

GETTING THE
DEAL THROUGH 

Domains & Domain Names 2018

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This article was first published in May 2018
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Published by
Law Business Research Ltd
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London, W11 1QQ, UK
Tel: +44 20 3780 4147
Fax: +44 20 7229 6910

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No photocopying without a CLA licence.
First published 2014
Fifth edition
ISBN 978-1-78915-015-5

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



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Preface

Domains & Domain Names 2018

Fifth edition

Getting the Deal Through is delighted to publish the fifth edition of *Domains & Domain Names*, which is available in print, as an e-book and online at www.gettingthedealthrough.com.

Getting the Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Armenia and Australia.

Getting the Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.gettingthedealthrough.com.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editor, Flip Petillion of Petillion, for his continued assistance with this volume.

GETTING THE 
DEAL THROUGH 

London
April 2018

Armenia

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Concern Dialog Law Firm

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 entity responsible for registration of the country code top-level domains .am and . is the Internet Society Public Organisation (ISOC), which acts via its 100 per cent-owned subsidiary, the Information Technology Centre LLC (ITC). The latter is a sales as well as a technical (Armenia Network Information Centre – AMNIC) agent (or contractor) of the ISOC.

2 How are domain names registered?

Anyone can apply for domain registration by presenting an application. Registration of .am and . domains is carried out under the domain name registration agreement between the registrar and the registrant. Registering domain names in the register database can be done via registrars. In limited cases foreseen in the .am and . Domain Name Registration Policy (the Policy) the registration may be done directly by ISOC (eg, domain names for the use of the government). Registrars are the legal entities or individual entrepreneurs established in Armenia and are delegated by Register (however, the relevant contract is signed between the registrar and ITC acting as the sales centre of the registrar).

3 For how long is registration effective?

The domain name protection period is determined by the cumulative period of domain name use (minimum one year, no maximum period) and the total amount of additional time spent to maintain a domain name in the registry database (45 days).

4 What is the cost of registration?

The cost of registration varies depends on the registrar. The approximate cost is about 10,000 drams (about US\$20).

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

Yes, domain names are transferable, and the transfer process is conducted by sending an authorisation letter to the registrar. The transfer is considered to be a new registration (new account). The registration date must be updated, and the registration fee is compulsory. An Authorisation Letter is the document by which the domain holder authorises the third party to modify, assign or destroy the domain name record.

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

Limitations and acceptable use issues are regulated by the Policy, which came into force on 1 January 2018. The Policy applies to all newly registered names, as well as to those already at the re-registration or extension of the term of registration. The Policy contains some technical regulations (which are in general identical to gTLDs), as well as some content regulations. Those limitations are partially domain zone-specific. According to the Policy, it is forbidden to use the domain name for:

- dissemination of pornography;
- dissemination of materials harming the national security, internal stability and defence of the borders or aimed against the Republic of Armenia;
- incitement to commit a crime;
- sending spam;
- the sale of products and services, free circulation of which is forbidden in Armenia (except where the seller has such licence or permit);
- dissemination of materials forbidden under Armenian legislation; and
- carrying out trafficking or assisting in such activities.

However, these limitations are evaluated based on use, rather than at the stage of registration. As for the selection of specific domain names, the rules for the .am ccTLD do 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).

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

According to the Policy, private registration is not available. The holder of the domain is always published in the WHOIS database. Before the entry into force of the Policy, private registration was allowed, and there are some domain names registered under this condition. For those domains the Policy will become active on the re-registration or extension of the registration term.

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?

There is no private registration under the current policy. For already registered names the holder's information may be disclosed only by the decision of a court or to law enforcement bodies under the criminal procedure regulations.

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?

There is no such process available. Third parties, if they believe their rights have been infringed, are entitled to apply for deregistration of the domain name (either in court, or via the online arbitration mechanism (ODR mechanism) implemented under the Policy).

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

According to article 88 of the Civil Procedure Code, there is no need to notify the domain name registrant before launching a complaint or initiating court proceedings. The same applies to the ODR mechanism.

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)?

Disputes related to domain name registration, re-registration, refusal of registration and invalidation of domain name registration, as well as disputes related to registrar's and registrant's rights, obligations and responsibilities must be resolved through arbitration by the Domain Name Dispute Resolution Arbitrage Foundation, according to the Arbitration Rules for Domain Name Dispute Resolution (the Rules), which are currently being finalised. The register, registrants, registrars and other members are bound by the Rules. If there is no agreement on the number of arbitrators between the parties, the dispute will be resolved by three arbitrators. The place of arbitration is Yerevan and the language of arbitration is Armenian (although the possibility of adding English is being discussed). The decision of arbitration, executed according to the Rules, is final and mandatory for the parties, and if not carried out voluntarily it will be executed by compulsory means under the Law on Commercial Arbitration and the Civil Procedure Code of Armenia. The executive sheet or order of the decision will be given by the court of general jurisdiction of Yerevan.

Disputes may also be resolved by the court of general jurisdiction by filing a claim under the Civil Procedure Code of Armenia if the other party does not agree to arbitration.

In cases where the breach also contains elements of breach of competition legislation, the State Committee on the Protection of Economic Competition may also have jurisdiction to hear the claim.

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?

The advantages of choosing ADR are:

- the speed of the procedure;
- the easy commencement of proceedings (it is almost wholly online);
- the proceedings can be carried out in closed session and commercial secrets will not be revealed; and
- a high level of expert knowledge is available (usually the panel will have a specialist in internet governance and legal knowledge).

The rules of eligibility of arbitrators for the ODR mechanism are currently being finalised. However, special training and certification are expected to be required. In addition, one of the issues being discussed is the possibility of submitting English language documents, which will make the process cheaper, without the need to have them translated via notary.

The advantage of litigation is that state duty will be much cheaper compared to the ODR mechanism (although for the latter the fee will also not be particularly high).

13 What avenues of appeal are available?

Decisions made by the court may be appealed to the Civil Court of Appeals.

There is no appeal procedure for decisions concluded by ADR bodies, except in cases of cancellation of the decision in circumstances prescribed by the law, which are:

- one of the parties to the arbitration agreement, in accordance with its applicable law, was incapable;
- the party was not properly informed of the appointment of the arbitrator or of the arbitration, or was deprived of the possibility of presenting his or her case;
- the decision was made in connection with a dispute that was not provided for by the arbitration agreement or does not conform to its terms;
- the members of the arbitral tribunal did not comply with the parties' arbitration agreement;
- the matter of the dispute is not subject to resolution by the arbitral tribunal; and
- the decision contradicts the public order of the Republic of Armenia.

Update and trends

The Policy was adopted by ISOC at the end of 2017 and came into force from 1 January 2018. The Policy includes an arbitration pledge for domain holders and the registrar, and, based on this, a new ODR mechanism is in the process of being established. The mechanism is planned to be fully functional by mid-2018.

Most of the elements will not be applicable in the majority of cases, as there is an arbitration pledge in the Policy for all domain holders, and strict rules on appointing the arbitrators.

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

Any interested party may initiate an action. For most of the general breaches (for the content of the domain) any person may bring the claim. In addition to general rules, specific rules on standing may be applied for some cases.

According to article 12 of the Law of the Republic of Armenia on Trademarks, 'The owner of the registered trademark (including the beneficial owner of a trademark) has the right to start a civil action for trademark infringement'. In case of trademark and other IP law related breaches the rights owner shall have standing to bring the claim.

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

The registrant of the domain name will be the defendant in such an action. The registry or registrar may be involved in the procedure as a third party at the request of the claimant or by a decision of the Court.

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

Each party must prove the facts invoked by him or her in civil procedures according to section 1 of article 48 of the Civil Procedure Code.

There are specific rules stipulated for the ODR mechanism referring to the demands for cancellation of registration of domain names, which are:

- the plaintiff must prove that he or she has the right of priority to the domain name; and
- registering a domain name under the name of the registrar contradicts business practices, or can lead to confusion in society about the activities (including the products or services offered by them) of the registrant (defendant) and plaintiff.

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

In the ODR mechanism, a complainant can obtain cancellation of the domain name (for general content rules infringement) or transfer of the domain (for IP-related claims).

In a civil procedure, in addition to the cancellation of the domain registration and transfer of the holding, the plaintiff may also demand monetary compensation.

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

Preliminary injunctions are available in both the ODR mechanism and the civil proceedings.

In the ODR mechanism one of the parties may, without notifying the other party of the arbitral proceedings, request to apply a measure of remedy to the claim, simultaneously presenting a motion to obtain a preliminary order (article 17.2 of the Law on Commercial Arbitration). According to article 17 of the Law on Commercial Arbitration, the arbitral tribunal may, at the request of each of the parties, make a decision that the tribunal considers necessary on applying the measures securing the claim, taking into account the subject of the dispute.

In civil proceedings, according to article 97 of the Civil Procedure Code, the court (on its own initiative or at the request of one of the parties) may make a decision on securing the claim if not taking such measures would make impossible or impede the execution of the judicial act or lead to deterioration of the disputable property. The types of injunctive relief admissible in civil proceedings are stipulated by law:

- interdiction of the defendant's property in an amount equal to the value of the claim;
- prohibiting the defendant from taking certain actions;
- prohibiting the performance of certain actions by third parties towards the subject of the dispute;
- suspension of realisation of the property in the case of filing a lawsuit to remove the interdiction of property; and
- interdiction of property that is under the control of the respondent but belongs to the claimant, within a period not exceeding five days.

19 How is monetary relief calculated?

Damages may be calculated on the basis of several factors, such as the loss of gain and the actual damages suffered according to the second section of article 17 of the Civil Code. A reasonable amount for procedural costs and attorney's fees may also be granted as recovery of judicial costs. To calculate monetary relief, the judges take into consideration the economic and non-economic damage, and also, when a trademark is infringed, the loss in the infringed trademark's value may also be taken into consideration. The rules for calculation of damages have not yet developed to a sufficient level in Armenian judicial practice.

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

- there is infringement by the defendant (illegal activity breaching the law or the contract);
- the claimant has suffered damages; and
- there is a causal link between the illegal activities and damages.

In addition to this, the defendant can avoid liability or responsibility if he or she proves the absence of fault.

20 What criminal remedies exist, if any?

Disputes about the infringement of intellectual property rights are mainly settled in civil proceedings. Criminal remedies associated with trademark infringement matters do exist and may be sought by rights holders. According to article 197 of the Criminal Code:

The illegal use of trademark, service mark or brand name if the act has caused a large sum of damage shall be punished

1. With a fine in the amount of 500,000 AMD to 1,000,000 AMD,
2. or with arrest for the term of up to 3 months.

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

For claims demanding damages as a result of infringement and for demands for the cancellation of domain name registration a three-year term of statute of limitation is stipulated by the law (Civil Code article 332) as a general term. The general limitation period starts from the moment the plaintiff became aware or should have become aware of the infringement of his or her rights. For the ODR mechanism the

statute of limitation is the same, but there has so far been insufficient practice and it is not clear whether this will be applicable (as based on the recent amendments to the Civil Code and Civil Procedure code the statute of limitation is shifted from the material law to procedural law).

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?

There is no such ground foreseen. The only two grounds for cancellation would be for non-payment (ie, non-prolongation) of the registration fee, and a decision by the relevant body (court or ODR mechanism) on deregistration of the name based on a breach of the Policy and the law. Non-use of the domain name is not listed in either case.

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

An action at first instance normally takes from five to 12 months, depending on the difficulty of the case. In more complicated cases (and IP issues are falling within this) the case can take much longer – up to two to three years. The duration of the proceedings at second instance (Court of Appeals) shall be not more than three months under the new regulations of the Civil Procedure Code. However, previously it has usually taken six to 12 months.

The duration of the ODR mechanism should be around two months; however, there has been no practice yet, and the rules are currently being finalised.

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

Armenia is not a case-law country. In other words, court decisions will not have precedential value, nor will they be treated as a source of law. At the same time, the explanations and reasoning of the Court of Cassation are binding on the lower courts, and it is becoming common practice to mention other cases. The courts usually follow the reasoning of other courts. At the same time, there have not been many court decisions regarding domain name disputes.

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

The rules of the ODR mechanism are in the process of adoption. Under the current draft being discussed no such process is foreseen, but there is a recusal process. However, if the parties agree to undertake other arbitration based on their rules, they are free to discuss and agree on the appointment procedure, including any strike-out rules they may find feasible.

A party may bring a recusal motion against an arbitrator if there are circumstances that justify doubts about his or her impartiality or independence, or if the panellist does not have the appropriate qualifications defined by the agreement of the parties according to section 2 of article 12 of the Law on Commercial Arbitration.



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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?

The cost of litigation is usually 1-3 million drams, depending on how long the process takes and how complicated the case is. For the ODR mechanism the cost will be comparable, but there has been no practice yet, and it is hard to assess the final real costs.

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