

Pursuant to Article 79 paragraph 2 of the Electronic Communications Act (Official Gazette no. 73/08), at the proposal of the Managing Council of the Croatian Academic and Research Network - CARNet, the Minister of Science, Education and Sports, with the approval of the Minister of the Sea, Transport and Infrastructure and the State Secretary of the Central State Office for e-Croatia, adopts the following

ORDINANCE

ON THE ORGANISATION AND MANAGEMENT OF THE NATIONAL TOP-LEVEL DOMAIN

GENERAL PROVISIONS

Scope of application

Article 1

This Ordinance regulates the organisation of the national domain space of the Republic of Croatia, the principles of management of the national top-level domain, second-level domains and lower-level domains, the relationship between and the rights and obligations of CARNet as the organisation designated by the competent international organisation for the management of the .hr domain and the users of domains within the national top-level domain, as well as other interested parties, and the procedure for the settlement of disputes regarding the use of the Republic of Croatia national domain space.

Definitions

Article 2

Within the meaning of this Ordinance, particular terms shall have the following meanings:

1. "top-level domain" is the Internet domain of the Republic of Croatia (.hr);
2. "domain" is each domain which is registered and activated below the top-level domain, unless in this Ordinance the term explicitly refers to domains outside the Croatian domain space;
3. "domain space" includes the top-level domain and all domains within it;
4. "second-level domain" is the domain registered directly below the top-level domain;
5. "lower-level domain" is each domain registered below the second-level domain (tertiary and lower domain);
6. "top-level domain management" includes the making of decisions on the registration, activation, deactivation and deletion of domains within the domain space, unless the management of individual parts of domain space has been left to the user or a third party under this Ordinance;
7. "domain registration" means the entry in the domain registry;

8. "domain registry" is a domain database which contains a list of names of all registered domains and their users, and other relevant data;
9. "domain activation" means connecting the data on the domain server of a registered domain with the data on the DNS server for the top-level domain;
10. "domain deactivation" means removing the connection between the data on the domain server of a registered domain with the data on the DNS server for the top-level domain;
11. "domain deletion" means a record in the domain registry establishing the cessation of the user's right to use a certain domain, which makes the domain accessible for registration to other users;
12. "registrar" is a legal entity registered in the Republic of Croatia and authorised by CARNet to perform the activities of registration, activation, deactivation and deletion of domains, as well as changes of user data, as provided in this Ordinance;
13. "generic domains" means the domains named after areas of human activity, prominent persons in Croatian history or prominent geographic features of the Republic of Croatia;
14. "domains of particular importance for the national information space" include generic domains, domains with contents particularly important for the social and economic life of the Republic of Croatia, domains showing the results of long-term projects and programmes of national importance, domains commemorating domestic or international events and meetings of long-lasting national importance and other domains of particular importance for the information space of the Republic of Croatia.

Application of international standards

Article 3

In the application of this Ordinance, CARNet shall take into consideration the internationally accepted management standards defined in the acts of organisations and bodies competent for domain management in the world, and it shall be authorised to cooperate with these organisations and bodies, to participate in the work of joint domain management bodies and to acquire rights and take on obligations based on mutual contracts.

The contracts with organisations and bodies from paragraph 1 of this Article shall be concluded by CARNet's Chief Executive Officer with the approval of the Managing Council.

Top-level domain management committee

Article 4

The body competent for making decisions from the scope of application of this Ordinance shall be the .hr Domain Management Committee (hereinafter: Committee), unless a particular decision has been placed within the competence of other person or body by this Ordinance.

The Committee is CARNet's independent professional body made up of five members appointed at the proposal of CARNet's Chief Executive Officer by the CARNet Managing Council. The Committee is appointed for the period of four years.

Committee members are elected from among recognised experts in the fields relevant for the application of this Ordinance. The president of the Committee is elected for a two year period from among the members of the Committee.

Particular activities in connection with national domain management shall be performed by CARNet with oversight by the Committee. The Committee can authorise CARNet to make particular decisions from its field of competence, except the decisions which according to this Ordinance are within the exclusive competence of the Committee.

If under paragraph 4 of this Article a particular issue within the competence of the Committee has been decided by CARNet, the user shall have the right to file a complaint with the Committee within 8 days from the receipt of CARNet's decision.

TOP-LEVEL DOMAIN MANAGEMENT PRINCIPLES

Top-level domain as an element of country's recognisability

Article 5

The top-level domain is a starting point for structuring, organising and presenting information about the Republic of Croatia on the Internet.

Top-level domain management as an element of country's recognisability and national wealth is a service of general interest which requires special attention and care to harmonise the interests of individual users with the interests of third parties and society as a whole.

When registering and using the domains, special attention is dedicated to the registration of generic domains and other domains whose names are in direct connection with the contents important for the Republic of Croatia (domain of particular importance for the national information space).

Right to virtual identity

Article 6

The presence and continued existence in virtual space is a basic right of every legal and natural person.

For the purpose of exercising the right from paragraph 1 of this Article, every domestic natural and legal person is entitled to register one domain free of charge. The special right from this paragraph may only be used in order to exercise one's own basic right from paragraph 1 of this Article and it may not be misused for the impersonation of another person's identity or for other purposes incompatible with the meaning and purpose of paragraph 1 of this Article.

According to the rules laid down in this Ordinance, legal and natural persons may register more than one domain for a fee.

The right from paragraph 1 of this Article shall be exercised under the conditions prescribed in this Ordinance.

Special rights of certain users

Article 7

State bodies and local and regional self-government units in the Republic of Croatia shall have the prior right to register a domain of particular importance for the national information space.

CARNet shall have the right to register domains necessary for the application of this Ordinance.

The rights from paragraphs 1 and 2 of this Article shall be exercised under the conditions and in the manner regulated by this Ordinance.

Regulation of virtual space

Article 8

The types of domains and rules according to which they can be registered, activated, deactivated, used and deleted shall be determined for the purpose of domain space clarity and regulation.

Particular domain names may be reserved for specific purposes, and it may be determined who, how and under which conditions shall exercise the prior right to their registration.

Prohibition of abuse of rights

Article 9

Domain users and other persons are obliged to use their rights from this Ordinance according to the principle of good faith and fair dealing and to restrain themselves from their abuse.

CARNet is authorised to deny the registration of a particular domain to a person acting contrary to the provision of paragraph 1 of this Article.

CARNet is authorised to delete, without providing compensation, any domain registered contrary to the provisions of paragraph 1 of this Article or used contrary to its provisions, meaning and purpose.

CARNet is authorised to temporarily deactivate a domain when this is required by particularly justified interests, and especially if there is a serious suspicion that the user has registered the domain contrary to this Ordinance or violated the rights of third parties by its registration or use, and if the further use of the domain could inflict serious and hardly compensable damage to CARNet or third parties.

CARNet is authorised to condition the issuance of the decision on temporary deactivation on the provision of an appropriate guarantee by a third party or the domain user. The temporary deactivation shall continue until the disputable issues are resolved or until it otherwise ceases to be necessary.

In any case, CARNet is authorised to also take other measures in accordance with the law against any person who violates the provisions of this Ordinance by acting contrary to paragraph 1 of this Article.

Priority right

Article 10

If, according to the provisions of this Ordinance, more than one person applies for the registration of a certain domain, priority shall be given to the application received first.

Special protection of second-level domains

Article 11

Second-level domains shall be reserved for purposes specified in this Ordinance and the users may register and use them only for such purposes.

Protection of acquired rights

Article 12

CARNet shall respect and protect domain user rights. Once registered, the domain will not be deleted before the expiration of the period for which it has been registered, provided that the user is using it in accordance with this Ordinance.

By way of derogation from paragraph 1 of this Article, in the interest of domain space regulation the CARNet Managing Council may, at the proposal of the Committee, decide on the cessation of the user's right to use particular domains with the aim of registering and using them for special common interest purposes or with the aim of re-registering certain types of domains in accordance with the general rules in the interest of better domain space clarity, usability and organisation.

If, based on paragraph 2 of this Article, the user's right to use a particular domain should cease, the user shall have the right to register and use, instead of this domain, another appropriate domain free of any fee and other costs.

Public operation

Article 13

In the implementation and application of this Ordinance CARNet shall act publicly, unless it was laid down in the Constitution and the law that certain information or activities from its scope of operation should not be public.

CARNet is obliged to regularly inform the public on its activities and plans from the field of application of this Ordinance. For this purpose it may organise scientific and expert meetings, give statements and organise public discussions, and, if necessary, perform other activities as well.

The domain registry is public and available on the Internet under the conditions from paragraphs 4 and 5 of this Article.

By registering a domain, the users give their consent to gathering, processing, use and publishing of the following personal data for the purposes regulated by this Ordinance:

- name of the registered domain;
- name of the user;
- address of the user (postal address and e-mail address);

- date of registration and status of the domain;
- reasons for applying for registration, if this is necessary for a particular type of domain.

Upon the registration of a domain, the users also give their consent to the gathering and processing of other personal information required for unique user identification and domain space maintenance (citizen's or legal entity's registry number, personal identification number and similar). These data may only be used for purposes regulated by this Ordinance. They may not be published, and may be given to third parties only with the express written consent of the user.

DOMAIN REGISTRATION

Registration procedure

Article 14

The right to domain use is acquired by domain registration.

The registration procedure starts with the submission of an application for domain registration with CARNet.

Submitted applications shall be considered in the order they were received.

In the domain registration procedure the communication with users would normally be in electronic form. All documents concerning domain registration or a part of these documents may be stored and kept only in electronic form as long as evidence is ensured that the stored document is identical with the original. Documents stored in this way are used instead of original documents.

Applicants

Article 15

The application for second-level domain registration may, under the conditions from this Ordinance, be submitted by legal entities established according to the Croatian law (resident legal entities) or natural persons residing in the Republic of Croatia (resident natural persons).

Under the conditions of Article 21 of this Ordinance, state bodies shall also have the right to submit applications when applying for the registration of a domain whose name is unambiguously linked to their field of competence.

In accordance with this Ordinance, the application for lower-level domain registration may be submitted by every resident or non-resident legal and natural person. By way of derogation, the application for the registration of a free-of-charge domain to exercise the right to virtual identity of natural persons (Article 23 paragraph 3 of this Ordinance) may be submitted only by a natural person residing in the Republic of Croatia or having Croatian citizenship.

By way of derogation from paragraphs 1 to 3 of this Article, it may be allowed, for duly justified reasons and subject to payment of a fee in the amount envisaged for domains referred to in Article 17 paragraph 1 point 4 of this Ordinance, that a non-resident legal entity which has a registered representative office, branch office or other permanent form of organisation in the Republic of Croatia, also applies for the registration of one second-level domain.

The decision on the reasoned application from paragraph 4 of this Article shall be issued by the Committee.

Domain name

Article 16

The domain name consists of a succession of least 3, and not more than 63 characters, including:

- letters of the English alphabet, where there is no the difference between capital and small letters;
- numbers 0 - 9, provided that at least one character in the name is a letter;
- the hyphen character (-), where the hyphen may neither be the first nor the last character in the name, nor may it appear in two successive places.

The domain name must not be identical with the name of an already registered domain.

The domain name shall not enable the domain user false representation or usurpation of identity of a third party, nor may it be identical or misleadingly similar to a registered name or trademark to the use of which the user has no right or legitimate interest.

The domain name should also satisfy special requirements for names of particular types of domains (Articles 17 to 22 of this Ordinance).

CARNet shall deny registration or prevent the use of domains whose name is contrary to paragraphs 1 to 4 of this Article or other provisions of this Ordinance which refer to the composition and structure of the domain name.

In case of dispute, the third party who believes that the user has registered a particular domain contrary to paragraph 3 of this Article may initiate arbitration according to Articles 32 to 56 of this Ordinance.

SECOND-LEVEL DOMAINS

Types of second-level domains and their registration period

Article 17

The following may be registered as second-level domains:

- domains providing virtual identity to legal entities;
- domains providing identity to a registered independent business;
- domains of state bodies and local and regional self-government units;
- additional second-level domains.

Domains from paragraph 1 points 1 to 3 of this Article may be registered and used free of charge (free-of-charge second-level domains). Domains from point 4 paragraph 1 of this Article may be registered for a fee (paid second-level domains).

Free-of-charge second-level domains are registered for an initial period of one year. User of a free-of-charge second-level domain may apply for renewal of registration of an already registered domain, which is necessary for each additional one-year period.

Paid second-level domains may be registered, according to the user's choice, for the period of one, two or five years. Registration of such domains may be renewed at the request of the user for a further period of the same or different duration.

The renewal of registration of once registered domains may only be denied for reasons prescribed by this Ordinance.

If the user fails to apply for renewal of domain registration within 15 days from the date of expiration of the registration period, the registered domain will be deactivated.

If the user fails to apply for renewal of domain registration within 30 days from the date of expiration of the registration period, the registered domain will be deleted.

Limited number of second-level domains

Article 18

Total number of second-level domains which an authorised applicant may register and/or use at the same time is:

- not more than 10 (ten) for legal entities, unless the concerned entity is an association, in which case the largest number of domains is 2 (two). The mentioned number of domains includes the domain providing virtual identity, if the user has registered it;
- not more than 2 (two) for natural persons, of which not more than 1 (one) is a domain from Article 22 of this Ordinance;
- not more than 1 (one) for non-resident legal entities referred to in Article 15 paragraph 4 of this Ordinance.

Limitations from paragraph 1 of this Article shall not refer to state bodies and local and regional self-government units, which may, provided that they fulfil the conditions from this Ordinance, register an unlimited number of domains.

Domains providing virtual identity to legal entities

Article 19

Legal entities referred to in Article 15 paragraph 1 of this Ordinance have the right to register free of charge one second-level domain which provides virtual identity to this entity.

The name of the domain from paragraph 1 of this Article has to contain the registered name or the registered abbreviated name of the legal entity.

If it is established that a particular second-level domain which was registered free of charge has been used contrary to the provisions of paragraph 1 of this Article and Articles 6 and 9 of this Ordinance, CARNet will deactivate this domain in an urgent procedure, and condition its renewed activation and further use on the payment of a fee, including the fee for the period before the established violation of the Ordinance but not longer than two years. If the user fails to pay the fee within the specified time limit, or if the further use of this domain is not possible or allowed for other reasons, the deactivated domain will be deleted.

Local and regional self-government units exercise their right to virtual identity through special domains as provided in Article 21 of this Ordinance.

Domains providing virtual identity to registered independent businesses

Article 20

Natural persons referred to in Article 15 paragraph 1 of this Ordinance which are engaged in an independent business activity in the Republic of Croatia have the right to register free of charge one second-level domain which provides them with virtual identity of a registered independent business.

The name of the domain from paragraph 1 of this Article has to be unambiguously linked to the identity of the independent business. The name has to contain the name of the independent business and the name or part of the name and surname of the owner or the indication of the type of independent business activity.

Domains of state bodies and local and regional self-government units

Article 21

State bodies and local and regional self-government units in the Republic of Croatia have the right to register domains providing them with virtual identity and domains of particular importance for the national information space.

Domains of particular importance for the national information space may be applied for by the central body of state administration competent for the concerned field, event, project or programme, or the local and regional self-government unit on whose territory a certain geographic feature is situated.

In deciding on the approval of domain registration according to the provisions of this Article, account will be taken of the regulation of the national domain, the complexity of contents, the possibility to present the announced contents within a certain lower-level domain or other domains registered by the user and the level of social interest to present certain information precisely through a second-level domain. In this regard, a modification of the applied-for domain name or the placement of information within another registered domain may be recommended or the applicant may be referred to open a lower-level domain or apply for a lower-level domain. If the user applies for a renewal of domain registration, the basis and special social interest for further existence of a second-level domain will be examined again. If there is no longer basis for its existence or the project or the event has ended, the registered domain may be deleted free of charge even before the expiration of the period for which it was registered.

The application for registration from paragraphs 1 and 2 of this Article will be rejected if, by the time of application, the applicant has not activated and started using all other domains which he registered.

Additional second-level domains

Article 22

For the purpose of serving their interests, legal and natural persons referred to in Article 15 paragraph 1 of this Ordinance can register additional second-level domains for a special fee, within the limitation of total number referred to in Article 18 paragraph 1 of this Ordinance.

Additional domains from this Article can also be registered when the person has not registered the domain referred to in Article 17 paragraph 1 points 1 and 2 of this Ordinance.

Domains which contain generic names, and domains which intend to endanger, violate or limit the protected rights and interests of third persons may not be registered as additional domains. If, when

deciding on the registration of additional domains, the competent person suspects that this is the case, it will forward the application for registration to the Committee which will issue the final decision thereon.

In case of reasonable suspicion that there is an intention from paragraph 3 of this Article, the person competent for the registration of additional domains will forward the application for registration to the Committee to issue a decision.

LOWER-LEVEL DOMAINS

Types of lower-level domains

Article 23

Lower-level domains serve for satisfying the needs of all other users. Lower-level domains contain especially:

- information on particular forms of organisation, initiatives and projects of the domain user;
- information on activities and services of the domain user;
- information on goods and products which the domain user places in circulation;
- information on patents and licences, copyrights, trade marks and brands and other forms of intellectual property for the use of which the user is authorised;
- information on related and supporting contents and links to these contents.

Lower-level domains are registered within second-level domains which have been reserved and/or registered for this purpose by CARNet (com.hr, from.hr and other similar domains), or opened within second-level domains which have been registered by authorised users.

Within lower-level domains CARNet continuously enables appropriate realisation of rights of natural persons to virtual identity in conformity with the provision of Article 6 paragraph 2 of this Ordinance.

RIGHTS AND OBLIGATIONS OF USERS

Using the domain

Article 24

Under the conditions laid down in this Ordinance, the user shall have the exclusive right to use the registered domain, organise it, and form and monitor its contents.

The user shall have the right, at any time, to request the deactivation of the domain or its removal from the registry.

The right to use the registered domain shall cease upon death of the user or in case the user ceases to exist. Domains of users who died or ceased to exist shall be deleted.

The user of the domain shall use it only for the purpose for which it was registered and in a manner usual within the world Internet communities. The user shall be responsible for any domain abuse.

Opening lower-level domains

Article 25

Below the registered domain the user may open lower-level domains, organise them and manage their contents.

The user may allow third parties to manage and use lower-level domains opened below the user's registered domain, but in relation to CARNet the responsibility for such domains still lies with the user.

Obligation of loyal cooperation

Article 26

The user shall cooperate with CARNet and observe its technical instructions and recommendations.

The domain user shall regularly inform CARNet about every change of data relevant for the registered domain, especially about changes in his legal status, addresses and the user's authorised representatives.

If it is established that the domain user has failed to comply with the obligations referred to in this Article, CARNet shall have the right to deactivate the domain or remove it from the registry.

Cessation of the right to use the domain

Article 27

The right of the user to use the domain shall cease when the domain user ceases to exist, or when the domain, under the provisions of this Ordinance, is removed from the domain registry.

CARNet shall be officially authorised to delete domains whose users have ceased to exist, except in the case referred to in Article 28 paragraph 3 of this Ordinance.

Transfer of the right to the registered domain

Article 28

The user shall not have the right to transfer the registered domain to another person.

The user may not, either for a fee or free of charge, allow other persons to use the domain, except in the case referred to in Article 25 paragraph 2 of this Ordinance. The domain shall be deleted if it is established that it is exclusively or mostly used by a person not registered as the user.

In case of death, cessation of existence, changes of status or other legal changes regarding the domain user or the right to the contents of the registered domain, the procedure of domain deletion shall be carried out upon request of the user or his legal successor, and the new user registration procedure shall be carried out at the same time. In this procedure the user's legal successor or a person designated by the user shall have the prior right to the registration of the domain which shall be deleted within 6 months from the cessation of the user's existence or the change of the user's status.

Special obligations of second-level domain users

Article 29

Domains referred to in Article 17 of this Ordinance shall be used in accordance with the purpose for which they have been approved.

The user of a domain of particular importance for the national information space shall activate the domain and start publishing relevant information on the registered domain within 30 days from the date of delivery of the decision on registration.

CARNet shall be authorised to warn users of the domains referred to in Article 17 of this Ordinance about shortcomings regarding the manner in which the domain is used and to set the 8 day period for the elimination of detected shortcomings. If the user fails to eliminate the shortcomings in the said period, the registered domain may be deactivated or deleted.

Domain usage fees

Article 30

Fees for domain registration and usage shall be paid based on the price list for the current year prepared at the Committee's proposal by the CARNet Managing Council at the latest by the end of November of the previous year.

Domain shall not be registered until the user paying the fee pays the registration fee.

If the user of a registered domain requesting the registration renewal does not pay the fee for the following period within 60 days from the expiration of the previous registration, the domain shall be deleted.

If the user of the registered domain stops using the domain before the expiration of the period for which the fee has been paid, the paid fee shall not be returned.

OTHER AUTHORISED REGISTRARS

Authority for the transfer of specific activities to third parties

Article 31

CARNet may, based on the contract concluded in conformity with publicly announced and essentially identical criteria and terms and conditions, transfer particular activities of the registration of domains from its scope of work to legal entities registered for commercial activity and the provision of online services.

The transfer referred to in paragraph 1 of this Article shall be decided by the CARNet Managing Council, at the Committee's proposal.

The activities of, in particular, registration and deletion of the following domains may be transferred to third parties:

- lower-level domains;
- second-level domains referred to in Article 17 paragraph 1 point 4 of this Ordinance.

The authorised registrar from paragraph 1 of this Article shall respect the provisions of this Ordinance, timely decide on submitted applications and fulfil other obligations in relation to CARNet. In case of violation of this provision, the right referred to in paragraph 1 of this Article may be taken away, without compensation.

ARBITRATION RULES FOR SETTLEMENT OF DISPUTES REGARDING DOMAINS

I. General provisions

Article 32

Provisions from Articles 32 to 56 of this Ordinance (arbitration rules) are used to settle disputes between domain users and third parties regarding the right to use a specific domain within the top-level domain.

The third party may institute arbitration proceedings according to provisions of these arbitration rules if it considers that the following conditions have been met:

1. that the domain name is identical or to a large extent similar to a certain name to which the third party is entitled (e.g. registered name and trademark right);
2. there is a justified risk that many persons may be misled as the result of a misleading effect of the identical name or the name that is very similar;
3. that the domain user does not have the right or legitimate interest to use the domain under such a name;
4. that the domain user has registered the domain and/or that he uses it contrary to the principle of good faith and fair dealing.

Arbitration rules referred to in this Ordinance may also be used to settle other disputes regarding the right to use a specific domain between third parties and the domain users resulting from the application of provisions of this Ordinance.

Article 33

Initiation and conduct of the arbitration in conformity with these arbitration rules shall not be considered as waiving the right to legal protection in other legal or arbitration proceedings.

Possible institution and conduct of other legal or arbitration proceedings regarding the same matter between the same parties shall not influence the possibility of institution, conduct or conclusion of the proceedings based on merits as provided in arbitration rules referred to in this Ordinance.

By way of derogation from the provision from paragraph 2 of this Article, if the conduct of the arbitration proceedings in a specific case would not be expedient or proportional on account of the circumstances of the case, the request may be rejected by a decision, or, if the proceedings have already been instituted, they may be temporarily or permanently suspended by a decision.

The decision referred to in paragraph 3 of this Article shall be issued by the Committee until the appointment of the arbitrator, after which it shall be issued by the arbitrator.

Article 34

If in the arbitration proceedings according to the provisions of these arbitration rules it is established that the right of the third party has been violated, a decision shall be issued according to which the right to use the domain which is the subject of dispute shall be taken away from the domain user and given to the claimant.

In the arbitration proceedings according to the provisions of this Ordinance no other decisions may be issued, especially decisions on contract or extra-contractual damages, decisions ordering the domain user to do something, to subject himself to something or not to do something, decisions on the compensation for costs of proceedings and the like, unless the parties in the proceedings conclude a valid arbitration agreement authorising the arbitrator or arbitrators to issue such decisions.

Article 35

Throughout the proceedings, the arbitrator shall try to encourage amicable settlement of the dispute. For that purpose, the arbitrator shall be authorised to consult parties, encourage direct negotiations between them and give proposals for a possible amicable settlement.

If parties reach amicable settlement during the proceedings, the arbitrator shall write down the contents of their agreement and, when necessary, instruct the parties how they can transform the achieved agreement into an enforceable document and dismiss the case.

Arbitrator may also, with the approval of the Committee, dismiss the case if its conduct is rendered impossible or unnecessary for any other reason.

Article 36

While the arbitration proceedings are under way, CARNet may not, without the Committee's and the arbitrator's approval, carry out any change, administrative or technical, in relation to the domain to which the request for arbitration refers.

If the final decision defines changes in the domain status, CARNet shall, within three days, carry out such a decision.

II. Arbitrators

Article 37

Arbitration proceedings shall be performed by the sole arbitrator (hereinafter: the arbitrator) which shall be appointed by the Committee from the list of arbitrators.

With the approval of the Committee, parties may, by common consent, specify a different number of arbitrators and the method of their appointment.

Article 38

Arbitrators shall be appointed to the list of arbitrators by the CARNet Managing Council for the period of four years.

Arbitrators shall be appointed to the list of arbitrators among independent professionals, especially among persons having technological knowledge and knowledge of legal matters required for objective decision making.

By accepting the appointment to the list of arbitrators, arbitrators shall take on the following obligations:

- to take over, as soon as possible, and, as provided in this Ordinance, resolve cases assigned to them by the Committee, unless they have an important reason which renders them unable to manage the specific case;
- to inform the Committee of any changes in their personal information, without delay.

The list with the names and personal qualifications of arbitrators shall be published on the Internet.

Article 39

The arbitrator shall be independent and impartial in relation to the contending parties. The arbitrator shall notify any circumstances which may bring his independence and impartiality into question. Taking all the circumstances into account, the Committee may, upon request of the arbitrator or ex officio, decide on another person instead of the appointed arbitrator.

The parties may, on important grounds, challenge the arbitrator. The request for challenge shall be decided by the Committee. The Committee's decision shall be final. Filing of the request for challenge shall not prevent the arbitrator from undertaking further procedural actions, but shall render him unable to issue the decision before the Committee decides on the request for challenge.

Article 40

The arbitrator shall resolve the case effectively and professionally, within the defined period. The Committee may relieve of duty the arbitrator who does not fulfil his duties, and appoint another arbitrator instead.

For his work, the arbitrator shall be entitled to a fee, in the amount determined in accordance with the price list referred to in Article 56 paragraph 2 of this Ordinance.

III. Notification and delivery

Article 41

Request for the institution of arbitration proceedings shall be submitted in electronic and paper-based form.

The claimant shall send the request in the form of an electronic message with the attached filled-out form for the institution of proceedings and the documentation available to the claimant in the electronic form (documents, payment receipt as proof of advance payment of the costs of the proceedings, etc.).

In addition to the electronic message, the claimant shall submit a copy of the form for the institution of

proceedings in paper. If the request is submitted by a natural person, the natural person shall sign it by hand, and if the claimant is a legal entity, the request shall be signed by a responsible person of the legal entity, with the legible indication of the name and the position of the signatory, and next to the signature, the seal of the legal entity shall be affixed.

The claimant shall submit all relevant documentation not submitted in electronic form together with the signed request in three copies, because otherwise that documentation shall be considered as not having been submitted at all. If more parties are involved in the proceedings, the number of copies shall be increased so that one copy is available for all opposed parties, the arbitrator and the Committee records.

Except in the case referred to in paragraph 3 of this Article, notifications in electronic or paper form in general do not need to be separately verified, but the Committee or the arbitrator may, if they find it necessary, request that messages, notifications or accompanying documentation be sent or subsequently verified in a form enabling the establishment of sender's identity (digital or handwritten signature, verification by a notary public, etc.).

Article 42

Messages and notifications in the arbitration proceedings shall contain a reference to the concerned case. In electronic messages such a reference shall be entered as the message subject.

Each party shall send all messages and notifications to the opposed party, to the Committee and to the arbitrator (if appointed) at the same time.

The arbitrator shall send all messages and notifications to both parties at the same time, and send a copy to the Committee.

Article 43

Any communications and notifications regarding the arbitration proceedings shall be sent, as a rule, by the Committee or the arbitrator through electronic mail to the address indicated by the party or other participant in the proceedings. If the claimant has not indicated his return address in the submission, the delivery is made to the address from which the message to which it is being replied arrived. If there is no such address or if it cannot be determined, the delivery is made to the last known address or to the address known to the Committee as the addressee's registered address. Delivery may, based on the Committee's or the arbitrator's decision, be made to another address which can be, based on the circumstances of the case, justifiably considered to be the addressee's address, or the address which the addressee uses or manages.

The addressee shall be required to acknowledge the receipt of each electronic message.

If the message receipt acknowledgment does not arrive earlier, it shall be considered that the party learned of the contents of the sent communication or notification at the latest within 48 hours after such communication or notification had been sent through the electronic mail.

Other means of communication may be used in communication with parties and other participants in the proceedings, if the Committee or the arbitrator considers this necessary and justified.

Article 44

By way of derogation from provisions of Article 43 of this Ordinance, at the time of the first delivery of

the request to the domain user, the copy of the request shall be sent by registered mail to his postal address (notification of institution of proceedings), together with the electronic message on the institution of proceedings. The Committee may decide to notify the addressee about the institution of proceedings via fax or telephone as well. In any case, the domain user shall be requested to specify the address for receiving electronic messages, and the postal address for receiving documentation which has not been received in electronic form. In addition to the notification, the user shall be informed that further notifications will, as a rule, be carried out only through electronic mail, unless the circumstances of the case (delivery of paper-based documentation) render this impossible.

The delivery in accordance with the provision of paragraph 1 of this Article shall be made when the domain user receives the sent message notifying of the institution of proceedings, regardless of the manner in which it was received. If the receipt of the message cannot be confirmed, or if it is established that the message could not be delivered, the notification of institution of proceedings shall be published on the Committee's website, by which the notification of institution of proceedings is deemed to have been duly delivered.

If the documentation sent by mail is returned to the Committee for any reason, it shall not be sent again, but instead the addressee shall be sent an electronic message indicating where and when he may claim the consignment, by which the consignment is deemed to have been delivered.

IV. Arbitration proceedings

Article 45

Arbitration proceedings shall be instituted by a request for the institution of arbitration proceedings (hereinafter: the request), submitted as provided in Article 32 of this Ordinance.

The request for the institution of arbitration proceedings normally refers to one domain. In exceptional cases, the request may refer to more than one domain, if conditions for the conduct of proceedings are met for each domain, if the request is based on essentially equivalent factual and legal basis, and if the same user has the right to use all domains.

Article 46

The request shall be submitted to CARNet in writing, in the form published on the CARNet website.

The request shall clearly and undoubtedly specify:

- full name of the claimant and his postal address, telephone and fax number and electronic (e-mail) address;
- clearly indicated domain to which the request refers or the name of its user or the person supposed to be using it;
- statement of reasons for submitting the requests in accordance with Article 32 of this Ordinance and evidence supporting that statement;
- request for the decision by which the user would be taken away the right to further use the domain and/or another request submitted as provided in this Ordinance;
- claimant's attempts to achieve amicable settlement of the dispute;
- any other proceedings (legal, administrative or arbitration) which were or have been conducted on the matter in dispute or regarding it.

If the claimant proves his statements with certain documents, he shall submit them together with the request. If the claimant believes that there are particularly legitimate reasons which require some

other evidence to be produced, he shall indicate such proposal specifically and completely in his request, and detail the reasons which require such evidence to be produced and state why they have not been produced together with the request. As a rule, subsequent evidence shall not be considered.

Article 47

When submitting his requests, the claimant shall bring forward a proof that the amount defined in accordance with the price list referred to in Article 56 of this Ordinance has been paid.

The arbitrator shall not be appointed before it is established that the claimant has paid the amount referred to in paragraph 1 of this Article.

Arbitration award shall not be delivered to parties or implemented until all costs of the arbitration proceedings have been paid.

Article 48

The Committee shall dismiss requests not submitted in accordance with Article 46 paragraphs 1 and 2 of this Ordinance.

If the request is complete and admissible, the Committee shall appoint the arbitrator and notify both parties of the appointment.

Article 49

The request for the institution of arbitration proceedings shall be delivered to the domain user who shall be required to respond to it within eight days.

Provisions referring to the request for the institution of proceedings shall apply to the reply to this request, as appropriate.

Article 50

On account of important reasons or upon request of both parties, the Committee may allow any other person with legitimate interest in the outcome of the dispute to participate in the proceedings as an intervener. Such a person shall have the right to submit observations on statements from the requests and the reply to the request, the right to be informed about other procedural actions and the right to have the issued decisions delivered.

Article 51

After the advance payment of the costs of arbitration proceedings has been made, the Committee shall submit to the arbitrator the case file which includes copies of all messages and notifications received in that case until then and invite him to start conducting the arbitration proceedings.

Article 52

The arbitrator shall conduct the proceedings in the manner he considers expedient and adequate, having in mind the following principles:

- the proceedings shall be concluded not later than 60 days from the day of submission of the case to the arbitrator;
- the proceedings shall, as a rule, be conducted based on documents and other written

- materials, and not based on the oral hearing;
- the purpose of the proceedings is to quickly, effectively, justly and provisionally regulate the relationship between the parties;
 - obstruction of the proceedings needs to be avoided, but every party in the proceedings shall be given the possibility to speak their mind about the matter in dispute;
 - if, according to the arbitrator, it is necessary to produce some of the proposed evidence, the arbitrator shall set the deadline for the production of such evidence, and if the evidence is not produced before that deadline, the proceedings shall be continued based on the available information, documents and other written material.

Article 53

The arbitrator may postpone deciding on the case if he calls for, in the interest of amicable settlement of the dispute, the specific performance by one or both contending parties and, for that purpose, sets the deadline for the postponement.

In case of postponement referred to in paragraph 1 of this Article, the duration of the postponement shall not be calculated in the deadline for the conclusion of the proceedings referred to in Article 52 paragraph 1 point 1 of this Ordinance.

V. Arbitration award

Article 54

Arbitration award shall be issued and made in written form and shall be explained, unless the parties agree otherwise. The arbitration award shall specify the names of the parties and the arbitrator, the date of issuance and the exact wording of the issued decision.

The arbitrator shall submit the draft decision prepared in accordance with paragraph 1 of this Article to the Committee for approval. The Committee may, without abusing the discretion of the arbitrator on merits, define amendments with respect to the form of the draft decision.

The arbitration award shall be validly issued when signed by the arbitrator and the president of the Committee.

The arbitration award shall be delivered to the parties and CARNet.

Arbitration awards deciding on the merits shall be published in full version on CARNet's website.

Article 55

The arbitration award is final.

If the arbitrator renders a decision by which the user is taken away the right to use a certain domain, CARNet shall deactivate the domain, not later than 3 days after the delivery of that decision.

By rendering a decision to take away the right to use the domain, the rights of the earlier user shall cease, and the claimant or any other person under the proceedings and under conditions prescribed in this Ordinance may apply to use the domain.

If the arbitration award establishes that one party has a superior right to the registration of a

particular domain, CARNet shall examine if there are other obstacles to the registration of such a domain, and if this is not the case, it shall register the domain in favour of the person with a superior right to the domain, as established by the arbitration award.

VI. Costs of arbitration proceedings

Article 56

The parties shall bear the costs of conduct of arbitration proceedings (administrative costs, arbitrators' fees, material and other expenses incurred during and regarding the proceedings).

When submitting the request for the institution of arbitration proceedings, the claimant shall pay a fee for the registration and an advance of the arbitrator's fee in accordance with the price list prepared by the CARNet Managing Council at the Committee's proposal.

TRANSITIONAL AND FINAL PROVISIONS

Resources needed to implement this Ordinance

Article 57

The implementation of this Ordinance shall be financed from the state budget within the CARNet budget.

Deadlines for the harmonisation with the provisions of the Ordinance

Article 58

Domains registered before the entry into force of this Ordinance shall remain active, provided that the review of registered domains and their harmonisation with the provisions of this Ordinance shall be carried out not later than 6 months from the entry into force of this Ordinance. During the period of review, CARNet shall be authorised to invite second-level domain users to apply for the new registration and set the deadline for submitting these applications.

If the users fail to submit their applications for new registration within the deadline, as provided in paragraphs 1 and 2 of this Article, their domains shall be deactivated.

The DNS Committee appointed in accordance with article 27 of the Regulations Regarding Organisation of the Top-level "hr" Internet Domain and the Principles of Managing the Top-level "hr" Domain of 15th January 2002 shall continue performing the function of the Committee referred to in Article 4 of this Ordinance until the end of its term.

Entry into force

Article 59

On the effective date of this Ordinance, the Regulations Regarding Organisation of the Top-level "hr" Internet Domain and the Principles of Managing the Top-level "hr" Domain of 20th December 2000, 20th March 2001, 30th October 2001, 19th December 2001 and 15th January 2002, and the Rules on Arbitration for Solving Disputes regarding Subdomains within the .hr Domain of 30th October 2001 shall cease to be valid.

This Ordinance shall take effect on the eighth day from the day of its publication in "Official Gazette", except the provisions of Article 17 paragraph 1 point 4, Article 22 and Article 31 paragraph 3 point 2 of this Ordinance which shall take effect on 1st July 2010.