

T H E A D V I S O R

Legal Issues of General Interest to Individuals

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Intellectual Property Law Client Alert

As you may know, seven new global top level domains, or "tld"s have been approved to be used on the world wide web: .BIZ, .INFO, .PRO, .COOP, .NAME, .AERO, and .MUSEUM. Of these seven, only the .BIZ and .INFO domains are non-specialized. The others have restrictions that limit who may register them. Consequently, they are expected to be the most sought after of the new tlds.

Those wishing to register a .BIZ or .INFO domain should be aware that the procedure for registration is not the same as for the existing .COM domain names. These changes purport to address the widespread problems of cybersquatting which occurred with the .COM tld, but the effectiveness of these changes remains to be seen.

The organization which formally oversees the primary internet domain name system, the Internet Corporation for Assigned Names and Numbers ("ICANN"), has finalized agreements with two Internet registries to operate the .BIZ and .INFO domains. The pre-registration process has started, with these new tlds expected to be online by fall 2001.

.BIZ

The approved registry operator for the .BIZ domain name is NeuLevel, www.neulevel.com. NeuLevel has indicated that there will be three phases for registration of .BIZ domain names. The three phases are as follows:

Phase 1: The Intellectual Property Claim Period – May 21 to August 6, 2001 (extended from July 9, 2001)

During this period, NeuLevel will permit those wishing to assert existing trade mark type rights to file such claims to oppose .BIZ domain names that include their registered or unregistered trade marks ("IP Claims"). The IP Claim form requires extensive trade mark information, and might require legal advice to ensure accuracy. The IP Claim is not a pre-registration of a domain name. While this filing does not guarantee that the party making the IP Claim will receive the domain name that contains their trade mark, it does provide that applicants for the domain name containing that trade mark will receive notification from NeuLevel of a potential conflict with the IP Claimant. Notice of the potential conflict will also be given to parties who file an IP Claim. An applicant will be provided with information outlining the basis of the potential conflict and contact information for the IP Claim holder. The applicant may then decide whether it wishes to proceed with the registration. The applicant will also receive notification that if it does receive the domain name, confirmation of the registration will be placed on hold for thirty days to allow the IP Claimant an opportunity to seek potential legal remedies.

IP Claims must be filed prior to August 6, 2001. NeuLevel has advertised \$89.00US as the IP Claim filing fee. Where an IP Claimant receives notice of another application it may challenge that party by using the Start-up Trademark Opposition Policy ("STOP"), administered by Neulevel. While STOP is similar to the existing ICANN Uniform Dispute Resolution Policy ("UDRP") it is as yet untried. The expected cost of the process will be comparable to the ICANN dispute process. (for more information on the ICANN process see <http://www.icann.org/udrp/udrp.htm>)

Phase 2: Pre-registration - June 25 – to September 25, 2001:

Following Phase 1, businesses may file claims to .BIZ domain names. It should be noted that this filing procedure is different than for the previous tlds, in that registration is not on a first-come, first-served basis, but rather a random selection process. As such, a filing does not guarantee a pre-registrant will receive the domain name, but simply places an individual in line for registration. The registrars will be permitted to accept more than one pre-registration for the same domain name. Registrars were originally not charging for pre-registration (because there was no guarantee you would get the domain) but many are now doing so, and may or may not provide a refund if the applicant does not receive the domain requested. Therefore, applicants can theoretically increase their chances of obtaining a specific .BIZ domain name by multiple registrations at different registrars, however, this will clearly increase the cost to an applicant. In any event, NeuLevel will select one applicant at random to receive the registration.

Phase 3: October 1, 2001:

Immediately following Phase 2, all unassigned domain names will be available on a first come first served basis.

In cases where more than one trade mark owner files an IP Claim for the same domain name, NeuLevel will select one of these parties at random. This party will be allowed to challenge any conflicting pre-registration using the STOP procedure. Following Phase 1 and 2, a trade mark owner who has not filed an IP Claim may still challenge the assignment of a domain name using ICANN's UDRP arbitration system, or seek recourse through the Courts. While NeuLevel claims that the STOP procedure places a less onerous burden on potential challengers than the UDRP arbitration system, a review of more recent UDRP decisions suggests the standard may be about the same.

Comment

It is difficult to see how the .BIZ pre-registration system is going to reduce the type of cybersquatting of domain names which occurred with .COM. It may be expected that cybersquatters will flood the pre-registration process with multiple registrations, increasing their likelihood of obtaining the most desirable .BIZ domain names. An IP Claimant that could successfully challenge a cybersquatter's registration could probably also succeed under the existing UDRP system. Encouraging multiple pre-registrations, and allowing those who claim pre-existing trade mark rights to

file an IP Claim, is really just a way for Neulevel and its registrars to make more money. Those who file IP Claims are just entering a different lottery, with the only benefit being they may get into an arbitration process a few months sooner than if Neulevel had no IP Claim system. An IP claimant is not guaranteed they will win the arbitration process against any competing registrant in the STOP procedure, as they still must show the registration was made in "bad faith". Where there are multiple IP Claimants claiming the same trade mark, only one will be selected, at random, to challenge the domain name registrant, further adding to the "lottery" aspect of the IP Claim process.

Recommendations

Obtaining a popular .BIZ domain name will be a lottery. If you want to increase your chances to win, buy more tickets (ie: do multiple pre-registrations.) If you have trade mark rights you want to protect against .BIZ cybersquatters, you can spend your money on an IP Claim, but you could also wait and see if you can just register the domain you want. If someone steals the domain ahead of you, the ICANN UDRP process is still available. Definitely file a pre-registration along with any IP Claim, so you are in two lotteries instead of one.

.INFO

The .INFO domain name is operated by the registry Afilias, www.afilias.com and is subject to a different multi-step registration process than for the .BIZ TLD. The timing for the .INFO rollout was formally announced June 20, 2001, revising a previously released schedule.

Phase 1: Sunrise Registration - July 25 to – August 28, 2001:

Owners of trade marks registered as of October 2, 2000 will be the only parties permitted to register during this first phase. The .BIZ "IP Claim" does not require trade mark rights be based on registration of the trade mark. Applicants for an .INFO domain name will be required to submit particulars of the trade mark registration at the time of application. The selection of domain names will be done by randomized rounds to avoid preferential treatment to customers of any particular registrar. Disputes between sunrise registrants and third parties will be subject to a challenge procedure administered by the World Intellectual Property Association. This procedure will allow a third party to challenge the sunrise period registrations to ensure they comply with the applicable requirements. This challenge process may not be initiated before August 28, 2001 and will remain available for approximately 120 days after Afilias begins accepting applications for .INFO domain names. The only valid basis for a challenge to a sunrise registration is if the registered domain name does not meet the eligibility requirements. Domain names registered during the sunrise period must be registered for a minimum of five years. The filing fee for an .INFO domain name during this phase will vary between registries.

Immediately after the conclusion of phase 1, a 15 day quiet period will follow from August 28, 2001 to September 11, 2001 during which no registrations for domain names will be accepted.

Phase 2: The Start-Up Period – September 12, 2001:

During this period, non-trade mark owners may apply for registration of a domain name if the name is still available. Domain names registered during the start-up period must be registered for a minimum of two years and may be registered for a maximum of

ten years. Again, registrations during this period will be selected on a randomized round robin procedure. During this phase and in Phase 3 below, the fee for registration will be approximately \$25.00CDN.

Phase 3: Open Season – August 17, 2001:

In the third phase, .INFO domain registrations will be available on a real-time, first-come first-served basis.

Comment

.INFO is a better system than .BIZ for trade mark owners, if they have trade marks registered before October 2000. Otherwise, it is just another lottery system.

Recommendations

Those who do have previously registered trade marks, and who want the corresponding .INFO domain name, should register the domain name corresponding with their trade mark during the first sunrise period.

This article is prepared by lawyers in the Personal Services Group of Field Atkinson Perraton LLP. It is intended to provide general information on areas of law that affect individuals. This publication is based on the law at the date of publication and is not intended to provide legal advice on any specific fact situation. Please consult a lawyer before acting on the information provided.

Our experienced professionals are happy to meet with you at your convenience to discuss your individual circumstances. For further information on this topic or other intellectual property in e-business issues, please contact Paul Ratanaseangsuang (Ratana) at 403-232-1759 pratana@fieldlaw.com or Peter Collins at 403-260-8516 collins@fieldlaw.com. In Edmonton, contact Thomas K. O'Reilly at 780-423-7661, toireilly@fieldlaw.com or Mark Raven-Jackson at 780-423-9589, mjackson@fieldlaw.com.

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