

What's in a domain name?

Cybersquatters, typosquatters, scammers and sundry malcontents will try to commandeer your organization's good name. Here's how to guard against a whole lot of headaches. / **By Luigi Benetton**

Your company sucks. Nobody really believes that, right? But chances are somebody out there has a bone to pick and is obsessed enough to set up a website and tell the world about it—as in, YourCompanySucks.com. Tech-savvy malcontents can harm a company's reputation by registering Internet domain names that the company would rather they didn't. This behaviour can be contested in court. But a simpler—and cheaper—route is taking steps to prevent, or at least make difficult, domain-name disputes from arising in the first place.

Such disputes don't always go as expected. Take the case of TorontoCaribbeanCarnival.com, the official website of the longstanding Toronto summer festival formerly known as Caribana.

Why the name change? "A local Toronto newspaper had reserved the domain name caribana.com," says Toronto-based McCarthy Tétrault associate Dan Glover.

"Scotiabank, a major Caribana sponsor, wanted the domain name, so it launched a dispute."

But the only party entitled to launch this dispute was the trademark owner, and Scotiabank wasn't it. So the claim failed.

Glover doesn't know exactly what happened, but "from the outside looking in, it looks like the rules weren't looked at closely enough prior to launching the complaint."

Both websites still exist, and some brand confusion ensued. Don't let this happen to your company.

Protecting trademarks and domain names

Your organization's tech and marketing departments might be excited about the potential of a new or rebranded corporate website, but guess whose lap the mess falls in if scolders, scammers and squatters strike?

Protecting brands and trademarks takes forethought and collaboration by all parties involved. The experts agree: registering both trademarks and domain names is far cheaper than taking cybersquatters, typosquatters and protest sites to task after the fact.

"A client comes up with a new brand," Chris Bennett offers by way of example, "and they disclose it publicly. Somebody hears about it and registers the domain name."

That's why the IP and technology lawyer at Vancouver-based Davis LLP recommends that clients keep quiet on plans for new brands until they get protection in place, including trademark applications and domain-name registrations. "You can do it on an intended-use basis," he says.

"I work with a lot of marketing departments," Bennett adds. "If a marketing department comes up with a new brand, they come to me and we go through the process of brand clearance, filing the application, protecting the marks and domain names and so on."

But Glover cautions that it's a double-edged sword. "If you register a domain name for a new brand before you're ready

TYPES OF TLDs

Letters after the “dot” are commonly used as labels for top-level domains, or TLDs. Three types of TLDs currently exist.



1 Sponsored domains: These admit to their ranks only members from their communities. For instance, only museums, educational institutions and adult entertainment outfits qualify for dot-museum, dot-edu, and the recently-minted dot-xxx domains, respectively.

2

Country domains:

Getting this TLD often means proving some connection to a country, such as having a business incorporated, a trademark registered or individual residing in the country.



3 Generic domains: The most well-known TLDs belong to this category. Common generic domains include dot-com, dot-net, dot-org, and dot-biz. Look out for new generic domains, such as the controversial dot-xxx.

to use it in the market, a competitor might try to sneak in a trademark application to block you. If you do the inverse, they might try to register domain names.”

Aside from reserving actual domain names, companies may want to register confusingly similar monikers as well.

In addition to registering brands under familiar top-level domains (TLDs), such as dot-com and dot-ca, a company might also consider dot-org, dot-net and dot-biz. Similarly, if the brand name consists of two or more words, reserve it by running the words together (YourBrand.com) as well as hyphenated (Your-Brand.com).

Another handy tip: Reserve common misspellings of the brand name to keep typosquatters at bay and prevent traffic from going to sites a company has no control over.

Domain name misspellings and other possible misuses are so great in number that to cover them all may be cost-prohibitive.

“There are a hundred permutations and combinations just on ingdirect.ca alone, and they can’t protect all of them,” says James Kosa, an associate at Toronto-based Deeth Williams Wall. “Counsel needs to set a budget, to prioritize what they protect. You can spend a lot of money doing this, but there are diminishing returns.”

Kosa once got a surprise when he visited his bank’s website. “I think I missed the ‘I’ in ‘direct’ and I ended up on a typosquatting site.”

The typosquatters who own ingdirect.ca don’t try to mimic the bank’s site. Instead, they engage in passive domain name monetization, using software to automatically generate links to other websites.

The business model is similar to that of spam: many typo sites, featuring inexpensive domain names, drive traffic to linked sites, which leads to sales. “If traffic is high enough, even one sale in 10,000 clicks makes the site owner a profit,” Kosa says.

Once companies take steps to protect their marks, they can monitor the web for infringements or outsource this responsibility. “Third-party trademark monitoring services are starting to incorporate domain names in their searching and monitoring,” says Toronto-based Norton Rose associate Adam Haller.

Be wary of domain name scams

“Certain entities in China track trademark applications made in Canada,” Glover says. “They then reserve nine or 10 different Asian domain names and e-mail the trademark applicant telling them an entity has reserved their domain names.”

Such registrations might not matter to companies with no expansion plans for the Pacific Rim. However, “to create the perception that the domain name has value, they approach you saying somebody else is interested,” Kosa says.

Peter Cooke offers the explanation he’s been given by counsel in Asia: “Registrars in Asia have been given quotas that they have to meet, so overzealous registrars use this tactic to increase the number of domain names they register.” The Ot-

tawa-based partner at Fraser Milner Casgrain adds that simply Googling such e-mails turns up discussion of the phenomenon. “You start to realize you’re not the only one. That starts to put it into perspective.”

Handling domain name disputes

Inevitably, a dispute may arise over a domain name. But before getting to that, an organization may have to decide if the issue at hand is worth fighting for. Make sure people involved in branding have been taught to recognize bona fide problems, Haller says. And then choose your response carefully. “It used to be that if somebody infringed on a trademark, you sent that person a nasty letter,” he says. “On gripe sites, cease-and-desist letters invariably end up published on the gripe site itself. This typically doesn’t help the matter.”

To prepare for arbitration, take the following steps:

- **Collect evidence.** Take screenshots of the registration and the site, especially if the site displays objectionable material, to show what the registrant has been doing with the site.
- **Find the registrant.** “That can be difficult, since you can cloak registration details,” Bennett of Davis LLP warns.
- **Research your opponent.** If the offending-site operator has a well-documented history as a cybersquatter — i.e. a track record of bad-faith registrations — the odds of winning through dispute resolution procedures improve markedly.
- **Call in the experts.** “It’s a mistake for businesspeople to negotiate with cybersquatters,” Glover warns. “Things may be said that can’t be unsaid or agreements made that the company doesn’t need to make.”

Bennett figures litigation costs to acquire a disputed domain name can reach five figures, even six “depending on how hard the litigants fight.” Dispute resolution policies, the usual first step, are less expensive and much faster.

By registering for a domain, an organization abides by the rules that are applied to the particular TLD. And it agrees to submit to an arbitration-like process should another party lay claim to the domain.

The uniform domain-name dispute-resolution policy (UDRP) prescribes the rules for many TLDs, most notably dot-com. All dot-ca domains are subject to the Canadian domain name dispute resolution policy (CDRP). Last August, the CDRP was changed to more closely align with the UDRP. Still, there differences to be wary of, Glover says “Something that works for an affiliate company in Australia won’t necessarily work in Canada.”

Kosa adds: “CDRP has been applied several orders of magnitude less often, just because of the sheer number of UDRP complaints versus CDRP complaints. Some CDRP panellists have looked to UDRP disputes for guidance.”

On costly way in which the CDRP differs from the UDRP: Should a respondent to a claim decide to challenge a complainant, the arbitration process must engage three panellists. If the respondent doesn’t defend its domain, the complainant need prove its case to only one panellist. Under the UDRP, both parties can agree to engage only one panellist. **END**

LEARNING ABOUT DRPs

These websites provide information about domain-name dispute resolution policies.

CDRP: The Canadian Internet Registration Authority (CIRA) publishes decisions, rules, practice notices and other useful information regarding Canadian domain name dispute resolution policy (CDRP) at cira.ca/legal/cdrp.

UDRP: The World Intellectual Property Organization (WIPO) publishes cases filed, decisions, procedures and other resources for uniform domain-name dispute-resolution policy (UDRP) at wipo.int/amc/en/domains.



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