

# Domains & Domain Names

*Contributing editor*  
**Flip Petillion**



2017

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DEAL THROUGH 

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*Contributing editor*  
**Flip Petillion**  
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Published by  
Law Business Research Ltd  
87 Lancaster Road  
London, W11 1QQ, UK  
Tel: +44 20 3708 4199  
Fax: +44 20 7229 6910



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No photocopying without a CLA licence.  
First published 2014  
Fourth edition  
ISSN 2055-6500

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Printed and distributed by  
Encompass Print Solutions  
Tel: 0844 2480 112



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# Russia

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## Registration and use of domain names at ccTLD registry

### 1 Which entity is responsible for registration of domain names in the country code top-level domain (ccTLD)?

The administration authority (registry) for the ccTLD .ru (and for the Cyrillic .рф), a non-profit organisation, ANO Coordination Center for TLD RU (the Coordinator), ensures the reliable and stable DNS infrastructure operation of the Russian internet sector. The Coordinator accredits domain registrars (private companies) that provide commercial services – registration and maintenance of domain names – to registrants. In this connection, the Coordinator performs functions targeted at control of the activities of local registrars. Similar functions have been given to the Russian Fund of Internet Development, which is a watchdog and another registry of the .su domain and related registration proceedings.

### 2 How are domain names registered?

To register a domain name a prospective registrant files a registration application and enters into a contract with a registrar. Any person, including a foreign or domestic one, can stand as the applicant and own a domain name in the .ru, .рф and .su digital zones.

### 3 For how long is registration effective?

Registration is generally effective for one year. Unlimited registration renewals are possible if the registrant sends renewal applications in due course. Failure to renew a domain name registration will result in the loss of rights related to the domain name at issue.

### 4 What is the cost of registration?

The cost of registration varies from one registration to another. Usually, it ranges from approximately US\$2 to US\$20. Sometimes registrars provide rewards or discounts associated with domain name registrations.

### 5 Are registered domain names transferable? If so, how? Can the use of a domain name be licensed?

Domain names are transferable. For transfer purposes the current registrant needs to send a relevant application to the registrar, while the new registrant needs to enter into a contract with the registrar and consent to the transfer. Once the application is filed, the contract is entered into by the parties and consent is given – the registrar has three days to complete the domain name transfer process.

Transfer of the .ru domain name is not allowed in the following circumstances:

- expiry of one-year registration term;
- within 30 days from the moment the new registrant has acquired the right to the domain name from the previous registrant;
- within 30 days from the moment the registrar of the domain name has been changed;
- the domain name is locked or on the blacklist;
- if the registrant fails to provide the registrar with the requested documents or information in the course of the registrar's monitoring process; and
- if there are certain restrictions imposed on the domain name (eg, a preliminary injunction granted by a court).

Strictly speaking, a domain name 'licence' is not possible from the Russian law perspective, since this particular legal tool applies to transactions involving intellectual property (IP) assets under the provisions of the Civil Code, while domain names are not within the list of protected IP rights. That does not mean, however, that the registrant cannot commercialise the domain name by allowing third parties to use it on the agreed terms.

Owing to the freedom of contract principle, the registrant may lease the domain name in favour of a third party. At the same time, it has to be noted that in the case of an IP infringement dispute the registrant will be engaged as the first defendant, while the actual user of the domain name (lessee) may stand as the co-defendant. In any event, the imposition of liability on a registrant who has leased the domain name to a third party, associated with the occurrence of an IP infringement, will depend on various factors and the facts of the case.

According to a ruling of the Russian IP Court, the registrant of the domain name cannot escape liability for IP infringement, or shift this liability to another person, by entering into a contract (including a domain name lease contract) (case ref A40-206553/2015). This position may be applied to all related domain name disputes, when the registrant registers an infringing domain name and then, in case of a dispute, argues in court that another person in fact uses the domain.

Importantly, if it has been proven that the registrant in no way contributed to the IP infringement committed by the lessee of the domain name (ie, when the lessee publishes an offer for sale of counterfeit products without the registrant's knowledge), the court may dismiss the claim against the registrant by holding liable only the lessee (actual user of the domain name) (case ref A40-136427/2012).

### 6 What are the differences, if any, with registration in the ccTLD as compared with a generic top-level domain (gTLD)?

The rules for the .ru ccTLD do not contain specific eligibility requirements for registrants. However, since the domain name registration is exercised on the basis of a contract between a registrar and a registrant, the registrant shall have legal capacity and be in good standing.

As for the selection of specific domain names, the rules for the .ru ccTLD would not allow the registration or use of domains that are contrary to the public interest and principles of humanism and morality (such as abusive words).

WHOIS records do not describe specific eligibility requirements.

### 7 Can the registrant use a privacy service to hide its contact information?

The registrant is obliged to provide the registrar with correct and up-to-date personal data (ie, full name, birth date, residential address, passport details and contact information). Submission of fake or false information is not allowed under the rules for the .ru ccTLD. Because of personal data legal restrictions, the public display of such (personal) information shall not be exercised by registrars. Therefore, the actual personally identifiable information is not always available for public access, including in WHOIS records.

## Pre-litigation actions

### 8 Under what circumstances will a registrant's privacy-protected contact information be disclosed? What processes are available to lift a registrant's privacy shield?

The registrar is entitled to disclose a registrant's privacy-protected contact information (eg, full name and address) in the case of a written well-grounded request by a third party wishing to use the obtained information exclusively for filing a lawsuit.

In practice, the registrar provides the privacy-protected contact information based upon:

- a request by an attorney (advocate);
- a request from the law enforcement agency (eg, police); or
- a request from the court.

Therefore, registrants would not usually be able to hide such information from the prospective litigation action. Also, such information must be obtained at the pretrial stage.

### 9 Are third parties (such as trademark holders) notified of a domain name registration or attempt to register a domain name? If so, how? If not, how can third parties receive notice?

Third parties (including a trademark holder) are not automatically notified of domain name registrations or attempts to register domain names. Therefore, third parties may either monitor WHOIS themselves or hire commercial monitoring services. For new-era domains the best option would be to use the TradeMark ClearingHouse brand protection system.

### 10 Is there a need to notify the domain name registrant before launching a complaint or initiating court proceedings?

If the domain name dispute is initiated via a commercial court (when, for example, the registrant is an individual entrepreneur or a legal entity), the plaintiff is obliged to send a cease-and-desist letter, and only upon expiry of 30 calendar days from the date of the letter may the plaintiff bring the case to a commercial court. The mandatory pre-litigation settlement procedure does not apply to cases filed before the court of general jurisdiction (when the registrant is an individual or physical person).

## Transfer or cancellation

### 11 What is the typical format for a cancellation or transfer action in court litigation (domains registered in either a ccTLD or a gTLD) and through ADR (ccTLD only)?

ADR, such as UDRP or URS, does not apply to .ru ccTLD infringement matters. Thus domain name cancellations or transfers – in the case of disputes – are usually achieved based on the established IP infringement court decision.

In this regard, the forum will be either:

- a commercial court – if the registrant is an individual entrepreneur or a legal entity; or
- a court of general jurisdiction – if the registrant is an individual or physical person.

The IP-infringement case must be filed in the court located at the residence of the defendant (the registrant). If there are several defendants (eg, the registrant and the person who actually uses the domain or website) resident in different regions (ie, giving rise to several courts potentially competent over the dispute), the plaintiff may choose one of them to establish jurisdiction.

Once the competent court institutes proceedings, there will be preliminary hearings and hearings on the merits. Each party is obliged to prove its own arguments, and the court may ignore all pieces of evidence that were not timely or duly provided during the action. Discovery proceedings are not available.

If the court acknowledges an IP infringement, the domain name is subject to cancellation based on the court decision, and the plaintiff has priority (pre-emptive right) to register the litigious domain name in its own name within 30 days from the moment the court decision has become effective.

For various gTLDs, including new-era domains, ADR proceedings (such as UDRP and URS) are generally available; however, it is also possible to litigate gTLDs in the Russian courts, as described above.

### 12 What are the pros and cons of litigation and ADR in domain name disputes? What are the pros and cons of choosing a local forum to litigate a gTLD dispute compared with the ICANN ADR format for the gTLD?

ADR does not apply to disputes involving .ru ccTLDs. However, non-traditional ADR proceedings (eg, cease-and-desist letters, amicable (non-judicial) settlements, domain name transfer negotiations, etc) have proven to be quite effective brand protection mechanisms in terms of timing and costs in certain instances. Local forum and court proceedings are usually a more efficient and stronger enforcement option compared with other international ICANN/ADR proceedings, especially in terms of the ability to claim monetary relief from an infringer (registrant).

### 13 What avenues of appeal are available?

The following appeal venues are generally available.

#### Commercial court cases

- Appellate courts – which review the evidence in the court files as well as the new evidence if there is reasonable excuse for not submitting the same in the first-instance court;
- first cassation appeal – the Russian IP Court, which hears cases on the existing case records and does not re-evaluate the evidence and facts located in the court files;
- second cassation appeal – Economic Board of the Russian Supreme Court, which has no power to re-evaluate evidence and facts located in the court files; and
- supervision appeal – the Supreme Court of the Russian Federation, which is entitled to review and ascertain whether there has been a substantial breach in law enforcement.

#### General jurisdiction court cases

- Supreme courts of the constituent parts of the Russian Federation (eg, in Moscow, the Moscow City Court) – which review the evidence in the court files as well as the new evidence if there is reasonable excuse for not submitting the same in the first-instance court;
- first cassation appeal – the presidium of the supreme courts of the constituent parts of the Russian Federation (eg, in Moscow, the Presidium of the Moscow City Court), which hears cases on the existing case records and do not re-evaluate the evidence and facts located in the court files;
- second cassation appeal – Economic Board of the Russian Supreme Court, which has no power to re-evaluate evidence and facts located in the court files; and
- supervision appeal – the Supreme Court of the Russian Federation, which is entitled to review and ascertain whether there has been a substantial breach in law enforcement.

### 14 Who is entitled to seek a remedy and under what conditions?

Generally, the valid rights holder (eg, trademark owner), its recorded assignee or recorded exclusive licensee, are entitled to seek injunctive and monetary relief, provided their rights and legitimate interests are affected due to domain name registration or use. Non-exclusive licensees, distributors or other authorised IP users do not have the same privilege.

### 15 Who may act as defendant in an action to cancel or transfer a gTLD in local courts?

The first defendant in such an action will be the registrant. The actual domain name user (eg, website owner) may be the second defendant and will bear the joint and several liability associated with the IP infringement. Local registrars may also stand as co-defendants in certain exceptional cases (eg, a case involving foreign registrant).

### Update and trends

The current hot topic is the correct selection of the jurisdictional forum. Previously, the judicial practice of commercial courts has recognised that a domain name dispute involving trademark rights is adjudicated by commercial courts irrespective of whether the registrant has had commercial status. However, recently the Supreme Court has started changing this practice, by strictly indicating that if the defendant does not have the status of an individual entrepreneur, the dispute will be considered by the court of general jurisdiction.

Further, in view of current litigation practice, if a general jurisdiction court, having received a domain name-related lawsuit, considers that the case in fact has a commercial nature, then the case will be heard by the commercial court. In this regard, if the defendant does not appeal the general jurisdiction court ruling on the jurisdictional issue, then the defendant will be further barred from claiming that the subsequent commercial court decision on the domain name dispute should be revoked owing to a breach of the jurisdictional or procedural rules.

### 16 What is the burden of proof to establish infringement and obtain a remedy?

Russia does not adhere to UDRP. However, the national court system supports the international principle of unfair competition repression and applies the three-factor UDRP test through the implementation of article 10-bis of the Paris Convention for the Protection of Industrial Property. In other words, in a clear-cut IP-infringement or unfair competition matter, the following factors have to be proven by the plaintiff:

- the domain name is identical or confusingly similar to a trademark in which the claimant has rights;
- the respondent has no rights or legitimate interests in respect of the domain name; and
- the respondent's domain name has been registered and is being used in bad faith.

Importantly, in a classic domain name dispute, the plaintiff must prove the following three fundamental factors:

- the priority of the trademark over the domain name.
- the similarity between the trademark and the domain name; and
- the similarity of the trademarked (registered) goods and the goods offered for sale (sold) on the website under the domain name.

If one of these factors is not properly demonstrated by the plaintiff – whether under the first or the second scenario – IP infringement or unfair behaviour will not be established by the court, and remedies will not be awarded.

Essentially, in asserting an IP infringement or unfair competition claim, the plaintiff must act in good faith to avoid unfair hijacking of the conflicting domain name. Abuse of rights will lead to dismissal of the case.

### 17 What remedies are available to a successful party in an infringement action?

In terms of remedies, injunctions would be the most appropriate relief according to local practice. Monetary compensation (ie, statutory damages) are quite popular as well. Publication of the court order is also regarded as a feasible remedy, but it is not usually sought in domain name actions. Seizure and forfeiture of counterfeit or grey-market goods will be available for serious IP-infringement matters on the internet.

### 18 Is injunctive relief available, preliminarily or permanently, and in what circumstances and under what conditions?

Procedurally, the plaintiff is entitled, before filing a lawsuit or simultaneously with filing the lawsuit, to file a preliminary injunction motion with the court to block the potential transfer or cancellation of the domain name. The plaintiff shall condition the grant of the preliminary injunction by arguing that non-grant of the same may harden or make it impossible to enforce the court decision. Prevention of substantial damages will also be regarded as the valid condition. Permanent

injunctive relief will be awarded by the court if the plaintiff is able to evidence and prove IP infringement. Pre-litigation procedures aimed at freezing or locking the conflicting domain names and effective for 14 days are also feasible, provided that a warranty for indemnification is given by the rights holder in the corresponding motion.

### 19 How is monetary relief calculated?

Monetary relief is normally claimed and awarded in domain name conflicts. While regular damages are rarely used in practice, monetary compensation (ie, statutory damages) will be very popular.

Indeed, in order to get regular damages the plaintiff (ie, trademark or company name owner) must prove the following factors:

- the amount of damage sustained (eg, lost profits) by disclosing the appropriate method of calculation of the same;
- the facts of the IP infringement by proving the illegal activities of the infringer; and
- the nexus between the calculated damages and illegal activities of the infringer.

If one of these factors is omitted or failed to be demonstrated by the plaintiff, damages will not be awarded by the court. At the same time, in order to receive statutory damages the plaintiff has to prove only the fact of the claimed IP infringement. In addition, it is not necessary to disclose any evidence by showing the method of calculation of losses, even though it may be useful to a certain extent.

Legally, there are three different avenues which trademark owners can select and follow when seeking to obtain monetary relief in domain name disputes:

- an amount between 10,000 and 5 million roubles;
- the double cost of counterfeit goods; or
- the double cost of the lawful (licensed) trademark usage.

Practically, the choice of the appropriate monetary compensation formula will be vested with trademark owners, although in the absence of a large quantity of counterfeits being offered or purchased from the conflicting websites under litigious domain names, or the underlying recorded trademark licences with the stipulated licence fees, trademark owners will normally have to rely on the very first scenario described above, while the court will finally decide on the concrete amount of the award based on the nature of the IP infringement (if established).

### 20 What criminal remedies exist, if any?

Criminal remedies associated with trademark infringement matters do exist and may be sought by the rights holders. The usual sanctions will be:

- a criminal fine;
- forced labour; and/or
- corrective works.

In exceptional cases, imprisonment may be imposed by the court. In practice, criminal remedies are sought in cases that are more related to counterfeit trademarks, goods and products offered for sale and sold by counterfeiters in large quantities or repeatedly, including online (ie, under the conflicting domain names). In other words, substantial damage or repeated IP infringement has to be shown in such types of action.

### 21 Is there a time frame within which an action must be initiated?

The general limitation period is three years, starting from the moment the plaintiff became aware or should have become aware of infringement of its IP rights. Domain name action is not an exception.

### 22 Can a registrant's rights in a domain name expire because of non-use. Can a registrant be estopped from bringing an infringement action? In what circumstances?

A registrant's rights in a domain name will not expire because of non-use. The registrant will keep domain-related rights for as long as the domain name registration is renewed. At the same time, a registrant cannot be recognised as an IP infringer on the grounds of expiry of the limitation period, abuse of the plaintiff's rights, non-extension of asserted trademark rights and in other material and procedural circumstances.



**23 What is the typical time frame for an infringement action at first instance and on appeal?**

The typical time frame for an IP-infringement action to be taken at the first-instance court will be around four to six months. Appeal proceedings, if commenced later, will add another three to four months to the action. Further cassation or appeal proceedings, if continued, will make it a year (or even more) for the domain name litigation.

**24 Is a case law overview available on procedural or substantive issues? Does the case law have a precedential value?**

Russia is not a case-law country. In other words, court decisions will not have a precedential value, or be treated as a source of law. At the same time, the Supreme Court of the Russian Federation as well as the former Supreme Commercial Court of the Russian Federation have (or had) competence to issue clarifications, guidance and orders, which must be treated as binding for all lower courts. In practice, lower-instance courts prefer to follow the approaches developed and tested by the local supreme courts. Domain name litigation is a good example in this regard.

**25 Can parties choose a panellist in an ADR procedure involving a ccTLD? Can they oppose an appointment?**

ADR procedures, such as UDRP or URS, are not applicable to .ru ccTLDs. Domain names involving .ru (or other local) zones have to be litigated before the commercial courts or courts of general jurisdiction (as applicable). The appointment of a panellist (judge) by the parties is not applicable in either national commercial or civil procedure, although they can oppose the same by trying to disqualify (recuse) the appointed judge during the trial.

**26 What is the typical range of costs associated with an infringement action, including pre-litigation procedures, trial or ADR, and appeal? Can these costs be recovered?**

There is no typical or standard range of costs associated with IP infringement actions, unfair competition claims and cases involving pre-litigation procedure or amicable settlements towards conflicting domain names. Such costs will usually be based on court fees, professional lawyers' or attorney' fees, expert fees (if any) and other disbursements (eg, travelling and accommodation expenses). Each particular domain name case has to be individually reviewed and assessed depending on the circumstances surrounding the same. Legal costs (including attorneys' fees) are recoverable, although always within reasonable limits and at the discretion of the court.

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Domains & Domain Names  
ISSN 2055-6500



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