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A Chose By Any Other Name:
Domain Names As A Security Interest

Andrew B. Cochran†

There has been increasing study of the issues involved in using intellectual property as a security interest, but little corresponding consideration of domain names. The ascendency in value of domain names to modern business increases their usefulness as a security interest to lenders and borrowers alike. Their use in this respect appears not to be weighed down by two of the most difficult issues facing intellectual property, namely conflicting jurisdiction between federal statutory interests and provincial property interests, together with establishing more readily acceptable methods of valuation. However, there is ambiguity about the actual form of ownership interest involved with a domain name, which this paper addresses directly and offers an opinion on. It concludes by proposing a framework facilitating the use of domain names as security interest by engaging the active participation of domain name registrars.

I. Introduction

There are 12,187 taxi medallions in New York City.1 You need one bolted to the hood in order to legally operate one of the city’s infamous yellow taxis. They are made of aluminum,2 at a probable cost of less than a few dollars each. Today, any one of them can sell for US$300,000, or more.3 It’s not unusual for a buyer to save for several years in order to make a down payment, then finance the balance in a loan from the bank, using the medallion as a security interest. Long-term owners who have paid in full can pledge them as collateral for a loan for another purpose. More than 30 banks/lenders are willing to accept them.4 The legal status of the taxi medallion is clear and protected by the government of New York City;5 there is a clearly identifiable value and a ready market;6 there is validity in its perfection under UCC Section 9;7 and lenders generally have a reasonable assurance and knowledge that an enforceable security interest exists. Each medallion carries with it all the criteria for using an intangible to establish a security interest.

There are benefits for all concerned. For the owner, a medallion may well be the most significant asset in his or her portfolio. With it, the owner may be able to secure financing to facilitate growth in his or her equity (by acquiring full ownership in the medallion) or an expansion of assets (for example, buying another medallion, or a home). Clear value plus a ready market enables the use of the medallion as a security interest; making the transaction easier lessens its cost. For the banker, lower risk means the taxi industry can be the source of new business, with confidence. For the City of New York, there is incremental revenue. A robust taxi industry generates more taxes, and a strong market value for medallions creates a significant asset pool for future medallions. The city has recently commenced a bidding process for an issue of new medallions. It’s expected the city will gross US$190 million dollars8 simply by being the purveyor of these little pieces of aluminum.

Can similar dynamics apply to domain names? Can business owners, the finance community, and domain name registrars all benefit from using domain names as a security interest? Taxis have been around much longer than the Internet: the marketplace and legal framework for medallions is mature, while for domain names the financing market is still emerging. What would it take?

A recent report from the Law Commission of Canada9 points to the need to create greater certainty in the use of intangible asset-backed security interests in Canada.10 The focus is not on taxi medallions and domain names, but rather the broader issue of intellectual property, based on a four-year examination of the current circumstances associated with federal security interests and the challenges of financing intellectual property in Canada. Their primary interest is to determine “practices to support a vibrant and innovative information-based economy”.11 In this, Canada is not alone. United States Federal Reserve Board Chairman, Alan Greenspan, recently challenged delegates at the Stanford Institute for Economic Policy Research, ques-

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tioning “How appropriate is our current system — developed for a world in which physical assets predominated — for an economy in which value increasingly is embodied in ideas rather than tangible capital?”

As a starting assumption, this paper suggests that widely dispersed economic benefit can come from enabling domain names to be used as a security interest. It argues that the structural adjustments necessary to implement such a security interest regime do not require statutory or legislative change. And further, it argues that the steps to be taken that involve domain name registrars may present a new business opportunity.

The second section examines the domain name phenomenon and the third considers the factors involved for domain names to become a security interest. Section four presents a model for consideration, before concluding in section five, with a summation.

II. The Domain Name Phenomenon

Domain names are indispensable in making the Internet work. All of the connected computers in the world know each other by a unique number, millions and millions of them. Numbers are the natural language of computers, but not of the humans who use them. Imagine the difficulty if, in order to find Bonny View Cottage Furniture, physically located in Petoskey, MI, you needed to enter 216.219.253.211, the address of the computer where they are virtually located on the Internet. Instead, you enter “bonnyview.com”, and the Domain Name System (DNS) computer looks up these words, associates them to the corresponding numeric address of their host computer, and routes your request accordingly. By mapping words to numbers, the domain name system acts as a translator from human communication to computer communication, a very fast translator. Every day, it processes 10 billion requests for just the .com and .net domains, exceeding by three times the number of daily phone calls in the United States.

How the Domain Name System Works

In order to get their domain name, the proprietors of Bonny View Cottage Furniture applied to a domain name registrar, which processes requests on behalf of a domain registry. There is one registry for every first-level domain, and each registry may have a relationship with a few to hundreds of registrars. A top-level domain is distinguished by the letters to the right of the last dot in an address; the second-last string of letters — those immediately before the last dot — are known as the second-level domain. So in the address bonnyview.com, “bonnyview” is the second-level domain and .com is the top-level domain. The most famous — and most popular — top-level domain is .com, comprising 44% of the total. Top-level domains come in two varieties, those specific to a narrow community of interest, with use restricted to that community (including .edu, .gov, .int, .mil, .aero, .coop, .museum) and others that are more generic, which have fewer restrictions on their use (including .com, .net, .org, .biz, .info, .name, and .pro). All of these often are referred to within the acronym “gTLDs”, for “generic top-level domains”.

There are also domains that are geographically specific, known as “country coded top-level domains” (ccTLDs). Every participating sovereign state in the world — currently 240 of them — is assigned a unique, two-letter abbreviation denoting their country; for example, .ca for Canada, .uk for the United Kingdom, .fr for France. Often, they are restricted for use only by nationals in each country. There are, however, notable exceptions, particularly where the generic appeal of the two-letter country code has attracted interest by businesses. The most famous example is the small Polynesian island nation of Tuvalu, which received the ccTLD .tv.

Overall responsibility for setting standards and policies that affect all territories and domains is handled by the Internet Corporation for Assigned Names and Numbers (ICANN), a private, non-profit organization established in 1998 expressly for this role. This administrative structure evolved over time, and began with a handful of university-based computer engineers who wrote the first guidelines for the DNS as volunteers. Overall administrative responsibility later fell under the National Science Foundation (NSF), an agency of the United States government that funded much of the development of the early Internet. The NSF contracted with a private company, InterNic, to handle the operations of the DNS as the exclusive registry for the .com, .net, and .org domains, as well as the only registrar to be accessible to the public. InterNic changed its name to Network Solutions Inc. and in 2000, was purchased by Verisign, a United States public company, in a transaction valued at US$21 billion. In the meantime, concerns had arisen about having so much of the DNS, as a vital resource of the Internet, held by a private corporation without public accountability. The Network Solutions monopoly was ended in 1998, when ICANN was created by the United States Department of Commerce to assume overall coordinating responsibility for the DNS. At the same time, the way was cleared for new registries and new registrars, all operating under the policy and standards direction of ICANN. ICANN is not without controversy, however, as in the international community, it is seen as a creature of the United States, a fact that has been an irritant in a globalization-sensitive world.

The individual registry for each gTLD can set additional rules and procedures governing use of their respective domain. For example, registrants to the newly created .biz domain must demonstrate they operate for
commercial purposes. Similarly, ccTLDs set their own policies. In the case of the .ca domain, governance is by a not-for-profit organization known as the Canadian Internet Registration Authority (CIRA). While it functions separately from ICANN, CIRA, like the other ccTLD registries, adheres to a set of criteria common to all domains, as co-ordinated by ICANN. Indeed, none of the domain-specific policies can subtract or detract from these baseline technical and operating standards overseen by ICANN, as it is adherence to these baseline standards that enables a domain name entered anywhere to reach a computer anywhere else.

**Ascendancy In Business**

The indispensability of domain names for the modern firm extends beyond operating ease, into the realm of marketing. Bonny View Cottage Furniture created their Web site to tell the world, “every home needs a little Cottage”. In addition to having a new marketing tool, they quickly found their moment in Internet history as the one-millionth domain name to be registered. That was in March 1997. Forty years earlier, there had been 4,000 names. “This is a remarkable achievement”, said Donald Mitchell, the program director for the United States National Science Foundation, the body which at the time was responsible for administering the domain name system, pointing to how well the DNS had scaled. This ability was soon to be tested even more dramatically. In 2000, three years after bonnyview.com became the one-millionth name, there were 40 million domain names registered; and three years after that, by the end of 2003, there were 60 million names. In October 2003, a million and a half were being registered a month, setting a monthly registration record.

A revealing sense of the exponential growth of the Internet comes from looking at these milestones in their total context. The first domains were activated on 1 January, 1985, with the first .com name, symbolics.com, registered on 15 March 1985. In the 12 years to March 6, 1997, the system grew from one to one million names. In following six years, it grew from one million to 60 million registered names.

Once in the register, each domain name becomes unique in the world, and exclusive to its owner for the duration of the agreement period. This is more than a contractual undertaking: it is an operating imperative. The way the DNS is designed, its functional integrity depends on there being only one bonnyview.com in the world; if there were more than one, the DNS ability to translate between words and numbers could not work. It does not have the intelligence to discriminate between two words of different meanings but written the same way — say between “Apple”, the computer company, as compared to “Apple”, the record company, or the fruit — the way humans can. Traditional business practice has not only relied on human ability, but also on geography to create natural namespaces, allowing many common business names, such as “A1”, “acme”, or “apple” to distinguish businesses in many communities at the same time. But there can only be one apple.com in the world.

The net effect can become an important asset to any business: having a world-wide monopoly on an identity stemming from a single registration, for as little as US$35. An additional peculiarity is that this monopoly is conferred on a first-come, first-served basis. The bonnyview.com name was registered Thursday, March 6, 1997 at 12:07:51 pm; a competing registration even minutes earlier would have denied the farm furniture company their prized online identity.

**An Active Market**

The first reported sale of a domain name was tv.com, which sold to CNET in 1996 for US$15,000. One year later business.com sold for US$150,000; then again within two years it was re-sold for US$7.5 million. Prices fell in 2000, but now seem to be recovering. Verisign vice-president Ben Turner told The New York Times that while prices in the millions may still be scarce, sales exceeding US$100,000 per transaction are increasingly common once again. Examples of recent sales are truck.com and beef.com, both of which sold for more than US$100,000, and me.com, which sold for US$460,000.

It appears that buyers increasingly expect that the convenience of a good name will increase the traffic on their Web sites. A search entered in Google or Yahoo! may yield hundreds, if not thousands, of choices facing the ready consumer. The search engine companies commonly also give prominence to sites that pay for placement on the pertinent results page. Marketing-conscious sellers want to have their name stand out in all this information noise.

More and more companies want a name that is “top-of-mind” so that they don’t have to compete for attention, something obvious or memorable enough that the user will by-pass the search engine and enter the name directly. The second choice is to have a name that closely matches a search term. In most search engines, this can be influential in how high a ranking the site achieves in a list. “You’d have to pay $1 million a year for the same amount of traffic I get without advertising”, says Dan Parisi, the owner of home.com. Mr. Parisi has another home on the Internet, whitehouse.com. It relies on a different outcome of users doing their own name entering namely, force of habit and the misdirection it can create (President Bush is at whitehouse.gov). When entering the more common .com, the civic-minded user is in turn re-directed to the decidedly unpartisan whitehousesex.com, a pornography collection. Mr. Parisi told The New York Times that bidding for whitehouse.com has reached US$2 million.
In another sale that recently closed, car.com was bought by its current owners for “close to seven figures”. The new owners say they initially questioned the value of the price, but now have experienced significant growth, which they attribute to their new name. Traffic on their Web sites is up, plus they’ve had a lift in physical marketplace sales; “everything is easier”, says chief marketing officer David Wassermann.54

Those knowledgeable in the ways and means of names — a field of study called onomastics — believe this increased reliance on a name as the principal marketing identity of a firm is here to stay. They even have a new name for it. According to Naseem Javed, president of ABC Namebank of New York and Toronto, it’s “cyber-branding”.56

Today it is all about business names and their high visibility on global e-commerce, instant accessibility on the net, quick searchability on the web, distinct memorability of names by overly trained populace, easy typability by tired fingers, and pleasant vocalization of such names and brand experiences, by the customers all over the world.52

This presents the market dynamics where the four letters, nike, may be worth US$7 billion.58 Javed believes we are now in “the name economy”, in which … the name identity of a business will be the only measure on how a name works in a micro-multi-national-formation in a maze of countries and cultures. Under the new rules, a name works like a key, being the only thing that can unlock the doors to this net-kingdom. The competitive fog is so thick, that without this key, a name identity is simply doomed.60

Potential Use As Security Interests

The ascendancy in value and importance of domain names makes them of natural interest to lenders, who are generally looking for meaningful forms of assurance that funds lent will be returned, with a profit. Ways of achieving this level of comfort can vary from one lender to the next.

It is typical for this to involve some form of “moral hazard”.61 Lenders want to avoid the need to realize value on the secured assets, and instead make the potential penalty for loss so severe that re-payment is assured. Lenders also seek to identify and secure assets with a sufficiently high realization value so that, in the event of default, recovery of the outstanding balance can be received in a sale of the seized assets or shares. The existence of a ready market and evidence of liquidity for the assets at issue are important considerations. Lessening risk not only increases the likelihood of successful financing to the benefit of the borrower, but can also lower the transaction costs associated with putting the financing in place. This may be reflected, as applicable, in a lower “set-up fee” (often charged by the lender in larger or complicated transactions) and in a lesser rate of interest charged until the debt has been repaid. Obviously, not every domain name in every business will meet tests of high value and liquidity. In its absence, the ability to pledge an asset perceived to be of key strategic value to the firm may be influential in credit-granting decisions.

Either way, both sides of the transaction would appear to benefit by having the ability to create the security interest in some standardized form.

II. Creating A Security Interest

The elements required for a creating a security interest can be broken down into five distinct parts, matching the order in which they are undertaken. This provides a systematic approach to determine if all the various criteria involved can be satisfied.

Identification

The first step is to identify how the ownership interest is created and conveyed. It may be real property, such as real estate, or personal property, generally thought of as anything other than real property. Personal property sub-divides again, between tangible property — literally something you can hold — and intangible property, typically where what you hold is a right, for example, to a future activity, revenue stream, or both. These are also sometimes referred to as choses, either a chose in possession (tangible asset) or a chose in action (intangible asset).62 Intellectual property is another kind of personal property, but is largely a creature of federal statutes. In Canada, these federal acts are for patents, trademarks, copyrights, plant breeder’s rights, industrial designs, and topographical circuit boards.63 An ownership interest can also be created and governed under the terms and conditions of a contract.

Protection

The second stage, protection, is the ability to claim, assert, and defend the ownership interest. There are precedents in the common law dating back to just after the Norman Conquest.64 A famous example involves a group of hunters bounding across property lines in 1805.65 Flushed with pursuit, the hunters came to stop in front of a fox, only to discover it already had been killed by another person, a person oblivious to the hunt. This interloper stood over the felled fox and claimed it as his own. The Court was asked to determine who owned the fox. Was it part of the property of the hunters, even though land property boundaries had been crossed in the thrill of the chase? He had clearly shown his intent to capture the animal. Or was it the property of the interloper who felled it? The Court found that by killing the fox, the interloper had gained control over the animal, and so it belonged to him. The ruling is still cited as an important precedent establishing the concept of first possession in the common law. It may also be especially pertinent in domain name issues, as, typically, the person first-to-register is the owner of a domain name.66
The common law also extends a measure of protection for damages experienced from passing off one identity as another, in such a way as is confusing or deceptive and causes damage. Forms of intellectual property created by statute are also protected by statute, with specific provisions for activities that infringe on the rights of the owner.

In general, a security granter requires a high degree of confidence in the degree to which the asset is protected. The potential for future claims that could erode the nature, character, or extent of the intellectual property being held can erode its value. In this respect, there is a direct analogy to physical property, where reducing the character, nature, or extent of a piece of land could lessen its value.

**Valuation**

Determining value is generally considered to be the most difficult piece in the security interest equation. Traditional thinking in finance points to three main ways for value to be determined: the income method, the replacement method, or the market method. The income method projects the future cash flow from an asset and applies a collection of factors to discount the cash flow back to a net present value. The reliability of this approach is affected by having robust historical data, as future earnings may be best forecast from a springboard of historical results. This typically becomes much more difficult with emerging companies or assets, which may have negative earnings, little history, and no basis for comparison with other firms in the marketplace.

The replacement method examines the cost to replicate the asset by building another; its applicability to emerging or intellectual property is also usually considered to be limited. The analysis applied earlier in the paper by Mr. Parisi—that having home.com saved him a million dollars in advertising costs to yield the same traffic results—was an example of the thinking behind this approach.

The market method looks at current pricing for a similar asset in the market. The supposition that a New York City medallion will, all things being equal, fetch US$300,000 in the market is an example of the market method. The vexing variable here is that all things are usually neither equal nor similar. This can diminish the degree of confidence that may be achieved using this method.

It is interesting to see the emergence of several domain name brokers appearing online, each offering additional valuation factors peculiar to the domain name market. For example, DomainSystems.com shows a 17-point evaluation scale that it applies when doing a formal appraisal of the then value of a domain name. Other brokers have scales that have a number of factors in common, such as the gTLD involved, the length of the word, and the number of times the word appears on the Web. Weekly sales results are posted by an online publication, The Domain Name Journal, providing a ready reference for comparable data.

**Formation**

Stage four represents the formation of the security interest in law. This has two steps, the first of which is known as attachment. The legal concept of attachment occurs when the property being secured is conveyed to the security holder via an assignment in writing. The agreement must describe the property in sufficient detail for it to be identified subsequently, and there must be some payment made. This document gives the effect of ownership to the party granting the security interest. It needs to enable assumption of ownership in the event of default. It is precisely this sword over the head of the debtor that provides the lender a sense of security concerning future repayment.

The second step, known as perfection, requires the public registration of the security interest in the form of a financing statement. In Canada, this happens under the provisions of the Personal Property and Security Act (PPSA). In the United States, similar provisions are found under article nine of the Uniform Commercial Code, which serves as the basis for the concepts used in the PPSAs in Canada. PPSAs are enacted and administered by the provinces. They act as a notice system instead of a filing system, although the actual security agreements need not be filed with the provincial registry.

**Assurance**

Lenders usually require assurance that items pledged as a security interest will be maintained in order to retain value; domain names are no different. Registrations need to be kept up-to-date or the registration of the name will lapse. Renewals cost approximately US$100, but lack of timely payment can have consequences disproportionate to the sum involved, as the Washington Post discovered in February 2004. Soon after one of their domain names, washpost.com, went unpaid, their email system ceased to function; the domain name was disconnected from the DNS addresses for the Post and employees and news correspondents worldwide were left without email connectivity. Fortunately for the Post, it was able to re-register the domain name before another party could claim it.

This threat of losing a valuable registration for simple lack of payment is likely to increase. Network Solutions has recently begun promoting a service known as SnapNames®. It enables potential owners to get on a stand-by list, if a desired .com, .net, or .org domain becomes available, promising “we’ll monitor them around the clock and attempt to register it for you the instant it becomes available”. Aside from being an interesting deterrent for delinquent accounts, the proliferation of services like SnapNames could serve to
increase expectations by lenders that effective measures are in place to ensure the integrity of the secured asset.

A fundamental concept of the PPSA system is using a regularized procedure and mechanism to advise others doing business with the debtor that there is already a prior claim on the asset. This also serves to establish, in the event that there is more than one claim, the priority that each claim has to the other.84 This may be thought of as the personal property equivalent of the longstanding adage, “sunshine is the best disinfectant of all”.85 Illuminating the legal personality of the piece of property in question is meant to reduce lender uncertainty about the risk of the transaction. The corresponding increase in confidence increases the likelihood of the transaction taking place. Likewise, treating similar security interests the same way levels the playing field.

Adhering to these principles of standardization and transparency gives assurance to all concerned.

Applicability To Domain Names

There has been a considerable amount of study concerning the use of these measures for creating security interests in intellectual property.86 The Law Commission of Canada, in its landmark report “Leveraging Knowledge Assets — Minimizing Uncertainty for Security Interests in Intellectual Property”, found that the system at present is “rife with uncertainty” and in need of corrective measures, particularly with respect to valuation methods and the overall legal framework for IP-backed security interests.87 A preliminary analysis of the foregoing five factors as they pertain to domain names, however, suggests there are different areas and degrees of attention required in order to establish a workable regime for domain names in Canada.

For example, there is ample evidence of a market for domain names, with conventions for determining value backed up by transactions using these conventions. There are sellers, buyers, competing brokers, standardized offerings, and publicly displayed outcome measures. There is even at least one trade journal devoted to journalistic reporting about the business of domain names.88 All of these should help increase the confidence of lenders. However, the issue of identification of ownership interest — the starting point for analysis — is where the most confusion remains.

III. A Turducken Of Interests

Domain names come into being by making application to a registrar for the name of interest. At the time of registration, the domain name owner signs a registration agreement; making its use determined by contract. The registrant of the domain name typically has control over it for the duration of the contract period, thereby addressing a characteristic of personal property. The domain name by its very function serves as evidence of the source of the wares or service it provides; in this respect it functions very much like a trademark. Three characteristics, three types of ownership interest, in law the domain name may be considered akin to the curious Christmas dish that is part turkey, part duck, and part chicken — the turducken. Those who have had it served say turducken has a smooth taste, all its own. Yet an item that is part contract, part personal property, and part trademark is as unusual in law as it is on a menu — and in law no doubt takes more to digest.

Ownership As Contract

Each registrar is likely to use their own contract form, with terms and conditions unique to their operation. Some of these may assert specific provisions regarding ownership and transferability. For example, the Network Solutions Service Agreement characterizes its relationship with registrants as that of a service provider: in return for its fee, the company will register the selected name with the appropriate domain administrator (for example Verisign for the .com, .net, .org and other domains that it manages). Their agreement appears to prohibit assignment or resale:

Except as otherwise set forth herein, your rights under this Agreement are not assignable or transferable. Any attempt by your creditors to obtain an interest in your rights under this Agreement, whether by attachment, levy, garnishment or otherwise, renders this Agreement voidable at our option. You agree not to resell any of the Services without Network Solutions prior express written consent.89

Notwithstanding this clause, Network Solutions Incorporated (NSI) also has a Registrant Name Change Agreement that outlines the terms and conditions under which one registrant can transfer registration to another, provided the new registrant agrees to be bound by the same terms and conditions as the former registrant.90

Corresponding agreements with a Canadian registrar, easyDNS Technologies, has an entirely different approach. For first-time registrants, their Terms of Service state:

The person named as administrative contact at the time the controlling user name and password are secured shall be the owner of the domain name. You agree that prior to transferring ownership of your domain name to another person ("the Transferee") you shall require the Transferee to agree, in writing, to be bound by all the terms and conditions of this Agreement. Your domain name will not be transferred until we receive such written assurances or other reasonable assurance that the Transferee has been bound by the contractual terms of this Agreement (such reasonable assurance
as determined by us in our sole discretion) along with the applicable transfer fee. 92 [Emphasis added]

This language largely summarizes more lengthy clauses governing transfers of domain names published by the Canadian Internet Registration Authority (CIRA). It has 37 pages of “Registration Rules”. 93 However, the CIRA rules preface its section on transfers saying, “Although a domain name Registration is not the property of the Registrant, CIRA will recognize a transfer of the Registration” [emphasis added]. 94 CIRA underscores this in its 23-page Registrant’s Agreement:

The registrant acknowledges and agrees that the registration of a domain name does not create any proprietary right for the registrant, a registrant’s registrar or any other person in any name used as a domain name or in any domain name registration, and the entry of a domain name in the registry in the “whois” database shall not be construed as evidence of ownership of the domain name registered as a domain name. The registrant shall not in any way transfer or purport to transfer a proprietary right in any domain name registration or grant or purport to grant as security or in any other manner encumber or purport to encumber any domain name registration. 95 [Emphasis added]

The UK equivalent of CIRA is Nominet.uk, responsible for administering the .uk domain. 96 Its policy for transfers of ownership is straightforward. It requires completion of a form by both parties to the transaction, plus a confirmatory letter to Nominet’s attention. 97

The limitation on transferability required in the Network Solutions agreement, like the confining language in the CIRA contract, is not required by ICANN. 98 It would appear to be a discretionary position of these registrars/registries. It is particularly interesting to note that it does not appear in the Terms and Conditions sampled from easyDNS, even for a .com, .net, or .org gTLD that otherwise might be covered under either the NSI registry or the CIRA registry.

Ownership As Property

The Canadian common law has only considered the question of domain names as property, as a tangential factor in the midst of its primary consideration of other issues.

In Easthaven Ltd. v. Nutrisystem.com Inc., 99 the Ontario Superior Court was asked to consider its jurisdiction for a dispute involving a domain name between one party with head offices in Barbados and the other in Delaware. Easthaven, the Barbados company, had acquired the domain name sweetsuccess.com, which it wanted to use as the basis for a sports Web site. Nutrisystem.com, the Delaware company, owned certain Sweet Success® trademarks and sought to gain control over the domain name. After unsatisfactory negotiations in Pennsylvania, they turned to the Ontario Court. Their choice was predicated on the fact that the registrar for sweetsuccess.com, Tucow’s, was based in Toronto. Given this business connection, Easthaven claimed it had a real and substantial connection with Ontario and was therefore subject to its jurisdiction. Easthaven supported this by claiming the domain in question was property, and that this property was situated at the place of its registration. Nutrisystem in turn countered, saying a domain name was “not property but is simply a bundle of rights like copyright”. 100 The judge opined that the domain name fit the description of intangible property, but denied the motion seeking jurisdiction, saying “the mere fact that it is registered through a corporation that happens to carry on business in Toronto does not give the domain name a physical presence in Ontario.” 101

In the second case, Madam Prothonotary Roza Aro-Novitch in the Federal Court of Canada considered a claim by plaintiff Molson Breweries, who sought to have the domain names molsons.com and molsonbeer.com turned over to the Court for safe-keeping while their ultimate disposition was determined in a future action for passing off. 102 Molson Breweries submitted that the Federal Court had sufficient jurisdiction to take and hold the property. In her commentary, the judge said domain names were considered to be intangible property, and further, that “it is not evident that intellectual property may not be ‘property’ . . . or that the categories of what may constitute property are closed”. 103 However, the original motion failed for not demonstrating that a deposit with the court would have any meaningful effect. 104

Both references from the Canadian courts suggest a consistent line of thinking that domain names constitute intangible property. Supporting this is a clear finding from the United States Court of Appeals, Ninth Circuit, in its July 2003 decision, regarding Kremen v. Cohen. 105

Gary Kremen was, in 1994, an Internet entrepreneur who registered the domain name sex.com in the name of his company, Online Classifieds, from interNic, the predecessor company to Network Solutions Incorporated. At the time, interNic was the sole registrar for domain names. Unbeknownst to Kremen, a convict, Michael Cohen, who had been serving time for impersonating a bankruptcy lawyer, upon his release sent a letter to Network Solutions claiming to be Kremen’s employer. The letter said Kremen had been fired, his board had decided against entering the Internet business, and the company was requesting that the registration be cancelled. Network Solutions complied, apparently without trying to verify the request. Cohen quickly re-registered the domain in his own name, started up a pornography site using the address sex.com, and grossed a reported US$40 million. 106

Kremen sued Cohen. He was successful, and was awarded US$65 million, 107 but Cohen was nowhere to be found. Kremen turned his legal attention to Network Solutions, whom he sued on four counts. He argued he had an implied contract with Network Solutions, which was breached by their turning the domain name over to Cohen; that the transfer was contrary to the agreement between the National Science Foundation as proprietor and Network Solutions as administrator of the domains;
that he had a property right in the names, which Net-
work Solutions had violated by the tort of conversion;
and that Network Solutions was liable for “conversion
by bailee.” 109 All four counts were denied by the lower
court.

On the question of conversion — harming his prop-
erty by taking it and converting it to another use — the
lower court conceded that sex.com was intangible prop-
erty that did belong to Kremen; however, it denied his
application on the basis that conversion could not apply
to intangible property.

Kremen appealed on all four counts. The Appeal
Court rejected three but agreed to consider the issue of
conversion. The Court said it needed to look clearly at
the question, “not whether Kremen’s domain name in
isolation is property, but whether domain names as a
class are a species of property”.110

The Court named111 and applied a three-part test to
see if property exists:

(1) was there “an interest capable of precise defini-
tion”;112

(2) was it “capable of exclusive possession or con-

(3) has the owner “established a legitimate claim to
exclusivity”.114

It found that a domain name meets the test on all three
points. Said the judge:

Like a share of corporate stock or a plot of land, a domain
name is a well-defined interest. Someone who registers a
domain name decides where on the Internet those who
invoke that particular name — whether by typing it into
their web browsers, by following a hyperlink, or by other
means — are sent. Ownership is exclusive in that the regis-

The Court went on to find Kremen’s claim of con-
version to be valid under California law. “Exposing Net-
work Solutions to liability when it gives away a regist-
trant’s domain name on the basis of a forged letter is no
different than holding a corporation liable when it gives
away someone’s shares”,116 concluded the Court.

sex.com appears to clarify the issue from the various
findings that had gone before in the United States
courts.

In Umbro v. 3263851 Canada Inc., an international
soccer clothing and equipment manufacturer was
seeking garnishment for a collection of Web sites regis-
tered to the defendant, as a form of settlement, for a
previous judgment found in their favour. The Court was
asked to consider if domain names constituted property
that could be subject to such a garnishment claim. The
Nineteenth Judicial Circuit of Virginia, in its analysis,
said,

There can be little question that domain names are a form
of intellectual property. Domain names can receive trade-
mark protection from the patent office…. [They] apparently

have not been subject to immunity from garnishment, but
there is no reason to conclude that this new form of intellec-
tual property is therefore immune.117

The Court’s decision to allow the garnishment was
subsequently appealed by NSI, the domain registrar
holding the domain names at issue. The appeal was
considered by the Supreme Court of Virginia.118 The
Court took note of NSI’s earlier claim, that what Umbro
sought to have garnished was really “standardized, exec-

The Court noted that NSI had previously acknowl-
aged that the “right to use a domain name was a form
of intangible personal property”,123 and then said it was
not important to the case at hand to rule on whether a
domain name constituted intellectual property.124

Instead, it decided that “a domain name registration is
the product of a contract for services between the regis-
trustant and registrant”.125 Based upon this interpretation, it
was reluctant to allow garnishment because of concern
for the precedent it might set for any service contract.
The Court also equated the domain name to a telephone
number, considering both were services under contract,
saying “neither one exists separate from its respective
service that created it and that maintains its continued
viability”.126

In addition to the fact that Kremen v. Cohen
appears to be currently the definitive case on this issue,
the fundamental point in the Virginia Court’s decision
seems to be at odds with the technical facts of domain
names and their function. In the competitive environ-
ment established by ICANN, a domain name can be
freely transferred from one registrar to another; it is not
bound to the registrar “that created it”,127 nor is
beholden to that registrar for “its continued viability”.128

Indeed, another operating fact of domain names — seen
as a feature by many — is their ability to be easily trans-
ferred from one IP address to another. The name can
stay the same, but the underlying numbers can be
changed at will by the owner, directing traffic to the
server of the owner’s choice, not the registrar’s choice.

It also is of interest that none of these cases address
seeming differences in the property status between top-
level domains and second-level domains. The creation of
and authority for, the top-level domains clearly emanates
from the Domain Name System, now within the
authority of ICANN. It is not readily apparent who granted permission for the first use of the gTLDs.\textsuperscript{129} It is, however, probable that whatever authority was granted the original gTLDs has passed through the various custodians of the domain name system from its beginning to ICANN today. ICANN today, in turn, authorizes their use by the registries, and the registries in turn transfer authorization to the registrars. Finally, the registrar deals with the individual registrant. To this extent, it could be argued that the registrar, on behalf of the DNS, “owns” the gTLDs.

But who else but the registrant could possibly possess the second-level name? It is a long-established principle that you cannot convey better title than you have. It was the entrepreneurial couple in Petoskey, MI that put the “bonnyview” in bonnyview.com; “bonnyview” did not previously exist on some giant, virtual shelf maintained by InterNic or NSI. It was not theirs to sell. Likewise, the registrant at the time of registering is not asked to “sell” his or her name to the registrar; in the absence of prior possession or conveyance, how else could the registrar own anything but the .com portion?

The Virginia Supreme Court equates domain names to telephone numbers. A customer does not contribute a numerical sequence to his or her telephone number. The telephone company originates all of the telephone number, assigning it to the customer for use as long as the account is in good standing, or unless it is otherwise instructed.

The second-level domain names give character and individuality to the domain name. This provides value. If no second-level domains were brought to registrars by registrants, where would the value be in the system? How much value would reside in a .com, absent a “bonnyview”?

Ownership As A Trademark

Many modern businesses seek commercial advantage from a distinctive name, ideally one that distinguishes them, their wares, and their services from those of their competitors. To the extent the name achieves this, it may be subject to trademark protection under Canadian statute.\textsuperscript{130} The question of distinctiveness invites comparison between a trademark and the second-level domain name.

In Canada, a trademark can be registered and thereby accorded monopoly protection under federal law, or it may exist without registration and be protected by the common law of passing off. With a registered mark, the owner has much stronger protection: the burden rests with the party making the claim to prove infringement, instead of resting on the owner to defend distinctiveness, as is required in an action for passing off. Once registered, the Canadian trademark provides 15 years of protection, which can be renewed.

In order to qualify for registration, the name must not be “clearly descriptive or deceptively mis-descriptive”,\textsuperscript{131} not be confused with another registered mark,\textsuperscript{132} nor be a generic word or term.\textsuperscript{133} The Canadian Intellectual Property Office (CIPO) has issued a practice notice on the interpretation of some of these issues, particularly as they pertain to domain names. CIPO’s official interpretation says domain name suffixes, such as .com, .ca, and the other gTLDs, cannot be used to try and meet the test for distinctiveness. In other words, simply adding .com to “toys” in an attempt to make toys.com distinctive and thereby registrable will likely fail.\textsuperscript{134} In practice, for domain names receiving trademark registrations, the gTLD component generally is disclaimed, meaning it has no registrability by itself.\textsuperscript{135}

Ownership of a trademark does not automatically confer an ownership interest in a domain name. Given the uniqueness and ubiquity that characterizes any domain name worldwide, it is not surprising that conflicting uses of a word would arise.

As of April 2003, there have been more than 6,000 dispute claims made under the Uniform Dispute Resolution Process (URDP),\textsuperscript{136} a convention created by ICANN and commonly used throughout the world as a measure and process to determine conflicts between competing interests in domain names. Many of these arise from trademark owners claiming infringement of their monopoly rights when another party has registered the same or a confusingly similar domain name.

The extent of this difficulty can be illustrated by the dilemma faced by a graphic designer in Vancouver, Anand Ramnath Mani.\textsuperscript{137} Apparently, Mr. Mani likes to abbreviate his full name and registered a domain name accordingly. Representatives of Georgio Armani, the fashion designer, are said to have pursued Mr. Mani for “years”, trying to get armani.com dislodged from him.\textsuperscript{138} The matter ended up being resolved before the private dispute resolution and mediation service of the World Intellectual Property Institute (WIPO). WIPO administers 23 international treaties dealing with intellectual property issues, and more generally seeks protection of intellectual property interests around the world.\textsuperscript{139} Their dispute resolution service is, by agreement with all parties concerned, treated as both final and enforceable.\textsuperscript{140} In the case of Mr. AR. Mani, they ruled he had the right to the domain name he had first registered.\textsuperscript{141}

Although most domain name disputes are resolved by either WIPO or similar private organizations, recent judicial examination was undertaken by the Federal Court of Canada in a decision rendered September 2003.\textsuperscript{142} At issue was a claim by ITV Technologies, an Internet services and content company in Vancouver which operated a business known as ITVnet together with the domain name itv.net and a corresponding Web site of the same address. The defendant was WIC Television, which at the time owned the Alberta independent television station known as ITV, several registered trademarks using these letters, as well as the domain name itv.ca, and a corresponding Web
site. The *itv.net* Web site contained various archives of video material as well as video streams of various events; the *itv.ca* site had news, weather, and entertainment listings. In addition to the action brought by *ITV* against *WIC* in this instance, *WIC* had filed a counter-claim to *ITV*.

The trial ended up dealing with a range of issues related to the Internet, including the use of the Internet at trial, the validity of Internet archives as evidence, and the relationship of Web-casting and broadcasting. In her decision, Madame Justice Tremblay-Lamer conducted a detailed review of whether and to what extent the two domain names, together with their sites, may be confused with each other, one of the principal tests for infringement under trademark law. She found there was no such confusion from the perspective of the average consumer.

“The fact that *WIC* was the owner of the trademark *ITV* as a word mark did not entitle it to a monopoly of all domain names with the prefix *ITV*”, she concluded, going on to quote from a prior decision of Wright J. of the Ontario Superior Court:

> Simply because a domain name is identical or similar to a trademark name should not result in the transfer of the domain name to the trademark owner. In my view, unless there is some evidence that the use of the domain name infringes on the use of the trademark name, a person other than the owner of the trademark should be able to continue to use the domain name.

Both the claim and the counter-claim were dismissed. If this suggested ownership of a trademark does not help gain possession of the registration of a domain name, at least in Canada, is the reverse true? Does ownership of a domain name help gain registration of a trademark? A trademark registration must be used to be valid. To the extent to which a domain name can be considered as advertising for a Web site, or facilitating the performance of the site, it might be considered as constituting use as a service mark. In order to achieve effect as a mark for wares, however, it would seem at least to need prominent placement on the Web page itself. A trademark needs to be affixed to the product or its packaging in order to give a clear indication as to the source of the product. To the extent that the Web page could be considered a product or packaging and, in this context, the domain name is the differentiating identifier of that product or packaging, display on the Web page may be useful in demonstrating use for purposes of registrability as a trademark.

**Contract, Property, Or Trademark?**

So what type of ownership interest is a domain name? A registrar’s contract concerns the performance of a service — making the domain name functional on the worldwide Internet — for which it receives a service fee. Does this constitute an ownership interest for the registrar? Firstly, it seems unclear whether the registrar wants to achieve ownership. Instead, the confining language that appears in some of the agreements studied only prevents the registrant from claiming ownership or any proprietary rights in the name. The registrar does not appear to lay claim to an ownership interest for itself. If the domain name is not to be owned by the registrant, nor by the registrar, who is to be the owner?

If this is meant to suggest that no ownership interest exists at all, this is at odds with the analysis provided in the majority of court decisions, namely that a domain name is intangible property. Given the existence of a property interest, it must be owned by someone. Yet there is no suggestion in the registrar agreements that they are acquiring the second-level name provided by the registrant. Nor is there any evidence that the second-level name exists anywhere else, except in the possession of the registrant at the time he or she acts, to join the second-level name with a top-level name via the intervention of the registrar. The registrar cannot sell what he or she does not have to sell.

It does seem apparent that the registrar could claim an ownership interest in the top-level domain, but it is unclear why one may want to do this. The gTLDs largely form a purely technical function, much like a laundry tag in a large dry cleaning shop. A customer brings goods to be dry cleaned to the shop, a tag is attached to shepherd the goods through the system; there even may be different colored tags for different reasons. There can be only one tag per bundle of clothing, or the system will fail in confusion over which bundle of clothes belongs to which owner. It is has a purely utilitarian function. The dry cleaner no doubt claims an ownership interest in the laundry tag, but what good is a laundry tag without any laundry to which it may be attached?

If anything, the registrar would seem to have a duty to protect the second-level domain while it is in its possession, just as the dry cleaner has an obligation to look after the laundry while it is being cleaned. Does this put the registrar in the legal position of being a bailee? This warrants further examination of *Kremen v. Cohen*. In the lower court, *Kremen* argued Network Solutions was a bailee of his domain name, *sex.com*, and as bailee, had committed the tort of “conversion by a bailee”. The lower court denied the argument, but on appeal, the Ninth Circuit Court ruled that “Kremen had a viable claim for conversion”, and “gains nothing by also showing that Network Solutions is a bailee”.

*Kremen v. Cohen* is unequivocal in establishing domain names as personal property. It is the most recent case on the point, dealing exclusively with the issue — not as a peripheral consideration amidst another issue.

The trademark seems to be more a means of adding value to a pre-existing domain name, rather than being the primary form creating the ownership interest. *ITV Technologies v. WIC* shows prior ownership of a domain name cannot guarantee ownership of the same or close-to-same domain name. The trademark test for
not being descriptive makes difficult the use of generic words used as domain names — often the most valuable domain names in the marketplace. Still, in circumstances where a domain name can meet the tests for registrability as a trademark, the additional protection of trademark law could add to the value of the name; such protection would exist in countries where the mark was registered and used.

Ironically, however, it is possible that registration as a trademark could place a domain name in a less advantageous position with respect to creating a security interest. The ambiguity between federal jurisdiction for trademarks and provincial jurisdiction for PPSA registrations is one of the confounding issues presently impeding security interests being created in intellectual property. While treatment as a registered trademark might provide added commercial protection for a domain name, existing under a federal registration, at present, would not help its use as a security interest.

Rather, the domain name is most advantageously considered to be intangible, personal property — a chose in action — and it would appear that the common law supports its status as such.

IV. A Model For Using Domain Names As A Security Interest

Given all of these factors, a framework appears to be achievable that can benefit both the lender and the borrower. In meeting their needs, an opportunity additionally presents itself for a pivotal role to be played by the registrar. This would not only bring registrars closer to the mainstream of commerce, but could also provide them with a new source of income.

Realizing The Security Interest Upon Default

In order to effect the smooth operation of a security interest regime, an important issue remains. The lender needs to be able to exercise change in control of ownership in the event of default. Without this, the security interest may be difficult to achieve.

The convention for transferring ownership is to have all matters confirmed via email, addressed to the administrative contact listed on the registration record. That person alone grants approval for any changes to the account. For example, the easyDNS defines ownership as being the party who controls this user name and password combination:

The person named as administrative contact at the time the controlling user name and password are secured shall be the owner of the domain name. 155

Depending on the circumstances of default, gaining access to the necessary user name and password may not be opportune, precisely at the time it is needed in order to seize the security interest. The lender may be in a position of having every legal right to exercise his or her security, but may be faced with the sheer impossibility of doing so. This may be more than simply an inconvenience. An unco-operative employee, at the time of a foreclosure by a lender, could not only deny access to the account, but also re-direct its path to another computer, or sell the domain name in a separate transaction.

This can be anticipated at the time the security agreement is put in place by creating and executing a three-way agreement that includes the registrar as a signatory together with the secured lender, and the borrower/domain name holder. 156 Alternatively, a trusted third party could hold the domain name for the duration of the loan 157 or the domain name could be placed in a separate company with the ability to transfer the shares to the lender upon default. 158 Any security agreement could give authority to put in place a receiver immediately upon default. 159

Among these alternatives, having the registrar become a signatory to the security agreement would seem to be the most clear-cut. It achieves the objective of orderly disposition of the property in the event of default, while minimizing the need to involve additional parties.

A Tri-Party Model

A three-way framework that unites the interests of lenders, borrowers, and registrars creates a rich environment for security interests to become an important instrument for finance. Lender, borrower, and registrar would benefit.

To provide full effect, the lender, borrower, and registrar would each be signatories to the security agreement. It could provide that ownership not be revoked or transferred by the registrar during the life of the agreement. This would require that the registrar receive payment in advance for a period that at least matches the term of the security interest; confirmation could be an item on the agenda for closing. Here, the lender and the borrower both receive peace of mind that the validity of the secured interest will be maintained throughout the term, while the registrar receives payment in advance. The agreement could further provide a clear means for the domain name to be transferred to the lender in the event of default by the borrower. The lender in such a circumstance would be receiving the world-wide monopoly right of the domain name, making the security interest a meaningful asset for the borrower to offer, just as it would be for the lender to accept. Such a contractual undertaking would provide the lender assurance that a transfer in physical control of the asset can take place easily, if necessary, while the registrar would receive comfort in knowing that any action on behalf of a secured lender is with the previous authority and agreement of the borrower. The net impact should be that both lender and registrar receive added assurance.
and, as a consequence, the borrower experiences greater ease in arriving at the secured transaction.

Active involvement by the registrar also provides an interesting opportunity to create a useful enhancement in the perfection process. As perfection under the PPSA takes place provincially, it is conceivable that a cautious lender would want to check multiple provincial registries in order to determine if a prior security interest has been registered. This could be assisted by having participating registrars include notice on the registrar’s standard record created for each domain name, indicating the existence of a security interest in the domain name. This, in turn, is already routinely displayed for each domain name in the WHOIS searchable database. Use of the registrar records in this way needn’t confuse the issue of priority of claim; it is not meant to suggest a competing database. Instead, it could be an efficient means to provide notice that an interest exists, directing the interested party to where the formally registered information can be found.

It is assumed these three new areas of active engagement—assurance of maintenance, assurance of transferability, and referral to the applicable PPSA registry—would not be without reward to the registrars. A meaningful fee could be charged for the value-added services provided. Given the world-wide reach of the Internet, it is possible to imagine that the market potential for registrars providing these new services might not be limited by their national borders. In addition to a direct bottom-line result, taking these initiatives would move the participating registrar into the financial services sector. It also would be a strong showing of participation in a broad public policy goal of expanding security interest potential for holders of intangible property. The benefits accruing from these results may help serve broader corporate purposes.

Adoption would likely increase in direct proportion to ease and extent of use. Indeed, if participation were to be adopted on a registry-wide basis, it could become a competitive advantage for the whole top-level domain; for example, further differentiating the value proposition for the .ca domain from that for .com.

V. Conclusion

Domain names are growing in their importance to competitive businesses in the modern economy. This growing importance increases their value as a security interest in financing transactions between lenders and borrowers. Adding the active participation of registrars to this mix presents an effective way to remove uncertainties and increase the transparency of a security interests regime. This in turn should smooth the way for accelerated usage, to the benefit of all who participate. It is clear that the common law regards domain names as intangible property, enabling its treatment as property for the purposes of creating a security interest. Having the active participation of registrars also will remove any lingering wisp of ambiguity about the nature of the ownership interest, leaving no further question that a domain name is, indeed, a chose by any other name.

Notes:

5 Supra, note 1.
6 Supra notes 1 & 3.
7 Uniform Commercial Code, Section 9 is similar to the Personal Property Security Act used in most Canadian provinces as a streamlined protocol for registering and perfecting security interests in personal property.
8 Supra, note 1.
10 The Law Commission Report summarizes “the law relating to security interests in IPRs (intellectual property rights) is rife with uncertainty”, ibid, at page 91.
11 Ibid. at page iii. The Law Commission Report goes on to detail 13 recommendations, which may be generally summarized as being in three areas: (1) encouraging improvements regarding valuation methods and the integration of practices between commercial and intellectual property law, (2) instituting true-title registrations for the six forms of intellectual property created by federal statutes, and (3) clarifying and creating a formal mechanism for the registration of IP-backed security interests. Discussion of these recommendations runs throughout the 120-page report. They are listed in summary form on pages 94-95.
15 A single company may be a registry for more than one domain, such as Verisign/Network Solutions Inc., which is the registry for the .com, .net, and .org domains.
16 Supra, note 14 at page 4.
18 Ibid.
39 Prices vary widely according to the length of time reserved in the registration period and the pricing policies of each registrar: there is no uniform rate card in the current competitive registrar environment. The rate of US$34.99 is advertised by Network Solutions as the rate for a one-year registration. Their rate schedule illustrates how the cost per year goes down as the number of years goes up in a pre-paid contract. See http://www.networksolutions.com/en_US/name-it.

40 Recently some of new gTLDs have been giving a “preview period” for existing trademark holders.

41 supra, note 29.


43 ibid.

44 ibid.


46 ibid.


48 supra, note 45.

49 Google calls these “sponsored links” and they are identified as such on their search results page; Yahoo! often has several sponsor placements on its results pages, together with ad banners themed to the search term used.

50 Someone is searching for “children’s shoes”. All other things being equal, there is a high probability that kiddoshoes.com will rank higher in a resulting list than theshoestore.com; unconfirmed reports also have suggested that because the algorithms are neither case or punctuation sensitive, a very competitive ranking could also be achieved with kids-shoes.com.

51 supra, note 45.

52 ibid.

53 ibid.

54 supra, note 36.

55 supra, note 36.


57 ibid.

58 supra, note 36. The same passage suggests Coca-Cola may be valued at US$70 billion.

59 supra, note 56.

60 ibid.


63 For purposes of this paper, henceforth we will consider intellectual property to refer to its three most common forms, copyright, trademarks, and patents.

64 supra, note 62, at page 50.

65 Pearson v. Post 3 Caines 175 (S.C.N.Y., 1805).


67 There are others, such as decision tree, option pricing and monte carlo simulation; their use for these kind of valuations is limited and their complexity is beyond the scope of this paper.

68 Typically, the weighted average cost of capital and equity risk premium, together with illiquidity and or control discounts as applicable.


71 supra, note 45.

There are several such brokers online, such as GreatDomains.com, Sedo.com, and Moniker/DomainSystems.com.


Ibid., at pages 97–102.

Ibid.

Ibid., at page 98.


Long-standing saying, source unknown.

A conference at the University of Western Ontario, held November 16 and 17, 2001 generated 18 papers examining various aspects of secured interests in intellectual property transactions. These in turn have been published in Security Interests In Intellectual Property, Howard P. Knopf, editor. Thomsen Carswell pub. 2002. The Law Commission of Canada has also commissioned work in addition to these papers in connection with its report, “Leveraging Knowledge Assets — Minimizing Uncertainty for Security Interests in Intellectual Property”, released in May 2004. In the US, a large body of work on this topic has come from the Franklin Pierce Law Center in Concord, NH.

Supra generally notes 9, 10, 11; “rife with uncertainty” at page 91; much of their work concentrates on tensions between federal and provincial jurisdiction as related to creating assignments in the statute-derived intellectual properties rights, which the Report finds would be best resolved by creation of an unambiguously federal regime for both true-title registration and registration of security interests taken in federal statutory intellectual property rights. For purposes of the examination in this paper, however, the focus is confined to the narrower principles of attachment and security.


Ibid., Schedule J. paragraph 3.


Ibid., at paragraph 11.


See http://www.nominet.org.uk.

See http://www.nominet.org.uk/MakingChangesToYourDomainName/Transfer.


Ibid.

Ibid.


Ibid., at paragraph 17.

Ibid., at paragraph 26.

Ibid., at paragraphs 28–30.

Kremen v. Cohen, 9th Cir C.A., No. 01-15899, 257 F.3d 1015-10160.

*$40 million in compensatory damages and another $25 million in punitive damages”, Ibid., at page 10160.

Ibid., at page 10161.

Ibid., footnote 5, at pages 10164-10165.

G.S. Rasmussen, 958 F.2d at 903 (footnote omitted); Ibid., page 10165.9

"$40 million in compensatory damages and another $25 million in

punitive damages”; Ibid., at page 10160.

Ibid., at page 10161.

Ibid., footnote 5, at pages 10164-10165.

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A Chose By Any Other Name: Domain Names As A Security Interest

146 Ibid, paras 146–152; excerpt: “Although I agree that broadcasting and web casting are related in that they both provide audio-video content to a mass audience, I do not believe that they are similar. . . . In my view, an ordinary person at the relevant date, would have been able to grasp these differences between broadcasting and web casting.”

147 As it is also under the UDRP.

148 Supra, note 146, at paragraph 189, 198, 201, 205-206.

149 Ibid, at paragraph 177.


151 Trade-marks Act, subsection 4(2).

152 Ibid, subsection 4(1).

153 Supra, note 106, at page 10161.

154 Ibid, at page 10176.

155 Supra, note 92.

156 Supra, note 98 at page 30.


158 Ibid.

159 Ibid.

160 The WHOIS database maintains searchable records for all domain names with data files provided by each participating registrar. In addition to the basis information common to all records, each registrar’s record can vary one from the next. To use the database, a user typically enters the address that adheres to their host registrar; for example, http://www.networksolutions.com/en_US/whois/index.shtml or http://www.easyDNS.com, after which records for all domains on the Internet are displayed, not just those for the individual registrar.