

# DOMAIN NAME CHANGES YOU IGNORE AT YOUR PERIL

By Alan Gahtan and Anik Morrow

The Canadian Internet Registration Authority (CIRA) assumed responsibility for operating the .ca country code top-level domain (ccTLD) on December 1, 2000. Prior to that time, the University of British Columbia (UBC) had been acting as the official .ca domain name administrator/registrant. As of November 8, 2000, Registrars certified by CIRA, have been processing domain name applications under the new broader CIRA registration rules.

Under the new rules, anyone meeting the Canadian Presence Requirements (CPRs) can register one or more .ca domain names on a first come, first served basis. New .ca domain names were registered through CIRA in the registry operated by the UBC until November 30, 2000. On December 1, 2000, CIRA's registry became fully operational; on that date, all registrations processed through CIRA on or after November 8, 2000, were automatically transferred to CIRA's registry.

Domain names previously registered under the Canadian ccTLD with UBC are required to be re-registered in order for the domain names to be transferred to the new CIRA registry. In November 2000, less than half of the domain names registered prior to November 8, 2000, had been re-registered with CIRA. Failure to re-register a domain name obtained prior to November 8, 2000 will ultimately lead to the cancellation of the domain name registration after January 31, 2001, to allow for the domain name to be returned to the pool of available names.

The new rules for the registration of a .ca domain name should allow for the numbers of domain name registrations in the .ca domain to increase significantly. Electronic commerce is growing quickly. Today, over forty per cent of Canadians use the Internet. In 1999, retail online commerce is estimated to have reached nearly US\$15 billion.

Contrary to other ccTLDs, the .ca ccTLD is a "closed" domain because not everyone may register a domain name ending in .ca. There are restrictive rules. Under the former rules, an organization seeking to register a domain name had to be federally incorporated, or have an office in at least three provinces or territories, or be the owner of a trade-mark registered in Canada. There were also restrictions on the names that companies in Canada could obtain as a domain name. Provincial, territorial or regional entities were required to use domain names that included geographic sub-categories, e.g., bigstore.montreal.qc.ca. The name/word used to identify the entity (in our example, "bigstore") had to be related in some manner to the entity registering the domain name. If a trade-mark was used, the word registered as part of the domain name had to be identical to the trade-mark. Where corporate names were used, the name registered as part of the domain name had to be as close to the full name as possible. Individuals could only register domain names where the personal name was followed by "city.province.ca", e.g., smith.toronto.ontario.ca. For all domain name registrants, it was only possible to register one domain name. The waiting time for the .ca domain name registration was approximately one week. In an Internet culture where intuitive and short domain names are sought after and where the amount of time one has to wait in order to obtain a domain name registration can be an important consideration, the .ca ccTLD presented certain difficulties in comparison to a generic TLD (gTLD) such as .com where one could obtain, for example, smith.com in a matter of hours.

The new rules under CIRA allow for Certified Registrars to compete for domain name registration. Prices vary and therefore it is important to visit the Web sites of a number

of Certified Registrars prior to registering a domain name. The domain name registrations will be issued on a first come, first served basis. Qualifying applicants will be granted a domain name if it is available. There are no limits on the number of domain names that can be registered. Those who have registered a domain name under the former rules with UBC and who were/are required to re-register with CIRA in order to retain use of their domain name, are exempt from these new CPRs.

The CPRs are deemed necessary to guard against cybersquatters and to ensure that the economic benefits of the .ca domain are enjoyed primarily by Canadians. The CPRs for registrants are available at the CIRA Web site. Unfortunately, greater access to obtaining a .ca domain name has its costs; cybersquatters who were previously unable to register domain names consisting of the names of well known businesses or trade-marks in the .ca ccTLD will now be able to do so, if such names are available. While speculation in .ca domain names may not rise to the level of that which occurs in the .com gTLD (Compaq paid US\$3.3million for altavista.com in 1998 and the domain name business.com sold in 1999 for US\$7.5 million after being acquired in 1997 for US\$150,000), it will be a part of the activity surrounding domain names.

In light of the opportunity for third parties to register domain names with a view to, amongst other things, holding such names ransom until payment is made by a trademark or trade name owner, timely and effective dispute resolution policies are important. The *Uniform Dispute Resolution Policy (UDRP)* which is applicable to disputes involving domain names registered in the .com, .net and .org gTLDs, and the current draft *Canadian Dispute Resolution Policy (CDRP)* available at the CIRA Web site and which when finalized, will be applicable to disputes involving domain names registered in the .ca TLD, list a number of factors which will be considered by arbitrators following receipt of a complaint that a domain name has been registered in bad faith.

Whether or not all or many of the same factors listed under the UDRP should be reflected in the CDRP is currently the focus of CIRA. On September 29, 2000, CIRA posted the draft CDRP at its Web site for public comment. The consultation period ended October 29, 2000, however, consideration of the comments received and deliberations as to how best to balance the interests of all registrants were at the time of this writing ongoing at CIRA with an official dispute resolution policy still to be released.

There has been much discussion of late about the possible addition of new generic top level domains (gTLDs). Currently, the gTLDs are .com, .net, .org, .edu, .int, .mil, and .gov. In a process commenced in June 2000, ICANN received 44 qualifying applications for new gTLDs and have selected seven finalists. These include .info and .biz for general use and .pro for professionals. Also selected were .name for personal Web sites, .museum for museums, .aero for airline groups and .coop for business cooperatives. New domains will not be put to use until next spring at the earliest. In the meantime, ICANN staff members will continue negotiations with the winning bidders to coordinate the business and technical aspects of the new domains. The ICANN is a nonprofit, private sector corporation which essentially coordinates, manages and administers the Internet's domain system.

Not everyone is happy with the expansion in the number of gTLDs. The owners of well-known trade-marks and trade names believe that the increase in gTLDs merely presents cybersquatters with new playing fields and rights holders with more burdensome policing responsibilities. For this reason, the owners of well-known trade-marks are lobbying for a pre-registration period during which they could obtain domain name registrations in the new gTLDs. Alternatively, the owners of well-known marks are proposing that well-known trade-marks should benefit from a form of "super" status that would entitle them to domain name registrations in all TLDs. Critics of such rights holders maintain that the owners of well-known marks are succeeding in obtaining over the Internet broader rights than are available in the "real" world. They point to the scarcity in intuitive domain names and to the trade-mark regime which allows more than one entity to use a trade-mark if the wares or services with which the trade-mark is associated differ and the multiple use is not confusing to the public.

Domain names have become valuable marketing assets and an area which must be closely monitored by corporate/commercial lawyers. ☛

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