Microsoft Sues Cybersquatters, Raises Awareness

By Anne Winter

Wednesday, March 14, 2007



REDMOND, Wash. — Microsoft has launched a series of lawsuits targeting cybersquatters in the U.S. and Europe, urging other companies to do the same to help fight what the World Intellectual Property Organization calls a growing threat to trademark owners.

Cybersquatters register trademarked domain names that can be easily mistaken for those of big businesses. They can either sell these names to the businesses for an inflated price, or profit from traffic gained by surfers accidentally visiting the squatted websites.

Microsoft alleges that several companies in the U.S., U.K., Germany and Italy have registered trademarked domain names that infringe on its intellectual property and is losing money and valuable traffic. The company has won several similar "cybercrime" cases since August.

The company hopes its actions will encourage other Internet businesses to follow suit.

"Cybersquatting has become a major ongoing problem for most of my clients," said Marc Randazza, an attorney who specializes in intellectual property matters. "It's become a big-money industry and is inherently parasitic."

Randazza told XBIZ that as soon as a new adult site gains traffic, a cybersquatter "will register every possible permutation" of its domain name and do everything it can to divert its traffic.

If a site does not register its trademark at launch, Randazza said it becomes much harder to fight cybersquatting and receive compensation for lost profit. He recommends adult online entrepreneurs to plan to deal with cybersquatting at the start and be ready to "nip it in the bud."

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1 of 1 3/15/2007 9:28 AM