



## IS YOUR DOMAIN NAME SAFE?

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Are You Unknowingly Allowing Third Parties to Profit from the Goodwill Vested in Your Trade-marks?

How to Detect Fraudulent Warnings Regarding Domain Names?

How Will the New WHOIS Policy for Dot-ca Domain Names Likely Affect You?

Are You Unknowingly Allowing Third Parties to Profit from the Goodwill Vested in Your Trade-marks?

When trade-mark owners decide to register several domain names “defensively”, to prevent others from using or registering them, they may very well be unknowingly helping competitors, as well as the registrar and a provider of on-line advertisement services to take advantage of the goodwill vested in those trade-marks. Very often, the default “under construction” page or “parking” page of the otherwise unused domain names will display promotions, advertisements and links to third-party product and service offerings, sometimes even for similar products and services that the owner is seeking. Service agreements of the domain name registrar Network Solutions expressly authorizes it to place such promotional content on default “under construction” pages provided to its customers. It is therefore advisable to verify the current manner in which your parked domain names are configured and make the necessary changes, as the case may be. It is also advisable to include in the domain name management policy of your organizations specifications regarding how a “parked” domain name registered and maintained for defensive purpose should be configured in order to avoid it being used as a promotional vehicle for products and services of others.

## How to Detect Fraudulent Warnings Regarding Domain Names

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Improper use of domain name and trade-mark registration data is increasing and requires vigilance. Among the most widespread scams are email “notices” sent to a registered trade-mark owner, typically from so-called domain name registrars located in Asia. The notices are presented as warnings that a company, unknown to the targeted organization, applied for domain names comprising its trade-marks. They then urge the CEO or the person in charge of the domain name maintenance within the targeted organization to communicate with the sender for assistance. If the person in charge does so, the sender could register the domain names under the name of someone else and pretend that it will help the person in charge to claim those domain names back.

In order to detect and avoid these fraudulent schemes, one should look at the inconsistencies in the notices: in a usual registration process, available domain names are normally registered within seconds after the applications are submitted, without prior examination of conflicts with trade-marks. A registrar has no obligation, and no incentive, to prevent one of its clients from registering a domain name and notifying a trade-mark owner of this domain name application. A search in the WHOIS database of the real registry operator will normally indicate that the domain names listed in the “notice” are in fact still available. To verify who is the true registry operator of a given top-level domain (TLD) (e.g. .cn, .asia, .ca, .com, etc.), searches via the IANA (iana.org) Root Zone Database should be performed. To verify whether an organisation truly is a registrar accredited to provide domain name services for the TLD in question, searches in the list of accredited registrars published by ICANN (icann.org) or on the website of the concerned registry operator can be performed. There are no guarantees, however, that the business practices of an accredited registrar are irreproachable.

### **Why the New WHOIS Policy for Dot-ca Domain Names Will Likely Affect You?**

In reaction to requirements of the *Personal Information Protection and Electronic Documents Act*, the Canadian Internet Registration Authority (CIRA) adopted a new policy regarding the information disclosed through the dot-ca domain name registry. This new policy has been implemented and became effective on June 10, 2008. Registrants who are individual domain name holders will now have their identity and contact information concealed by default (this includes the name of the registrant as well as the name, address, phone number, email, and fax number of the administrative contact and technical contact). If, as an interested party, you need to communicate with a domain name holder whose identity and contact information have been protected, you will have to use a Message Delivery Form which will be available from CIRA’s website for transmitting correspondence. However, CIRA will not guarantee that messages will be read or responded to by the recipient. Corporate (non-individual) domain name holders, on the other hand, will still have their identity and contact information displayed by default, with the possibility of

opting-out using the online Request for Privacy Protection form provided by CIRA. To do so, the corporate holder has to be able to “certify that it has a legitimate need to protect the privacy of its information, which need is greater than that of other CIRA Registrants who are not individuals, because the nature of that Registrant’s operations or activities is such that disclosure of its information via the WHOIS would be likely to cause harm to individuals or to that Registrant.”

In order to avoid, as much as possible, costly and lengthy law suits, it is preferable to proceed with some verifications before investing in the commercialization of a product or spending money to acquire rights to a product from a third party. Amongst the various verifications that may be undertaken, (i.e. financial considerations, marketing potential, etc.), it is also strongly recommended to perform a due diligence review of certain legal matters. It is important to verify for instance who was involved in the creation of the intellectual property rights concerning a product in order to ensure that all rights required to exploit the product have been obtained.

Furthermore, due diligence on the intellectual property rights of a newly developed product may include:

- freedom-to-operate opinions;
- infringement opinions;
- the verification of the title to the rights in question;
- the verification of intellectual property rights which are held or existing, by owner or by product;
- the verification of contracts linked to the product; and
- the verification of liens and hypothecs of the intellectual property rights of the product.

Due diligence substantially limits the risks of a law suit. It represents an important negotiation tool and brings a level of insurance and comfort for the party which conducts it, as well as for its future business partners.



