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## DOMAIN NAME DISPUTE RESOLUTION

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The article examines issues of domain name dispute resolution. The analysis of legal regulation of these relations was done. There were analysed the Uniform Domain Name Dispute Resolution Policy and other Rules adopted by the administrators of address space within the Internet. It has been researched that in Ukraine, there is no special legislation providing a procedure for domain disputes settling. This is due to the fact that state legislation cannot regulate relations emerging, changing and stopping within virtual «space without borders» all over the world.

The Internet Corporation for Assigned Names and Numbers adopted the Uniform Domain Name Dispute Resolution Policy in order to regulate the procedure of the domain disputes resolution. The author argues that the courts guide by the rules that are not normative, but governing contentious relations between the parties to the dispute: UA Domain Rules, The Regulations of domain names registration within.COM.UA and other rules provided by Ltd. «Hostmaster» (a high-level administrator of the address space) or other domain names administrators of second level. These rules are applicable as terms of accession agreement to the proposed conditions (if there is such a reference in contract between the registrant and registrar) or as a custom (if there is no such a reference) by their legal nature.

The author considers that the domain dispute is a dispute concerning the legality (unfairness) of the domain name registration and use between the holder of the domain name and other interested person (for example, trademark certificate holder). Domain name dispute occurs when there are evidence of the registration and use of a domain name in bad faith.

*Keywords:* domain name, Internet, website, court.

**Introduction.** The development of the digital environment leads to a large number of websites. Some websites are very popular among users and that promotes the company-holder of the website, its commercial name and activity results within the market. Every website has its own «name» posted in the Internet. This is the domain name (domain) identifying a web resource in the global information network.

**Issue formulation.** At a time when practically every member of society has access to the Internet using a computer, phone, tablet or other device, the existence and operation of a website becomes a necessity for every company wants to present itself in the Internet-environment. Thereby, there are unfair competition signs through the using of a domain name (website name) closer to the domain name of the competitor (other entity). Thus, due to the mixing of two websites names for the Internet users-potential customers, a domain dispute between two domain holders of similar domain names emerges. There is no regulation under Ukrainian legislation of the procedure for settling domain disputes. There is no unified legal regulation of settling such disputes in the EU and in the world at large. This is due the fact that the Internet is «a space without borders» and the administration of the Internet address space is performing by NGOs guided by their own rules and principles.

**Recent research and publications analysis.** The legal aspects of domain disputes settling are practically unresearched within the scientific literature. Several scientific

theses wrote over 10 years ago concerns the general characteristics of domain names (D. V. Boiko (2005) «The legal nature of the Internet domain names» [1], V. V. Bontlab (2006) «Civil legal regulation of the domain names» [2]). Certainly, the conclusions drawn by these scientific works authors deserve attention and provide the theoretical basis for further research in this province. However, the current state of the domain disputes review and settling differs (due to changes in the relevant regulation). Simultaneously, these scientific works are not specifically devoted to domain disputes. Due to the rapid development of information technology, the increasing quantity of websites, significantly different in content and structure, the number of domain disputes in Ukraine and around the world is increasing steadily.

Objectives of the article: the characteristic of domain disputes, the procedure of their consideration and settling, and arguing the proposals for improving of these relations legal regulation.

Main content of the article. Domain dispute is a dispute concerning the legality (unfairness) of the domain name registration and use between the holder of the domain name and other interested person (for example, trademark certificate holder). There is a point of view highlighted in scientific literature that the settling of disputes, regarding to domain names, usually requires special knowledge in the province of information technology that causes a great difficulty both to the parties to a dispute and to mediators trying to settle [3]. Such a position is rather controversial, since even the court (other entitled person or body), solving this category of cases, does not require an expertise to verify claims or objections. We consider that special knowledge (expertise) regards the understanding of technical functioning of a website and the Internet, differentiation of technical features of the registrant, registrar and administrator of the address space in the Internet and technical possibilities to change the website holder, etc. Everyone can have basic knowledge of these circumstances, including judges, lawyers, etc., while the correct understanding of the technical nature of some issues is rather difficult.

The regulation of domain disputes considering and settling in Ukraine is characterized by the absence of special legal regulation of such a procedure. At first glance, this phenomenon is justified because state legislation cannot regulate relations emerging, changing and stopping within virtual «space without borders» all over the world. Therefore, it is worth agreeing with the Kudrytska T. point of view that the legal regulation of the domain name province in most cases is outside of state sphere only [4]. The reasons are as follows:

– Supranational (T. V. Kudrytska) and extraterritorial (auth.) nature of the Internet (in procedural aspect this fact may influence the determination of domain dispute jurisdiction (T. V. Kudrytska), the choice of applicable national law and the peculiarities of state procedural norms (auth.);

– Technical features of the Internet, namely: data transfer rate, the speed of website content changing usually causing problems with the evidence (T. V. Kudrytska); herewith such evidence is formed under the legislation of the country considering the dispute or under the legislation on private international law (auth.);

– Specific nature of regulation and even «self-regulation» (T. V. Kudrytska). Such «specific nature» lies in the fact that the domain registration procedure is not foreseen by law, but regulations established by a domain administrator (auth.). In Ukraine, the law forbids to use a trademark of someone else as a domain name. In particular, the Law of Ukraine «On Protection of Rights to Trademarks for Goods and Services» (Art. 20) foresees such legal norms. The use of someone else's registered trademarks without consent in domain names shall be considered as the violation of rights of a trademark

certificate owner. Having analyzed the content of property rights to trade names enlisted in the Civil Code of Ukraine, we may conclude the inability to use someone else's commercial name in the domain. In particular, Art. 490 of the Civil Code of Ukraine provides that the holder of rights to a trade name is entitled to prevent a trade name illegal use, including the prohibiting of such use. The norm also concerns using of a commercial name in domain. Nevertheless, the law shall provide detailed regulation of possible ways of using a commercial name and types of rights violations.

However, aforementioned legal provisions are the substantive law provisions that do not define the concept, characteristics, types and settling procedure of domain disputes. There are no special procedural norms in Ukraine.

In the international practice of resolving the domain name disputes the main regulative document is Uniform Domain Name Dispute Resolution Policy. This policy has been adopted by the Internet Corporation for Assigned Names and Numbers («ICANN») in 1999. Its terms are incorporated by reference into registration agreement between the registrant and the registrar, and this Policy is required for use in a dispute concerning the legality of the domain name registration and use between a domain name holder and other interested person.

Domain name dispute occurs when there are evidence of the registration and use of a domain name in bad faith:

– circumstances indicating that the holder of the domain name has registered or has acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of his documented out-of-pocket costs directly related to the domain name;

– the domain name holder has registered the domain name in order to prevent the holder of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that he has engaged in a pattern of such conduct;

– the registrant has registered the domain name primarily for the purpose of disrupting the business of a competitor;

– by using the domain name, the registrant has intentionally attempted to attract, for commercial gain, Internet users to his website or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of his website or location or of a product or service on his website or location.

Thus, all these domain registrant's actions aim at the violation of economic competition in a particular province and unlawful «fight» against competitors entitled to rights to a trademark.

In Ukraine, the domain names administrators of second level also often indicate types of domain disputes that may occur between website holders and others. For example, under the Rules of domain disputes settling in domain.LVIV.UA, domain disputes may occur:

1. If the delegated to a defendant private domain name or a part of it is identical or confusingly similar to a registered plaintiff trademark, so that they can be confused.

2. If the plaintiff considers the defendant is not entitled to use the domain name or the using of it violates the rights and legal interests of the plaintiff.

3. If the spelling or pronunciation of the domain name delegated to the defendant is a word or expression that violates the honor and dignity of the plaintiff or harms their reputation.

4. If the spelling or pronunciation of the domain name or a part of it reproduces surnames, names or aliases of famous persons in Ukraine without their consent.

##### 5. Other violations of the Rules by a defendant [5].

Therefore, the violation of applicant rights (plaintiff rights) can be proved by different facts: the violation of rights to a trademark, violation of other rights and interests of the applicant (including rights to a commercial name), violation of honor, dignity and business reputation, using of names of famous persons without their consent etc.

Domain disputes can also occur in case of the domain registration per person who is not the true holder of the site or in case of so-called «domain theft», that is the change of the registrant contact information, including «theft» by registrars, unfair employees (dismissed directors, technical specialists) or other persons. Such a phenomenon is highlighted in scientific literature, accenting on the fact that despite the domain using by a particular person claiming to be the website holder and paying for the domain and hosting, such a domain does not belong to that person because it is «stolen» and controlled by another subject [6]. This affirmation is also pointed out within comments on domain disputes issue. A field «admin-c» often indicates a person different to the one actually entitled to the right to use the domain name. For example, it may be a company employee, authorized to register the domain name, hosting company etc. It is worth stressing that it is only the entity that has registered the domain has the right of its disposal [3].

The abovementioned highlights the problem of non-acquaintance of people ordering websites for the development of their business (or other demands) and then posting them within the Internet. In order to function properly, a website shall at least have a domain name, providing the opportunity to find it in the Internet, and the hosting. Usually all these steps are complexly performed by a person (entity) providing the website development. Further, this person (entity) provides hosting and intermediation in the process of domain registration. Sometimes there are cases of unfair dealing resulting in domain registration not to the customer, but any other person specified above. At the same time, the customer usually does not understand what does it mean to be the registrant (website holder), due to the fact that he/she is provided with the opportunity to fulfill the website content, and the website operates without problems. However, over time, problems with the access to the website may occur, especially if this website turns out to be a successful one. In this case, the person – website registrant can «sell» (re-register) the website to a customer competitor. Thereby, a domain dispute emerges.

Taking into consideration the abovementioned, we should stress the point that the domain disputes arise regarding the use of the domain name without the consent of the subject of intellectual property rights to a trademark, commercial name, other commercial designations, name of individual, and other objects of intellectual property.

Domain disputes are usually initiated in order to stop the infringement of intellectual property rights, mainly rights to a trademark or commercial name pointed in a domain name. The aim can also lie in the nullification (cancellation) of domain registration violating the abovementioned rights or transfer (re-delegation) of rights to the domain to the complainant.

Settling such disputes, the norms of current legislation, the provisions of the Civil Code of Ukraine and the Law of Ukraine «On Protection of Rights to Trademarks for Goods and Services» (regarding the regulation of trademarks and commercial names protection) shall be applicable.

In addition, the courts guide by the rules that are not normative, but governing contentious relations between the parties to the dispute. In particular, these are as follows: UA Domain Rules, The Regulations of domain names registration within.COM.UA and other rules provided by Ltd. «Hostmaster» (a high-level administrator of the address space) or other domain names administrators of second

level. Nowadays, there are two main positions in the judicial practice regarding the legal nature of these documents. These rules are applicable as terms of accession agreement to the proposed conditions (if there is such a reference in contract between the registrant and registrar) or as a custom (if there is no such a reference). We consider both positions to be noteworthy, but the issue of the legal nature of these rules is the subject of a separate discussion. Thus, we will not pay attention to it within this study.

Moreover, the courts settling domain disputes often guide by the provisions of the Uniform Domain Name Dispute Resolution Policy. Analyzing the content of this Policy one can consider that in domain name dispute a complainant has to prove that: 1. the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights to; 2. the defendant has no rights or legitimate interests in respect of the domain name; 3. the domain name has been registered and is being used in bad faith. In the proceedings the complainant has to prove that each of these three elements is present. So the subject of a complaint is the illegal registration of a domain name. Parties of domain name dispute are a complainant and respondent (defendant). Complainant means the party initiating a complaint concerning a domain-name registration. Respondent means the holder of a domain-name registration against which a complaint is initiated.

The defendant (potential offender) has to demonstrate the rights or legitimate interests to the domain name. In particular the domain name holder must demonstrate that: 1. before getting the notice about the dispute he has used the domain name, he has done demonstrable preparations to use it, and the domain name or a name corresponding to the domain name has been in connection with a bona fide offering of goods or services; 2. the registrant (as an individual, business, or other organization) has been commonly known by the domain name, even if he has acquired no trademark or service mark rights; 3. the domain name holder is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

It is worth noting that the registrar and the administrator are not a party to the domain dispute and are not responsible for the content of any decision delivered by court or other empowered authority settling the dispute. However, it is proved by national judicial practice that these subjects are usually involved in trial. The position of the administrator (Ltd. «Hostmaster») in all litigations is the same: the recognition and enforcement of courts' decisions. The administrator does not submit any objections and emphasizes on the recognition and enforcement of a decision to be delivered. The dispute really concerns the infringement of intellectual property rights and occurs between the owner of a trademark (commercial name or other object of intellectual property rights) and a website (domain) holder. The administrator is bounded with two actions he may be required to do: the nullification of the domain name registration or domain name re-delegation to the complainant (plaintiff). Therefore, the protection remedy is the obligation to take such measures.

Under Uniform Domain Name Dispute Resolution Policy the domain name dispute can be resolved in the pretrial procedure by administrative commission. In particular, the Internet Corporation for Assigned Names and Numbers approved several centers to resolve the domain name disputes. These are as follows: WIPO (World Intellectual Property Organization) Arbitration and Mediation Centre, the Asian Domain Name Dispute Resolution Centre, National Arbitration Forum, Czech Arbitration Court Arbitration Center for Internet Disputes, the Arab Center for Dispute Resolution. Most domain name disputes are resolved by WIPO Arbitration and Mediation Centre. For seventeen years of the Centre's activity more than 35 000 cases involving approximately 60 000 domain names have been decided [7].

Administrative proceedings for the resolution of disputes under Uniform Dispute Resolution Policy adopted by ICANN shall be governed by Rules for Uniform Domain Name Dispute Resolution Policy approved by the ICANN Board of Directors on 28 September 2013 [8] and also the Supplemental Rules of the Providers (centers of resolving the domain name disputes) administering the proceedings.

Domain name dispute (as a general rule) is decided by a single panelist (arbitrator) from the list of panelists. The panelist is appointed by the provider (Arbitration Centre, a dispute-resolution service provider approved by ICANN within the five centers abovementioned). The fees for a single-member Panel shall be paid entirely by the complainant. But if either the complainant or the respondent elects to have the dispute decided by a three arbitrators, the arbitration center is to appoint three panelists. The complainant elects one arbitrator, so does the respondent. The third panelist has to be appointed by the provider from a list of five candidates submitted by the provider to the parties. The remedies available to a complainant pursuant to any proceeding before an administrative panel shall be limited to requiring are the cancellation of the domain name or the transfer of the domain name registration to the complainant. The complainant cannot claim damages or set other requirements. It is a feature of the resolution of domain dispute out of court. The panelist (panelists) decides a complaint on the basis of the statements and documents submitted and in accordance with the Uniform Domain Name Dispute Resolution Policy, Rules for Uniform Domain Name Dispute Resolution Policy and any rules and principles of law that it deems applicable.

The administrative proceeding requirements don't prevent the complainant or responder from submitting the dispute to a court of competent jurisdiction for independent resolution before administrative proceeding is commenced or after such proceeding is concluded. If the arguments of the complainant are proven, panelist (panelists) decides that the domain name registration should be canceled or transferred. The respondent has ten business day period to commence a lawsuit against the complainant in a jurisdiction to which the complainant has submitted. A copy of this complaint, file-stamped by the clerk of the court, has to be received by arbitration center. If arbitration center receive such documentation within the ten days, the administrative panel's decision will not be implemented. Administrative panel will take no further action, until it receive or evidence of a resolution between the parties or evidence that the lawsuit has been dismissed or withdrawn, or a copy of an order from such court dismissing the lawsuit or ordering that the respondent doesn't have the right to continue to use the domain name, which was the subject of a dispute.

It's prohibited for the respondent to transfer a domain name to a new holder. In particular, the respondent may transfer the domain name registration to another holder neither during a pending administrative proceeding and for a period of fifteen business days after such proceeding is concluded, nor during a pending court proceeding or arbitration commenced regarding the domain name unless the party to whom the domain name registration is being transferred agrees, in writing, to be bound by the decision of the court or arbitrator. The registrar has the right to cancel any transfer of a domain name registration to another holder that is made in violation of this rule.

In addition the respondent can't change the registrar during a pending administrative proceeding (or for a period of fifteen business days after such proceeding is concluded). However, the respondent may transfer administration of the domain name registration to another registrar during a pending court action or arbitration, provided that the domain name will continue to be subject to the proceedings commenced against the respondent (involving the registrar from whom the domain name registration was transferred).

Conclusions. The domain dispute occurs between the domain name holder and other interested person (trademark certificate holder) concerning the legality of the domain name registration and using. In Ukraine, there is no special legislation providing a procedure for domain disputes settling. World practice points the wide application of the Uniform Domain Name Dispute Resolution Policy approved by the Internet Corporation for Assigned Names and Numbers. Domain disputes are usually initiated in order to stop the infringement of intellectual property rights, mainly rights to a trademark or commercial name pointed in a domain name. The aim can also lies in the cancelation of domain registration violating the abovementioned rights or transfer (re-delegation) of rights to the domain. Settling such disputes, the norms of UA Domain Rules and other rules provided by Ltd. «Hostmaster» (a high-level administrator of the address space) or other domain names administrators of second level are applicable. These rules are applicable as terms of accession agreement to the proposed conditions (if there is such a reference in contract between the registrant and registrar) or as a custom (if there is no such a reference).

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## ПОРЯДОК РОЗГЛЯДУ ТА ВИРІШЕННЯ ДОМЕННИХ СПОРІВ

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Досліджено проблемні питання щодо порядку розгляду та вирішення доменних спорів. Проаналізовано чинне законодавство щодо правового регулювання цих відносин, міжнародні Правила Єдиної політики вирішення спорів про доменні імена та інші Правила, які розроблені адміністраторами адресного простору мережі Інтернет. Виявлено, що регулювання розгляду та вирішення доменних спорів характеризується тим, що в Україні немає спеціального законодавства, яке б визначало такі процедури. Це обумовлено тим, що на рівні законодавства певної держави неможливо врегулювати відносини, які виникають, змінюються і припиняються у віртуальному цифровому середовищі, яке не має кордонів та є єдиним для всього світу. Доменний спір має місце, якщо відбулася: реєстрація або придбання домену перш за все з метою продажу, здачі в оренду чи іншої передачі прав на домен власнику торговельної марки або його конкуренту, щоб отримати за рахунок цього прибуток; свідоме поведінка щодо реєстрації домену, щоб запобігти (перешкодити) відображенню відповідної торговельної марки іншого володільця у такому ж або подібному доменному імені; реєстрація домену з метою порушити бізнес конкурента; реєстрація домену з комерційною метою, щоб привабити користувачів Інтернету до цього веб-сайту, створюючи ймовірність змішування із торговельною маркою конкурента. У доменному спорі заявник (скаржник) повинен довести три обставини в сукупності: спірне доменне ім'я є ідентичним чи дуже подібним (оманливо подібне) до торговельної марки заявника, на яку він має право; порушник не має права або законного інтересу на таке доменне ім'я; домен було зареєстровано і використовується порушником недобросовісно. Натомість відповідач повинен довести будь-яким способом своє право або законний інтерес на використання доменного імені, зокрема, те, що використання або підготовка до використання домену мало місце до виникнення спору, в поєднанні з добросовісним пропонуванням товарів і послуг; відповідач як фізична особа або юридична особа був широковідомий по спірному доменному імені; відповідач здійснив некомерційне та добросовісне (сумлінне) використання домену, без комерційної мети без введення в оману споживачів (користувачів Інтернету) і без запламування (посягання) торговельної марки скаржника. Обґрунтовано, що при вирішенні доменних спорів в Україні варто застосовувати Правила домену.UA та інші правила, що складені ТзОВ «Хостмайстер» (адміністратор адресного простору першого рівня) чи іншими адміністраторами доменних імен другого рівня, які за своєю правовою природою є або умовами договору приєднання (якщо на них є посилання в договорі між реєстратором і реєстратором), або звичаєм (якщо такого посилання в договорі немає).

*Ключові слова:* доменне ім'я, Інтернет, веб-сайт, суд.