

# Russian PoV: trademarks versus domain name

Digital environments have made protecting and enforcing trademarks infinitely more complicated for courts, lawyers and brands alike. Elena Solovyova of ARS Patent and Trademark provides an update on the situation in Russia



In accordance with Article 1229 of The Civil Code of the Russian Federation, an individual who has an exclusive right to a means of individualisation, including a trademark, has the right to use it at his/her own discretion.

A rights holder can prohibit others from using its trademark or means of individualisation. However, the absence of a prohibition or a ban should not be considered to be consent or permission from the right holder. In other words, other individuals cannot use a trademark without the consent of the owner.

According to Article 1484 of the Civil Code, an individual—the trademark's registered holder—

has the exclusive right to use the trademark in any manner that is not in violation of or contrary to the law. In particular, a rights holder is permitted to place its trademark on the internet and its networks, including in domain names and other internet sources.

Russia has a national domain zone on the internet—Russian domain names use the .ru ccTLD. In addition to domain names with .ru, national Cyrillic domain names with the .рф ccTLD also exist in Russia.

Views on the legal nature of the relationship between domain names and trademarks, or more specifically between the rights holders, have undergone a significant evolution and transforma-

tion over the past five years in legislation and enforcement in Russia.

In the original version of Article 1483 of the Civil Code, a domain name was considered to be a “barrier” or an obstacle in the way of registering a trademark, which had a filing date that was later than the date of the domain name registration.

However, this portion of Article 1483 of the Civil Code was reconsidered by lawmakers and amended in the present version (since 2010). In accordance with present legislation, a domain name cannot stand in the way of trademark registration.

It is no secret that means of introducing, processing and distributing goods and services in the market through the internet are rapidly developing. Due to the internet's rapid development, infringements of trademark rights on the internet have become a subject of debate and controversy.

The most common violation of trademark rights is the placement of a registered trademark or goods bearing a registered trademark on a website without permission from the right holder.

In such a case, the rights holder has a set of legal instruments in its arsenal, which are mandated by the current legislation in Russia.

In particular, a trademark owner is entitled to file a lawsuit against an owner of a domain name on the basis of one of the following requests:

- The suppression or restriction of all actions that infringe or threaten to infringe a registered trademark
- Reimbursement for damages or losses
- Compensation from 10,000 to 5 million Russian rubles (\$320 to \$160,000) instead of providing evidence of the size of damages.

However, in such a lawsuit, the rights owner will face two challenges. Firstly, in cases involving trademark rights infringement on the internet, it is difficult to establish the identity of the actual infringer because the defendant in a lawsuit can only be the officially registered domain name owner (administrator). In order to establish the factual identity of the owner, including name and address of residence, it would be necessary to obtain a warrant from the judicial organs or a lawyer's request to the specific company that registered the domain name. On top of the ease of registering a domain name and a lack of identity verification, the process of establishing the identity of the domain name owner may not lead to the desired results. For example, the information on the owner of the domain name may prove to be incorrect. In such a scenario, litigation proceedings are invalid because in accordance with Russian procedural law, any proceeding in which it is impossible to establish the factual defendant cannot be taken to court.

When a similar situation was encountered in one litigation case, the trademark owner was forced to withdraw from any further legal proceedings. According to the company that registered the domain name, the indicated registered domain name owner in the registration was a fictitious person who was located outside of Russia. On lodging a claim against the registered domain name owner in a legal action, the trademark owner requested the registered domain name owner to end unauthorised use of the trademark in both its domain name and in its website content. Additionally, the trademark owner requested material compensation for damage to its reputation. It can be concluded that

the legal action was settled in favour of the trademark owner, but only in respect of the termination of the unauthorised use of the registered trademark.

The regulatory norms in Russia concerning the registration of domain names with the ccTLDs .ru and .рф, which include a law that says that domain names can only be registered to a factual company or individual, had a positive impact in this case. Due to the unreliable and falsified information regarding the domain name owner, the registration of the disputed active domain name was annulled and the domain name was transferred to the trademark owner. This case is an example of a non-judicial (administrative) conflict resolution of trademark versus domain name.

Secondly, it is difficult to establish the actual extent of an infringement of trademark rights and to identify counterfeit goods only on the grounds of examining a website's content. In accordance with Article 1478 of the Civil Code (trademark exhaustion), the use of the trademark by others in relation to goods that have been put into circulation by the trademark owner or with the owner's consent is not a violation of trademark rights.

Taking these factors into consideration, the contents of a domain name often becomes a source of primary information about the offender (location, type of trade and contact information) in disputes regarding the infringement of trademark rights on the internet. Evidence is collected via traditional offline methods by control purchases and warrants or official inquiries from judicial (legal), tax, and customs authorities.

A considerable amount of disputes with the participation of domain names and trademarks are disputes between their owners on the subject of the rights to the domain name.

In this sphere, the evolution of jurisprudence has quickly moved from the trademark owner having to prove use of the domain name for activities that are the same as those for which the trademark is registered to a simpler criterion of having a legitimate interest in domain ownership.

The beginning of this evolution was initiated in 2008, and concerned domain name registration with the .com gTLD. In a long-term dispute, which dates back to 2003, between a trademark owner and a domain name owner, Russia's Superior Court of Arbitration issued a November 2008 decree that first formulated the mandatory use of the norms of the Paris Convention for the Protection of Industrial Property of 1883 for the resolution of such disputes.

In particular, Article 10bis of the Paris Convention contains general prohibitions regarding unfair competition. Paragraph 2 refers to all acts that directly contradict or conflict with honest practices in industrial or commercial matters.

The criteria and guidelines were developed to determine the violation of Article 10bis of the Paris Convention and formulate compliance of fair practices in the field of domain name registration. According to the set criteria, a domain name registration may be cancelled if it is proven that: (i) the domain name is identical or confusingly similar to a registered trademark of a third party; (ii) the owner of the domain name does not have any legal rights and interests in respect of the domain name; and (iii) the domain name is registered and used in bad faith.

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In a Presidium of the Superior Court of Arbitration May 2011 decree (the legal proceeding regarding the trademark mummy.ru), the above-mentioned criteria have also been extended to the Russian domain zone of the .ru ccTLD, and so, the chances of protection for trademark owners against violations in domain names and prosecution of domain name registrants is high, regardless of the similarity of goods and services. However, in accordance with the decree, the date of acquiring trademark rights and domain name registrations is also significant in court rulings. Usually, the courts assess who acquired the exclusive rights to use the designation earlier. Therefore, the case law and guidelines for prosecution in this sphere can be considered to be established.

A separate area of disputes is the question of the responsibility of third parties, namely, hosting providers, for the infringement of IP (including trademarks) that is committed by domain owners and file sharing networks.

Acclaim can be given to judiciary organs because guidelines were already established in 2008 in a decree by the Plenum of the Superior Court of Arbitration, which was later confirmed by the Presidium of Superior Court of Arbitration in November 2008.

In accordance with the set guidelines, when encountering such legal proceedings and litigations, the courts should verify the following:

- If the provider has profited or is profiting from the activities that are related to the unauthorised use of the trademark rights of others. Infringing activities must be carried out by parties (companies or individuals) that are users of the provider's services.
- If the provider limits or restricts the amount of posted information and if that posted information is available to an indefinite number of users.
- If there are established obligations in the user agreement between the provider and domain name owner for the owner to comply with the legislation of Russia when placing content on the server and for the provider to have an unconditional right to remove illegally posted content.
- If there is a lack of technological conditions, which as a result lead to violations in the infringement of rights.
- If the provider has special and highly effective programs that can prevent, monitor, or remove any posted counterfeit products.

The courts should also evaluate the following actions of the provider:

- If the provider removes and blocks questionable content or access to the site when it receives a notice on the violation of the trademark rights of the rights holder;
- And in instances where possible, to ascertain if the provider's online resource is being used in violation of the rights of others. For instance, through extensive or broad discussions in the media.

If the service provider does not actively take action within a reasonable period of time to end such violations, for example, through demonstrative and public removal of infringing content from its server, or if the provider chooses to behave passively, the court may recognise the provider as guilty in allowing the offense to proceed and file a legal proceeding against the provider.

Given the current rapid development of the Internet, such a legal stance could also be applied to filing legal proceedings against account holders of social and file-sharing internet sites.

It should be noted that these recommendations have undergone the test of time and an article on the responsibility of the information provider is expected to be adopted in the current draft of the Civil Code. The article contains the basic tenets of the above-mentioned recommendations:

- An individual, who transfers material on the internet or allows the possibility of placing material on its network, ie, an information provider (for example, an internet service provider), is responsible for the violation of IP rights on the internet, on the basis of common grounds in the present Civil Code. Responsibility and liability is established in accordance with clauses two and three of the present article.
- An information provider that performs the

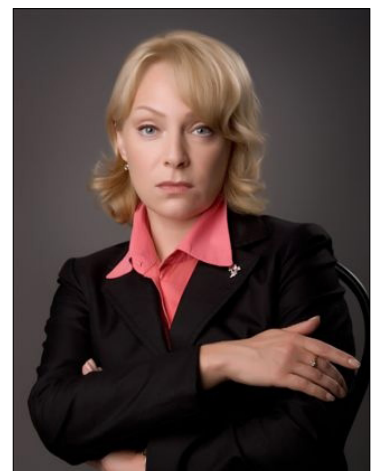


transmission of material via the internet will not be liable for violations and infringements of IP rights, which occur as a result of such a transfer of material, if they are in compliance and in adherence to the following conditions:

- The information provider does not modify the mentioned material after it is received, except for changes that are necessary to ensure the process of properly transferring material; and
- The information provider had no knowledge nor should have known that the corresponding result of intellectual activity or means of individualisation are illegally used by an individual who initiated the transfer of material containing such a result or means of individualisation.
- An information provider that allows the possibility of placing material on the internet will not be liable for violations and infringements of IP rights that have occurred as a result of the transfer of material via the internet by a third party or under its instructions, if they are in compliance and in adherence to the following conditions:
- The information provider had no knowledge nor should have known that the corresponding result of intellectual activity or means of individualisation are illegally contained in the transferred material; and
- In the event that the information provider receives a written statement or declaration from an IP rights owner on the violation

of their IP rights due to the placement of such material on the internet, the information provider must promptly take necessary and sufficient measures to address IP rights violation and infringement, in accordance with legislation on information.

After analysing all of the information, including what has been mentioned in this article, we can say that Russian legislation and law enforcement practice generally allows trademark rights holders and IP practitioners to fight against the growing number of violations of trademark rights on the internet. **IPPro**



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