THE CYRILLIC DOMAIN NAME CHALLENGE

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**Abstract:** Domain name is important, informal business identifier which legal regulation is not codified, but acting under the conditions of commercial custom. The practice requires it as a mandatory segment of e-commerce. The domain name is important for traders for many reasons, some of which are the size of the audience, the representative functions and its practical significance, which is measured in consumer and financial terms. Categorically the domain name is denotement without which the e-commerce is impracticable but as an object of industrial property, it is subject of causal situations. By 2012, most of the known domain names are in Latin and those in Cyrillic are a new trend. The following article analysis the challenge in front of the traders to use domain name in Cyrillic, with its positive and negative trends.

**KEY WORDS:** DOMAIN NAME, DOMAIN, INDUSTRIAL PROPERTY, TRADEMARK

Domain name is important, informal business identifier which legal regulation is not codified, but acting under the conditions of commercial custom. The practice requires it as a mandatory segment of e-commerce. The domain name is important for traders for many reasons, some of which are the size of the audience, the representative functions and its practical significance, which is measured in consumer and financial terms. Categorically the domain name is denotement without which the e-commerce is impracticable but as an object of industrial property, it is subject of causal situations. By 2012, most of the known domain names are in Latin and those in Cyrillic are a new trend. The following article analysis the challenge in front of the traders to use domain name in Cyrillic, with its positive and negative trends.

Domain name in Cyrillic is a new phenomenon that has yet to be legalized, legitimized in the business environment and will find both proponents and opponents. The challenge for its use as a business identifier is rooted not only in innovation, but also in some economic indicators. This analysis will be focus on the market within the Member States of the European Union. For the purpose of objectivity and completeness of interpretation we consider that it is appropriate to introduce the functional importance of the domain name.

The technical content and the performed functions in business practices are favoring domain name and define it as a symbol of the globalized world. Along with its personalized and differentiated functions, domain name leads to increased competitiveness or seen in negative light - unfair business practices. The last one indicates a broader customer segment and market power. The presence of the trader or trademark on the Internet through domain registration leads to expanding market segment of customers, but also increases the risk of unauthorized intrusions.

The use of a trademark as requested domain name could be a way to do a pre-market research and a way informally the trademark to establish itself among consumers before completion of the registration procedure. Domain name is also used as a tool for competitive advantage, part of a strategy for long-term business success. The key function of the research object is the indicative function which directly corresponds to its technical specifications. Exactly this function is important for quick and easy access to the trader and / or trademark and the type of offered services. Legal registration of a trademark as a domain name would lead to a better positioning, respectively wide range of users. The popular domain is not only a means of advertising, but also virtual ad space, with the potential to attract advertisers and generate profit. Taking into account the availability of computer programs that are able to ignore banner ads, domain name is a real communication channel. There are already authors contend the thesis that PR is more powerful than advertising in the context of trademark. By analogy, the domain name is a communication channel that is able to replace advertising or it can be seen as Meta means of advertising.

Taking into account the fact that Internet is defined as the most significant technological breakthrough in the 90s of XX century, it is inevitable that a big part of the business, the social relationships are brought in cyberspace. In relation to the specific topics - Domain name in Cyrillic and territorial limit - within the European Union, the following paper will focus only on countries using the Cyrillic alphabet on their territories. In order to make a comparison in global plan we will present some summary statistics.

At present the number of potential users in the European Union is small, but the trend is increasing and it has correlation with the enlargement process of the EU. In connection with this feature using the domain name in Cyrillic is challenging and risky. In the long run, we believe that it would become profitable investment, considering the potential expansion of e-market and making

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1 Domain name originated as a technical term which relevance increases because of the massive use of the global network. From a technical perspective, the domain name or DNS (Domain Name System) is a verbal indication which meets a digit combination in the network, the digit combination identifies the connected computers on Internet. There is a variety of definitions about this object of industrial property; this paper will stick to the two main ones - of ICANN and The law of Electronic Commerce. Official documentation of the cited international organization refers to a specific name, expressed through symbols designed to identify the network of resources on Internet which location is in a network database. In § 1, item 6 of Law of Electronic Commerce we observe similar treatment, there is presented the only legal definition adopted from Bulgarian law about domain name, "alpha or alphanumeric identification of the electronic address, allowing the identification of resources, computer or group of computers on the Internet network using a standard Internet protocol for data transmission." .

2 The case law is full of cases which subject is the conflict between domain name and trademark; internationally offending act and form of unfair competition – cybersquatting.

3 Pencheva, I, Management and PR, Veliko Tarnovo, 2014

4 Ries, Al, Laura Ries, 11 Immutable Laws of Internet Branding, S., 2001

5 Cyrillic is the official script of around 300 million people worldwide and is widespread in the countries of Belarus, Bulgaria, Kyrgyzstan, Kazakhstan, Macedonia, Mongolia, Republic of Chuvashia, Russia, Serbia and Ukraine/ see more at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=de http://bg.wikipedia.org/wiki/%D0%9A%D0%B8%D1%80%D0%B8%0%B0%D1%86%D0%B0/ . Within the European Union, Cyrillic is used in Bulgaria and the associated member state of Serbia. Cyrillic script, however, is understandable in general by Slavs, who write officially in Latin, because of the common ancestry of languages - representatives of the Indo-European language family. Of the total 500 million population of the European Union, 67 million are of Slavic origin, which extends the range of users of domain names in Cyrillic.

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found that the share of e-commerce is growing at a rapid pace, of them it reaches collisional relations. Undoubtedly, it has been property, competing the traditional objects, and compared to some environment. The above theses reason its role as a new industrial features, which make it an undisputed leader of the virtual commerce, e-government develops and implements its other growth of audience domain names. Local aspect is a positive growth trend of e-commerce, respectively the global network in our country in 2013, the households were consuming, which is characterized as slow pace of trade. Comparing the data for e-commerce of households having access to web search and find faster through the global network; opportunity to easily memorized by the addressees-users, respectively it can be search and find faster through the global network; opportunity to minimize the unfair commercial practices; opportunity for creation of the so-called private brands. Following the principle of divergence and creating a "rebellious domain" in Cyrillic, actually follows the laws of nature i.e. ensures sustainability and viability. In business the domain name in Cyrillic is analogous to the biological law of cell division that results in a reproduction. Universalism / convergent behavior would be routine choices which outcome is subject to reliable forecast and market stability, but their temporal boundaries are too short. We contend the thesis that sustainability is related to building long-term strategy, risk and creativity, which the domain name in Cyrillic has. Pursuing such a rebellious strategy and outright would position sustainably for both the domain name and the trademark which can be created. From the viewpoint of management, this is appropriate response to the change in the organization's environment, leading to high efficiency.

Evidenced by the report of the Target group on assessment of progress in achieving Millennium Development Goals of the United Nations in 2013 "The Global Partnership for Development: The Challenge We Face", there has been considerable growth in the global number of subscriptions for access to cyberspace - from 220 million in 2005 to 696 million at the end of 2013, i.e. three times more. The rate of growth of Internet users in developing countries, which includes Bulgaria, is fast - 65% of all consumers globally are from these countries at the end of 2013, compared to 40% in 2005. Within the European Union, according to Eurostat by the end of 2013, 75% of the population uses Internet, and more than 70% looks for information about goods and services. Those statistics refers to and has a direct effect on another indicator - the share of e-commerce, respectively the audience of domain names. E-commerce of goods and services is preferred by 61% of users throughout the European Union, noting the increase of 11% compared to 2008. Bulgaria occupies pre-last place with 22% e-consuming, which is characterized as slow pace of trade. Comparing the data for e-commerce of households having access to the global network in our country in 2013, the households were 54%, it can be said that almost half of them are e-users, which in a local aspect is a positive growth trend of e-commerce, respectively growth of audience domain names.

Exactly the technical function, which is performed by the domain name, introduces the domain name to consumers. E-commerce, e-government develops and implements its other features, which make it an undisputed leader of the virtual environment. The above theses reason its role as a new industrial property, competing the traditional objects, and compared to some of them it reaches collisional relations. Undoubtedly, it has been found that the share of e-commerce is growing at a rapid pace, which accelerates in terms of the domain names. Surely the Cyrillic alphabet in electronic format is a challenge that has its positive sides advocated in the present text as a strategic plan for the business sector. Business identifiers in Cyrillic also suffer from drawbacks such as the rapid spread of negative information, unfair competition, which catalysts are the missing legislation and collision domain name-trademark. The analysis so far indicates more perspectives from which, we believe, can benefit traders familiar with the Cyrillic alphabet, in particular Bulgarian entrepreneurs. Traders familiar with the Cyrillic alphabet can be able to provide themselves positioning of e-market within the European Union and among significant number of users beyond. Exactly this is another advantage of domain name in Cyrillic.

In twenty-first century the domain name is undoubtedly a compulsory element of online and offline strategies, means of development of e-marketing and foundation of e-business. Considering the presence of competing scripts - Cyrillic and Latin, respectively the presence of users who use them, the establishment of a new type of domain names - new gTLD in Cyrillic, is a matter of time. Certainly due to them the scale of the electronic environment will be expanded, management efficiency will be increased and added economic value will be generated. The direct economic effects will lead indirectly to an important culturological effect - preservation of cultural identities, recognition of the Cyrillic alphabet as a script of the future and its establishment as a business script.

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6 Emblem of the rebellious brand is the American beer Stone Brewing, production of which began in 1996 in the small brewery Stone.