

Review Article

**LEGAL PROBLEMS IN THE NATIONAL AND  
INTERNATIONAL ADMINISTRATION OF DOMAIN NAMES**

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**Abstract.** *In this article, the authors provide an overview of the Internet domain names, possible problems concerning domain names and the legal regulation of these problems. The basic problem is protecting a registered trademark from being used in a domain name by someone other than a trademark holder. Disputes can only result in transferring a domain name from one user to another.*

**Key words:** *Internet domains, ICANN, RNIDS.*

1. INTRODUCTION

Domain names make internet easy to use. Yet, even though domain names are generally a good thing, some people try to abuse them; therefore, a legal boundary has to be made. The problems that need to be considered are the legal issues which have been associated with domain names ever since they first appeared (such as: cybersquatting, typesquatting, etc), with specific reference to how they are solved today and what can be done to improve the methods of trademark protection in domain names.

First of all, let us see what domain names really are. In Internet traffic, computers need to communicate with each other in order to complete the requested tasks. To do so, every computer on the network has to have its own unique address. This address is called the IP address, which stands for the Internet Protocol. Given the fact that IP addresses consist of long row of numbers separated by dots, it is very hard for people to remember them and use them in everyday life. For example, let's say you want to read online news on some newspaper site. You open a web browser and type in the address bar: 212.58.244.71<sup>1</sup>. On

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<sup>1</sup> The IP address of the BBC News site on 27<sup>th</sup> June 2011.

the other hand, you could just type in its domain name: `www.bbc.co.uk`. You decide what is easier. The other problem is that a specific IP address will not necessarily take you to the page you wanted. This happens because a computer on that address may contain more than one web page. Consequently, when you enter the IP address of the site you want to visit, that address takes you to a computer containing that site plus a dozen more. The computer gets confused which page it should display; as a result, it may display a wrong page or nothing. Moreover, one web page may be located on different computers which happens, for example, in case when many people visit the site and use its services and the site owners want to reduce so called "traffic density"<sup>2</sup> by giving one web page more than one IP address. Another problem with IP addresses is that the site changes its IP address if, for some reason, a web site located on one computer needs to be transferred or relocated to another computer. The Domain Name System (DNS) makes the Internet browsing much easier both for the people visiting sites and for the people having their own sites. Here, we will not go into the whole technical process of transforming a domain name into an IP address but we will look into the benefits of the DNS and how domain names may be abused. A specific domain name always takes you to the very same site, no matter what IP address it currently has. Domain names ensure a better association of people and organizations with their sites; thus, if *Nike* Company wants to create a site, it is much more convenient to have a `www.nike.com` as its site address than to use a long string of numbers. The way the DNS works can be associated with the telephone book (directory). The simplest explanation of the working process is that the DNS searches the domain name in its database and finds its IP address. The whole system of domain names has a tree structure. On top, there are "Top Level Domains" (TLDs) which can be either generic (such as: `.com`, `.biz`, `.net`, etc.) or national (such as: `.rs`, `.at`, `.uk`, etc). In addition to the top-level domains, there are also sub-domains. Generic TLDs and national TLDs are equally used. National TLDs give users greater confidence because of the reliable information about registrants. It is also common to have one generic TLD and a number of national TLDs in every country that a company does business in.

## 2. ASSIGNMENT OF DOMAIN NAMES

The first, primarily technical, problems concerning domain names are their organization, collection and assignment. The Internet Corporation for Assigned Names and Numbers (ICANN) is a global corporation established to prevent chaos on the Internet and to ensure that every machine has a unique IP address. The primary objective of this corporation is to oversee many Internet-related tasks which were previously done by the Internet Assigned Numbers Authority, an organization operating under the U.S. legal system. There are currently three organizations supporting the ICANN. The Generic Names Supporting Organization (GNSO) deals with policy making on generic top-level domains. The Country Code Names Supporting Organization (ccNSO) deals with policy making on country-code top-level domains. The Address Supporting Organization (ASO) deals with policy making on IP addresses. Each country that wants to have its own national top level

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<sup>2</sup> The Internet traffic is the flow of data on the Internet. Traffic density is the amount of data flowing on a specific network.

domain has to get it from this corporation. To be able to give national top-level domains, a national registry has to be accredited by the ICANN. The Serbian National Register of Internet Domain Names (RNIDS) was established in 2006; it was accredited by the ICANN in 2007 to manage the .rs top-level domain. The registration of Internet domains in the RNIDS is done inside these address spaces:

- .rs - for everyone
- co.rs – for business users
- org.rs – for legal entities
- edu.rs – for educational institutions
- in.rs – for physical persons
- ac.rs – for academic, scientific and research networks
- gov.rs – for state institutions

It is important to say that no one can "own" a domain name. The RNIDS may only grant the use of a domain name for a specific period of time, which is usually a year but sometimes it can be even a ten-year period. After this period expires, the user is entitled to renew it. When applying for a domain name within the .rs TLD, a registrant has to give a statement of good faith and responsibilities. Each Registrant undertakes that, "to the best of their knowledge and in their honest belief, the registration of the requested domain does not injure somebody else's intellectual property or any other subjective rights, and that all data specified in the application for the registration of the .rs domain is true and complete"<sup>3</sup>. The Registrant also declares that "they do not request the registration of the domain in opposition to the principle of honesty and good business practices, and that they will not knowingly use the .rs domain contrary to these principles"<sup>4</sup>. The RNIDS also adopted the Uniform Dispute Resolution Policy (UDRP) which has laid down the conditions for using cheap, fast and effective legal resources created outside the state justice system, all of which are going to be explained later.

### 3. POSSIBLE LEGAL PROBLEMS WITH DOMAIN NAMES

The second problem with domain names is related to a legal issue. As explained earlier, no one can own a domain name. Anyone can register any domain name as long as it is not taken. Almost all registries follow the rule "first come, first served" without checking if one has the right to use that name in the domain. Owing to the growing popularity of the Internet, companies have realized that having a domain name which is the same as their company name or their product name can be quite valuable<sup>5</sup>. However, as there is no control if someone has a right to use that domain name, some try to abuse that system. The reasons may vary but they all have the same goal: to make profit. There are two basic types of the Internet domain name abuse. "*Cybersquatting*" is the act of registering and

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<sup>3</sup> Article 8 of the General Conditions for the Registration of Domain Names.

<sup>4</sup> Article 8 of the General Conditions for the Registration of Domain Names.

<sup>5</sup> See: S.M. Abel, *Trademark Issues in Cyberspace: the Brave New Frontier*, Fenwick & West LLP, San Francisco, USA, 1999, p. 42

using a domain name in bad faith and with intent to profit from the goodwill of someone else's trademark"<sup>6</sup>. As there is no control, anyone can use someone else's trademark in their domain name as long as that domain name is not taken. By doing this, the registrant may create a general public confusion by making people think that they are visiting the site of the trademark holder rather than a site of another who has simply abused the trademark. The registrant can either sell the same product as a holder of trademark or cause significant damage to trademark holder. Another common practice is that a registrant tries to sell that domain name to a trademark holder for a substantial amount of money, which is usually the sole purpose of registering that domain name. Another form of domain name abuse is "*Typesquatting*", which is defined as "a form of cybersquatting by using a domain name that contains a misspelling or a typo of someone else's trademark. For example, the registered owner of hotmail.com used Microsoft's HOTMAIL trademark with the bad faith intent to profit from it"<sup>7</sup>. Disputes pertaining to domain names can only lead to transferring domain name from one user to another. For that to happen, there are three conditions that must be satisfied. The first condition is that the disputed domain name is identical or confusingly similar to a trademark of the entity contenting the rights of the domain name registrant. The second condition is that the registrant has no right or legitimate interest in respect of the domain name. The third condition is that the domain name has been registered and used in bad faith<sup>8</sup>. If either one of these conditions has not been satisfied, the claim is denied. Otherwise, the domain name is transferred from a current registrant to a complainant.

#### 4. LEGAL REGULATION IN SERBIA

In the Republic of Serbia, the Internet law has just started to develop and there are no regulations that would govern this increasingly more exploited area of life. On the national level, as already mentioned, the Internet domains are registered within the RNIDS (the Registry of National Internet Domains of Serbia).

The RNIDS is an expert, non-political, non-governmental, non-profit organization which has been established as a Fund. The main goal of the RNIDS is to organize the administration of the Country Code Top-Level Domain (ccTLD) and meet the general interest of all Serbian citizens with regards to the principles of quality, efficiency, independence and transparency. The registrar is obliged to check the validity of data and documents obtained from the registrant, as well as to warn the registrants about the likely consequences of providing false, wrongful or incomplete data and documents.<sup>9</sup> The registration of .rs Internet domains started in 2008 when the previous domain (.yu) was replaced.

All disputes concerning the registration of .rs domains are subject to arbitration proceedings instituted by the RNIDS. All resolved disputes are published on the RNIDS web-page. In arbitration proceedings, the applicable law governing the registration of .rs domains includes:

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<sup>6</sup> The National Arbitration Forum, "Fast Facts".

<sup>7</sup> The National Arbitration Forum, "Fast Facts".

<sup>8</sup> The Uniform Dispute Resolution Policy. Article 4 paragraph a. statute (i), (ii) and (iii).

<sup>9</sup> www.rnids.rs.

1. Arbitration Law
2. Trademark Law
3. The RNIDS Rules of Procedure for Resolving Disputes on the Registration of .rs Domains
4. The General RNIDS Conditions for the Registration of rs. Domain Names.

We cannot say that Internet domains fall into the area of Intellectual Property Law but they are very close to the area of trademark<sup>10</sup>. In order to be regarded as a trademark, a domain name has to meet certain requirements, which are envisaged in the Serbian Trademark Act.

In Article 1 of the Trademark Act, a trademark governs the protection of rights in signs used in trade to distinguish goods and services of a natural person or a legal entity from similar goods or service of another natural or legal entity.<sup>11</sup>

Article 4 of the Trademark Act stipulates that a trademark also protects a sign that may be graphically represented. Such a sign may contain words, slogans, letters, numbers, images, drawings, combinations of colors, three-dimensional shapes, or different combinations thereof, as well as musical phrases depicted in notation and the like.<sup>12</sup>

The Trademark Act also provides that a trademark may not protect a sign which is already protected by a famous or reputable trademark, nor in other cases enlisted in Article 5 of this Act.<sup>13</sup>

The Trademark Act also provides that a trademark is acquired upon its registration in the Trademark Register; the registration is valid from the application date. The trademark is protected for a period of ten years from the application date, and it can be renewed for an indefinite number of times upon the applicant's request.

The status of an existing .rs domain may be changed in case the registrant of the domain has violated another's trademark right(s). In that case, the trademark owner is entitled to file a complaint against the registrant; in the course of litigation, the burden of proof rests with the trademark owner who is obliged to prove his/her allegations.

The companies wishing to fully protect their brands on the Internet may obtain the maximum protection and security by registering their generic domains and all the national domains on the markets where they do business or present their products or service; thus, they prevent the abuse of the brand by an unauthorized person or entity.

The RNIDS, like most other world registers, does not check whether the registrant has any right to register a domain. The RNIDS does not have the right to change the registrant on the basis of the request submitted by the trademark owner but can only do so on the basis of an arbitral award or a judicial decision. The French National Register has tried to solve the problem of abusing brands in the following way: they set a special sub-domain (.tm.fr) intended explicitly for trademark owners; thus, a domain name can be registered only upon proving one's right to a specific trademark. However, this measure has shown

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<sup>10</sup> See: S. Marković, "Internet Addresses in the light of Trademark Law and Combating Unfair Competition" (Internet adrese u svetlu žigovnog prava i prava suzbijanja nelojalne konkurencije), *Pravo i Privreda*, vol. 37, no. 5-8, 2000, pp. 631-649.

<sup>11</sup> The Trademark Act, *Službeni Glasnik RS* (Official Gazette of the Republic of Serbia), no. 104/2009.

<sup>12</sup> The Trademark Act, *Službeni Glasnik RS* (Official Gazette of the Republic of Serbia), no. 104/2009

<sup>13</sup> Trademark Act, *Službeni Glasnik RS* (Official Gazette of the Republic of Serbia), no. 104/2009

to be inefficient simply because trademark owners have not widely used the provided sub-domain.

The ICANN<sup>14</sup> has been resolving all the disputes related to the registration of generic domains by adopting the Uniform domain name Dispute Resolution Policy (UDRP), which is regarded as quick and efficient tool for solving domain disputes. Some national registers have also decided to use this Policy although it was initially aimed at resolving disputes related to generic (no national) domains.

The RNIDS has also established a body of permanent arbitration for resolving domain name disputes. The permanent arbitration is exercised in accordance with the Rules of Procedure for Resolving Disputes on the Registration of .rs Domains. An arbitration proceeding shall not exceed six months.

## 5. CONCLUSION

Domain names are an important part of the Internet world, for which reason there is a need to provide for the legal protection of some related rights. The primary right that deserves protection is the right of a trademark holder to use one's trademark in the domain name. Disputes on these issues may be heard by both global and national organizations, depending on where the domain name is registered. Given the fact that the Internet does not recognize national borders, it is very important that the rules and conditions for using domain names as well as the rules on dispute resolution of these issues are provided by a global organization (the ICANN). The arbitration proceeding is a short, inexpensive and effective way of providing for trademark protection. Yet, there is still room for improvement, especially in the area of preventing these problems. One of the proposed solutions is to institute some control over the registration of domain names by ensuring that an applicant's suggested domain name does not infringe another's registered trademark.

## REFERENCES

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9. The Uniform Dispute Resolution Policy. Article 4 paragraph a. statute (i), (ii) and (iii).
10. www.rnids.rs.

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<sup>14</sup> The Internet Corporation for Assigned Names and Numbers

## **PRAVNI PROBLEMI NACIONALNOG I MEĐUNARODNOG UPRAVLJANJA INTERNET DOMENIMA**

**Mirjana Arsić, Saša Markota**

*U ovom radu autori su pružili opšti pregled internet domena, mogućih problema u vezi sa internet domenima i pravne regulative tih problema. Osnovni problem je zaštita registrovanog žiga od upotrebe u imenu domena od strane lica koje ne poseduje pravo na upotrebu tog žiga. Tužba može da vodi jedino transferu prava na upotrebu domena sa jednog lica na drugo. Šta su to Internet domeni i njihova podela? Koji su pravni problemi kod registracije internet domena? Koji je zadatak Internet korporacije za dodeljena imena i brojeve – ICANN i RNIDS kao registra nacionalnih Internet domena Srbije? Autori daju analizu primene Zakona o žigovima u rešavanju sporova koji nastaju kod registrovanja internet domena.*

**Ključne reči:** *Internet domeni, ICANN, RNIDS.*