

Can Pranksters nab company Names off the internet?

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What happens if I register the name of some large corporation as my personal computer name on the Internet? Could I register, say, molsons.com, bluejays.com, thebay.com, or chretien.gov as my computer "domain name." and get rich quick by selling the name one day?

To put it another way, can my large, well-known client ACME Inc. successfully sue some prankster who registered acme.com as a computer name before ACME did?

I have been pondering this question since reading an article called "Billions Registered" by Josh Quittner in the October, 1994 issue of Wired magazine, which described what Quittner called a "gold rush" to register domain names. Quittner boasted in the highly entertaining article that he is now the proud owner of the domain name "mcdonalds.com". Other net gurus say the whole thing is a non-issue. I asked Matt Harrop at Canadian provider Interlog about the article, and he dismissed it as "all hype."

Let's step back, and explain what this is all about. The Internet, defined in the November 26 issue of The Economist as "the totality of computers and computer networks able to talk to one another via telecommunications links using common data protocols", is now used by around 30 million people around the world, a number which even the sober Economist says is growing by 10% a month. No government regulates it, and no one controls it.

Here I turn to my Internet Companion, which tells me that computers on the net are identified by names that are like names, addresses and telephone numbers rolled into one. You type in the computer name to communicate with that computer on the net.

Something called the Domain Name System (DNS) governs the the pattern of these names. The abbreviation at the end of the name specifies what type of body the domain is (com stands for commercial, org for non-profit organization, gov for government, and so on). Before that comes the domain name, which cannot be ore than eight letters, supposed to be a recognizable version of the organization's real-life name. Before that comes the subdomain name for departments or individual addresses within the domain.

So Bob's computer at the Yoyo Company might have the name bob@yoyo.com, pronounced "bob at yoyo dot com". Bob's computer will also have a number "address", but people will generally use the computer name in word form to send E-mail to Bob because it's easier to remember. Anyone on the Internet through a commercial on-line service like America Online has the service as his domain name, but large organizations are likely to want to be directly connected sooner or later, that is, to be a domain in their own right.

To get his computer name Bob must register it with the InterNIC (pronounced internick) or Internet Information Center, based in Herndon, Virginia, which costs him nothing. Internic has minimal staff and does not concern itself with trade mark problems. It assigns names for the net, that is, for the whole world. National boundaries have no meaning on the net. Bob can register anything as long as it is not already taken. A search called a whois search can be done to see what is taken, and by whom.

According to Quittner's article, as of October only about a third of the Fortune 500 companies had registered an obvious version of their names. In the case of 14% of those companies, versions of their names had been taken as domain names by someone else. Thus, nbc.com and pepsi.com are registered by the parties you'd expect, but coke.com was registered by one Rajeev Arora of Campbell, California. Since mcdonalds.com was not taken, Quittner gleefully snapped it up, and asked readers to send in suggestions as to what he should do with it.

In a number of instances, company A has registered the domain name of company B, its competitor. The Princeton Review, a company that prepares students to write standardized tests such as the SAT, registered the name of its principal competitor, kaplan.com as the name for a computer (or "site") on the net "that explains the difference between Princeton Review and Kaplan". This resulted in litigation in the US but the article is silent as to the result. An employee at MTV registered mtv.com, but then left the company and took the domain name with him, claiming it was his.

My first thought was that all this is much ado about nothing. Anyone can register almost any available corporate name or trading style under the Ontario Business Names Act, for example, but this does not cause any serious problem. I recall representing a well known US company with no presence in Canada. Bogus, similar company names and trading styles were registered when it looked likely that company would start operating in Canada. The company simply ignored them; having a corporate name registration does not bestow any rights to the name the registrant would not otherwise have, and none of the upstarts were actually using the name, which would have been unacceptable.

True, there could be slight inconvenience if the company one day wanted to register the same corporate name in that province, but this could be dealt with by choosing a very slightly different name. If worst came to worst, the client could apply for an order that a bogus corporate name be changed by the relevant ministry on the grounds it was likely to

confuse the public. Section 12 of the Ontario Business Corporations Act, for example, requires the ministry to change confusing corporate names. InterNIC has no equivalent of this because no one regulates it.

But can Coke ignore Rajeev Arora, owner of coke.com (assuming Coke's lawyers have not already squashed him into the ground)? Probably not. He's got something that they may one day want: a domain name that easily and memorably designates their company for the convenience of anyone communicating with the company over the Internet, a method of communication soon to be as common as talking on the phone. In other words, what Rajeev has is better than a mere corporate name registration, because it is useful in itself.

This brings us to the big question. Is it an infringement of any rights in Canada for an unrelated person to register the short name of some big company as a domain name? Others might disagree, but it seems to me the answer is, maybe not, if the registrant just sits on the registration without actually using it to sell anything. Under section 20 of the Trade Marks Act, a mark is infringed if someone, without the consent of the owner, "sells, distributes or advertises wares or services in association with a confusing trade mark". So if the rogue is not selling, distributing or advertising anything, he may be in the clear. It might be argued there was common law passing off, but, again, this seems doubtful if no wares or services are being peddled. It might also be argued there was copyright infringement, but this is doubtful too; the domain name of eight letters or less would have to be a "literary work", and the bogus registration an unauthorized reproduction - a difficult stretch for a court to make.

If wares or services were sold using the bogus domain name, this clearly would be trade mark infringement and passing off. There have been cases in Canada, for example, where pizza vendors have prevented competing pizza vendors from using similar phone numbers (see, for example, "Phone number close to rival's is trade mark infringement: justice" Lawyers Weekly, p. 24, September 11, 1992).

But since bogus registrants like Rajeev Arora, whoever he is, are probably not planning to sell competing widgets, it is possible that companies may find it difficult to get "their" domain names back in the courts. Desirable domain name registrations might therefore have to be bought back from hackers who registered them first.

So, big name companies, better get cracking and register those domain names! Pranksters - this may be your big chance!