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NEWS

Online Business Piracy, Cybersquatting Taking Toll On Industry

Internet Hijacking Is Becoming A Major Concern Among Hotel Marketers

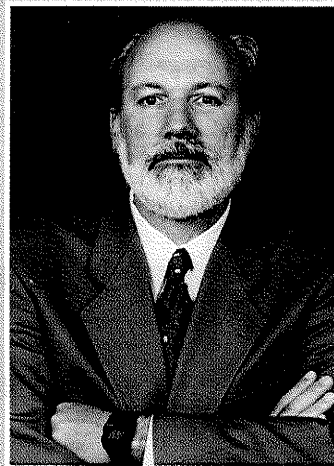
BY MICHAEL BILLIG

NEW YORK— There is lots of talk these days about ownership and worth of the industry's "intellectual property" and "informational assets." Accordingly, there is little argument Internet-oriented hijinks— if not outright business hijacking— is becoming a major concern among hotel marketers tapping the potential of on-line distribution.

One legal professional offering more than passing familiarity with the trials and tribulations brought about by unethical, and increasingly illegal online business interruption tactics is Peter Ripin, an attorney with Davidoff & Malito LLP in New York City. Pointing to a case in which he was recently involved, Ripin told HOTEL BUSINESS® of "a domain-

name felon [and a former hotel employee of a hotel who] was able to shut down a hotel's site completely for two weeks, and thereafter held the on-line reservation system hostage as a bargaining chip."

While a court-ordered "gag rule" prevented Ripin from divulging further details of this one case and its ultimate disposition, it did not keep him from voicing strong opinions and observations on some of the Web-related practices currently plaguing the commercial arena in gen-



Leslie Dreier
Hotel Internet Strategies

eral, and the lodging sector in particular. "I think cybersquatting, presents a big problem for the hotel industry," he said.

"Hotels [have widely come to] rely on their online reservations systems to book rooms. When website domain names get hijacked, online reservations get lost," he said.

Emphasizing this point, Ripin referred to another case in which "a hotel-room reseller registered a domain name which was similar to a major brand domain name and, when Internet users mis-

takenly proceeded to the site thinking it belonged to that particular brand, they were offered rooms in hotels not affiliated with [that lodging brand]," he said.

"In still another case, a company offering restaurant and reception services again registered a confusingly similar domain name, which led users to a website which, at various times, either promoted the company's competing services or offered sexually explicit material promoting a topless dance club," Ripin said.

"Needless to say unless cybersquatters like these are dealt with quickly and effectively, the result could be catastrophic to a hotel's business," he said. Also well-versed in the values and vagaries of commercial traffic along the information superhighway

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New Nashville Holiday Inn Express Adds Wi-Fi Service

BY DENNIS NESSLER



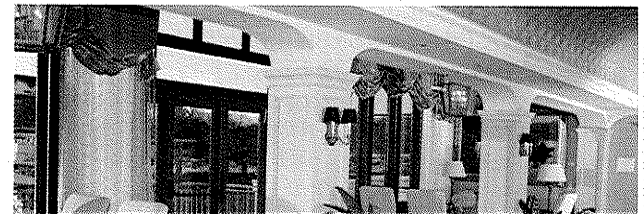
NASHVILLE— Montclair Hotel Investors used the transition of the Ramada Inn here to a new Holiday

The Delamar Arrives On Luxury Hotel Scene

Property Carves Niche With Prime Location, Design

BY SHANNON McMULLEN

GREENWICH, CT— Entrepreneurs Seth Weinstein and Charlie Mallory entered into the hotel industry in a big way with The Delamar, a new luxury hotel



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TECHNOLOGY

Hotel Owners May Be Forced To Defend Sites Against Cybersquatters

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is Leslie Dreier, president of Hotel Internet Strategies, another New York-based operation. Dreier said: "The real story on stretching the limits of domain-name exploitation lies with travel wholesalers and their affiliates. Independent directories that book hotels might book the Acme Hotel, for instance, through a merchant model like Hotels.com or Lodging.com," he continued: "These affiliates are able to buy the key word 'Acme Hotel', from Overture or Google, thereby trumping the hotel itself in the search results for the hotel. So the efforts of a hotel to enhance [its] long-standing name lose value to a third party willing to pay a few cents, or a few dollars, to capture that property's guests," he said.

Does this mean hoteliers will inevitably find on-line "competitors" getting out of line? As Dreier pointed out: "One thing that first attracted me to the Internet, was its unregulated environment. The small guy had a chance to get ahead—to compete on an even playing

field with huge conglomerates. Naturally, that opens up frontiers of relative lawlessness, where innocent people can get hurt," he said.

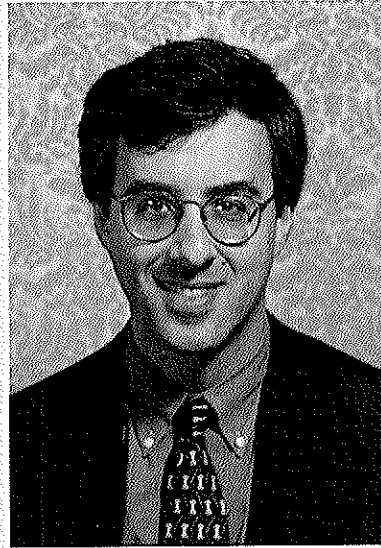
"At this point," Dreier said, "I have resigned myself to the need for government regulation, [primarily] because there are some bad things happening on-line, and [these instances can be] especially egregious when they happen to you."

As far as how to fight really dirty pool on-line, Dreier said, "I think there are teeth to the threats now levied via ISP's, directories, registrars, etc. One can fight an unjust attack more successfully now than might have been possible a year or two ago, and I think that is a good thing. Businessmen and women should not be shy about protecting their property, their reputations, and their relationships with their customers on-line," he said.

"Hotels should register various iterations of their name. [After all, they] do compete with each others' names from time to time,

but this is not kosher and can easily be prevented, usually requiring no more than a friendly phone call," Dreier said.

And if the kinder, gentler approach does not bear



Peter Ripin
Davidoff & Malito LLP

fruit? In the words of Ripin: "Hotel owners do have the ability to protect their domain names. In particularly egregious cases," he said, "hotel owners may choose to bring a lawsuit and invoke the Anti-Cyber-

squatting Piracy Act—a federal statute in which the plaintiff may elect to recover an award of statutory damages between \$1,000 and \$100,000 per offending domain name [the amount of which is discretionary with the judge] or actual damages suffered, which may include the domain-name felon's profits from his wrongful use of the name, the owner's damages resulting from harm to its trademark and, in exceptional cases, costs and attorneys, fees and treble damages," he said.

"The court may also order the forfeiture or cancellation of the domain name or its transfer to the trademark owner," Ripin added.

"In situations where there is less at stake, there is also a streamlined procedure for reclaiming your domain name quickly and inexpensively in an arbitration proceeding, he said. The Internet Corporation for Assigned Names and Numbers (ICANN), a non-profit corporation responsible for managing the Internet's domain-name system, has adopted the Uni-

form Domain Name Dispute Resolution Policy (UDRP) which provides for arbitration of cyber squatting disputes."

Ripin pointed out such resolution can take place in an arbitration forum such as the World Intellectual Property Organization (WIPO), which he said has handled more than 15,500 cyber squatting cases. "Although a WIPO arbitration is less expensive than a lawsuit, the relief is limited to the transfer of the domain name; money damages are not available," Ripin explained. To further help protect against domain-name piracy, Ripin said hotels should register all business and domain names used as trademarks with the Patent and Trademark Office. In addition, he similarly advised hotels to check to see if any of its brand names have been registered as domain names by checking the "who is" database located at www.networksolutions.com. "If the domain name is claimed, the hotel should seek out legal advice [in order] to reclaim its good name," Ripin said.

