

Mediation of Domain Name Disputes: **A Flexible Tool for an Elusive Medium**

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introduction

One of the hottest topics as of late in both academic and practice-oriented writings on the law has been the application of intellectual property (IP) law to Internet-related⁽¹⁾ I intend to analyze this issue in several stages. In Part One, I will describe Canadian trade-mark law generally and how it protects the IP of owners and compels them to take action against infringers. In Part Two, I will survey the history and development of the Internet as a communications medium and look at its distinct characteristics and explain how the use of domain names can lead to trade-mark infringement. In Part Three, I will study the conflict of laws problems raised by this distinctive international communications medium. In Part Four, I will look at the problems with litigation costs in both monetary and temporal terms and the "knowledge gap" that may result in inappropriate outcomes when using the non-specialized judiciary. In part Five, I

will show how ADR may be applied to provide a preferable outcome for all parties involved. In Part Six, I will include some concerns regarding the approach set out in Part Five and how they can be ameliorated.

part one: the canadian law of trade-marks in brief

Trade-mark law was created to protect entrepreneurs and to discourage dishonest trade practices.⁽²⁾ (3) (4) Today Canadian law provides two forms of protection for mark owners, one via legislation, under the auspices of the Trade-marks Act, R.S.C. 1985⁽⁵⁾ (6) (7) Title over a mark arises simply by adopting and using a mark in association with one's goods/services. When this mark comes to denote a merchant's goods in a market in the eyes of consumers of the goods/services, it is the property of the merchant,⁽⁸⁾ (9) Assuming that one has rights over a mark, there are several means by which one can prevent others from "taking a free ride"⁽¹⁰⁾ (11) (12) (13) (14) and does not require any proof of likelihood of confusion.⁽¹⁵⁾ (16) (17) (18) **part two: domain name disputes and trade-mark law**

It is difficult to have a meaningful discussion about the Internet without first analyzing its historical development and key technologies. In the first portion of this part, I will attempt to answer the question "what is the Internet?" and what makes it so distinctive.

An Introduction to the Internet

The concept of the Internet was set out by a RAND Corporation researcher named Paul Baran in his publication *On Distributed Communications Networks* in 1964.⁽¹⁹⁾ (20) The two seminal elements of this construct were the interconnectivity of locations and the use of data packeting.⁽²¹⁾ (22) In 1969, ARPANET, as it was then known, began operations, at first with only four member universities but over the years that followed, membership expanded and by the 1980s was boasting thousands of sites around the world.⁽²³⁾ It is difficult to estimate exactly how many people are now using the Internet. Some sources claim as many as 174 million people currently use the Internet.⁽²⁴⁾ (25) (26) (27) Increased use results in increased legal issues. If the Internet obeys the principles of thermodynamics, more participants will result in more collisions and increased temperature. Intellectual property law is becoming the most valuable legal tool to resolve disputes on the Internet.⁽²⁸⁾ In this paper I would like to address how IP law has been applied, its shortcomings, and how mediation may be preferable tool from the standpoint of all parties.

The current boom in Internet use is due to the user-friendly and visually appealing presentation of multi-media elements via the World Wide Web (WWW). The WWW is an inter-linked network of sites developed by individual users who display information using Graphical User Interfaces (GUIs) so that data can not only be read like a book but, with the use of Hypertext Markup Language (HTML), can include elements from most know media,⁽²⁹⁾ (30) (31) Each site or page has an Internet Protocol (IP) address, which is a code made up of four sets of numbers (separated by periods) that allows computers to find the page.⁽³²⁾ (33) To give an example of a typical URL (or as they are more frequently called, domain names) let us use the example of a site created by a friend of mine -- <http://www.koryubooks.com/>⁽³⁴⁾ (35) (36) (37) (38)

The Case Law of Domain Name Disputes

The most dispute-ridden area for on-line IP has involved the use of trade-marked terms in domain names. As of late, the use of the TLD ".com" has become so popular that the web sites for the vast majority of

recognizable marks use it. As such for many users of the Internet there is an expectation they will be able to find a product by simply typing in its mark in the middle of the "http://www.<mark>.com" pattern. Accordingly mark-holders have found courts are sympathetic to their claims that consumers could be confused by the use of the mark within the "http://www.<mark>.com" pattern when the site owner is not the holder of the mark. (39) (40) Ira Nathenson, in his seminal article " Showdown at the Domain Name Corral," (41) (42)

(43) (44) (45) (46) (47) (48) (49) (50) (51) (52) It is interesting to note however that not all the lawsuits have involved the type of fraudulent activity described above. In many cases, the issue arises between two mark holders who have the same name for their products/services but are in different industries and therefore can both hold valid trade-mark rights over the term in a general sense but can enforce them only against individuals using them in the same industry. The parties in these cases have been referred to as "twins" since they should both have equal rights over possession of the domain names. (53) (54)

There have been two British decisions on this issue. In *Pitman Training Ltd. v. Nominet UK, and anr*, (55) (56)

(57) (58) (59) (60) (61) Thus far all of the three cases in Canada that have dealt with domain name disputes in Canada have both involved "twins," which is significant because some critics had argued that trademark law is not relevant to the use of a domain names address since it is not "use" of the mark as envisioned by s. 4 of the Act. (62) (63) (64) (65) (66) (67) (68) Unfortunately the case law on point that we do have in Canada does little to clarify the situation. In *PEINET Inc. v. O'Brien*, (69) (70) (71)

(72)

(73) In July 1995, NSI developed its first Dispute Resolution Policy, (74) (75) (76) (77) If another party with a registered mark later claims infringement, NSI will require proof that the holder also has current Federal trade-mark registration or that she post a bond and agree to indemnify NSI against any liability thus arising. (78) (79) Thus this leaves open the chance that considerable hardship can be thus imposed on legitimate users who are de-listed and may be pushed into insolvency before litigation is completed, even if the claim is baseless. (80) In essence NSI is allowed to participate in litigation if it so wishes (81) (82) (83) (84) Since the NSI policy hinges on the possession of registered (federal) trademarks, it is important to note that many registerable domain names could never be registered as trademarks (e.g., due to their descriptive nature or the fact that they are the names of currently living individuals). (85) The arbitrary and self-serving nature of the NSI policy has been criticized by many authorities, (86) (87) NSI's standard Domain Name Registration Agreement contains a domain name dispute policy, but the policy has not proven effective in resolving domain name conflicts. It is clear beyond question that policy's sole purpose is to protect NSI. Indeed, as Panavision itself stated in its opposition to defendant NSI's Motion to Dismiss: ". . . NSI has repeatedly represented that it is out to protect no interest but its own." (88) The mark holder is therefore left in an untenable position, with the courts on the one hand who are making arbitrary determinations on who can own the domain names and NSI, which makes no attempts whatsoever to prevent or rectify this situation and in its knee-jerk attempts at self-preservation may well cause considerable harm.

Alternative Proposals for Reducing Disputes

There have been several suggestions on how the flood of domain name lawsuits could be restricted in the

future. The most common recommendation is to create a new series of TLDs that could take some of the pressure off the ".com" designation and would more accurately describe the nature of the business.

Both the International Ad Hoc Committee (IAHC) ⁽⁸⁹⁾ ⁽⁹⁰⁾ ⁽⁹¹⁾ ⁽⁹²⁾ While this approach may serve to spread out the demand somewhat, it ignores the primary use of the domain name as a mnemonic. ⁽⁹³⁾ ⁽⁹⁴⁾

⁽⁹⁵⁾ **part three: extraterritorial infringement**

The Internet, as an international network, could be said to be a part of all nations and yet in none of them. It is significant only in so far as it links individuals on different parts of the globe to one another and decentralization is its most essential characteristic. Its creators at RAND specifically developed it so that it could route around the acts of individuals who wished to limit its function. Its theoretical invulnerability to a limited nuclear strike also makes it able to, in many ways, avoid the influence of law-makers and private right-holders who wish to control its content. ⁽⁹⁶⁾ Although communication technology now allows us to move and interact with vastly separated points on the globe by the simple click of a mouse, the laws we are governed by are fundamentally still locked in a horse-and-buggy mind-set. Where transactions between individuals have aspects involving more than one jurisdiction, the law falls back to a primitive hegemonic self-characterization. Laws are unable to escape the terrestrial bonds of the geographical and political divisions of the jurisdictions they rule. As such the relations giving rise to and the elements within each case must be grounded in the soil of one jurisdiction or another.

⁽⁹⁷⁾ ⁽⁹⁸⁾ ⁽⁹⁹⁾ Whereas classical tort scenarios such as tortuous battery, damage to chattels, and trespass to immovables, etc., were relatively easy to pin down within the borders of one jurisdiction or another, modern media cannot be so easily contained and as such freely "spillover" ⁽¹⁰⁰⁾ Therefore how does a court deal with a situation in which the mark owner and the infringer are in different jurisdictions? ⁽¹⁰¹⁾

⁽¹⁰²⁾ ⁽¹⁰³⁾ ⁽¹⁰⁴⁾ ⁽¹⁰⁵⁾ ⁽¹⁰⁶⁾ In brief, rights arising from the grant of intellectual property rights are generally said to be local and not transitory, i.e. the right cannot be enforced in a jurisdiction other than where the right is created. Intellectual property rights may be violated only in the jurisdiction where granted; action for their breach should be generally heard only in the jurisdiction in which they were established by registration, grant or operation of law. ⁽¹⁰⁷⁾ Therefore, Canadian trade-marks' jurisdiction do not extend beyond the borders of Canada, ⁽¹⁰⁸⁾ infringement as there is no extra-territorial *right*. ⁽¹⁰⁹⁾ The mark holder does, however, have a right to take action in a Canadian court in so far as there is a loss here in Canada [or in the case of common law tort, loss where the mark has goodwill]. Success of the local action therefore relies on a characterization of the case that "localizes the infringing conduct." ⁽¹¹⁰⁾ Therefore to take action under Canadian law, the mark holder would have to: (1) possess a mark ⁽¹¹¹⁾ ⁽¹¹²⁾ ⁽¹¹³⁾ ⁽¹¹⁴⁾ ⁽¹¹⁵⁾ Canadian courts have found that causes of action for copyright infringement done by parties outside the jurisdiction can be treated as torts committed within Canada. ⁽¹¹⁶⁾ ⁽¹¹⁷⁾ ⁽¹¹⁸⁾ ⁽¹¹⁹⁾ Another approach could be derived from the decision in *Preston v. 20th Century Fox Canada Ltd.* ⁽¹²⁰⁾ ⁽¹²¹⁾ So how could a Canadian plaintiff attempt to sue a foreign-based web page owner who is infringing her trademarks? The cases above suggest the onus would be on the plaintiff to show that the page owner was infringing in Canada -- which in turn would require showing that the accused infringer's presence on the Internet, was in some way aimed at the Canadian market or that she was somehow otherwise based or doing business in Canada. Given the lack of Canadian case law on the issue of determining the degree to which a site is focusing its efforts on the local jurisdiction, reference to tests used in US Internet trade-mark infringement cases such as *Maritz v. Cybergold*, ⁽¹²²⁾ ⁽¹²³⁾ ⁽¹²⁴⁾ The biggest weakness with this approach is however that jurisdiction is not expressly discussed in *Preston*, and close analysis of the ruling indicates that the case was erroneously decided on its facts -- the law of California and not that of Canada

should have been applied.⁽¹²⁵⁾ In this section I have endeavoured to show how a mark holder could protect her mark against foreign-based infringement (which is almost guaranteed to occur on the Internet) and have instead demonstrated the near impossibility of it. The inadequacy of Canadian law in this regard is significant, especially when contrasted with the degree of extra-territorial protection offered by US⁽¹²⁶⁾ ⁽¹²⁷⁾ **part four: litigation cost, time & expertise issues**

It is possible for one to get a mark registered in the US for about US \$1,000 if it is not contested,⁽¹²⁸⁾ ⁽¹²⁹⁾ ⁽¹³⁰⁾ It has been noted that a patent action in the UK may cost anywhere between £100,000-£1,000,000⁽¹³¹⁾ ⁽¹³²⁾ ⁽¹³³⁾ ⁽¹³⁴⁾ ⁽¹³⁵⁾ The desperation of the situation is evidenced by the number of articles on case management techniques for decreasing litigation expenses,⁽¹³⁶⁾ ⁽¹³⁷⁾ ⁽¹³⁸⁾ ⁽¹³⁹⁾ ⁽¹⁴⁰⁾ But currency is not the only resource that can be depleted by litigation. Time is another. Modern litigation, with its complicated evidentiary rules, drawn out discovery processes, and overburdened courts can easily take months or many cases years to complete. Given the extensive use of interim injunctive relief, which can be used both against and by the mark holder, there is always a chance that she will be unable to use the mark at all until the trial ends, which is potentially disastrous.⁽¹⁴¹⁾ Lastly there is the issue of expertise. Although this is less of an issue for trade-mark cases than those involving patents, the competence of many judges to hear IP cases has been questioned by some of the analysts on this topic.⁽¹⁴²⁾ ⁽¹⁴³⁾ **part five: mediation for internet-based disputes**

Mediation can serve as a useful tool to address many of the problems I have outlined thus far in this paper. In this section I would like to list the various advantages it offers over litigation and attempt to set out general parameters for cases in which in may or may not be appropriate.

The advantages of mediation in our context can be summarized in eight points: (1) cost reduction (2) speed of resolution (3) flexibility and creativity in result (4) long-term relationships (5) control over process and result (6) neutral party expertise (7) lack of jurisdictional issues (8) court system decongestion. The primary impetus behind the current move towards ADR processes in general is their impact on reducing expense for parties.⁽¹⁴⁴⁾ ⁽¹⁴⁵⁾ ⁽¹⁴⁶⁾ ⁽¹⁴⁷⁾ ⁽¹⁴⁸⁾ ⁽¹⁴⁹⁾ ⁽¹⁵⁰⁾ ⁽¹⁵¹⁾ ⁽¹⁵²⁾ ⁽¹⁵³⁾ There has been much academic discourse over the last half decade on the issue of how the Internet should be regulated. The problems I have set out thus far in the paper evidence the problems with the classical hegemonic "top down" approach of regulation via state-proclaimed edicts. As such one school of thought⁽¹⁵⁴⁾ ⁽¹⁵⁵⁾ Modern contract law retains the flexibility and malleability of traditional contract theory. Since [it] enables the parties to forge unique solutions to emergent legal problems, it is particularly well suited for the new information technologies. [Its] capacity to evolve as a voluntary social institution is in contrast with the coercive features of tort law. [It] fits well with the emergent culture of the Internet, which eschews involuntary obligations, whether imposed from the state or from tort law.⁽¹⁵⁶⁾ The system they envision is something not unlike that of the "Law Merchant" as it was developed as a specialized, distinctive, but ultimately unifying legal order in Medieval Europe.⁽¹⁵⁷⁾ Regardless of the theoretical reasoning behind it, parties are resolving their problems quickly, cheaply, and effectively utilizing mediation and other forms of ADR. Its effectiveness in the IP sphere in particular has been recognized in the establishment by the World Intellectual Property Organization (WIPO)⁽¹⁵⁸⁾ In the domain name area specifically, a novel approach was developed by Nominet, the British equivalent of NSI. Under their Dispute Resolution Service Rules (hereinafter "Rules"),⁽¹⁵⁹⁾ ⁽¹⁶⁰⁾ ⁽¹⁶¹⁾ ⁽¹⁶²⁾ ⁽¹⁶³⁾ ⁽¹⁶⁴⁾ With that in mind, I would now like to look at some of the potential situations where mediation may be of use, with reference to the various classes of infringers mentioned in Part Two above. Mediation could be highly effective for "twins" as you have two, or more, parties who have legitimate rights over the domain name but need to deal with one another to get the access they require. Potential options they could explore include the "shared page" option described in the Nominet policy above, for one party to put large visible links and

advertising related to the other party's site, or for one party to license her trade-mark rights to the other and/or lease the address to them. In my research I have yet to discover a court that has ordered similar resource sharing even though it is in their power to do so. As such, in all cases, one party was granted everything. In contrast, mediation allowed the parties to make arrangements that would allow them to have the Internet exposure they require and to protect their rights in the trade-mark (against infringement and genericization) while not having to engage in drawn-out expensive litigation. Additionally the new relationship could lead to greater exposure on the Internet and new avenues for collective activity. In so doing, the results are clearly more productive for all involved and arguably more just.

(165) Even where the mediation may be problematic, alternative forms such as med-arb, binding arbitration, or mini trial may provide an alternative that may succeed where pure mediation may not. (166) (167) (168) part six: a cautionary note

Internet-related trade-mark infringement is still very much an area of law still in its infancy. As such there is a remaining problem that requires addressing -- a problem that arises when the primary legal system is not used by the citizenry to determine their traditional rights in new and novel circumstances.

Max Weber has noted in his writings an evolution of law from primitive tribal-based mediation and privately funded arbitrational procedures into a centralized and depersonalized structure funded by the state. (169) Bureaucracy provides the administration of justice with a foundation for the realization of a conceptually systemized rational body of law on the basis of "laws," as it was achieved for the first time to a high degree of technical perfection in the late Roman Empire. In the Middle Ages the reception of this law proceeded hand in hand with the bureaucratization of the administration of justice. Adjudication by rationally trained specialists had to take the place of the older type of adjudication on the basis of tradition or irrational presuppositions. (170) While I am not arguing that mediation necessarily proceeds on "irrational presuppositions," it is clearly a step back from the "legal formalism" of the structured order to which we have ascended thus far. (171) The Western legal tradition's emphasis on law as an organic entity, which grows, adapts, and in some cases reinvents itself to accommodate changing social realities and technology, has been said to have been one of its most unique and significant characteristics. (172) (173) (174) The growth of law is thought to have an internal logic; changes are not only adaptations of the old to the new, but are also part of a pattern of changes. The process of development is subject to certain regularities and, at least in hindsight, reflect an inner necessity. It is presupposed in the Western legal tradition that changes do not occur at random but proceed by reinterpretation of the past to meet present and future needs. The law is not merely ongoing; it has a history. It tells a story. (175) Therefore law is not merely the product of history but, like myth, it is an integral part of culture and society that bridges the past to the present and is a record of shared values and rights. (176) (177) (178) The increasing use of mediation forces us to reconsider some of the most fundamental moral foundations on which our legal system rests. F.S.C. Northrop claims that our modern adversarial system is grounded in the idea that "the moral goodness or the legal justice of any particular act is to be determined by measuring the *de facto* character of the act against a determinate codified or codifiable rule which applies qualitatively in principle, although only statistically in fact, to all people in the culture in question." (179) Philosophically this means that the ethical ideal of the mediational type of law assumes a nominalistic, radically empirical, and existential philosophy. Each legal judgment, each moral choice, each dispute and each individual is regarded in its essential normative nature to be unique rather than an instance of a universal scientific law or a determinate normative ethical and legal commandment or rule. . . . [T]his existentialism of the mediational type of law is the affirmation that the key to morality and law is to be found, not in the constancy and absoluteness of universal codes, commandments and principles which resolve the problematic situations, but in denotatively immediate, here-and-now, intuitive sensitivity to the unique particularity of the present particular problematic situation in every dimension of its human

and social characteristics.⁽¹⁸⁰⁾ This creates a tension between the substantive law and mediation not only in the results they attain but also in the underlying ethical basis's from which each proceed. Differing results thus arising can lead to differing expectations. This in turn adversely affects the predictability that law is supposed to engender. According to Edward Brunet, jurisprudence (as it appears in case law) both guides and is guided by norms and when parties opt not to take part in litigation they therefore erode the link between norm and law by preventing the public entrenchment of the norm.⁽¹⁸¹⁾ (182)

At the most fundamental level, it appears to me that the problems I have presented in this paper that can be aided by the application of mediation arise as a result of the shortcomings of Canadian legislation and the common law on one hand and the unwieldy nature of civil procedure in the modern courts on the other.⁽¹⁸³⁾ (184) (185) In conclusion, there is a risk that without the stimulus of new fact patterns involving these technologies, the law can become less able to respond to them when right holders are forced to resort to the courts. As a result the law may become in some ways obsolete and even less responsive to the public's needs than it is today. Therefore a balanced co-existence between litigation and "Restrained ADR" is required to ensure that substantive principles are not forgotten in the rush for expedited resolution of individual cases.

conclusion

In this paper I have attempted to address the problems that mark holders have when dealing with Internet-related infringement and how mediation may be of assistance to them. Although the issue of what could be done to rectify Canadian intellectual property law to remedy these problems and more effectively protect the interests of Canadian mark holders is outside the scope of this paper, it could be a practical and beneficial topic for future research. For now, trademark law, like all other aspects of intellectual property law is being stretched and "strained, some would say to the point of breaking, as we shift from a goods-based economy to an information-based economy."⁽¹⁸⁶⁾ (187) In sum, IP law is, in many ways, at a junction in its development as it rushes to try to keep pace with the racing changes in communications technology that are occurring each day. ADR can and no doubt will have a notable role in assisting mark holders protect their property as e-commerce continues to grow and more individuals make use of the Internet, but it cannot and should not replace the substantive law as a means of identifying and enforcing the rights of individuals. It is though an appropriate and balanced application of both litigation and "Restrained ADR" that a just and efficient balance can be achieved for individuals and society as a whole.

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1. ⁰The restrictive use of term is done with a purpose. The literature on this subject abounds with buzzwords such as "information superhighway," "infobahn," and "I-way" which in this writer's opinion are more suited to promotional literature than serious academic research. As of late the most enduring and abundant of them has been "cyberspace", a term coined by Canadian science fiction writer William Gibson in his 1984 novel *Neuromancer*. The context in which Gibson described it was grammatically accurate in that he envisioned a computer network that one would "surf" via cybernetic implants such that one's central nervous system was being used like the central processor in a computer. To use the term "cyberspace" in reference to the modern Internet is a misnomer as there is no cybernetic element in modern Internet use.

2. ⁰Thomas Buß "The Distinction Between the Common Law Remedy in Actions for Passing-Off and the Statutory Protection of Registered Trade-marks" *Advocate's Quarterly* (Vol. 18, No. 2, June 1996) 220

3.

⁰Donald MacOdrum "Acquisition of Trade-Mark Rights" in *Trade-Marks Law of Canada* (Gordon F. Henderson (ed.) 1993) Scarborough, Ont. : Carswell, 129 at 131.

4.

⁰Thomas Buß, *supra* note 2, at 221

5.

⁰As amended S.C. 1990, c. 14; c. 20; 1992, c. 1; 1993, c. 15; c. 44; 1994, c. 47; 1995, c. 1; 1996, c. 8

6.

⁰Via the registration process elucidated in ss. 30-40 of the Act.

7.

⁰Under s. 7(b & c) of the Act, the common-law tort of passing off has been entrenched, albeit in a somewhat modified form.

8.

⁰Harold Fox, *The Canadian Law of Trademarks and Unfair Competition* (3rd Edition) (1972) Scarborough, Ont. : Carswell, at 48

9.

⁰see *Enterprise Rent-A-Car Co. v. Singer* [1996] 66 CPR (3d) 453 (FCTD), *Reckitt & Coleman Products Ltd. v. Borden Inc.* [1990] 1 All ER 873, 1 WLR 491, RPC 341 (HL), & *Centre Ice Ltd. v. NHL* (1993) 53 CPR (3d) 34

10.

⁰John Fleming, *The Law of Torts (4th Ed.)* Sydney: The Law Book Company, 1971, at 626

11.

⁰*Ciba-Geigy Canada Ltd. v. Apotex Inc.* (1992), 44 C.P.R. (3d) 289, 95 D.L.R. (4th) 385, [1992] 3 S.C.R. 120

12.

⁰This can include activity that may create doubt about the nature of the mark and its ability to serve as an indicator of source. "Misrepresentation" in this case need not involve fraud or intention to infringe; innocent misrepresentation is misrepresentation nonetheless. (see *Sund v. Beachcombers Restaurant* (1960) 34 C.P.R. 225 at 229 (B.C.S.C.))

13.

⁰The plaintiff need only show a likelihood of damage not actual damage. (see *Procea Products v. Evans & Sons* (1951) 68 R.P.C. 210 at 220 (Ch.))

14.

⁰Subject to the definition given in s. 4 of the Act.

15. ⁰Thomas Buß, *supra* note 2, at 228

16.

⁰*Ibid.*, at 229

17.

⁰*Ibid.*, at 228

18.

⁰David Vaver, *Intellectual Property Law: Copyright, Patents, Trade-marks*, Irwin: Concord, 1997

19. ⁰RM-3420-PR; summary available at <http://www.rand.org/publications/RM/baran.list.html>

20.

⁰In 1962 the U.S. military commissioned the RAND Corporation to develop a communications system capable to surviving a limited nuclear strike. The U.S. military had realized that a limited but accurate strike to military communications centres could easily shut down the entire military machine even though the majority of it was left untouched. ("History of the Internet" at the PBS On-line web site (<http://www.pbs.org/internet/history>); "Internet History & Overview" at the ABCnet web site (<http://www.abcnet.net/tutorialhistoryoverview.htm>); also see Howard Rheingold, *The Virtual Community: Homesteading on the Electronic Frontier*, Reading, Mass.: Addison-Wesley Pub. Co., 1993)

21.

⁰Here he built on previous research done by M.I.T. researchers Leonard Kleinrock and J.C.R. Licklider and W. Clark, who had developed theories on computer-aided communications and the use of packet-switching, which moves data in small pieces rather than as one unit. (Robert H'obbes' Zakon, "Hobbes' Internet Timeline v4.0" (available at <http://info.isoc.org/guest/zakon/Internet/History/HIT.html>))

22.

⁰Although this often means that the same piece of data may appear numerous times at the destination, it did allow this network to route around blockages of any sort, meaning it could continue operating even if large portions of it were destroyed.

23.

⁰ Robert H. Zakon, *supra* note 21

24.

⁰ This number is expected to rise to 320 million by the year 2000 and 720 million by 2005. ref. Cheri Paquet, "Report Counts 147 Million Global Net Users" CNN Interactive web site Feb. 12, 1999 (available at <http://cnn.com/TECH/computing/9902/12/globalnet.idg/index.html>); for breakdowns by language group see "Global Internet Statistics" on the Global Reach web site (available at <http://www.euromktg.com/globstats/>)

25.

⁰ Robert H. Zakon, *supra* note 21

26.

⁰ Rita Koselka, Dan Lyons, Josh McHugh and Eric Nee, "A Splash of Cold Water," *Forbes* Sept. 21, 1998 (available at <http://www.forbes.com/forbes/98/0921/6206055a.htm>)

27.

⁰ Beth Wilson "Vital Signs" Feb. 15, 1999 ZDNet news (available at <http://www.zdnet.com/pccomp/stories/radar/0,5726,388064,00.html>) and Larry Dignan, "Yahoo! buys GeoCities, Resets Strategy" ZDNet news, Jan. 28, 1999 (available at <http://www.zdnet.com/pcweek/stories/news/0,4153,1013770,00.html>)

28. ⁰Donald Cameron, et al., "IP on the I-Way" 13 *Canadian Intellectual Property Review* 311 [1997], at 311

29. ⁰G. Peter Albert, Jr. "Right on the Mark: Defining the Nexus Between Trademarks and Internet Domain Names" 15 *John Marshall Journal of Computer and Information Law* 277 [1997]

30.

⁰Martin Elgison and James Jordan "Trademark Cases Arise from Meta-Tags, Frames" *National Law Journal* (October 20, 1997)

31.

⁰Richard Raysman and Peter Brown "Dangerous Liaisons: The Legal Risks of Linking Web Sites" *The New York Law Journal* (April 8, 1997)

32.

⁰David Loundy "A Primer on Trademark Law and Internet Addresses" *John Marshall Journal of Computer and Information Law* [Vol. 15, Spring, 1997] 465

33.

⁰Dan L. Burk, "Trademarks Along the Infobahn: A First Look at the Emerging Law of Cybermarks" 1 *Richmond Journal of Law and Technology* 1 (1995) (also available at <http://www.urich.edu/~jolt/v1i1/burk.html>).

34.

⁰This is site for a publisher of books relating to the classical martial arts of Japan.

35.

⁰Examples include: .com for commercial sites; .edu for educational sites; .org for non-profit organizations; .net for computer networks; .mil for U.S. military sites; .gov for U.S. government sites; .ca for Canadian sites; .uk for sites in the U.K.; .jp for Japanese sites; .de for German sites; etc.

36.

⁰There are approximately 160 geographical TLDs and (as you can see above) and 4 generic TLDs available for non-governmental sites. (Kenton Yee "Location.Location.Location: A Snapshot of Internet Addresses as Evolving Property" *The Journal of Information Law and Technology* (Vol. 1, February, 1997) also available at http://elj.warwick.ac.uk/jilt/intprop/97_1yee)

37.

⁰The registration of domain names using ".com" is controlled by a corporation called Network Solutions Inc. (NSI), which has been under contract from the U.S. National Science Foundation to do this since 1993. (Christian Gordon-Pullar "Domain Name Registration, Regulation and Assignment" 2 *Tolley's Communication Law* 130 (1997) at 130; and Gary Lea "Trying to Evict the Cybersquatters: The Interaction of Trade Mark Law and Internet Domain Name Registration" 2 *Tolley's Communication Law* 99 (1997) at 99) In addition to NSI, there are a number of parallel sister organizations in each country that controls the registration of the relevant geographical TLDs.

38.

⁰Ira Nathenson "Showdown at the Domain Name Corral: Property Rights and Personal Jurisdiction Over Squatters, Poachers, and Other Parasites" 58 *University of Pittsburgh Law Review* 991 (1997)

39. ⁰Lance Rose, *NetLaw: Your Rights in the Online World*, Osborne McGraw-Hill: Toronto, 1995 at 115-117

40. ⁰As a matter of fact, in *Panavision International v. Toeppen* the court found that the defendant's use of "http://panavision.com" (a registered trademark held by the plaintiff), "eliminate[d] the capacity of the Panavision marks to identify and distinguish Panavision's goods and services on the Internet. . . . [and] prevented Panavision from using its marks in a new and important business medium." ((1996) 945 F. Supp. 1296 at 1304) This statement was criticized by Oppedahl, who noted the plaintiff could have instead registered "panavision.org" or "panavision.us." (Carl Oppedahl, "Remedies in Domain Name Lawsuits: How is a Domain Name Like a Cow?" 15 *John Marshall Journal of Computer & Information Law* 437 (1997) at 455). However I would submit in contrast that the court was savvy to a notable feature of the Internet in making the statement they did. From a practical point of view, not working within the "http://www.<mark>.com" pattern disables the mark holder from functioning effectively on the Internet.

41. ⁰Ira Nathenson, *supra* note 38

42.

⁰This type of high-tech extortion could potentially be quite lucrative since registration of a domain name costs only \$100 and requires only a \$50 annual maintenance fee, but can be theoretically sold for thousands of dollars if it is a desirable title.

43.

⁰*Panavision International v. Toeppen* (*supra* note 40); *Intermatic Inc. v. Toeppen* (1996) 947 F. Supp. 1227, 40 USPQ (2d) 1412 (N.D. Ill.); *American Standard, Inc. v. Toeppen* (Sept. 3, 1996) No. 96-2147, 1996 U.S. Dist. LEXIS 14451, at *2 (C.D. Ill.)

44.

⁰In *Panavision* case, Toeppen demanded \$13,000 to sign over rights for the name (*Panavision, supra* note 40 at 1298). At the time of the *Intermatic* suit, he had registered 240 domains using other people's marks (*Intermatic, Ibid.*, at 1230).

45.

⁰In *Panavision*, a preliminary injunction was granted preventing him from using the site (*supra* note 40); in *Intermatic* the court granted a summary judgment that found the defendant's activities were diluting the plaintiff's trademark under relevant U.S. statutes (*supra* note 43); and in *American Standard* a preliminary injunction was given (*supra* note 43).

46.

⁰ [1997] 4 E.I.P.R. D-106 (Ch. D.)

47.

⁰ *Marks & Spencer PLC v. One in a Million, et al.* (1997) Ch 1997 J. 5403 (Ch.), *Ladbroke PLC v. One in a Million, et al.* (1997) Ch 1997 J. 5404 (Ch.), *Sainsbury PLC v. One in a Million, et al.* (1997) Ch 1997 J. 5402 (Ch.), *Virgin Enterprises Ltd. v. One in a Million, et al.* (1997) Ch 1997 J. 5401 (Ch.), *British Telecommunications PLC and Telecom Securicor Cellular Radio Ltd. v. One in a Million, et al.* (1997) Ch 1997 J. 5421 (Ch.); For full text of the decision see (<http://www.nominet.org.uk/judgment2.html>).

48.

⁰ Simpson Q.C., sitting as Deputy Judge of the High Court, in his reasons for judgement in *One in a Million*, drives what may well be the last nail in the coffin of U.K. squatters:

The test in this context depends not on the way the sign has been used but on whether a comparison between the sign and the trademark shows an inherent propensity to confuse. There can, as it seems to me, be no doubt that this is the effect of the use by some one else of the domain name marksandspencer. The only basis on which the contrary has been suggested is that internet users must be assumed to access sites by using search methods that will disclose their true owners. I am conscious of the heavy burden which lies on a Plaintiff seeking summary judgment when a question of fact is raised, but I regard this point as unarguable. Some people might access a site in that way. Plainly many would not. *If the Defendants' submission had anything in it, they would not have thought it worth their while to register these names and attempt to sell them at a premium.*

(emphasis mine)

49.

⁰ *British Telecommunications & Others v. One In A Million & Others* (Court of Appeal, Stuart-Smith, Swinton Thomas and Aldous LLJ, decided 23 July 1998)

50.

⁰ see *Jews for Jesus v. Steven C. Brodsky*, (Civ. Act. No. 98-274 (AJL) (D.N.J. Mar. 6, 1998)) and *Planned Parenthood Federation of America, Inc. v. Richard Bucci, d/b/a Catholic Radio* (42 U.S.P.Q.2D 1430 (S.D.N.Y. 1997)); other examples include (1) Princeton Review's registration of "www.kaplan.com"; (2) KCRA, a Sacramento, California television station registered domains using the call letters of three of its competitors; and (3) Xinhua the official communist Chinese news agency's registration of "www.taiwan.com". (from Jonathan Agmon, et al. "What's in a Name" website available at (<http://www.paemen.com/lc/internic/domain1.html>)).

51.

⁰ Ira Nathenson, *supra* note 38

52.

⁰ After a cease and desist letter was sent by the Teubner's lawyer, AIFP agreed to transfer the domain title to Teubner & Associates. (Jonathan Agmon, et al., *supra* note 50)

53.

⁰ Ira Nathenson, *supra* note 38

54.

⁰ Note the following:

domain name parties parties case (if litigated)

www.actmedia.com Actmedia Active Media Int'l (July 17, 1996) 96C3448, 1996 WL 466527 (N.D. Ill.)

www.frys.com Fry's Electronics Octave Systems, et al., (Frenchy Frys) No. C95-2525 CAL (N.D. Cal.)

www.juno.com Juno Electric Juno Online (Sept. 29, 1997) 1997 WL 613021 (N.D. Ill.)

www.juris.com Juris Inc. Comp Examiner Agency (May 22, 1996) 96-0213-WMB (C. Tx.)

www.newton.com Mark Newton Apple Computers (Newton) n/a

www.roadrunner.com Warner Bros. Roadrunner Computer Systems n/a

www.sun.com Sun Microsystems, Inc. Sunriver Corp. (Sept. 28, 1995) U.S. Dist. LEXIS 19012 (N.D. Cal.)

www.teletech.com Tele-Tech Co. TeleTech Customer Care Management 977 F. Supp 1407 (CD Cal 1997)

www.thegap.com The Gap, Inc. The Genesis Project Ltd. n/a

www.yahoo.com Yahoo Search Engine Miss King's Kitchens (Ya-hoo cookies) n/a

55.

⁰ [1997] F.S.R. 797 (Ch)

56.

⁰ Note the following from Sir Richard Scott, V.C.:

During the time PTC has been using the 'pitman.co.uk' domain name in its advertisements so too has Pitman Publishing been using the domain name in its advertisements. Both have been using the domain name in their respective advertisements. Not only is there no evidence that the public has come to associate the domain name exclusively with PTC, but it is in my opinion highly improbable that that could have happened. That there may be some confusion experienced by some members of the public is undoubtedly so. But that confusion results from the use by both companies, PTC and Pitman Publishing, of the style Pitman for their respective trading purposes. No viable passing off claim against Pitman Publishing arising out of the future or past use by Pitman Publishing of the 'pitman.co.uk' domain name has, in my judgment, been shown.

(decision transcript available at <http://www.open.gov.uk/lcd/scott.htm>)

57.

⁰ [1998] FSR 21

58.

⁰ This arose due to the peculiarities of the registration rules of NSI, which I will describe in more detail later in this paper. Also note that the plaintiff did not have registration for its mark.

59.

⁰ The court did not come to a clear resolution of the second issue.

60.

⁰ Charlotte Waelde, "Domain names and Trade marks: What's in a name?" (available at http://www.law.ed.ac.uk/ch4_main.htm)

61.

⁰ Although Prince Sportswear could use other addresses, they have been denied access to online commerce in its most effective form.

62.

⁰ Jeff Wilson "Forcing a Square Peg: Why Federal Trademark Law Does Not Protect Internet Domain Names" available at (<http://www.libraries.wayne.edu/~jilitman/pwilson.html>); Dan Burk, *supra* note 33; Furthermore the issue may not be as clear as first appears in U.S. jurisprudence either. In *Lockheed Martin Corp. v. NSI*, (March 19, 1997) 96-cv-7438 (C.D. Cal.) District Judge Pregerson said that trademark law is not relevant to the process of registering domain names. Only time will tell whether this case may denote a radical change in direction for U.S. jurisprudence on this issue.

63.

⁰s. 4(2)

64.

⁰s. 4(1)

65.

⁰ Andrea Rush "Internet Domain Name Protection: A Canadian Perspective" 11 *Intellectual Property Journal* 1 (1996) at 7

66.

⁰ Michel Racicot, et al. *The Cyberspace is Not a "No Law Land": A Study of the Issues of Liability for Content Circulating on the Internet* (prepared for Industry Canada, February 1997) at 112 (also available at <http://strategis.ic.gc.ca/nme>). They agree however that software and other digital goods that can be delivered via the Internet would satisfy the "use" requirement when sent from a page using the mark. This approach could be further justified given the decision in *BMB Compuscience Canada v. Bramlea Ltd.* ([1988] 23 F.T.R. 149, 22 C.P.R. (3d) 561, 20 C.I.P.R. 310 (FCTD)) which said use occurred each time a mark appeared on the opening page of a software program when accessed by a user.

67.

⁰ And in the Commonwealth, there are only the *Harrods* and *One in a Million* cases, which are so brief that they do little to enlighten us on the British position on Internet-related infringement.

68.

⁰ In the aforementioned *Intermatic v. Toebben* and *Panavision International v. Toebben* both courts found that the extortion intended by the domain name owner was a form of commerce and thus characterized the nature of the use as "commercial." Loundy (*supra* note 32) has noted however that the mere registration of the domain name was not sufficient; the subsequent act of attempting to get money for it was necessary to fulfill the commercial requirement (David Loundy, *Ibid.*, at 483). A similar finding was made by the U.K. High Court Chancery Division in the *One in a Million* Case in so far as the court was unwilling to offer damages for this results of this activity. The degree to which this can applied against poachers and parasites has yet to be addressed in court. In *Sega Enterprises Ltd. v. Maphia* ([1994] 30 USPQ (2d) 1921), which involved copyright infringement, the court found that the infringement was a means of getting more people to join the BBS in question, which in turn was of financial benefit to the BBS operator, thus making her part in the transaction commercial in nature. Using this reasoning, even the owner of a site not involved in interactive sales could be liable if, for example, the site contained advertising of any sort. Additionally, if the site owner did nothing more than charge admission for access to the site, she could be similarly liable.

69.

⁰[1995] 61 C.P.R. (3d) 334 (P.E.I.S.C.)

70.

⁰*Ibid.*

71.

⁰Discussion of this issue can be found in: G. Peter Albert, *supra* note 29 at 287-293; Ira Nathenson, *supra* note 38 at Part V (C); Carl Oppedahl, *supra* note 40 at 441-443; and Dan Burk, *supra* note 33 at paragraphs 52-59; for a comparison of compares domain names to street addresses see Jeff Wilson, *supra* note 62)

72.

⁰ *ITV Technologies, Inc. v. WIC Television Ltd.* [November 28, 1997] F.C.J. No. 1645, DRS 98-07602, Court File No. T-1459-97 (F.C.T.D. Edmonton); [December 17, 1997] F.C.J. No. 1803, DRS 98-02239, Court File No. T-1459-97 (F.C.T.D. Vancouver)

73.

⁰Scheinfeld and Bagley have noted a similar pattern with U.S. trademark law and were thus praiseful of the new U.S. Federal Anti-Dilution statute, 15 USC § 1125(c).²¹ (Robert Scheinfeld and Parker Bagley "Long-Arm Jurisdiction; 'Cybersquatting'" *The New York Law Journal* [November 27, 1996]; also see Steven Bazerman and Jason Drangel "Domain Name Disputes: Trademark Dilution to the Rescue" *The New York Law Journal* [December 9, 1996]) Whether Canadian Lawmakers should create new legislation that more directly addresses this issues is outside the scope of this paper, but suffice it to say that the needs of mark holders may soon demand changes of this nature.

74.

⁰It was subsequently revised in September 1996 (hereinafter I shall refer to this revised version as "the Policy")

75.

⁰ In fact, this author believes it is arguable on contractual grounds that this work borders on the unconscionable.

76.

⁰ The Policy, Introduction

77.

⁰ *Ibid.*

78.

⁰ The Policy, Guideline 5; In the *Roadrunner* case (see note 54) this led the domain name holder to rush to get federal trademark registration in Tunisia, which can be processed in 48 hours. (see Robert Shaw "Internet Domain Names: Whose Domain is This?" Presented at the workshop "Coordination and Administration of the Internet" held at the John F. Kennedy School of Government, Harvard University, Cambridge, Massachusetts, USA, September 9-10, 1996 (also available at <http://www.itu.ch/intreg/dns.html>)).

79.

⁰ The Policy, Guideline 6

80.

⁰For examples of this and an enormous database of Internet resources related to this topic see Carl Oppedahl "NSI Flawed Domain Name Policy Information Page" at (<http://www.patents.com/nsi.sht>).

81.

⁰ The Policy, Guideline 7

82.

⁰ The Policy, Guideline 3

83.

⁰ The Policy, Guideline 4

84.

⁰ The Policy, Guideline 8

85.

⁰see the Act ss. 9 & 12

86.

⁰Jeff Wilson *supra* note 62: Simson Garfinkel "Roadrunner, InterNIC's After You" available at (<http://www.wired.com/wired/4.10/updata.html>); G. Peter Albert, Jr. *supra* note 29 at 308; Ira Nathenson, *supra* note 38; Carl Oppedahl, *supra* note 80; and Jonathan Agmon, et al., *supra* note 50

87.

⁰ see Steven A. McAuley, "The Federal Government Giveth and Taketh Away: How NSI's Domain Name Dispute Policy Usurps a Domain Name Owner's Fifth Amendment Procedural Due Process," 15 *John Marshall Journal of Computer & Information Law* 547 (1997)

88. ⁰ (1996) 945 F. Supp. 1296 at 1305

89. ⁰For more information see (<http://www.iahc.com>).

90.

⁰ Jonathan E. Moskin, "New Proposals To Manage Internet Names and Addresses," 3 *The Internet Newsletter: Legal & Business Aspects* 3 (June 1998)

91.

⁰Ira Nathenson, *supra* note 38

92.

⁰These latter TLDs were recommended by the Arrangement of Nice for the International Classification of Goods and Services. (Kenton Yee, *supra* note 36)

93.

⁰ Gary Lea "Trying to Evict the Cybersquatters: The Interaction of Trade Mark Law and Internet Domain Name Registration" 2 *Tolley's Communication Law* 99 (1997) at 104

94.

⁰ There is a growing industry in selling domain names using TLDs from countries whose truncations look like English-language designators, like ".tm" (Turkmenistan), ".co" (Columbia), etc.

95.

⁰ Ira Nathenson, *supra* note 38; However, it is also interesting to note that Canada's previous equivalent of NSI, CA*net, preempted this particular problem by allowing organizations to register only one domain name each. However, exceptions are allowed for companies who wish to have one additional registration for the French versions of their organization's name. Another exception is allowed on a temporary basis for firms changing their incorporation from a provincial to federal designation. (see Janet Fuhrer "Trade-mark Piracy on the Internet" available at the Fraser & Beatty web site ([http://www.fraserbeatty.ca/fbhome/publications/ InformTech_Update_Winter95-96.html](http://www.fraserbeatty.ca/fbhome/publications/InformTech_Update_Winter95-96.html))).

96. ⁰ Examples abound of parties who tried to silence expression on the Internet and failed (e.g., an Ontario judge who tried to enforce a publication ban during the Paul Bernardo trial; attempts by the Mitterand family to stop on-line versions of a book about the deceased French leader; and the Church of Scientology's attempts to prevent on-line publication of their church's higher teachings). The court orders described above were ineffectual as the relevant data was taken off-line in their jurisdiction and placed back on-line by individuals in other ones. Access in most cases was hampered only for a few moments.

97.

⁰ As it was developed in the 17th century writings of Ulrich Huber and subsequently applied and reformulated in the 19th century by Joseph Story.

98.

⁰ Huber concluded that there were three universal truths about this subject that could be derived from Roman Law, notably: (1) while a sovereign may have ultimate power to promulgate law within the limits of his state, that power does not extend outside the borders of that state (2) anyone within a particular state, albeit temporarily, is subject to the laws of that state while there (3) sovereigns have power to extend the rights of their people outside of their state's borders only so far as that does not affect the rights and power of other sovereigns.

99.

⁰ P.M. North & J.J. Fawcett, *Cheshire and North's Private International Law (12th Ed)*, Butterworths: London, 1992 at 263

100.

⁰ Robert G. Howell *supra* note 121, at 209

101.

⁰ To give an example of a potential Internet-related TM infringement consider the following: Infringer A, a French national residing in Brazil decides to use a mark held by Canadian mark holder B. He uploads the data containing the infringement from Brazil to his site which is located on a server in the US. Does the infringement occur when he uploads it (in Brazil), when it is placed in public view (in the US), or when it is downloaded to the computer of a potential consumer (in the country she is in)? The law is unclear on this point but at least one Canadian authority claims it is where the data is downloaded (*The Challenge of the Information Highway: Final Report of the Information Highway Advisory Council* (Ministry of Supply and Services Canada, 1995)). Alternatively, the US "Lehman Report" argued that the process need not be exclusive and both the country of downloading and that of uploading could be considered, which gives injured parties more options (*Intellectual Property and the National Information Infrastructure*, (Office of Secretary of Commerce, 1995) also see Gary Lea, *supra* note 93, at 37)

102.

⁰ Or "seat," as Conflicts theorist Friedrich Carl von Savigny would call it, is determined by such factors as: domicile of litigants, location of occurrence, site of object, and place of trial, etc.

103.

⁰ Ogilvy Renault Internet Group, "Jurisdiction And The Internet: Are Traditional Rules Enough?" Presented at Uniform Law Conference of Canada July 1998 at No.2 (available at <http://www.law.ualberta.ca/alri/ulc/current/ejurisd.htm>)

104.

⁰ This explains some of the conceptual difficulties that Neuberger J. had in his decision in *Prince plc v. Prince Sportswear Group Inc* (*supra* page 11) regarding whether the ".com" designator should be thought of as a US-only designator or one for the entire world. The degree to which trade-mark rights could be assigned to it was reliant on this characterization. If the case had instead addressed an address that was UK-specific (e.g., www.prince.co.uk) the outcome may have been different.

105.

⁰ J.H.C. Morris, *Dicey and Morris on the Conflict of Laws* (8th Ed.), Stevens & Sons: London, 1967 at 930, (11th Ed.) 1987 at 1390, (12th Ed) 1993 at 1516; note however that an action for passing off could be taken if a foreign mark has somehow established goodwill in the forum in spite of lack of direct business being carried on within it. (see *Valle's Steak House v. Tessier* (1980) 49 CPR (2d) 218 (FCTD))

106.

⁰ *Ibid.*

107. ⁰ Peter D. Trooboff, "Intellectual Property" in Campbell McLachlan & Peter Nygh (eds.), *Transnational Tort Litigation: Jurisdictional Principles*, Clarendon: Oxford, 1996 at 126

108. ⁰ As is copyright in the U.K.; as Vinelott J. put it "the locality of the act is inseparable from the wrong." (*Tyburn Productions v. Conan Doyle* [1990] 1 All ER 909 at 917, RPC 185, 3 WLR 176)

109.

⁰ Robert G. Howell, "The Internet: Intellectual Property and Jurisdiction," Presented at The Canadian Institute Netlaw '97 Conference, Sept. 10-11, 1997 at 34

110. ⁰ Barry Sookman "Copyright and The Information Superhighway: Some Issues to Think About" (April 1997) at paragraph 141, available on the McCarthy Tétrault homepage (<http://www.mccarthy.ca/mt-isidx.html>); this reasoning is based in part on the Supreme Court of Canada's re-adoption of the *lex loci delicti commissi* (place of harm) as the determinative choice of law factor in *Tolofson v. Jensen* ([1994] 3 SCR 1022, SCJ No. 110); the characterization of where "the place of harm" is in any tort case is malleable and if one can show it is the *lex fori*, then the court can apply local substantive law

111. ⁰ registered or if common-law with provable goodwill in the other jurisdiction

112.

⁰ *Morguard Investments Ltd. v. De Savoye*, [1990] 3 S.C.R. 1077 (SCC); *Hunt v. T & N plc*, [1993] 4 S.C.R. 289 (SCC); the latter decision stated that this test was constitutional thus this binding Quebec courts to apply the same criteria; note however that this test need only be applied if the defendant cannot be served within the jurisdiction nor does she opt to submit to its authority in the case.

113.

⁰ e.g., the domicile of the parties, their nationality, the location of assets, place where the injury occurred, place where the conduct leading to loss was set into motion, among others; a useful 11 point list of potential factors can be found in *Leisure Time Distributors Ltd. v. Calzaturificio S.C.A.R.P.A.-S.P.A.* (1996) No. C960683 Vancouver Registry, 5 CPC (4th) 320 (BCSC)

114.

⁰ *Spiliada Maritime Corp. v. Cansulex Ltd.* [1987] 1 A.C. 460 (H.L.)

115.

⁰ Robert G. Howell, *supra* note 109, at 20

116. ⁰An early example is *Muzak Corp. v. CAPAC* (1954) 19 C.P.R. 1 (S.C.C.), other examples follow. A report of the U.S. Working Group on Intellectual Property Rights ("Intellectual Property and the National Information Infrastructure" (Sept. 1995)) also concluded that in cases involving web pages, copyright infringement occurs when a work was uploaded by one party and also when it was subsequently downloaded by another from that same page. In such cases there are multiple infringements taking place.

117.

⁰(1963) 37 D.L.R. (2d) 1 (S.C.C.)

118.

⁰*Ibid.*, at 7

119.

⁰The U.S. Ninth Circuit court took a more assertive posture in this regard. In the *Panavision* case (*supra* note 40), it found that the purposeful squatting of the plaintiff's domain name was "expressly aimed" at the plaintiff's primary place of business, in this case California. Whether Canadian courts will apply this reasoning is as yet unknown.

120.

⁰(1990) C.P.R. (3d) 242 (FCTD), *aff'd* (1993) 53 C.P.R. (3d) 407 (FCA)

121.

⁰Robert G. Howell "Intellectual Property, Private International Law, and Issues of Territoriality" 13 *Canadian Intellectual Property Review* 209 (1997) at 212

122.

⁰947 F. Supp. 1328 (E.D. Mo. 1996)

123.

⁰937 F. Supp. 161 (D. Conn. 1996)

124.

⁰937 F. Supp. 295 (SDNY 1996)

125.

⁰ Howell argues convincingly that the law of California, as the *lex loci delicti commissi*, should have governed the tortious context of the infringement (Robert G. Howell, "The Internet: Intellectual Property and Jurisdiction," at 109).

126.

⁰ Under the US approach to determining personal jurisdiction, both state and federal courts in their application of various "long arm" statutes have proven most willing to hear actions involving activities that Commonwealth courts would not take jurisdiction over. (see Peter Brown, "Personal Jurisdiction and the Internet: U.S. Courts Evaluate Whether Contact Through a Web Site is Sufficient Contacts," available at the Intellectual Property Center web site (http://www.ljx.com/internet/brm_webjur.html); Michael Wagner and Matthew Allison "Internet Law," *National Law Journal* (July 7, 1997); David Thatch "Personal Jurisdiction ad the World-Wide Web: Bits (and Bytes) of Minimum Contacts" 23 *Rutgers Computer & Technology Law Journal* 143 [1997] at 146; Jane Ginsburg, "Copyright Without Borders? Choice of Forum and Choice of Law for Copyright Infringement in Cyberspace," 15 *Cardozo Arts & Entertainment Journal* 153 (1997); and David Stott "Personal Jurisdiction in Cyberspace: The Constitutional Boundary of Minimum Contacts Limited to a Web Site" 15 *The John Marshall Journal of Computer & Information Law* 819 [1997]

127.

⁰ According to Chu Moy, German courts have ruled that they will take jurisdiction over any case involving materials that can be viewed in Germany, which is practically everything on the Internet (ref. *Landgericht Berlin* (11/20/96)) and have clearly stated that they are competent to hear any domain name case involving a URL with the German geographical TLD ".de" (ref *Epson v. Engelke* (D.C. Dusseldorf, 4/4/97)) (Chu Moy, "Trademark Strategies and Offensives in E-Commerce; With Few Standards in Place, The Courts are Forging Through Trademark Conflicts and Creating Policies for the Global Marketplace" *e-Business Advisor* 12 (November, 1998)).

128. ⁰ Based on figures provided on the web pages for Wisconsin attorney Donald J. Ersler (<http://www.patentexpert.com/trademark.html>) and Florida attorney Robert C. Kain, Jr. (<http://www.rckain.com/feetrade.htm>)

129.

⁰ Although for Canadians the *Paris Convention* and *WTO* can assist mark holders somewhat (as signatory nations do give some recognition to the registered marks from other signatory nations for the sake of registration dates), the actual registration and full review process will be done again in each jurisdiction with the associated costs and risk of failure.

130.

⁰ James A. Forstner, "In Developing Countries, It Is Often Better to Forgo IP Protection" *IP Worldwide* (November 1996)

131.

⁰ Peter J. Groves, "Resolving Intellectual Property Disputes" *Business Law Review (UK)* January 1994 at 3

132.

⁰ Gregg A. Paradise "Arbitration of Patent Infringement Disputes: Encouraging the Use of Arbitration Through Evidence Rules Reform" 64 *Fordham Law Review* 247 (1995) at 253

133.

⁰ Frederic P. Zotos, "Unlocking the Potential of Innovation SM: Walk Softly and Carry a Big Stick" *Intellectual Property Today* 26 (July 1997)

134.

⁰ American Intellectual Property Law Association, *Report of Economic Survey 1995* 67 (1995).at 62-63; contrast this to the average \$50,000 cost for a mediation especially in light of the 90% pre-judgement settlement rate for most litigated cases (Judith A. Szepes, "Maximizing Protection for Computer Software," 12 *Santa Clara Computer and High Technology Law Journal* 173 (1996) at 200)

135.

⁰ This tactic was so common that some US states have passed laws that identify this as activity as an actionable tort (Gary Myers, "Litigation as a Predatory Practice" 80 *Kentucky Law Journal* 565 (1992))

136.

⁰ Ann Monroe, "Cutting Those Crushing Legal Bills" *Institutional Investor* 81 (April 1993)

137.

⁰ Chris R. Ottenweller, "A Quick Strike At Litigation Costs," *Intellectual Property Magazine* (July 1997)

138.

⁰ Jill Schachner Chanen, "Winning On A Shoestring Even Clients and Lawyers with 'Shallow Pockets' Can Take on the Big Case If They Know How to Hold the Line on Litigation Costs" 82 *A.B.A. Journal* 46 (December, 1996); The Corporate Counsel Section of the New York State Bar Association, "Legal Development: Report On Cost-Effective Management of Corporate Litigation," 59 *Albany Law Rev* 263 (1995)

139.

⁰ e.g., Intellectual Property Insurance Services Corp. of Louisville, Ky offers a policy that will provide \$500,000 in legal fees for a yearly premium of \$7,000, Houston-based Litigation Risk Management Inc. is providing a policy for up to \$1,000,000 at an annual premium of \$25,000, and in England there is Law Business & Technology Services who offer policies for amounts exceeding £100,000 of US litigation coverage; similar services are currently being offered for Internet-related litigation (Susanne Sclafane "Both Sides Seek Infringement Battle Cover; Insurer Participation in Patent Infringement Litigation" 101 *National Underwriter Property & Casualty-Risk & Benefits Management* 20 (November 24, 1997) & "Cornish Lawyer Covers IP Market" 8 *The Lawyer* 2 (January 3, 1995)).

140.

⁰ Dan Goodin, "Is IP Insurance Worth It? Patent infringement policies carry some risks of their own" *IP Magazine* 1996 (see www.ipmag.com)

141.

⁰ "Lost opportunities" is a critical problem for mark and patent holders alike. IP that is not being used may well be going out of date or missing critical opportunities that would allow the holder to profit greatly. (see Steven J. Elleman "Problems in Patent Litigation: Mandatory Mediation May Provide Settlements and Solutions" 12 *Ohio State Journal on Dispute Resolution* 759 (1997) at 761); also consider the following quote "the value of intellectual property does not lie in the individual possession of the property. . . . [it] lies in its exclusive use and licensing by the owner." (Jennifer Mills, "Alternative Dispute Resolution in International Intellectual Property Disputes," 11 *Ohio State Journal of Dispute Resolution* 227 (1996) at 227 & 230)

142.

⁰ Kimberly M. Ruch-Alegant "Markman: In Light of *De Novo* Review, Parties to Patent Infringement Litigation Should Consider the ADR Option" 16 *Temple Environmental Law & Technology Journal* 307 (1998); Steven J. Elleman, *supra* note 141 at 768; Peter J. Groves, *supra* note 131, at 3, 4; Jennifer Mills, *supra* note 141 at 232; This problem is even more grave in the US where the vagaries of jury-made law can lead to new heights of erroneous case law.

143.

⁰ The role of "netiquette" as a self-regulatory mechanism and other on-line conventions is discussed in Trotter Hardy, "The Proper Legal Regime for Cyberspace" 55 *University of Pittsburgh Law Review* 993 (1994) and L.J. Gibbons "No Regulation, Government Regulation, or Self-Regulation: Social Enforcement or Social Contracting for Governance in Cyberspace," 6 *Cornell Journal of Law and Public Policy* 475 (1997)

144. ⁰ John R. Allison, "Five Ways to Keep Disputes Out of Court," *Harvard Business Review* (January 1990); Jay Stuller, "Settling for 'Bearable Unhappiness.' Alternative Dispute Resolution" *Across the Board* (November 1993); Steven J. Elleman, *supra* note 141 at 762, 768; Ann Monroe, *supra* note 136

145.

⁰ According to the Ontario Civil Justice Reform Project, most civil cases settle within the first four days of trial but by that point average legal fees will have reached \$58,000, whereas the average settlement awarded at trial was \$58,000 (David Lees, "Justice Out of Control" *Financial Post* (May 1998) (available at <http://www.adr.ca/news/leck.asp>)). Two US studies had differing opinions on this point: one survey found that the number of parties who thought they saved money and wasted money was evenly divided but that those who thought it was a waste said they had thrown away an average of \$4,000, whereas those who saved money pinned it at about \$40,000 (Joshua D. Rosenberg & H. Jay Folberg, "Alternative Dispute Resolution: An Empirical Analysis," 46 *Stanford Law Review* 1487 (1994) at 1496); the other, which was conducted by the Rand Institute for Civil Justice found that ADR had little impact on reducing litigation costs or temporal length and wasted \$3,000 and 35 hours per client on average (ref Janice Zima "Rand Study Questions Usefulness of Mandated Mediation" *Lawyers Weekly* (August 15, 1997) (available at <http://www.adr.ca/news/lt090897a.asp>)).

146.

⁰ Peter Lovenheim, *Mediate, Don't Litigate: How to Resolve Disputes Quickly, Privately, and Inexpensively -- Without Going to Court*, McGraw-Hill: New York, 1989 at 25-26

147.

⁰ Under s. 50 of the Act, mark owners are able to licence their rights. One must be sure to include terms in the license that guarantee the right to maintain quality control directly (e.g. via potential receipt of samples of their product and by retaining the right to inspect their production facilities). To omit this point could render ineffective the entire mark. One must also be sure to always properly use the mark (as it appears in the registration) and make sure that all licensees also clearly indicate on the products and advertising identifying the real owner of the mark.

148.

⁰ Scott H. Blackmand & Rebecca M. McNeill, "Alternative Dispute Resolution In Commercial Intellectual Property Disputes" 47 *American University Law Review* 1709 (1998) at 1710; Ellen J. Beilock, "Re-engineering Resolution: In Intellectual Property Disputes, Mediation is the Algorithm That Generates Solutions," *IP Magazine* 1996 (see www.ipmag.com)

149.

⁰ At the end of the day they will chose whether to sign on to the arrangement or not and will not have it imposed upon them as would be the case in litigation or arbitration.

150.

⁰ The Internet can be used as a medium for the mediation in such cases allowing the parties involved to avoid having to travel to settle the dispute (see Jeffrey Krivis, "Adding to the Toolbox: Observations After Mediating in Cyberspace" (available at <http://www.vlfnetwork.com/mediate.html>) and Dave Thom "E-Mail ADR" *IP Magazine* 1996 (see www.ipmag.com)).

151.

⁰ Richard E. Vaughan, "Defining Terms in the Intellectual Property Protection Debate: Are the North and South Arguing Past Each Other When we say 'Property?' A Lockean, Confucian, and Islamic Comparison," 2 *ILSA Journal of International & Comparative Law* 307 (1996); Tara Kalagher Giunta & Lily H. Shang, "Ownership of Information in a Global Economy," 27 *George Washington Journal of International Law & Economics* 327 (1993)

152.

⁰ George W. Coombe Jr., "The Resolution of Intellectual Property Disputes Involving East Asian Parties," 19 *Hastings International & Comparative Law Review* 707 (1996)

153.

⁰ In 1994 a joint initiative between the Ontario Court of Justice and the AG's Ministry diverted 60% of the civil cases from the General Division, 40-50% of which settled. This meant that a 24-30% reduction in case load was achieved while a satisfaction rate of 80-90% was maintained. (ref Janice Zima, *supra* note 145).

154.

⁰ e.g., Michel A. Jaccard, "Securing Copyright In Transnational Cyberspace: The Case for Contracting With Potential Infringers," 35 *Columbia Journal of Transnational Law* 619 (1997); David Friedman, "In Defense of Private Orderings" 13 *Berkley Technology Law Journal* 1151 (1998); Harry H. Perritt, Jr. "Law and The Information Superhighway: Privacy, Access, Intellectual Property, Commerce, Liability" ; Dennis S. Karjala, "Copyright Owners' Rights and Users' Privileges on the Internet: Federal Preemption of Shrinkwrap and On-line Licenses," 22 *Dayton Law Review* 511 (1997); *contra* Julie E. Cohen, "Copyright and the Jurisprudence of Self-Help," 13 *Berkley Technology Law Journal* 1089 (1998); Cynthia M. Bott, "Protection of Information Products: Balancing Commercial Reality and the Public Domain," 67 *University of Cincinnati Law Review* 237 (1998).

155.

⁰ E. Casey Lide, "ADR and Cyberspace: The Role of Alternative Dispute Resolution in Online Commerce, Intellectual Property and

Defamation," 12 *Ohio State Journal on Dispute Resolution* 193 (1996) at 216

156. ⁰ *Ibid.* at 221

157. ⁰ Trotter Hardy, "The Proper Legal Regime for Cyberspace" *supra* note 143, at 1019; Leon Trakman "The Evolution of the Law Merchant: Our Commercial Heritage" 12 *Lloyd's Journal of Maritime Law & Commerce* 1 (1980)

158. ⁰ The UN agency that administers all International treaties on IP

159.

⁰ full text version of the policy available at <http://www.nic.uk/ref/drs.html>

160.

⁰ Rules ss. 1-3; Christian Cordon-Pullar, *supra* note 37, at 131

161.

⁰ Rules s. 4

162.

⁰ Rules ss. 6-10

163.

⁰ Rules ss. 11-13

164.

⁰ The Canadian organization that will be managing the registration of the ".ca." TLD (next year after CA*Net's term runs out) has not yet developed a dispute policy but has indicated it will look to existing models such as Nominet's and NSI's for guidance (Canadian Domain Name Consultative Committee, "Framework for the Administration of the .CA Domain Name System," September 15, 1998 (available at http://www.canarie.ca/cdncc/nextindex_e.html)).

165. ⁰ Described in Miriam R. Arfin, "The Benefits of Alternative Dispute Resolution in Intellectual Property Disputes," 17 *Hastings Communications & Entertainment Law Journal* 893 (1995) at 896-989

166.

⁰ Sherry Landry, "Med-Arb: Mediation with a Bite and an Effective ADR Model; Alternative Dispute Resolution," 63 *Defense Counsel Journal* 263 (1996); George Applebey, "Alternative Dispute Resolution and The Civil Justice System," in Karl J. Mackie, *A Handbook of Dispute Resolution*, Routledge and Sweet & Maxwell: London, 1991, 26 at 34-35

167.

⁰ *Ibid.*

168.

⁰ Miriam R. Arafin, *supra* note 165, at 900

169. ⁰ Max Weber, "Politics as Vocation" in Gerth and Mills (eds.), *From Max Weber: Essays in Sociology*, Oxford: New York, 1946; *pro*

S.F.C. Milsom, *Historical Foundations of the Common Law*, Butterworths: London, 1981 at 4-7

170.⁰ Max Weber, "Rational and Irrational Administration of Justice," in Max Rheinstein (ed. & trans.) & Edward Shils (trans.), *Max Weber on Law in Economy and Society*, Clarion: New York, 1954 at 351

171.⁰ *Ibid.* at 303; according to Weber this would be a regressive step since he characterizes the developmental progression as follows:

[A]rising in primitive legal procedure from a combination of magically conditioned formalism and irrationality conditioned by revelation, they proceed to increasingly specialized juridical and logical rationality and systemization, passing through a stage of theoretically or patrimonially conditioned substantive and informal expediency. Finally they assume, at least from an external viewpoint, an increasingly logical sublimation and deductive rigor and develop and increasingly rational technique in procedure.

(*Ibid.*, at 303-4)

172.⁰ Harold Berman, *Law and Revolution: The Formation of the Western Legal Tradition*, Harvard: Cambridge, 1983 at 9

173.

⁰ Theodore Plucknett, *A Concise History of the Common Law (3rd Ed.)*, Butterworth: Bell Yard, 1940 at 311

174.

⁰ Consider for instance the impact of communication technology on contractual formation over the last century and a half. From the early formulation of the "postal acceptance" rule (as set out in *Adams v. Lindsell* (1818), 1 B. & Ald. 681, 106 E.R. 250) there has been a gradual alteration of it as times and technologies have changed (e.g., the rulings in *Household Fire and Carriage Accident Insurance Company v. Grant* (1879), 4 Ex. D. 216, and *Henthorn v. Fraser*, [1892] 2 Ch. 27, *Howard Smith & Co. Ltd. v. Varawa* (1907), 5 C.L.R. 68 at 79, and *Brinkibon Ltd. v. Stahag Stahl*, [1982] 1 All E.R. 293 at 295). The progression in thought would have been considerably more difficult if the impact of those technologies had not been addressed and considered in previous cases.

175.⁰ Harold Berman, *supra* note 172, at 9

176.⁰ J.C. Smith & David N. Weisstub, *The Western Idea of Law*, Butterworths: London, 1983 at 120

177.

⁰ Sir William S. Holdsworth, *Essays in Law and History*, Clarendon: Oxford, 1946 at 161

178.

⁰ Harold Berman, *supra* note 172, at 16

179.⁰ F.S.C. Northrop, "The Comparative Philosophy of Comparative Law," in J.C. Smith & David N. Weisstub, *The Western Idea of Law*, Butterworths: London, 1983 at 106; or 45 *Cornell Law Quarterly* 617 (1960)

180.⁰ *Ibid.*, at 108-9

181.⁰ Edward Brunet, "Questioning the Quality of Alternate Dispute Resolution," 62 *Tulane Law Review* 1 (1987) at 15-16

182.

⁰ *Ibid.*, at 24-26

183.⁰ Paula Kulig, "Court Should be Last Resort in Settling Civil Disputes" *Globe and Mail* (August 27, 1996) (available at <http://www.adr.ca/news/globe082796.asp>), Charles Harnick (AG Ont) "Improving Access to Our Courts" *Keynote Address: 1997 Institute of Continuing Legal Education* (January 31, 1997) (available at <http://www.adr.ca/news/harnick013197.asp>)); also consider the following,

"with the introduction of "Rocket Dockets" in certain federal courts, implementation of the Trial Court Delay Reduction Act in state courts, and the availability of temporary restraining orders or preliminary injunctions, it is not necessarily true that traditional litigation will take substantially longer than ADR." (James G. Gilliland Jr, "Alternative IP Resolution" *IP Magazine* 1996 (see www.ipmag.com))

184.

⁰ Maureen O'Rourke argues that the sloth-like pace of jurisprudential development is the result of a purposeful social gestation process designed to entrench only well-established practices and beliefs rather than "passing social fancies." (Maureen O'Rourke "Legislative Inaction on the Information Superhighway: Bargaining in the Shadow of Copyright Law" 3 *Boston University Journal of Science and Technology Law* 8 (1997))

185.

⁰ Edward Brunet, *supra* note 181, at 7

186. ⁰Brian P. Isaac, "Intellectual Property and Multimedia: Problems of Definition and Enforcement" 12 *Canadian Intellectual Property Review* 47 [1995] at 49

187.

⁰John Perry Barlow "The Economy of Ideas: Everything You Know about Intellectual Property Is Wrong" in (Adam D. Moore, ed.), *Intellectual Property: Moral, Legal, and International Dilemmas*, Rowman & Littlefield: Oxford, 1997, at 349, also in *Wired* [March 1994], and available at (<http://www.hotwired.com/wired/2.03/features/economy.ideas.html>); Andrew Christie, "Reconceptualising Copyright in the Digital Era," 11 *European Intellectual Property Reporter* 522 [1995]; Niva Elkin-Koren, "Copyright Law and Social Dialogue on the Information Superhighway: The Case Against Copyright Liability of Bulletin Board Operators" 13 *Cardozo Arts & Entertainment Journal* 345 (1995); and Douglas J. Masson "Fixation on Fixation: Why Imposing Old Copyright Law on New Technology Will Not Work" 72 *Indiana LJ* 1049 (1996) also available at (<http://www.law.indiana.edu/ilj/v72/no2/masson.html>)