Arbitration Case #20

Date: June 2019

Summary

The case concerns a dispute between the RIPE NCC and 28 RIPE NCC members, namely: Atlas Networks Inc (previously "Premier Trading Solutions Ltd"), Atlas Networks Inc, Avant Media, Business Network Solutions (previously "Balance Group Ltd"), Business Network Solutions, Data Agency Inc, Exion Inc, Fiberstream Corp, Golox Ltd, GreatSpot Corp, Horizon Internet Corp (previously "Red Ferrum Corp"), Horizon Internet Corp, Hostpoint Corp, MachineLabs Corp, Netnova Inc, Netware Corp, Omninet Inc, Phonic Corp, Point Systems Inc, Point Systems Inc (previously "Skalane Commerce Inc"), Quadel Corp, Techplaza Corp, Ubisky Corp, Ultraspace Corp, Vement Commerce Inc, Vicero Limited (previously "Avant Media"), Virtual Cloud Inc, Zenetic Ltd. All of them hereafter referred to as "Members".

The Members requested the initiation of the RIPE NCC Conflict Arbitration Procedure against the RIPE NCC following the latter's decision to terminate their RIPE NCC Standard Service Agreements (SSAs) due to the provision of misleading information (Article 9.4.h of the SSA).

Considering that the arbitration requests were identical in their merits, were submitted by the same contact person and each case would create a precedent for the others, the Arbiters Panel decided it was appropriate to handle all 28 cases as one.

Details of the Case

In 2018, in accordance with the RIPE NCC procedure "RIPE NCC Audit Activity", the RIPE NCC initiated an audit process for the 28 Members after suspicious activities were noticed regarding other RIPE NCC members based in Seychelles.

In order to verify the proper representation of the Members, the RIPE NCC requested information such as proof of the identity of the person who signed the RIPE NCC Standard Service Agreements on behalf of the Members. In response, the Members replied that their management had changed and the persons who had signed the SSAs were no longer employees and could not be reached. Moreover, as soon as the RIPE NCC began verifying the identity of the Members' registered contact persons, their contact details (both of their registered contact persons and the PERSON objects in the RIPE Database) were changed to entirely different ones. From the RIPE NCC's internal systems it was observed that this was done by a single actor.

From the supporting information that was submitted, it became clear that all 28 Members had anomalies in their documentation relating to their alleged former directors. More specifically, the RIPE NCC observed that none of the documentation proved that the directors were appointed via official means. When an ID copy of the directors was requested, 21 Members submitted a letter of resignation allegedly signed by the director.

Those Members that did not have their director changed were unable to produce any documentation showing they had been appointed in an officially-recognised manner.

During the audit process, the RIPE NCC observed that the Members appeared to be acting in a coordinated manner. For example, all had their SSA sent to the same postal address and gave the same reply when asked where this had been signed. The documentation they submitted also used the same template and had almost identical content.

Based on all the above, the RIPE NCC decided to terminate the Members' RIPE NCC Standard Service Agreement due to the provision of misleading data (Article 9.4.h of the SSA).

Arbitration Ruling

After evaluating the information provided by both parties, the arbiter rejected the Members' request to declare as unjustified the RIPE NCC's decision to terminate their RIPE NCC Standard Service Agreements and found that the RIPE NCC had acted correctly.

Moreover, the arbiter noted that the Members' behaviour indicated at best poor record keeping and at worst an attempt to deceive the RIPE NCC regarding the nature of their organisations and the individuals involved. Either way, their behaviour constituted a violation of Article 9.4.h of the RIPE NCC Standard Service Agreement.