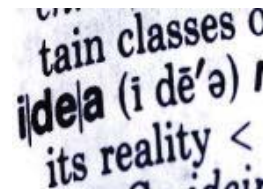


Intellectual Property & Technology Practice

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Property Rights in Domain Names

In August of this year, the Ontario Court of Appeal found that there can be property rights in a domain name in the decision *Tucows.com Co. v. Lojas Renner S.A.*

This decision may have implications for clients who become involved in domain name disputes in the future, as this decision has the potential to allow parties to pick the forum in which they would like to have their dispute heard. Previously, all domain name disputes were subject to the domain name dispute policies of the applicable domain registration authority, which clearly set out the rules surrounding a domain name dispute.

Summary of the Case

The case involved Tucows.com (“Tucows”), a tech company based out of Toronto, and Lojas Renner S.A. (“Renner”), a Brazilian-based retail operator and owner of the trade-mark “Renner” in Brazil and other countries.

In 2006, Tucows purchased the domain name “renner.com” as part of a bulk purchase, which it then registered with ICANN, the organization responsible for overseeing the domain name system.

In May of 2009, Renner submitted a complaint to the World Intellectual Property Association (“WIPO”) under the ICANN dispute resolution policy procedures. The day before the dispute resolution response deadline, Tucows began an action in the Superior Court of Ontario asking the court for declaratory relief concerning its rights in the domain name “renner.com”. Tucows simultaneously asked WIPO to suspend or terminate the dispute resolution proceedings begun by Renner until the matter had been heard by the Ontario Superior Court. Renner then applied to have Tucows’ claim set aside.

Is a Domain Name Personal Property?

Previous to this case, the Canadian courts had only briefly considered whether a domain name could be considered property and had determined it could not.

In this case, the Court of Appeal ultimately determined that Tucows’ rights in “renner.com” were property rights and included the exclusive right to direct traffic to the domain name’s corresponding website and the right to exclude anyone else from using the same name.

The Court also found that the ICANN dispute resolution process was a supplement to litigation, not a replacement.

Final Thoughts

This decision may have the effect of making the domain name dispute resolution process redundant and registrants may now choose to proceed with domain name disputes through the court system.

However, it remains to be seen whether a registrant would obtain a better outcome through a dispute resolution proceeding or through court action. Since domain name dispute resolution proceedings can be challenged upon their conclusion, registrants lose nothing in pursuing their case via that route at first instance, other than, of course, time and money.

It remains to be seen how the legal issues regarding the domain name dispute in the Tucows case will be decided. Therefore, it is still too early to determine if this is an efficient use of the judicial system’s resources.

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