

Preexisting Domain Names as a Hindrance to Trademark Registration under Part IV of the Russian Civil Code

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Unlike the adopted version, the original draft of Part IV of the Russian Civil Code contained a dedicated chapter establishing protection of domain names as a stand-alone object of intellectual property. This approach was heavily criticized by the Russian legal and Internet communities, primarily because the chapter was underdeveloped in terms of definitions and because it envisioned a legal regime that would be inconsistent with the legal nature and extraterritoriality of domain names.

In the version of Part IV of the Civil Code adopted, all references to domain names have been deleted, except for one instance in subparagraph 3 of paragraph 9 of Article 1483, which establishes that one cannot register as a trademark a designation identical to a domain name the rights to which have emerged prior to the priority date of such trademark.

While the apparent intent of the legislators was to counter so-called "reverse domain name hijacking," the current implementation of the discussed provision of Part IV of the Russian Civil Code may result in significant problems for bona fide trademark owners while creating a loophole for cybersquatters and trademark pirates. We find that the current wording is problematic for the following reason: nowhere in the Civil Code (or in any other legal act) is the term "domain name" defined. This is not simply a matter of inferior drafting; rather, the principle itself of imbuing "domain names" with trademark-like status has serious negative implications for trademark owners and applicants.

First of all, unlike in the English language, where the term "domain names" is understood as "names of domains," in Russian the term consists of an adjective ("доменное" – domain) and a noun ("имя" – name). This is capable of creating an illusion that only the whole combination of domains of different levels forms one single domain name. For example, many experts who lack understanding of the technical structure of computer networks erroneously believe that only a "XXX.YYY.RU" third-level domain name falls under the definition of "domain name". In fact, all the separate parts of such name, namely "RU", "YYY", "YYY.RU" and "XXX" may also be recognized as domain names. In this specific example "RU" is a first-level domain name, "YYY" is a second-level domain name, while "XXX" is a third-level domain name, and so on. Therefore, there is no need for a designation to be identical to the full domain name, i.e. XXX.YYY.RU, in order to be prevented from being registered as a trademark under Part IV of the Civil Code. The current wording may lead to refusal of registration if the filed trademark is identical to either "XXX" or "YYY" parts of the XXX.YYY.RU name.

Second, Article 1483 does not specify whether only those domain names that are registered in the Russian segment (currently, .RU and .SU) zones of the Internet create a barrier for trademark registration of an identical designation or whether it refers to any and all domain names registered anywhere in the world. The answer to this question becomes even less obvious when one considers the fact that .RU domain names may be registered by foreign individuals and legal entities and that Russian registrars currently allow Russian (and foreign) individuals and legal entities to register gTLD (generic top-level domain) names, including those in the .COM, .NET, .ORG, .BIZ and .INFO zones. If the Civil Code were to limit its scope to some sort of Russian element, it would still not be clear whether it was meant to refer to Russian registrants, Russian registrars and/or .RU/.SU domain names.

Third, nowhere does the Civil Code specify whether only second-level domain names may create a barrier for trademark registration. Third- and fourth-level domain names are still domain names. Third-level domain names are created by administrators (owners) of second-level domain names, without any need for approval by any person; fourth-level domain names are created by administrators (owners) of third-level domain names, without any need for approval, and so on. To illustrate this, a person who has registered a second-level domain name XXX.RU, may create the "MICROSOFT.XXX.RU" third-level domain name by several mouse clicks and grant permission to use this third-level domain name to any other person. This is a usual practice employed by free hosting providers, such as NAROD.RU, NEWMAIL.RU and others. Such other person for whom a third-level domain name was created may then create the "COCACOLA.MICROSOFT.XXX.RU" fourth-level domain name by several mouse clicks.

Moreover, registrars do not and cannot keep track of registrations of third- and fourth-level domain names. Therefore, cybersquatters and trademark pirates would be able to falsify their logs to provide forged evidence that they had a prior fourth-level domain name registered as a certain designation in regard of which a trademark application is submitted to the patent office.

Fourth, nowhere does the Civil Code specify whether the discussed provision applies to Internet domain names or to any network's domain names. Technically, any computer in a corporate network may be part of a domain, which domain will have a name. Someone setting up a corporate network may choose any name for the domain and choose any name for any particular computer on the network. For example, nothing would prevent a user from setting up a network with the "MICROSOFT" domain name and from naming one of the computers on the network "BILL_GATES". What if someone sets up a corporate network with a famous domain name and then uses this fact to oppose registration of an identical trademark by a third party? What if someone submits falsified evidence that a network with a certain domain name had been created some time in the past?

Fifth, that the Civil Code provides that a preexisting domain name may prevent registration of a trademark without regard to international classes, i.e., for any goods or services, in effect creates an advantage for domain name owners whose only achievement was prior registration of a domain name (especially considering the possible broad construction of the term, as explained above). Such a broad scope of protection is an extraordinary departure from basic concepts of trademark law. Even the owners of famous or well-known marks who seek to prevent unauthorized use and registration of those marks must first prove such status with substantial evidentiary submissions, and secure a ruling. Why give a domain name registrant, often a pirate, a free ride?

Finally, nowhere in the world is a mere fact of registration of a domain name sufficient to prevent an entity from registering an identical trademark. While the concept of reverse domain name hijacking is fair and important, it is based upon the fame of a domain name, not just its prior registration. The "reverse domain name hijacking" concept was not developed to protect any domain name owner who may have registered some domain name without any further efforts to promote its activities associated with the domain name (which can be done in a matter of seconds and without any substantial expense). Rather, it was designed to protect domain name owners who have set up successful websites but, for various reasons, failed to register, as a trademark, the designation used as a domain name, against bad faith trademark registrations by third parties wishing to benefit from the fame of the domain name.

To summarize, the current wording of subparagraph 3 of paragraph 9 of Article 1483 of Part IV of the Russian Civil Code may create unacceptable barriers for bona fide trademark applicants and owners who may face opposition from various domain name owners who will seek to profit from the imperfections of the Code.

We believe that for the sake of eliminating the obvious risk of misuse of domain name registrations in order to attack bona fide trademark owners the reference to domain names must be deleted from 3 of paragraph 9 of Article 1483 of Part IV of the Russian Civil Code. As to the issue of reverse domain name hijacking it is our belief that it may be successfully dealt with within the framework of existing Russian

legislation, primarily through use of the provisions of the Law on Protection of Competition which allow recognition of acts of adoption of means of individualization, including trademarks, to be those of unfair competition.

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