of the dispute it should be noted that, first of all, domain name of respondent consists of indication to the top-level domain .ru and second-level domain contains designation O2 – Latin alphabet letter “O” and Arabic numeral 2, which in combination comprise the chemical composition of oxygen. While the company name ООО "ОДВА" consists of exclusively of Cyrillic letters and no numerals, where such letters could be transliterates into Latin letters as “odva” or “odwa”, and besides the company name is also consisted of indication on legal form of organization – “ООО”, i.e. “LLC”, which doesn't constitute the part of the domain name in dispute. Seems doubtful identity of the conflicted designation (combination of letters, on the one side, and

appeal term. Supervision of the court decisions, which have taken legal effect, is conducted by Presidium of the Supreme Arbitration Court.

⁸³ Russian Arbitration Procedural Code 95-FZ of July 24, 2002.
http://www.consultant.ru/popular/apkrf/9_4.html[14.11.2014]

⁸⁴ LLC “Odva” v. Volkov A.V. Decision of the first instance Moscow court in case №A41-48441/12 from 29.01.2013 http://ras.arbitr.ru/PdfDocument/19af61d5-a8d3-4ac3-80ad-ccbdf4bed698/A41-48441-2012_20130129.pdf[09.11.2014]

combination of letter and numeral, on the other side within second-level domain) as it was claimed by the plaintiff and confirmed by the courts in their decisions.

Secondly, priority of domain name of respondent is for 4 years earlier than the date of registration of the plaintiff's company name. Appears evident the fact of earlier registration of domain name O2.ru by the respondent than company name's registration by the plaintiff.

Thirdly, art. 1474 of the Russian Civil Code, regulating the company names in Russia, does not contain any prohibitions on the unlawful use of the company name on the Internet, including in a domain name and for other means of addressing by third parties. Despite, the Civil Code prohibits unlawful use of identical or confusingly similar company names by the legal entities due to the specific of the very means of individualization to designate and, at the same time, to distinguish legal entities. In our case we face with conflict between non-similar domain name and company name, from the one side, and at the same time, between physical person and legal entity.

Fourthly, it should be noted that, in accordance with case information, within the last years respondent did not use his website and the website did not contain any information resource, which could cause competitive relations with the plaintiff.

These arguments were dismissed by the courts. To me conclusion of courts, which have not taken into consideration the aforementioned facts, seems contradictory. As opposite, they affirmed the plaintiff's argument, which was laid as reason for their decisions, that:

- action of the respondent as physical person
- on anticipatory registration (for four years earlier) of the
- domain name identical with the company name and
- on ownership of domain name
- constitute the unfair business practice.

In Russia the very dispute has passed three court instances and even reached the Supreme Arbitration Court, but by its writ was declined for consideration by the highest court

authority - Presidium of the Supreme Arbitration Court.⁸⁵ By its writ the Supreme Arbitration Court upheld legitimacy and reasonability of the lower instances decisions on the very dispute and confirmed lawlessness of usage the part of company name – designation “Odva” within the domain name O2.ru by the respondent.

As a result use of domain name by the respondent is inhibited and currently the domain name is administered by the plaintiff.

As it follows from the interview with the respondent’s solicitor A. Sergo,⁸⁶ claim on the decisions was filed before the European Court of Human Rights on the ground of the client’s assurance in breach of his fundamental rights and human liberties.⁸⁷

As it was said before, the Russian Civil Code part 4 prescribes that lawful ways to explore exclusive rights to trademark and appellations of origin by their right holders could be accomplished inter alia on the Internet including in a domain name and by other means of addressing, and use of identical or similar designations within domain names is prohibited for third parties. The legislature did not prohibit such a use for the company names, but as shows analysis of court judgment’s summary, in practice actions of administrators of such domain names are considered as breaching laws.

Therefore I would suggest considering in the next paragraphs the most interesting court judgments in terms of their conclusions, rendered in cases on conflicts between domain names and trademarks; between domain names and company names, irrespective the fact of lack on legal prohibition for third parties to use similar or identical company names within their domain names.⁸⁸

⁸⁵ LLC “Odva” v. Volkov A.V. Writ of the Supreme Arbitration Court No. VAS-11328/13 dated August 26, 2013 Moscow. http://ras.arbitr.ru/PdfDocument/2b966279-3421-46f2-85f2-e40c6478f639/A41-48441-2012__20130826.pdf[14.11.2014]

⁸⁶ Interview of A. Sergo on decisions on domain name O2.ru. Moscow 2014. <http://www.namesdomains.ru/domain-news-archive.html>[14.11.2014]

⁸⁷ Search through the ECHR database couldn't find the requisites of the case.

⁸⁸ In Annex 1 is given more detailed information on the very cases.

4.2 Domain names v. Trademarks

As it follows from item 3 art. 1484 of the Russian Civil Code, third parties are inhibited to use similar to the trademark sign for designation identical or similar goods and/or services “for the individualization of which the trademark has been registered, if it would result in a likelihood of confusion”.⁸⁹ So, in accordance with this, use of the designation is prohibited both for identical and similar goods and/or services, if consumers could be misled with respect the originality and producer of such goods and/or services.

Seeing this disposition of the law we can consider three possible manners of usage the trademark within domain name:

- identifying information source on the Internet related to the sale and promotion of the identical goods and/or services;
- identifying information source on the Internet related to the sale and promotion of the not identical, but confusingly similar goods and/or services;
- which is not used for identification of the information resources, in other words, for the empty web-site.

As we can see the first two approaches reflect the domain name’s capacity not only for the identification of the information sources, but also for individualization of the goods and/or services, indication to which is contained in such information source under the certain domain name.

Importance of the aforementioned approaches makes oneself understood the conclusions of the courts in various cases on conflicts between domain names and trademarks, and the attitude of the court to issue on unfair competition with regard to the examined approaches, which will be considered in par.4.2.1- 4.3.2

⁸⁹ Russian Civil Code. Part 4. No.230-FZ, dated December 18, 2006. http://www.rupto.ru/rupto/nfile/3b05468f-4b25-11e1-36f8-9c8e9921fb2c/Civil_Code.pdf[16.11.2014]

4.2.1 Corporation “Eastman Kodak Company” v. Grundul A.V.

Peculiarity of the very case is explained with that it was rendered in the terms of lack of the domain names legal provision in Russian legislation and it was the first ever domain name case reached the level of the Presidium of the Supreme Arbitration Court.⁹⁰ Claim was filed by Corporation “Eastman Kodak Company” in 1999 against individual entrepreneur Grundul A.V. on infringement of the plaintiff’s rights to the trademarks and company name, containing designation “kodak”. Respondent put up for the sale goods under the trademarks “Kodak”, which were originally produced and sold by the plaintiff to the respondent, and offered respective photo services.

Courts of the first three instances dismissed the plaintiff’s arguments and ruled that the respondent’s domain name “kodak.ru” does not fall into the scope of goods or services in the context of the Law on trademarks No. 3520-I of 1992 and therefore is not subject to the regulation by the very law.⁹¹ And besides, these courts ruled that the law on trademarks in force by that time did not inhibit usage of the trademark with respect goods, that have been introduced into civil circulation directly by the right holder of the very trademark or with his consent (i.e. principle of exhaustion of the exclusive right to a trademark), so for this reason claims of the plaintiff were dismissed. Plaintiff being not agreed with these court’s conclusions filed claim before the Presidium of the Supreme Arbitration Court.

But by its ruling No. 1192/00 dated 16.01.2001, the Presidium of the Supreme Arbitration Court⁹² raised the question on good faith of respondent’s actions on registration of the very domain name for promotion of the good, services and attraction of consumers. The court pointed out that the respondent did not use his own name within domain name, but the designation within the trademarks “Kodak” with intention to derive competitive advantage of the designation “kodak” for information resources on his web-site. And as it was stated

⁹⁰ Ruling of the Presidium of the Supreme Arbitration Court No.1192/00 dated 16.01.2001 <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=ARB;n=11952>[29.10.2014]

⁹¹ Seeing the year of issue of decisions they are not available in electronic database of the judicial system in Russia.

⁹² Ruling of the Presidium of the Supreme Arbitration Court No.1192/00 dated 16.01.2001 <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=ARB;n=11952>[29.10.2014]

in chapter 2 of thesis, the Supreme Arbitration Court introduced concept on individualization function of domain names, which have transformed into the instrumentation having functions of the trademark. The very ruling had as consequence adoption of amendment into Law on trademarks in 2002 (presumption of unlawful usage of identical or similar to trademark designation in domain name), which was considered in chapter 3 of thesis.

As we can see by the aforementioned ruling the Supreme Arbitration Court establishes the framework for the arbitration courts of all instances for comprehensive consideration and investigation of the circumstances of conflicts between domain names registrants and right holders of means of individualization.

4.2.2 Cases on coca-cola.ru, sprite.ru and miele.ru domain names

In this paragraph I will briefly consider few examples of the cases⁹³ where the subjects of the claims were the domain names, consisting of identical (“miele”, “sprite” or confusingly similar “coca·cola”) designations, protected as trademarks in Russia, for identification of international resources which are not connected with goods and/or services of the trademark right holders. Respondents were owners of domain names miele.ru, sprite.ru and coca-cola.ru. where the latter domain name did not reproduce entirely designation protected as trademark in Russia “coca·cola”, but is written hyphenated (it should be pointed out that the Coca Cola Company administered domain name cocacola.ru on the date of dispute).

⁹³ The Coca Cola Company v. LLC Inside. Ruling of April 1, 2002 of cassational instance KG-A40/1712-02. Court decision is partially available online. [http://www.lawmix.ru/fas-msk/112881\[17.11.2014\]](http://www.lawmix.ru/fas-msk/112881[17.11.2014])
Miele & Cie. GMBH&Co v. LLC Sters. Decision A40-42141.01-26-190 of January 10, 2002. Not available online.

It should be noted that consideration of claims and rendering of final judgments on these disputes took place before the prohibition on usage of the trademark within domain name was put into force in Law on trademarks.⁹⁴

Case materials do not contain any statements that domain names owners applied to the trademarks right holders with offer for sale to them the very domain names, also as it follows from descriptive part of the court judgments, respondents did not conduct their business activity in the spheres, capable to likelihood of confusion of goods and/or services of respondents and plaintiffs.

At that point in time, owners of the trademarks claimed that they are not capable to register domain names reproducing their own trademarks in Russia on the ground of presence of the very domain names administered by respondents, which leads to detriment of business activity through the Internet (Miele case – which leads to consumers impression on lack of the plaintiff's goods in the Russian market, what, in fact, could be considered as defamation)⁹⁵ and based on art.10 bis of Paris Convention of 1883⁹⁶ these actions of respondents constitute act of unfair competition.

Courts, when rendering final decision, agreed with plaintiffs' arguments on mala fide activities of respondents and general notoriety of the plaintiffs' trademarks and decided to satisfy their claims with regard to prohibition on usage of the designations protected as trademarks within domain names of respondents.⁹⁷

As we can see from the brought examples, due to the lack of legal prohibitive provisions related to the correlation between domain names and trademarks/company names at that point in time, courts reasoned their decisions with general principle on protection against unfair competition, contained in art. 10 Part 1 Russian Civil Code “not admissible shall also be the use of the civil rights for the purpose of restricting the competition, as well as

⁹⁴ Federal Law “On trademarks, service marks and appellations of origin” No.3520-I, dated September 23, 1992. <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=39999>[29.07.2014]

⁹⁵ Miele & Cie. GMBH&Co v. LLC Sters. Decision A40-42141.01-26-190 of January 10, 2002. Not available online.

⁹⁶ Signed on March 20, 1883 in Paris. http://www.wipo.int/treaties/en/text.jsp?file_id=288514[23.09.2014]

⁹⁷ See Appendix1.

the abuse of the dominating position in the market”⁹⁸ and domain principle of international private law on intellectual property matters contained in the aforementioned art. 10 bis of Paris Convention of 1883 “any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.”⁹⁹

4.2.3 Case on domain name amstel.ru

Conclusions counter to the aforementioned were made by arbitral court in 2007, i.e. five years later than above-mentioned, on the domain name amstel.ru., which opinion was upheld by the appeal instance court, where both instances’ conclusions were on all founders on the merits. It is particularly remarkable that respondent did not attend court hearings and did not present its position in action, so that the courts for purposes of taking objective decision analyzed arguments only of the claimant and investigated circumstances in light of legal provisions in force.

Amstel Brewery B.V. filed a claim against K. on prohibition of usage the plaintiff’s international trademarks with word element “amstel” (N 510850, N 630168, N 533372) within the domain name amstel.ru in the name of respondent.¹⁰⁰ It should be noted that aforementioned international trademarks were applied for designation in the USSR in 1990 and in Russia in 1997 and 1998, while the domain name amstel.ru was registered in the name of respondent in 2000. In accordance with legislation on the trademarks it is recognized as breach of the exclusive rights to the trademarks when identical or similar to registered trademark designation is used in domain name, irrespective of the dates of registration of the certain domain name and trademark.¹⁰¹

⁹⁸ Russian Civil Code. Part 1. No.51-FZ dated November 30, 1994. <http://www.russian-civil-code.com/Part1/Section1/Subsection1/Chapter2.html>. [17.11.2014]

⁹⁹Signed on March 20, 1883 in Paris. http://www.wipo.int/treaties/en/text.jsp?file_id=288514[23.09.2014]

¹⁰⁰Amstel Brewery B.V. v. K. Extract of the ruling N.09AP-10952/2007-GK of September 20, 2007. <http://www.lawmix.ru/moscow-sydu/110358>[17.11.2014]

¹⁰¹ Art. 4 Federal Law “On trademarks, service marks and appellations of origin” No.3520-I, dated September 23, 1992. <http://base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=39999>[29.07.2014]

Further to case materials and as it also was confirmed by the plaintiff, respondent did not use his domain name contrary to business activity of the plaintiff, i.e. advertisement and sale offer of beer; moreover respondent did not use its domain name. This argument was laid by court as one of the reasons for dismissal of claim. Besides, court stated that from 1990, 1997 and 1998 and up till 2000 plaintiff did not benefit from his right and possibility to register respective domain name in his name.

And, with reference to application of art. 10 bis of Paris Convention of 1883, courts dismissed plaintiff's arguments on the ground of lack of evidence for respondent's actions, which could cause "confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor."¹⁰² Also with respect plaintiff's arguments on possible future breaches of its rights and legal interest by respondent in case of his future usage of domain name, appeal court stated that these arguments could be perceived as unwarrantable assumptions and therefore would not be taken into consideration by appeal court.

4.2.4 Case on domain name denso.com

Importance of application of the aforementioned principles on non-admission of unfair competition was acknowledged in the next case's court ruling, which has fundamental character in domain names disputes up to now. Most significant in this sense I would consider case on the domain name denso.com, on which court's conclusions have great importance not only for the parties to the dispute, but also for the courts of all instances considering similar cases and investigating actions of the parties to the dispute with view of unfair competition practices involving domain names.

First of all I would like to note that consideration of the very dispute took around 5 years and after its consideration by WIPO Mediation and Arbitration Centre it passed through all Russian court instances (with secondary trials) and consideration of all circumstances was

¹⁰² Signed on March 20, 1883 in Paris.

http://www.wipo.int/treaties/en/text.jsp?file_id=288514[23.09.2014]

brought up to the Presidium of the Supreme Arbitration Court with adoption of ruling of the highest court instance on it.¹⁰³

Secondly, aforementioned ruling drawing a line in the resolution chain, set universal criteria on bona fide use of domain name, which became obligatory for the parties to the dispute and for the parties of future disputes on domain names. Such a universal criteria appear advisable in the terms of lack of proper legal regulation on domain names' status in Russia. Whereas it is supposed to make contribution into adoption of the stipulated and uniform Russian court decisions on the very category of disputes.

Thirdly, I would like to draw attention to the fact that Denso Corporation (Japan) filed a complaint with the WIPO Mediation and Arbitration Centre and which in 2003 recognized that the respondent, Russian company LLC DenSo acted in mala fide by administering the domain name under dispute and compelled to assign the domain name denso.com in favour of the claimant.¹⁰⁴ And Russian courts consecutively considered the claim of the dissenting LLC DenSo Company on recognition it as lawful right holder of the domain name.

And, it should be noted that this dispute is related to domain name with .com as top-level domain.

Court of the first instance within the repeated consideration of the case (case was remanded for trial de novo after consideration in three instances) ruled that actions of the plaintiff should be examined on their compliance with Uniform Domain-Name Dispute-Resolution Policy (hereinafter - "UDRP")¹⁰⁵ adopted on August 26, 1999 (in accordance with sub item (ix) item (b) Section 3 of the UDRP rules) on the following criteria:

¹⁰³ Denso Corporation v. LLC DenSo. Ruling of Presidium of the Supreme Arbitration Court N.5560/08 of November 11, 2008 http://www.arbitr.ru/?id_sec=353&id_doc=19590[17.11.2014]

¹⁰⁴ Denso Corporation v. LLC DenSo. WIPO Case D2003-0482 of 3 November, 2003. <http://www.wipo.int/amc/en/domains/decisions/html/2003/d2003-0482.html>[17.11.2014]

¹⁰⁵ Uniform Domain-Name Dispute-Resolution Policy adopted on August 26, 1999. <https://www.icann.org/resources/pages/policy-2012-02-25-en>[17.11.2014]

“1) the manner in which the domain name(s) is/are identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and

(2) why the Respondent (domain-name holder) should be considered as having no rights or legitimate interests in respect of domain name(s) that is/are the subject of the complaint; and

(3) why the domain name(s) should be considered as having been registered and being used in bad faith”^{106, 107},

and after examination dismissed the claim of the plaintiff. In particular, it was established that the respondent, Japanese corporation, has been intensively using the trademark with designation “Denso” within many years in the territory of many countries, including Russia, while plaintiff, Russian company, did not conduct any business activity with usage of the domain name under dispute and that plaintiff was established solely for participation as a party contract for the purpose of acquisition of domain name rights. Therefore first instance court recognized the action of the plaintiff, Russian company, as mala fide by virtue of art. 10 bis of Paris Convention for the Protection of Industrial Property of 1883 and ruled to set down compulsory mortgage of the domain name.

Appeal and cassational instances reversed the first instance court ruling and upheld the claims of the plaintiff LLC DenSo Company, stating that plaintiff

- does not act as competitor of the respondent and
- does not put on its web-site information on goods and services, which respondent designates by its trademark;

¹⁰⁶ Ibid.

¹⁰⁷ In my opinion, application of these criteria doesn't guarantee adoption of uniform judgments as examination of facts is based on subjective opinion on similarity or identity of subject-matter in dispute. Similar is with examination on bad faith criterion: it involves subjective approach of judge to bona fides on registration and usage of domain names. Besides, mala fide action should be examined within unfair competition, which, objectively, doesn't involve personal use of domain names by physical persons.

- uses its own company name within the disputed domain name and
- does not put up for sale the disputed domain name.

and that these arguments confirm bona fide business activity of the plaintiff.

The Presidium of the Supreme Court by its ruling stated that courts of the lower instances rendered contradictory and competing judgments as long as they considered two different aspects of the dispute: on the protection of the exclusive rights to the trademark and company name; and on recognition of domain name rights.

Therefore in order to consider the dispute on the merits – i.e. on recognition of domain name's right holder, the Presidium of the Supreme Court agreed with position of the first instance court and confirmed necessity of examination on compliance with UDRP rules.

Examination revealed presence of each of three criteria and confirmed that usage of the domain name denso.com by the plaintiff LLC DenSo Company provides to it improper advantage over other competitors in the course of business activity and consecutively is considered as unfair competition practice. Further to the ruling of the Presidium of the Supreme Court plaintiff was refused in recognition of its rights to the domain name denso.com.¹⁰⁸

4.3 Domain names v. Company names

As shows practice on consideration disputes on conflicts of rights to domain names and company names, as a general principle, and inter alia as in Case O2.ru, Russian courts tend to distinguish company names by placing priority to the company names, rather than considering such disputes from the position of parity of the very subjects.

Further to explanations on correlation between the company names and domain names on lack of any legally set priority or hierarchy of individualization or identification means of the legal entities and lack of prohibition on inclusion of the company names within domain

¹⁰⁸ More detailed in Appendix1.

names (as discussed in par.4.1), I would like to bring two more (in addition to Case O2.ru) examples of interesting court opinions on this category cases.

4.3.1 Case on domain name quelle.ru

Claim was filed by the owner of the trademark “Quelle” and company name with same designation - Quelle Aktiengesellschaft Company against LLC Tandem-Jiu and other respondent in 2000 on breach by respondents of the plaintiff’s rights to the trademark and company name in the domain name quelle.ru.¹⁰⁹

Case was considered within one hearing by court of the first instance; respondents did not appear to the hearings and did not present their position on merits of the claims presented. Court took into consideration plaintiff’s arguments and accepted those on breach of the exclusive rights to the trademark “Quelle”, by the court ruling respondents were ordered to discontinue use of the trademark within the domain name quelle.ru and refrain from any similar actions in the future.

Peculiarity of this case is explained with challenging conclusion of the court on plaintiff’s arguments concerning breach of his exclusive rights to company name Quelle Aktiengesellschaft. In my opinion, conclusion of the court on this position seems reasonable and lawful, as it is prescribed by the Russian arbitral legislation.

As it follows from the Russian Civil Code No. 230-FZ of December 18, 2006, namely item 2 art. 1473, company name shall consist of “indication of its organizational and legal form and the actual name of the legal entity”,¹¹⁰ where indication of its organizational and legal form, i.e. corpus firma, composes obligatory part of it and actual name of the legal entity composes optional part. In our case plaintiff’s company name is Quelle Aktiengesellschaft (further to the extract of legal entities registry), and as justified noticed court, this fact of the unlawful company name usage within the respondent’s domain name did not find

¹⁰⁹Quelle Aktiengesellschaft Company v. LLC Tandem-Jiu and others. Decision in Case N A40-20169/00-51-210 http://www.businesspravo.ru/Docum/DocumShow_DocumID_16564.html[18.11.2014]

¹¹⁰ Russian Civil Code. Part 4. No.230-FZ, dated December 18, 2006. http://www.rupto.ru/rupto/nfile/3b05468f-4b25-11e136f89c8e9921fb2c/Civil_Code.pdf [18.11.2014]

evidence. Indeed, respondent used only part of the plaintiff's company name and therefore we cannot claim that company name, both corpus firma and optional part, were presented in domain name.

Taking into account functions on individualization, distinguishing and advertisement,¹¹¹ served by domain names, appears logical inclusion solely of the optional part of company names into domain names, which promotes successful achieving of the mentioned functional goals.

4.3.2 Case on domain name autodialer.ru

LLC Autodiler Company (registered in Cyrillic as "ООО Компания Автодилер") filed a claim on prohibition of autodialer.ru. domain name's use.

In this case court came to same conclusion as in quelle.ru case, i.e. on lack of reproduction of the whole company name (in sense of company name's definition in the Civil Code) within the disputed domain name and also made the following challenging statement.¹¹²

In court's opinion designation "autodialer" in the domain name is not identical or similar with designation "автодилер" (in transliteration - "autodiler") in company name, and in view of difference of individualization fields: company names - for legal entities and domain names – for addressing on the Internet; court found no grounds for approval plaintiff's statement on unfounded acquisition of competitive advantages by respondent. According to that claim was dismissed.

As we can see Russian courts did not elaborate united approach to a role and functions of domain names, which could encourage adoption of concerted decisions with respects domain names in conflicts with means of individualization. Judgments show that domain names in dispute are considered as possessing functions of trademarks and are capable to

¹¹¹ See par.2.1.of thesis

¹¹² LLC Autodiler Company (ООО Компания Автодилер) v. Steints and oths. Ruling of FAS Yralskij district N. F09-7738/09-C6 of October13, 2009. http://ras.arbitr.ru/PdfDocument/c8bc0cfb-39dd-427d-a5f8-c633bd0f79b3/A60-10998-2009__20091013.pdf[18.112014]

distinguish goods and/or services (kodak.ru case) or serve for addressing on the Internet (autodialer.ru case).

Analysis of court practice revealed that courts did not in all cases distinguish between commercial and individual use of domain names, conflicting with means of individualizations used by legal entities in commerce (O2.ru case with registration of a domain name solely for personal use).

Besides, in some cases courts prohibited use or mere registration without actual use of domain names based on hypothesis of possible future breach of rights to third parties' means of individualization (as opposite, in case amstel.ru hypothesis were regarded as unwarrantable assumptions).

Judgments on autodialer.ru and O2.ru cases revealed different court opinions concerning identity/similarity criterion. Courts of different instances had well-founded contrary opinions on bona fides on kodak.ru and denso.com cases.

At the same time rulings of the highest court instances served the objectives on framing of the uniform summary and guidance for lowers instances courts in the very category of cases.

Also, seems optimistic for right holders of exclusive rights and domain names the fact of establishment of Court on Intellectual Rights in 2013, which consists of judges having special knowledge on the very category of cases and considers intellectual property cases in the first and cassational instances. Establishment of this court was entailed by fragmentariness of statutes on domain names. Within its competence, the Court on Intellectual Rights is entitled to elaborate uniform guidance on domain names cases, "develop balanced approach"¹¹³ to judicial work where both parties could find protection of exclusive rights and get guarantee of protection.

¹¹³ Korneev V. Interview with judge. [http://pravo.ru/review/view/104906/\[26.11.2014\]](http://pravo.ru/review/view/104906/[26.11.2014])

5 Conclusion

Progressive development of society and the social relations to which it gives rise have always been considered as reasons for influencing the appearance of new objects of the intellectual property and subsequently amendment of legal regimes concerning the results of intellectual activity by members of respective society. Domain names became one of them and they faced with problems on their determination, on finding level in law provisions and amongst other means of individualization.

As it was in the beginning, lack of a proper or even basic legal regulation of the domain names' legal regime in the Russian Federation brought ambiguity to the status of domain names. In practice it leads to conflicts with trademarks and other means of individualization of legal entities, such as appellations of origin and company names, where their proper legal regulation stipulates their priority ranking through legal proceedings.

It seemed advisable to study foreign countries policy with respect domain names. It was revealed that, in particular, the European and US concepts of domain names, just as in Russia, do not regard them as means of individualization alongside trademarks, company names and appellations of origin, but there is difference in the courts' approach to the conflict between those under consideration, where from the outset priority is not given to the owner of the means of individualization, but is regarded as bona or mala fide on the part of the domain name registrant, starting out from the point of parity of subjects.

Difference in initial approaches between Russian and aforementioned countries to the parity of domain names and means of individualization in disputes caused lodge of claim against the Russian Federation before the ECHR on court ruling on domain name O2.ru.¹¹⁴

The case in point gave rise to kindle my interest in challenging and high-profile court decisions on domain names disputes. Studies of court decisions rendered on conflicts

¹¹⁴ Search through the ECHR database couldn't find the requisites of the case.

between domain names and means of individualization, namely trademarks and company names, revealed diversity of court approaches to the status and role of domain names.

Problematic of domain names' legal regime affects divergent and sometimes contradictory conclusions not only of the Russian courts, but also in Russian national doctrines among scientists and legal practitioners. Depending on approach to a domain names in technical (as a means of identifying information resources and addressing queries on the Internet) or legal aspect (as a means of individualization of the goods and services in the context of the civil law), they do consider and determine role and place of domain names amongst means of individualization.

Analysis of these approaches allowed me to determine domain names as designations, which accomplish the functions of addressing queries on the Internet, identification of information resources, and individualization of the very information resources of one person from those of others, irrespective of the commercial or individual orientation of such information resources.

In terms of variety of inconsistent court judgments on the merits, and lack of legal regulation and legal initiatives on domain names¹¹⁵ looks promising establishment in Russia of the Court on Intellectual Rights, and reasonable application of adopted UDRP's bona fides criteria to domain names in disputes.

In response to current situation with improper regulation of domain names and for purposes of avoidance of potential actions on behalf of right holders of protected by law means of individualization, even those with later priority, it seems advisable for domain names' registrants to apply for respective trademarks registration for the goods and/or services, information on which it identifies on the Internet.

Seeing the legislature's disposition on statutory regulation of domain names with earlier priority in correlation with later registered means of individualization and taking into account abeyance of their protection to the benefit of identical or similar trademarks, and having, in practice, priority status - company names, the Supreme Court is the one to settle this issue in its uniform ruling.

¹¹⁵ According to drafts on consideration by Parliament in 2015.

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Annex 1

Table on court cases

1. Domain names v. Trademarks Cases

| Case | Parties | Court's conclusions and decision |
|--|--|---|
| 1. Case on domain name kodak.ru No. A40-25314/99-15-271 | Corporation "Eastman Kodak Company" (plaintiff) v. Grundul A.V. (respondent) | <p>Plaintiff stated that:</p> <ul style="list-style-type: none">• respondent infringes his rights to the trademarks "kodak" (Russian national registrations No. 144925, 139358) and company name "Eastman Kodak Company" by usage of domain name kodak.ru and putting up for the sale goods under the trademark "Kodak";• actions of the respondent cause impediments for the plaintiff in exploring his exclusive rights to the trademark by usage it in the Internet. <p>Respondent stated that:</p> <ul style="list-style-type: none">• current legislation on the trademarks, i.e. Law on trademarks of 1992, does not consider domain name as goods or services, designated by the trademark, and it does not contain any prohibition on usage of the trademarks on the Internet and within domain names.• besides all goods offered for sale were produced and sold by the plaintiff to the respondent and on his consent, so therefore such goods are not counterfeiting and, consequently, do not breach plaintiff's rights to the trademarks. <p>Courts of three instances dismissed the plaintiff's arguments and</p> <ul style="list-style-type: none">• stated that domain names are not regulated by the Russian |

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| | | <p>civil law and therefore cannot be examined in correlation with plaintiff's company name;</p> <ul style="list-style-type: none"> • upheld respondents' arguments that his domain name "kodak.ru" does not fall into the scope of goods or services in the context of the Law on trademarks No. 3520-I of 1992 and therefore is not subject to the regulation by the very law, consequently the very domain name in the name of respondent does not infringe plaintiff's rights to the trademarks; • ruled that the law on trademarks in force by that time did not inhibit usage of the trademark with respect goods, that have been introduced into civil circulation directly by the right holder of the very trademark or with his consent (i.e. principle of exhaustion of the exclusive rights to a trademark). <p>The Presidium of the Supreme Arbitration Court in its ruling No. 1192/00 dated 16.01.2001 (the first ruling of the highest court instance on domain names in Russia) set guidelines for the all courts considering disputes on domain names :</p> <ul style="list-style-type: none"> • the main function of domain name is translation of IP addresses which are expressed by means of certain digits into a domain name in order to identify the owner of an information resource and simplify search; • domain names, in fact, have transformed into the instrumentation which possesses the functions of a trademark, which provides the opportunity to distinguish respectively the goods and services of one legal entity or physical person from the same kind goods and services of another legal entity or physical person. <p>And on the merits of the case when addressing the case for secondary trial, presidium ruled that:</p> <ul style="list-style-type: none"> • actions of the respondent should be examined on bona fides in the light of the Paris Convention for the Protection |
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| | | <p>of Industrial Property of 1883;</p> <ul style="list-style-type: none"> • it should be examined the fact of non-usage of the respondent’s name within his domain name, but the usage of designation “kodak” as identical to the plaintiff’s company name and protected trademarks; • it should be examined question on resemblance of the second-level domain with the plaintiff’s trademarks; • it should be examined the respondent’s intention to derive competitive advantage of the designation “kodak” for information resources on his web-site; • it should examined whether respondent put up for sale the very domain name. <p>As a result of consideration of the case on merits in accordance with presidium’s guidelines, actions of the respondent were considered as breaching exclusive rights of the plaintiff to the trademarks.</p> |
| <p>2. Cases on domain names coca-cola.ru, sprite.ru No.A40-27887/01-83-349</p> | <p>“The Coca-Cola company” (plaintiff) v. LLC Inside (respondent)</p> | <p>Plaintiff stated that it:</p> <ul style="list-style-type: none"> • appears as owner of the trademarks with word elements “coca cola” and “sprite” (Russian national registrations Nos. 242, 31824, 39704, 39705, 128375) and • has exclusive rights to the company name “The Coca-Cola company” and • these rights are breached by the respondent by usage of domain names coca-cola.ru, sprite.ru. • Besides such a usage causes impediments for the plaintiff in registration in his name of the very domain names. Plaintiff administers domain name cocacola.ru on the date of dispute. <p>Respondent did not present its position on the case.</p> |

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| | | <p>Court ruled that:</p> <ul style="list-style-type: none"> • in view of the general notoriety of the plaintiff's trademarks and • by virtue of art. 10 bis of the Paris Convention for the Protection of Industrial Property of 1883, served as domain principle of international private law on intellectual property matters (any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition), activities of respondent are considered as mala fide. In support of prohibition of unfair competition, • court also cited art. 10 Part 1 Civil Code of the Russian Federation "not admissible shall also be the use of the civil rights for the purpose of restricting the competition, as well as the abuse of the dominating position in the market." <p>Besides, court stated that:</p> <ul style="list-style-type: none"> • in accordance with Law on trademarks in force and general provision of the Civil Code on the company names, right holder of the aforementioned, has exclusive rights to use and dispose them, and also has right to inhibit usage of the trademarks and company name by the third parties. In accordance to that, non-authorized registration of domain names in dispute, which are confusingly similar to the plaintiff's trademarks and company name constitute breach of his exclusive rights. • The very fact that plaintiff's trademarks are well known trademarks and they possess advertisement value, has importance for the purpose of identifying the original owner of the trademark upon domain name. |
| <p>3. Case on domain name miele.ru No. A40-42141/01-26-</p> | <p>Miele & Cie. GMBH&Co (plaintiff) v. LLC Sters.</p> | <p>Plaintiff stated that:</p> <ul style="list-style-type: none"> • it appears as owner of the international registration trademarks with word element "miele" (Nos. 597406, |

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| 190 | (respondent) | <p>618713, 707088) designated in Russia,</p> <ul style="list-style-type: none"> • and has exclusive rights to the company name Miele & Cie. GMBH&Co and these rights are breached by the respondent by use of domain name miele.ru. • Such a use causes impediments for the plaintiff in registration in his name of the very domain name and • leads to consumers impression on lack of the plaintiff's goods in the Russian market, what, in fact, could be considered as defamation. <p>As it follows from case materials, the respondent avoided to appear before the court.</p> <p>Court upheld plaintiff's arguments and</p> <ul style="list-style-type: none"> • based on provisions of the art. 10 Part 1 Civil Code of the Russian Federation "not admissible shall also be the use of the civil rights for the purpose of restricting the competition, as well as the abuse of the dominating position in the market" and • art. 10 bis of the Paris Convention for the Protection of Industrial Property of 1883 ("any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition") <p>acknowledged the breach of the plaintiff's rights to the trademarks by the respondent's domain name in dispute and ruled to inhibit the respondent to use domain name miele.ru.</p> |
| 4. Case on domain name amstel.ru No. A40-80277/06-5-309 | Amstel Brewery B.V. (plaintiff) v. K. (respondent) | <p>Plaintiff's position:</p> <ul style="list-style-type: none"> • respondent's action on registration of domain name amstel.ru, containing word designation identical to three his trademarks (International Registration Nos. 533372, 630168, 533372) valid in the Russian Federation, constitutes breach of the exclusive rights to the trademarks |

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| | | <p>in the light of the Federal law on trademarks, when identical or similar to registered trademark designation is used in domain name, irrespective of the dates of registration of the certain domain name and trademark;</p> <ul style="list-style-type: none"> • also respondent's use of domain name in dispute can cause for him impediments for the plaintiff when exploring his rights and legal interests with respect his trademarks in the future. <p>Respondent did not attend court hearings and did not present his position on the action.</p> <p><u>First instance court</u> by its decision N A40-80277/06-5-309 of June 22, 2007 established that plaintiff failed to present proof</p> <ul style="list-style-type: none"> • of usage of domain name with respect goods and services, designated by its trademarks and • that domain name transformed into means of individualization same as trademarks do, and • that domain name breaches exclusive rights to the trademarks; • besides due to lack of proof of actual usage of domain name court could not agree with plaintiff that currently actions of the respondent constitute unfair competition by creation confusion of a competitor <p>and dismissed argument of plaintiff on respondent's communication refusal with him, therefore the court dismissed claim.</p> <p><u>Appeal court</u> by its ruling N 09AP-10952/2007-GK of September 20, 2007 confirmed conclusion of the first instance court and in addition to that stated that from 1990, 1997 and 1998 (years of designation of the international registrations of the trademarks with respect Russia) and up till 2000 (year of registration of domain name by respondent) plaintiff did not benefit from his right and possibility to register respective domain name in his name. On these ground appeal court dismissed plaintiff's appeal claim and</p> |
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| | | sustained first instance court's decision. |
| 5. Case on domain name denso.com No. № A56-46111/2003 | LLC DenSo (Russia) (plaintiff) v. Denso Corporation (Japan) (respondent) | <p>LLC DenSo (Russia) filed claim against Denso Corporation (Japan) on recognition of the plaintiff's right to domain name denso.com, when rights to respondent were delegated by WIPO Mediation and Arbitration Centre in 2003.</p> <p>Within 2004-2008 the very case was considered by the Russian courts of three instances (their conclusions were mainly related to properness of some participant and not having potential academic interest for us, rather than conclusions made by courts with secondary trial).</p> <p>Plaintiff presented the following arguments:</p> <ul style="list-style-type: none"> • on the presence of the Russian trademark "Denso" No. 213480 (for 39 class – delivery of correspondence) with priority from October 6, 2000 and assigned to him in 2004, exclusive rights to which are breached by domain name denso.com, rights to which were assigned from him to respondent by decision of WIPO Mediation and Arbitration Centre in 2003. <p>Respondent stated that</p> <ul style="list-style-type: none"> • it was the owner of the Russian trademark "Denso" No. 193395 for numerous classes with priority from July 31, 2007, i.e. long time before priority of the plaintiff's trademark and that • due to formal mistake it failed to renew registration of domain name denso.com on March 6, 2000, and shortly after that (on March 13, 2000) it was registered by the third party, affiliated to plaintiff. <p><u>Court of the first instance</u> (trial de novo) by its decision A56-46111/2003 on February 2, 2007 ruled that:</p> <ul style="list-style-type: none"> • seeing that domain name in dispute has .com as top-level domain, actions of the plaintiff should be examined on |

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| | | <p>their compliance with Uniform Domain-Name Dispute-Resolution Policy¹¹⁶ adopted on August 26, 1999 (in accordance with sub item (ix) item (b) Section 3 of the UDRP rules) on the following criteria:</p> <p>1) the manner in which domain name(s) is/are identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and</p> <p>(2) why the Respondent (domain-name holder) should be considered as having no rights or legitimate interests in respect of domain name(s) that is/are the subject of the complaint; and</p> <p>(3) why domain name(s) should be considered as having been registered and being used in bad faith”¹¹⁷</p> <p>It was established by the first instance court that</p> <ul style="list-style-type: none"> • the respondent, Japanese corporation, has been intensively using the trademark with designation “Denso” within many years in the territory of many countries, including Russia, • while plaintiff, Russian company, did not conduct any business activity with usage of domain name under dispute and that • plaintiff was established on October 11, 2000 solely for participation on October 12, 2000 as a party contract for the purpose of acquisition of domain name rights. <p>Therefore first instance court</p> <ul style="list-style-type: none"> • recognized the lack of plaintiff’s (Russian company) legal interest with respect acquisition of domain name in dispute, and |
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¹¹⁶ Uniform Domain-Name Dispute-Resolution Policy adopted on August 26, 1999. [https://www.icann.org/resources/pages/policy-2012-02-25-en\[17.11.2014\]](https://www.icann.org/resources/pages/policy-2012-02-25-en[17.11.2014])

¹¹⁷ Ibid.

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| | | <ul style="list-style-type: none"> • on this ground the action of the plaintiff was considered as mala fide by virtue of art. 10 bis of Paris Convention for the Protection of Industrial Property of 1883 as capable to create confusion of a competitor (regardless of de facto or conjecturally risk) and besides that, • court ruled to set down compulsory mortgage of domain name. <p><u>Appeal (on October 5, 2007) and cassational (on January 11, 2008) instances</u> reversed the first instance court ruling and upheld the claims of the plaintiff, Russian Company, stating that</p> <ul style="list-style-type: none"> • plaintiff is the right holder of the trademark for designation of services, which are not identical and similar to those of the respondent (Japanese corporation); while the Russian Patent Office has on consideration claim on the previous cessation of the respondent's trademark on the basis of consecutive non-usage; • plaintiff does not act as competitor of the respondent in business turnover; • plaintiff does not put on its web-site information on goods and services, which respondent designates by its trademark; where respondent's goods are goods of limited line and are familiar only to narrow groups of consumers, and its turnover is of relatively low volume; • and that plaintiff uses its own trademark and company name within domain name in dispute and • plaintiff does not put up for sale the disputed domain name. <p>and that these arguments confirm bona fide business activity of the plaintiff.</p> <p><u>The Presidium of the Supreme Court (on November 11, 2008)</u> by its ruling stated that courts of the lower instances rendered</p> |
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| | | <p>inconsistent and competing judgments as long as they considered two different aspects of the dispute:</p> <ul style="list-style-type: none"> • on the protection of the exclusive rights to the trademark and company name; • and on recognition of domain name rights. <p>The very court stated that in view of domain name in dispute has .com as top-level domain, therefore for this reason there should be applicable rules of Uniform Domain-Name Dispute-Resolution Policy. Seeing that the first instance court reasonably proved the presence of each of three elements from rules of Uniform Domain-Name Dispute-Resolution Policy, constituting the mala fide practices of the plaintiff's action on use of domain name in dispute, and courts of appeal and cassational instances did not consider actions of the plaintiff in the aspect of mala fide practice from the perspectives of rules of Uniform Domain-Name Dispute-Resolution Policy, but only with reference to the Paris Convention for the Protection of Industrial Property of 1883, therefore the Presidium of the Supreme Court upheld decision of the first instance court.</p> |
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2. Domain names v. Company names Cases

| Case | Parties | Court's conclusions and decision |
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| 1. Case on domain name O2.ru No. A41-48441/12 | LLC "Odva" (ООО "ОДВА" – as registered in Registry of legal entities) (plaintiff) v. Volkov A.V. | Plaintiff's position on unfair competition on the respondent's part: <ul style="list-style-type: none"> • respondent's domain name is identical with the company name; • respondent does not have any rights or legal interest with respect domain name in dispute; |

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| | (respondent) | <ul style="list-style-type: none"> • respondent’s actions on registration and usage of domain name are constituting unfair competition in the light of art. 10 bis of the Paris Convention for the Protection of Industrial Property of 1883. <p>Respondent’s position:</p> <ul style="list-style-type: none"> • domain name O2.ru consists of Latin alphabet letter “O” and Arabic numeral 2, which in combination comprise the chemical composition of oxygen; • the company name ООО "ОДВА" exclusively consists of Cyrillic letters and no numerals, where such letters could be transliterates into Latin letters as “odva” or “odwa; • and therefore domain name and company name are not considered as identical or confusingly similar; • anticipatory domain name registration (for four years earlier) of the registration of the company name; • respondent is as physical person, which does not conduct any business activity; • domain name O2.ru was not in use by respondent; • Russian civil law provisions (art.1474 of the Civil Code) do not inhibit from unlawful use of the company name on the Internet, including in a domain name and for other means of addressing by the third parties. <p>Decision of the first instance Moscow court in case №A41-48441/12 dated 29.01.2013 on adjudication of respondent’s action as unlawful was based on acceptance of plaintiff’s arguments and was justified on the following:</p> <ol style="list-style-type: none"> 1. domain name in dispute is confusingly similar to the plaintiff’s company name; 2. respondent’s domain name does not reflect respondent’s |
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| | | <p>company name;</p> <p>3. respondent did not present proof of his rights or legal interest with respect domain name in dispute;</p> <p>Appeal and cassational instances upheld decision of the first court instance</p> <p>By its writ No. VAS-11328/13 dated August 26, 2013 the Supreme Arbitration Court upheld reasonability of the lower instances court decision and declared absence of ground for retrial the case by the Supreme Arbitration Court</p> |
| <p>2. Case on domain name quelle.ru No.A40-20169/00-51-210</p> | <p>Quelle Aktiengesellschaft Company (plaintiff) v. LLC Tandem-Jiu and others (respondents)</p> | <p>Plaintiff stated that respondents by registration and use of domain name quelle.ru</p> <ul style="list-style-type: none"> • breach his exclusive rights to the trademark “Quelle”, international registration No.274306 valid in Russia; • breach his exclusive rights to the company name Quelle Aktiengesellschaft; • discredit his business reputation with posting information resources on the Internet web-page under domain name in dispute. <p>Respondents did not appear to the hearings and did not present their position on merits of the claims presented.</p> <p>Court took into consideration plaintiff’s arguments and accepted part of those with respect the plaintiff’s trademark:</p> <ul style="list-style-type: none"> • respondents’ actions were considered as breaching plaintiff’s rights to the trademark; • respondents were ordered to discontinue use of the trademark within domain name quelle.ru and • refrain from any similar actions in the future. <p>With respect claim on breach his exclusive rights to the company name Quelle Aktiengesellschaft court stated that as it follows from the Civil Code of the Russian Federation No. 230-FZ of December 18, 2006, namely item 2 art. 1473, company name</p> |

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| | | <p>shall consist of “indication of its organizational and legal form and the actual name of the legal entity”. Plaintiff’s company name is Quelle Aktiengesellschaft (further to the extract of legal entities registry) and as claimed by plaintiff, fact of the unlawful usage of the company name within the respondent’s domain name did not find evidence. Therefore this argument was dismissed by the court.</p> |
| <p>3. Case on domain name autodialer.ru No. A60-10998/2009-C7</p> | <p>LLC Autodiler Company (registered in Cyrillic as "ООО Компания Автодилер") (plaintiff) v. Steints and oths (respondents)</p> | <p>Plaintiff in the claim against the respondent</p> <ul style="list-style-type: none"> • addressed for judicial protection of his exclusive rights to the trademarks with unprotected word element “автодилер” (transliteration "autodiler" № 267929, 354824) and company name "ООО Компания Автодилер" (transliteration ООО Compania Autodiler); • insisted on acquisition of competitive advantages by respondent by breach of his exclusive rights and • asked for the court to issue prohibitory injunction for use of domain name in dispute and for future registration and use of the similar domain names, namely those which can cause confusion with plaintiff and containing the following designations: "Автодилер", "Autodealer", "Autodialer", "Avtodealer", "Avtodialer", "Autodeler", "Autodiler", "Avtodeler", "Avtodiler", "Авто-дилер", "Auto-dealer", "Auto-dialer", "Avto-dealer", "Avto-dialer", "Auto-deler", "Auto-diler", "Auto-diler", "Avto-deler", "Avto-diler". <p>Respondent in his statement of defense claimed that:</p> <ul style="list-style-type: none"> • word element "autodiler" in plaintiff’s trademarks is not protected element of the trademarks and that • word combination “company autodiler” within the plaintiff’s company name does not possess distinctiveness and therefore is not protected by the law. <p>Claim was considered by the courts of three instances.</p> |

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| | | <p>The first instance court ruled that:</p> <ul style="list-style-type: none"> • plaintiff failed to prove that the Internet quires of potential clients do not readdress them from his to respondents' web-pages; • indeed, word element "autodiler" in plaintiff's trademarks is included into trademarks as non-protected elements; • designation "autodialer" in domain name is not identical or similar with designation "автодилер" (in transliteration - "autodiler") in company name; • respondent does not infringe plaintiff's rights to the company name, as the company name (in the sense of the Civil Code as "indication of its organizational and legal form and the actual name of the legal entity") is not reproduced in domain name; the same opinion relates also to potential usage of the designations "Автодилер", "Autodealer", "Autodialer", "Avtodealer", "Avtodialer", "Autodeler", "Autodiler", "Avtodeler", "Avtodiler", "Авто-дилер", "Auto-dealer", "Auto-dialer", "Avto-dealer", "Avto-dialer", "Auto-deler", "Auto-diler", "Auto-diler", "Avto-deler", "Avto-diler" in domain names; • appears obvious difference of individualization fields: company names - for legal entities and domain names – for addressing on the Internet; • and found no grounds for approval plaintiff's statement on unfounded acquisition of competitive advantages by respondent. <p>According to court's opinion claim was dismissed.</p> <p><u>Appeal instance court</u> refused to consider appeal claim on the ground of omission of time limit for appeal.</p> <p><u>Cassational instance court:</u></p> |
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| | | <ul style="list-style-type: none">• upheld conclusions of the first instance court on the dissemblance of the word designations within the trademarks and company name, from one side, and domain name, from the other side (as they are performed in different languages with letters of different alphabets); and• added that plaintiff failed to present proof of usage of his intellectual property items within domain name. |
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