

Domains

New case puts fresh spin on domain name disputes in Russia

Domain name dispute practice in Russia is still underdeveloped, with a lack of legal provisions regulating rights in this area. However, a recent case provides important insight into practices across Russia and the Commonwealth of Independent States

The current Russian trademark regime – which also applies across the Commonwealth of Independent States – lacks any clearly defined provisions to regulate rights to domain names. Disputes are thus traditionally handled as trademark disputes, as the online use of trademarks is regulated by Article 1484 of the Civil Code, which reads as follows:

1. A person in whose name a trademark has been registered (the rights holder) shall exercise an exclusive right to use the trademark in accordance with Article 1229 of the present code in any manner not contrary to a law (the exclusive right to a trademark), including by means mentioned in Paragraph 2 of the present article. The rights holder shall have an exclusive right to the trademark.

2. The exclusive right to a trademark may be exercised to individualise the goods, works or services in respect to which the trademark has been registered, in particular by using a trademark:

...5) on the Internet, including in a domain name or in other address methods.

Therefore the use of a domain name by a third party can be regarded as a trademark infringement and appropriate court action can then be taken to address this. Under the existing regime, lawsuits to retrieve domain names should be filed not with the IP Court of Russia, but rather with the Arbitration Court or the court which has general jurisdiction over the defendant's (ie, the domain name holder's) place of residence. This process inevitably complicates such cases, as specific knowledge and experience of IP protection – in particular, of trademarks and domain names – are required for an in-depth understanding of the nature of domain name disputes.

According to recent court practice, judges are inclined to take the side of the trademark owner in the majority of domain retrieval cases. However, a recent case involving German company OSRAM GmbH bucks this trend and is worth examining in more depth.

Round one to domain name holder

The case focused on a domain name which incorporated the LEDVANCE mark. The dispute was adversarial from the outset, with the defendant seeking (unsuccessfully) to appeal an interlocutory injunction granted in respect

AUTHOR
VICTORIA
SOLDATOVA

of the domain name 'ledvance.ru' after a lawsuit was filed on behalf of OSRAM GmbH. At all stages of the proceedings the defendant insisted that it had coined the word 'ledvance' and that it had no idea of the existence of OSRAM GmbH and goods manufactured under its LEDVANCE mark. Further, it argued that the plaintiff took no action in 2010 when the domain name was registered.

The first-instance court – the Moscow Arbitration Court – ruled in favour of the domain name owner, accepting its claim with regard to the limitation period even though this overturned existing court practice.

The decision was unexpected given the previous body of domain name dispute resolution practice which had developed in Russia. However, the first-instance court was persuaded by the defendant's key argument that the limitation period had expired. According to Article 199(2) of the Civil Code, the limitation provisions apply to the motion of the party to the dispute before the court's decision is issued.



The first-instance court decision was unexpected given the previous body of domain name dispute resolution practice which had developed in Russia

In this case the defendant claimed that the plaintiff had missed a three-year statute of limitations. According to the court:

under Article 200(1) of the Civil Code of Russia the limitation period begins from the day when the person found out or should have learned about the violation of his right. Official publication on the registration of the trademark LEDVANCE in the territory of the Russian Federation was made in the bulletin of WIPO No 9/2011 – March 24 2011.

At the same time, the plaintiff (OSRAM GmbH) claimed that it has exclusive rights to the LEDVANCE trademark in the territory of the Russian Federation from April 7 2010. According to the information of JSC



“RSITS” (the registrar), the Defendant is the registrant of the domain name – ledvance.ru from December 15 2010. A lawsuit on violation of trademark rights of international registration No 1036169 was filed with the Moscow Arbitration Court on April 25 2016. Thus, on the filing date of the lawsuit, a three-year statute of limitations to protect the violated right of the claimant to a trademark has expired.

Rights holder fights back

OSRAM GmbH appealed the first-instance court decision with the IX Arbitration Court of Appeal, Moscow.

In particular, it applied to the court with regard to the defendant’s ongoing actions (ie, domain administration). Domain administration is a continuing process and occurs daily. Moreover, it is not a passive, automatic process, because at least once a year the registrant (in this case, the defendant) is obliged to make conscious active actions when it pays fees to renew the domain name. Without such payment, the domain name registration will be terminated.

According to Article 196(1) of the Civil Code, the total limitation period is three years, the start of which is set out in Article 200.

According to Article 196(2), the limitation period cannot exceed 10 years from when the right was violated.

OSRAM GmbH argued that a lawsuit against violations that take place during the daily administration of a domain is designed to put an end to the continuous threat that such administration can create. With regard to domain names, this threat is public in nature as consumers who visit an information resource (ie, a website) may well assume that the domain belongs to the associated trademark owner. Thus, the plaintiff’s actions were designed to halt this continuing offence and the three-year limit could not apply.

During the daily administration of a domain, the threat of public violation is continuous as internet users are likely to assume that the domain belongs to the associated trademark owner

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However, this does not mean that the limitation period provisions can never apply to this type of relationship. If the administration of the domain had been halted for more than three years before the claim was filed, the limitation would certainly apply.

The court’s attention was also drawn to the fact that in the present case non-financial claims only were specified and the IP Court’s October 18 2016 decision specifically referred to Case N A33-21925/2015. This states: “By virtue of direct indications of Article 208(2) of the Civil Code of the Russian Federation, the provision on limitation period does not apply to the requirements for protection of personal non-property rights and other intangible assets, except in cases provided for by law.”

These arguments were accepted by the appeal court, which ruled in favour of OSRAM GmbH and revoked the first-instance decision. At the cassation stage all the arguments filed by the defendant were also refused and the IP Court issued a judgment in favour of OSRAM GmbH.

Going forward

This judgment appears to signal the end to a long story. The case marks a significant milestone in domain name dispute resolution practice in Russia and also acts as a useful precedent for rights holders looking to defend their legitimate rights and business reputation, which is crucial given the unstable economic situation faced by sole traders and corporations around the world. The case has helped to establish particular practice in terms of the application of the legal limitation period to domain name disputes in Russia. **WTR**



Victoria Soldatova is a senior trademark counsel for the IPR GROUP
victoria.soldatova@iprgroup.info
IPR GROUP acted for OSRAM GmbH in the aforementioned dispute