

# Bulgaria

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## 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 Bulgarian ccTLD is .bg. Domain names in the .bg ccTLD are registered by the entity Register.BG Ltd (Register.BG). The official website of this organisation is located at [www.register.bg](http://www.register.bg).

Register.BG has also authorised other entities to act as registrars for the .bg ccTLD. Such registrars are Superhosting.BG (with the official website at [www.superhosting.bg](http://www.superhosting.bg)), Host.BG (with the official website at [host.bg](http://host.bg)), and Icn.BG (with official website at [www.icn.bg](http://www.icn.bg)).

### 2 How are domain names registered?

#### Eligibility to register a .bg domain name

Register.BG registers domain names according to its terms and conditions for domain name registration and support in the .bg zone and the sub-zones (the Register.BG Terms and Conditions). The current version of the Register.BG Terms and Conditions (Version 4.6, updated on 17 August 2011) is available at [www.register.bg/user/static/rules/en/index.html](http://www.register.bg/user/static/rules/en/index.html).

The following persons are eligible to register domain names in the .bg root zone (article 3 of the Register.BG Terms and Conditions):

- entities that are registered in Bulgaria or in another EU member state;
- entities that are established by a Bulgarian governmental institution;
- entities that are established by virtue of an agreement between Bulgaria and other countries;
- entities, registered outside of Bulgaria, that have a registered branch or a commercial representative office in Bulgaria; or
- legally capable physical persons who are Bulgarian citizens, foreign nationals with the right of permanent residence in the territory of Bulgaria, or citizens of an EU member state.

Legal entities registered in countries outside the European Union may also register a .bg domain name through an authorised agent that meets one of the above criteria.

#### Characters and digits that may be included in the domain name

Domain names must be composed either of ASCII characters or digits or both, or of Cyrillic characters or digits or both, including the sign '-'. When the domain name is an international domain name written in Cyrillic characters, it must contain only Cyrillic characters, including at least one character that can be visually distinguished from the Latin alphabet. Such visually distinguishable characters are: б, г, д, ж, и, й, л, п, ф, ц, ч, ш, щ, ъ, ь, ю, я.

#### Protected and unprotected domain names

Domain name applications are processed on a first-come, first-served basis. When a party applies for the registration of a domain name, it can choose whether to register it as protected or as unprotected. The choice between these two options is important for the procedure that has to be followed in a dispute related to the domain name.

If the party wishes to register a protected domain name, it has to provide Register.BG with evidence that certifies its entitlement to use it. Under article 5.5.1 of the Register.BG Terms and Conditions, a party may register a domain name as protected, if this name corresponds to:

- the registrant's name;
- the registrant's registered trademark or geographic indication, valid

on the territory of Bulgaria, or any in the process of registration. Abbreviations of trademarks and geographic indications are not acceptable;

- the registered name of a publication (eg, having an ISSN or ISBN);
- the name of a programme or of a project of the state, regional, or municipal administrations or institutions of an EU member state;
- a name, acquired by the registrant according to issued permits, valid in Bulgaria;
- the name of a consortium or of a non-personified civil partnership;
- the name of a media programme or a show;
- the name of a cultural, sporting, scientific or other event;
- the name of a coalition, initiative committee or other name, used by a candidate in a campaign for parliamentary, presidential or local elections;
- the name permitted for use in connection with a franchising agreement;
- the name of an artistic group registered pursuant to article 83 of the Copyright and Neighbouring Rights Act;
- the name of a categorised tourist site;
- the name of a construction site; or
- the name of a naval vessel.

The evidence for the existence of any of the above grounds for registration of a protected domain name should be submitted as a certified copy demonstrating the existence of the respective grounds at the time of the application for registration. Further changes in the relevant circumstances may be reflected in the registration only in the cases provided for by the Register.BG Terms and Conditions.

If the party does not present such evidence to the registry, the domain name will be registered as unprotected. In such case, the domain name will become protected after the expiration of five years of continuous registration and use.

Article 5.5.2 of the Register.BG Terms and Conditions contains the rules that are applicable to the composition of a protected domain name. These rules require that a protected domain name must represent one of the following: the full name of the applicant; an abbreviation that consists of one or some of the words of the full name and the first characters of the remaining words of the full name of the applicant, preserving the sequence of these words; or an abbreviation that consists of the first characters of the words forming the full name of the applicant, preserving the sequence of these words.

The above requirements are applied with a certain degree of flexibility, provided by the following additional rules:

- when the applicant's name contains a number written with digits, the digits may be replaced by words, and vice versa;
- when a compound name is formed of separate words or initial letters of words, the sign '-' may be used between these elements;
- when a domain name formed using any of the above methods cannot be used because it has been registered by another party, the domain name may be formed by the addition of a digit or of the characters 'bg' or 'br', separated or not by the sign '-';
- when a name contains the word 'Bulgaria', this word may either be omitted in the domain name or replaced with the characters 'bg' or 'br', and when the name ends with the element 'br', 'bg', 'br' or 'bg', this element may be omitted;
- some generally used abbreviations or words, such as: 'ltd', 'plc', 'inc',

'co', 'company', 'corporation', 'international' or their equivalents, forming part of the name of the registrant, can also be omitted in the domain name;

- when a name contains the name of a city, state or continent, this name may be omitted or replaced by a generally accepted abbreviation of the respective name;
- the name or the generally accepted abbreviation of the name of the city of the official seat of the registrant can be added to the domain name;
- when the name of the registrant contains the name of a patron, the latter name may be omitted from the domain name or be used alone;
- when a name includes the initials of the words of which it is composed, the initials may be omitted;
- when a name contains the symbol '&', this symbol has to be omitted or replaced by 'and', the hyphen sign '-' or the letter 'n'; and
- the name may be translated into a foreign language or transliterated into Latin script.

### Reserved domain names

The names of municipalities and districts are reserved for their respective administrations, and the names of countries are reserved for their respective embassies or consulates.

Register.BG has also reserved a number of domain names for internal purposes.

### Domain names that are considered inappropriate

Domain names containing obscene or abusive words or combinations of words, which are contrary to public interest and good manners, and domain names that can cause confusion, are regarded as inappropriate for registration.

### Duration of the registration procedure

According to the terms and conditions, the total duration of the procedure for registration of a domain name should not exceed two months. This duration includes the maximum time periods allowed for the submission of documents evidencing the entitlement to register a protected domain name and for their review by Register.BG. The actual duration of this procedure is usually shorter.

### 3 For how long is registration effective?

The minimum duration of a registration of a .bg domain name is one year.

The registrant may renew the registration of the domain name without limitation. The request for renewal, accompanied by the payment of the respective fee, must be made no later than 30 days before the expiration of the term of registration.

### 4 What is the cost of registration?

The fee of Register.BG for the registration and maintenance of one domain name for one year is equal to €30 plus 20 per cent VAT.

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

The Register.BG Terms and Conditions provide a possibility for the transfer of domain names. To do so, the transferor and the transferee have to sign an agreement and have it certified either by a notary public or through the use of electronic signatures. In practice, Register.BG also accepts documents signed in the presence of its officials.

There is no prohibition for domain name owners to license the use of a domain name. There are no formalities required to do so. The responsibility for the use of the domain name will remain with the domain name owner.

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

There are certain differences with registration in the .bg ccTLD compared with a generic top-level domain (gTLD). Among the most important of these differences are:

- the existence of certain eligibility requirements for the registration of a .bg domain (see question 2); and
- the distinction between protected and unprotected domain names (see question 2), which affects the registration process and the dispute resolution procedure (see question 8).

### Pre-litigation actions

#### 7 Are third parties notified of a domain name registration or attempt to register a domain name? If so, how? If not, how can third parties receive notice?

The procedure followed by Register.BG does not include sending notifications to third parties for the registration of domain names or for the filing of applications for such registration. Third parties should check the WHOIS database of Register.BG themselves to obtain information about domain names registered by other entities.

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

No.

### Transfer or cancellation

#### 9 What is the typical format for a cancellation or transfer action in court litigation and through ADR?

Under Bulgarian law, there is no specific court litigation procedure for the transfer or cancellation of domain names. A party whose rights and legitimate interests have been negatively affected by the registration and use of a domain name by a third party may seek protection through the use of the legal procedures for protection against unfair competition and against trademark and trade name infringement. These procedures are discussed below.

#### Dispute resolution procedure before Register.BG

The Register.BG Terms and conditions provide the possibility for a third party to initiate a dispute resolution procedure called 'arbitration', but that is actually an internal administrative procedure with Register.BG. The complainant in this procedure is required to pay a fee of €100 plus 20 per cent VAT.

To prevail in the dispute resolution procedure, a complainant has to prove a set of circumstances that are different for protected domain names and for unprotected domain names.

If the domain name has been registered as protected, the complainant has to prove the following:

- that the disputed domain name is identical to the full name in which the complainant has rights; and either:
  - that the documents provided by the registrant to the registry as evidence for its entitlement to the name (see question 2) were untrue; or
  - that the domain name contains obscene or abusive words or combinations of words, which are contrary to public interest and good manners; or
  - that the domain name can cause confusion.

If the disputed domain name has been registered as unprotected, the complainant has to prove the following:

- that the disputed domain name is identical to the full name in which the complainant has rights; and
- that the complainant has grounds for use of the disputed domain name, which grounds have an earlier priority than those of the registrant. If the registrant does not provide any evidence of earlier grounds for use of the domain name, the date of the priority of its grounds to use it will be deemed to be the date of its application for the registration of the disputed domain name.

There is no limit for opposing the registration of a .bg domain name. However, one should bear in mind that a .bg domain name registered by Register.BG as unprotected will become protected after five years of continuous use by its registrant.

It is important to note that establishing that the domain name is only confusingly similar to the name in which the complainant has rights (rather than them being identical) is not sufficient for the complainant to prevail, and that domain names that represent an abbreviation of the name in which the complainant has rights will not be regarded as identical to that name.

The dispute resolution procedure is commenced through the filing of a request for dispute resolution by the interested party (complainant).

To do this, the complainant first has to file an application for the registration of the disputed domain name. Within 15 days after the filing of the

request for dispute resolution, the complainant is required to pay a fee for this procedure of €100 without VAT, and must submit all accompanying documents and evidence within 30 days of the filing of the request. Once the complainant pays the required fee, the registry informs the registrant of the request for dispute resolution. The registrant then has a period of 30 days, during which it can provide evidence of its rights in the disputed domain name.

After the expiration of the deadlines for submission of documents by both parties, the file is transmitted to a dispute resolution committee called an 'arbitration commission', which is an internal structure within the registry. This committee is not an independent organ. Its members are appointed by the registry and their names are not publicly available. The dispute resolution committee issues an opinion on the basis of the evidence available before it. The same also applies if the registrant does not submit any evidence in its support. It is important to note that under Bulgarian law, the opinions of the dispute resolution committee of Register.BG are not treated as arbitral awards, and are not subject to setting-aside proceedings before the Bulgarian courts.

Within 30 days after the expiration of the deadline for submission of documents by both parties, the registrar takes a decision on the dispute on the basis of the opinion of the dispute resolution committee. If the decision is in favour of the registrant, it retains the disputed domain name. If the decision is in favour of the complainant, the registrant grants it a term of 15 days during which it has to pay the registration fee for the disputed domain name.

Register.BG does not return any fees and does not award damages to the prevailing party.

If the complainant does not pay the registration fee for the domain name until the expiration of the 15-day deadline after the decision in its favour, the registrant retains the domain name. If it pays the fee, the registration of the domain name is transferred to the complainant within 15 days of the payment, unless the registrant obtains an injunction from a competent Bulgarian court that suspends the implementation of the decision of Register.BG for the transfer of the domain name. Register.BG does not publish its decisions.

The decisions of Register.BG rendered in dispute resolution proceedings are not subject to appeal.

### **Protection against unfair competition practices that include the registration and use of domain names**

The Law for the Protection of Competition (LPC) defines unfair competition as an act or failure to act when carrying out an economic activity, which act is contrary to good faith commercial practices and damages or may damage the interests of competitors (article 29 of the LPC). The LPC lists certain activities as specific examples of unfair competition. One of these examples is contained in article 35(3) of the LPC, which stipulates that 'the use of a domain name or of an external design of an internet page, identical or similar to those of other persons, in a manner that can lead to deception and/or can harm the interests of competitors shall be prohibited'.

The LPC provides that a party (claimant) may file a complaint and thus commence a proceeding before the Commission for the Protection of Competition (CPC), if one of its competitors (the defendant) is involved in unfair competition practices, including through the use of a domain name, regardless of whether such domain name is in the .bg ccTLD. In order to succeed, the claimant has to establish that the claimant and the defendant carry out an economic activity and are competitors, and that the defendant has committed an act that is contrary to good faith commercial practices when carrying out its economic activity.

The claimant must first prove that the parties carry out certain economic activity and are competitors on the same relevant market in Bulgaria. This will be the case if the defendant offers through a website goods or services that could be regarded by the customers as interchangeable with those of the claimant in relation to their characteristics, intended use and prices, and when these goods or services are offered to customers located in Bulgaria, even if the defendant is based in another country. In view of this requirement, a defendant who is not carrying out a commercial activity and has only registered a domain name without associating it with a commercial website would not be regarded as a competitor.

The claimant must also prove that the defendant has committed an act that is contrary to good faith commercial practices when carrying out its economic activity.

An act would be regarded as contrary to good faith commercial practices if it violates the law, customary commercial practices or morality.

In view of article 35(3) LPC, the use of a domain name that is identical or confusingly similar to the domain name of the claimant in a manner that can lead to deception or can harm the interests of the claimant would be regarded as an act contrary to good faith commercial practices. To prove this, the claimant must establish all of the following. First, that the defendant is using a domain name that is identical or confusingly similar to the claimant's domain name for a commercial activity. The TLD in which the two domain names are registered is not important for the purposes of the test for identity or confusing similarity, so the domain name used by each of the two parties need not necessarily be in .bg domain (although it often happens that at least one of them is a .bg domain name). The CPC has taken the position, confirmed by the Supreme Administrative Court in appeal proceedings, that if the domain names of the parties are identical or confusingly similar, the content of their websites, even if different, would not exclude or diminish the likelihood of confusion between the domain names (CPC, Decision No. 264 of 13 March 2012; Supreme Administrative Court, three-member panel, Decision No. 7770 of 1 June 2012; and Supreme Administrative Court, five-member panel, Decision No. 12933 of 18 October 2012). The defendant must be actually using its domain name, not just passively holding it. As noted by the CPC in its Decision No. 1373 of 16 October 2013, 'the act of unfair competition constitutes the use of a domain, which includes its registration as well as the possibility for internet consumers to access the website by actually using the domain name in question'. Case law also accepts that an act of unfair competition may be committed through the use of a domain name as part of an e-mail address (Supreme Administrative Court, five-member panel, Decision No. 9954 of 9 July 2012).

Second, that the consumers may be misled by the defendant's domain name to erroneously believe that the defendant and the claimant are one and the same person or that the defendant's activity is endorsed by the claimant. The claimant must establish that the objective of the defendant is, by using an identical or confusingly similar domain name, to mislead the customers that the goods or services offered by the defendant originate from or are approved by the claimant and thus to benefit from the claimant's established reputation and good name. As noted by the CPC in its Decision No. 1242 of 20 September 2011, 'the choice and use of a domain name, similar to a competitor's domain name, might lead to a real precondition for the customers to be misled as to the origin of the two domain names'. The claimant must also prove that it has an established name among Bulgarian customers as a supplier of goods or services and had already gained popularity on the Bulgarian market before the defendant started using its domain name.

The manner in which the defendant uses its domain name must either be damaging or likely to cause damage to the legitimate interests of the claimant. The claimant has to prove either that the prohibited actions of the defendant have caused actual damage to the claimant or - alternatively - that there are significant chances of such damages being inflicted. In this regard, a recent court decision (Supreme Administrative Court, five-member panel Decision No. 242 of 9 January 2015) confirms that for the purposes of article 35 (3) LPC it is sufficient to establish the likelihood of confusion or the likelihood of damaging the interests of competitors.

After the CPC commences a procedure, it invites the defendant to submit its comments and evidence. The CPC may also collect evidence ex officio, and then prepares an internal report for the case within two months of the commencement of the proceeding. The CPC then invites the parties to an open hearing, following which it issues its decision.

If the CPC finds that the defendant has committed an act of unfair competition, it will prohibit the carrying out of the activity that constitutes an act of unfair competition, including the use of the infringing domain name, and may impose fines of up to 10 per cent of the total turnover of the defendant for the previous financial year. The exact amount of the fines is calculated according to a special methodology that takes into account the severity of the infringement of the defendant.

If the CPC finds in favour of the claimant, it may then claim its direct damages before the ordinary courts. Pursuant to a decision of the Supreme Administrative Court, unchallenged decisions of the CPC have binding force on the ordinary courts provided that the decision was valid and in compliance with the law. The claimant will have to prove the amount of its direct damages from the act of unfair competition committed by the defendant.

### Protection against trademark and trade name infringement committed through the registration and use of a domain name

The protection of trademarks in Bulgaria is regulated by the Law on Marks and Geographic Indications (LMGI). Article 13 of the LMGI prohibits the use by third parties in their commercial activity of a sign identical or similar to a trademark without the trademark owner's consent.

Article 75 of the LMGI provides that a trademark holder may file an infringement claim against the entity that infringes its trademark. The types of available infringement claims are listed in article 76 of the LMGI and include declaratory relief (finding of the fact of the infringement), an order for termination of the infringing activity and damages.

The case law of the Bulgarian courts on the application of the LMGI shows that courts accept that the use in a domain name of a sign, identical or confusingly similar to a trademark of another person for the offering or advertising of goods or services that are identical or confusingly similar to the goods or services for which the trademark is registered, without the consent of the trademark holder, constitutes trademark infringement. As stated in Decision No. 929 of 23 May 2013 of the Sofia City Court and in Decision No. 156 from 27 January 2011 of the Sofia Court of Appeal: 'by using, without prior authorisation of the trademark owner, in its commercial activity a sign, similar or identical to a registered trademark and in particular by using the sign in a domain name [...], the defendant violated the claimant's rights in its trademark'.

The domain names in which such infringing sign is used may be either in the .bg ccTLD or in another TLD, as long as they are associated with websites directed at Bulgarian consumers.

A trademark holder (the claimant) may file a trademark infringement claim before the Sofia City Court against another entity (the defendant) on the basis of the defendant's use in its domain name of a sign that is identical or confusingly similar to the claimant's trademark. The Sofia City Court has exclusive competence to hear trademark infringement cases as a first instance. The procedure before the Sofia City Court follows the provisions for civil proceedings of the Bulgarian Code of Civil Procedure, and includes hearings with the participation of the parties.

The claimant must be the owner or the exclusive licensee of a trademark valid for the territory of Bulgaria. If the claimant is a non-exclusive licensee, it may file an infringement claim only with the consent of the trademark owner.

To prove the fact of the infringement, the claimant must prove one of the following two options.

The first is that the defendant is using a domain name that contains a sign identical to the claimant's trademark for offering or advertising to Bulgarian consumers on the website associated with such domain name of goods or services that are identical to the goods or services for which the trademark is registered. The TLD portion of the defendant's domain name is disregarded for the purposes of the test for identity. The defendant must be actually using its domain name in connection with a website offering or advertising goods or services, not just passively holding it.

The second is that the defendant is using a domain name that contains a sign identical or confusingly similar to the claimant's trademark. Again, the TLD in which the defendant's domain name is registered is disregarded for the purposes of the test for identity or confusing similarity, and the defendant must be actually using its domain name in connection with a website offering or advertising goods or services to Bulgarian consumers, and not just passively holding it. In this case, the goods or services offered or advertised by the defendant to Bulgarian consumers on the website associated with the domain name must be identical or confusingly similar to the goods or services for which the trademark is registered. The claimant must also prove that there is a possibility of deception of the Bulgarian consumers, which includes the possible association of the defendant's sign with the claimant's trademark, due to the fact that the defendant's sign is identical or confusingly similar to the claimant's trademark, and the goods or services for which the defendant's domain name is used are identical or confusingly similar to the goods or services for which the trademark is registered.

The claimant may also claim the indemnification of its direct damages caused by the infringement. In such case, in addition to proving the fact of the infringement, it will also have to prove that it has suffered direct damages with a certain monetary value and that there is a direct causal link between the trademark infringement and the proven damages.

Bulgarian courts are not willing to accept claims for trademark infringement brought on the grounds of a passive registration of a domain name, similar or identical to an existing trademark. Similarly to the CPC,

the courts do not regard the mere registration of a domain name as use in commerce in the sense of the LMGI.

By way of an example, in its Decision No. 53 of 6 April 2009, the Supreme Court of Cassation stated that:

*[A] domain name is an internet address that contains information for internet users. The registration of a domain name, identical or similar to a registered trademark, does not constitute commercial activity, and thus does not constitute unlawful use of a trademark in the sense of article 76 of the Law on Marks and Geographic Indications.*

This practice of the courts is in line with the provisions of article 5 of the Law on Electronic Commerce, whereby the use of information that provides direct access to the activities of a person, such as its domain name or e-mail address is not a commercial communication. The same law defines as commercial communications the advertising and other communications that directly or indirectly present the goods, services or reputation of a person carrying out a commercial activity or practising a craft or a regulated profession.

If the claimant has raised all available trademark infringement claims and the court upholds them, it will declare the fact of the infringement of the trademark, will order the termination of the infringing activities, including the termination of the use of the defendant's domain name, and will order the defendant to pay damages arising out of the infringement.

#### 10 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?

A claimant may only request the transfer of a .bg domain name in an administrative procedure before Register.BG. There are no other venues for the resolution of a transfer claim in relation to a .bg domain name. At the same time, the decisions rendered in this procedure are not subject to appeal.

On the other hand, a claimant may request the CPC to prohibit the use of any domain name (regardless of whether it is in the .bg TLD or it is in one of the gTLDs) where this domain name is used for the purposes of unfair competition on the Bulgarian market. A claimant may also file a trademark infringement claim before the Sofia City Court against the entity that infringes its trademark through the use of a domain name. As a result of these proceedings the claimant can only obtain an order prohibiting the use of a domain name, and not its transfer. The domain name will remain registered with the defendant. At the same time, the claimant may be awarded an indemnification for its damages.

The above legal options are in contrast to the UDRE, which provides an opportunity to obtain transfer of the domain name and whose application cover a wider scope of situations in which such transfer may be obtained.

#### 11 What avenues of appeal are available?

The decisions of the CPC on unfair competition cases are subject to appeal before the Supreme Administrative Court. The defendant has 14 days after notification of the decision to it to file an appeal against it before a three-member panel of the Supreme Administrative Court. The decision of the three-member panel of the court is in turn subject to appeal before a five-member panel of the same court, whose decision is final.

The decisions of the Sofia City Court in trademark infringement cases are subject to appeal before the Sofia Court of Appeal within 14 days of their notification to the party. The decision of the Sofia Court of Appeal is subject to appeal in certain limited circumstances as provided for in article 280 of the Bulgarian Civil Procedure Code before the Supreme Court of Cassation, which has the right to decide whether to accept to hear the case. The Court will hear the appeal only if the court is satisfied that these limited circumstances exist. If the Supreme Court of Cassation refuses to hear the appeal, the decision of the Sofia Court of Appeal will become final.

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

The entities that are entitled to seek a remedy are discussed in question 9.

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

The defendant in a procedure for the transfer of a .bg domain name before Register.BG is the registrant of the domain name.

The defendant in an unfair competition procedure before the CPC is the entity that uses a domain name for the purposes of unfair competition. Most often this is the entity that is the registrant of the respective domain name.

The defendant in a trademark infringement case before the Sofia City Court is the entity that uses a domain name identical or confusingly similar to the claimant's trademark for the sale or advertising of goods or services that fall within the scope of protection of the same trademark. Usually, this is the entity that is the registrant of the respective domain name.

#### **14 What is the burden of proof to establish infringement and obtain a remedy?**

The burden of proof in respect of a fact always lies with the entity that relies on such fact to prove its contentions. The claimant has to prove the existence of the circumstances listed in question 9 to obtain the requested remedy. If the defendant disputes the facts claimed by the claimant or raises certain defences, it carries the burden of proof in respect of its allegations. Such will be the case if the defendant raises defences under article 14 of the LMGI, which stipulates that a trademark owner may not prohibit the good faith use by a third party of its name and address, of indications related to the type, quality, quantity, intended use, value, geographical origin, time of production of the goods or of delivery of the services, and other characteristics of its goods or services in the course of its commercial activity.

#### **15 What remedies are available to a successful party in an infringement action?**

The successful claimant in a dispute resolution procedure before Register.BG will obtain the transfer of the disputed domain name to it.

The successful claimant in an unfair competition case will obtain an order against the defendant prohibiting the use of its domain name. The claimant may also obtain indemnification of its proven direct damages caused by the unfair practices of the defendant in a separate subsequent proceeding before the ordinary courts.

The successful claimant in a trademark infringement case will also obtain an order against the defendant prohibiting the use of its domain name, and may also obtain indemnification of its proven direct damages caused by the infringement.

#### **16 Is injunctive relief available, preliminarily or permanently, and in what circumstances and under what conditions?**

The dispute resolution procedure before Register.BG does not provide a possibility to obtain injunctive relief.

The procedure before the CPC initiated through a claim for unfair competition does not provide a possibility for the granting of injunctive relief either. The situation is the same in the appeal phase of this proceeding before the Supreme Administrative Court.

A party may, however, obtain injunctive relief either before the commencement of a trademark infringement proceeding or in the course of such proceeding. Under article 76g of the LMGI, the Sofia City Court may prohibit any activity that is claimed to constitute infringement of a trademark. Injunctive relief is granted by the court according to the provisions of the Code of Civil Procedure if the claimant shows that an infringement has been committed or is likely to be committed by the defendant. The claimant may be required to provide a guarantee to the court in order to obtain the injunction.

#### **17 How is monetary relief calculated?**

The successful claimant in an unfair competition case may claim indemnification of its direct damages that have been caused by the act of unfair competition. The claimant must prove that it has suffered direct damages and must establish their amount through evidence and expert reports, and also prove the direct causal link between the act of unfair competition and the damages. Bulgarian courts are conservative in their approach to damages and will not award speculative or indirect damages.

In trademark infringement cases, the damages are proven in a similar way. The defendant may be ordered to pay an indemnification equal to the direct damages caused by the infringement. When calculating the amount of the indemnification, the court will apply the principle of fairness and will take into account all relevant circumstances, including the proceeds received by the defendant out of the infringement. If the claimant has proven the infringement, but has not provided sufficient evidence for the amount of its damages, the court has the power to fix the exact amount of

the damages in the range of 500 to 100,000 lev, applying the principles set out above.

#### **18 What criminal remedies exist, if any?**

Article 172b of the Bulgarian Penal Code provides that a person who uses in its commercial activity someone else's trademark without prior authorisation of the exclusive owner, or who uses without any legal right a geographic indication or its imitation, shall be punished by imprisonment of up to five years and a fine of 5,000 lev. In case of a repeat occurrence of the act or where the act has caused significant damage, the penalty is imprisonment of between five and eight years and a fine of between 5,000 and 8,000 lev. Therefore, a trademark infringement committed through the use of a domain name may give rise to penal liability for the person who has carried out the infringing actions.

#### **19 Is there a time frame within which an action must be initiated?**

The LPC provides for a five-year limitation period for the initiation of unfair competition proceedings. The limitation period starts to run from the day of commission of the infringement, or in cases of continuing infringement, from the day on which the infringement ceased.

Damages caused by unfair competition or trademark infringement can be claimed before the civil courts within a five-year limitation period, starting from the date of the occurrence of the damages.

#### **20 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?**

Under article 27(1) of the LMGI, a trademark owner who is aware that a third party uses its trademark and has not objected to such use for five consecutive years, can no longer claim trademark infringement.

There are no analogous provisions applicable to the procedure before Register.BG and to the unfair competition procedure before the CPC.

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

The dispute resolution procedure before Register.BG is likely to take at least three months.

The procedure before the CPC on unfair competition cases usually lasts between several months and a year. Any appeal before the two instances of the Supreme Administrative Court will usually last between one and two years.

Infringement proceedings before the Sofia City Court usually last about one year. An appeal proceeding before the Sofia Court of Appeal may take an additional year. The proceeding before the Supreme Court of Cassation may also take one year after the Court has consented to hear the case.

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

There is no official case law overview on the procedural and substantive issues related to the disputes involving the use of domain names. The decisions of the CPC and of the courts on such issues that have been issued so far have a certain persuasive force, but no precedential value in the common law sense of this term.

#### **23 Can parties choose a panellist in an ADR procedure involving a ccTLD? Can they oppose an appointment?**

In all dispute resolution proceedings before Register.BG the members of the arbitration committee are directly appointed by the registry. The Register.BG Terms and Conditions do not provide an opportunity to the parties to agree on the identity of the members of the arbitration committee or to oppose their appointment.

#### **24 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 official fee of the CPC for the commencement of an unfair competition proceeding is equal to 500 lev. The official fee for the appeal before the Supreme Administrative Court is 50 lev.

**Update and trends**

There has been a significant rise in the number of disputes involving domain names in the last three years. This trend reflects the almost ubiquitous use of the Internet for advertising and sale of all kinds of goods and services. All market players realise the value of domain names as commercial identifiers and increasingly take steps for the protection of their commercial interests against infringements.

An overview of the case law on disputes involving domain names shows that the courts are becoming aware of the specifics of the Internet and of domain names, and have gained experience in relation to these issues. As a result, the courts now show a common understanding on many major issues, which makes the outcome of the disputes more predictable.

The Bulgarian government has recently initiated a public consultation process for the adoption of principles for the registration of domain names in the .бг (.bg in Cyrillic script) internationalised domain name ccTLD for Bulgaria, and for the operation of the future registry that will act as manager of these domain names. The current draft of these principles envisions the adoption of domain name dispute resolution policy and rules based on the UDRP.

The amount of the professional fees for representation in the above proceedings is usually agreed on an hourly fee basis.

The official fee for the commencement of trademark infringement cases amounts to 4 per cent of the amount of the claim and up to 85 lev for unquantified claims. The official fee for appeals is equal to 50 per cent of the fee of the first instance.

The amount of the professional fees for representation in infringement proceedings is usually agreed as a lump sum payable before the closing of the proceedings, because the practice of Bulgarian courts is to award to the successful party only the expenses that have already been paid. The amount of the professional fees is usually higher than the minimum rates fixed by the Bulgarian Bar Association.

The costs associated with an infringement action can be recovered only in court proceedings and in proceedings before the CPC. The successful party will be awarded the costs corresponding to the expenses reasonably incurred if the party claimed these costs.

The procedure before Register.BG does not provide for the recovery of costs.

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