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BEWARE THE “HELPFUL” INTERNET DOMAIN REGISTRAR

Domain name scammers play on cybersquatting fears

Any business with a website knows the danger of cybersquatters - internet freeloaders who register domain names which are similar to the domain name of a legitimate business, with the intent to either siphon web traffic away from the actual business, or sell the similar domain back to the business at a tidy profit.

There are often efficacious and cost-effective options to combat cybersquatters, and Gardiner Roberts LLP can assist with any issue of cybersquatting or domain name appropriation. However, business owners should be aware that there are internet scam-artists attempting to take advantage of the fear of cybersquatting. One form in particular has become increasingly common in recent months.

The scam

The scam typically targets mid-sized business with a web presence and operations within Canada but not overseas. It will begin with an email to a senior manager along these lines:

Subject: *[name of business]* -Intellectual property rights (To Manager)

Dear Manager:

We are a professional domain name registration organization in *[Asian country]*, which is mainly responsible for domain name registration and dispute. We have some points need to confirm with your company on your company's intellectual property right on Internet.

Several days ago, we have received an application form on domain name registration from a so called "*false Asian company name*". They put forward to register the following domain names

[businessname].asia
[businessname].cn
[businessname].com.cn
[businessname].hk
[businessname].in
[businessname].mobi
[businessname].tw
[businessname].us
Internet keyword: *[businessname]*

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During our preliminary investigation, we found that these domain names' keyword is identical with your trademark. So we intend to confirm with you if your company consigned them to register through us. If you do not have any idea about this company and has no affiliation with them, we doubt they have other motivation. Now we have postponed this issue and have not proceeded their registration. In order to deal with this issue better, please make sure to let your relevant director deliver the confirmation with written version to us within seven workdays.

If you are not in charge of this matter, please transfer this email to appropriate dept.

Best Regards,

[name]
Auditing Department
[a telephone number, fax number, email address and website is given.]

The email is carefully constructed to seem authentic — the website seems to be an actual domain registrar located in an Asian country, and the person who sent the email is reachable by telephone and eager to help.

However convincing it is, the email is almost always a scam. Typically, the Asian company named in the email, which is supposedly trying to lock up the domain names similar to the Canadian business's domains, does not actually exist, and the "domain registrar" who sent the email is either attempting to frighten the Canadian business into paying to register those domains itself at an inflated price, or just as likely will simply abscond with the funds and make no registration at all.

It is important to be aware that domain name registration is a largely automatic process, with little human intervention, and that domain name registrars tend not to vet the names they register — even if the proposed domain name is similar to an existing business or trademark. Certainly, it is most unlikely that a legitimate domain name registrar in Asia or anywhere else would delay several hundred dollars of registration business to contact a company in Canada.

Businesses that receive similar emails should review the emails very carefully before making contact with the sender or transmitting any funds. Gardiner Roberts LLP would be pleased to assist with reviewing such emails and determining whether or not they are genuine.