

## Kentucky Governor Will Succeed in Stealing some Online Gambling Domain Names

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Point-Spreads.com has learned that Kentucky Governor Steve Beshear will be successful in stealing some but not all of the 141 online gambling domain names! Several top brands that are in jeopardy include GoldenPalace.com, WSEX.com, SportsBetting.com, FullTiltPoker.com, PokerStars.com CakePoker.com, DoylesRoom.com and several others.

The internet gambling industry was sent in a tail spin when Point-Spreads.com broken the news yesterday morning of the attempted domain name hijacking. Senior management of the various online gambling business entities that own some of the domain names in question were traveling to Barcelona to attend the annual EiG internet gambling industry conference are now finally able to deal with the situation and it does not look good for a few of them.

Some operators have already told Point-Spreads.com that they cannot transfer the ownership of the domain names, they cannot transfer the registrars and are unable to change DNS. Not a good sign at all, but how can that be? Under Rule 8(a) and 8(b) (see below) domain name holders are unable to transfer ownership or move registrars pending a hearing to challenge the request of seizure by Kentucky on Thursday September 25th.

The actions taken by Kentucky also have serious repercussions for anyone working within the e-commerce and internet space.

"If that is not a clear case of abuse of power, I don't know what one is," Joe Brennan, Jr. founder of iMEGA, said. The Interactive Media Entertainment & Gaming Association was founded to foster cooperation between the online industry and government at all levels, and to promote innovation, openness and freedom on the Internet.

Can a judge in Kentucky actually issue a court order that is enforced by ICANN over a foreign e-commerce business? Before that can be answered, one must understand the jurisdictional issues of "owning" a domain name.

Basically, the jurisdiction used for disputes is either the location of the Registrar that the domain name is stored at or the address on file with that Registrar for the "owner" of the domain name. Several of the online gambling domain names in question were actually stored at Registrar's located within the United States. Some, if not all of those domain names are going to be seized.

Let's be real, TwinSpires.com which is a online gambling internet website owned by Churchill Downs Incorporated out of Louisville, the same group that runs the Kentucky Derby, is the biggest benefactor to Kentucky's attempted to steal the 141 domain names. This is not about protecting its citizens, its about protecting a Kentucky based corporation from having competition in its local market. Shame on the Governor of Kentucky.

"The industry needs to take this very seriously and not just the online gambling operators," commented Christopher Costigan, Publisher of Gambling911.com. "An order in Kentucky will open the doors for other states to take similar actions and who knows what might be next? Maybe other states will start going after hosting companies for conducting business with Internet gambling affiliates, and even worse they can go after the registrars. The states are hurting right now due to the economy and they are looking for ways to protect key industries such as the land based casinos and - in the case of Kentucky - the horse racing industry. If they see the industry is not going to stand up and challenge these matters, I'm afraid to say it but there is almost certainly more bad news to come down the road."

It's obvious to everyone observing this story that Kentucky did not think this decision through all the way. Could the government of another state or country go after domain names owned by Kentucky businesses if the said state or country deems the activity of said website be illegal? Only time will tell and we will have to wait until after the hearing this Thursday to find out the outcome. Point-Spreads.com urges other operators to make sure that their domain name registrar is one that is based out of the United States and preferably in a gaming friendly jurisdiction to help mitigate the likelihood of their domain name portfolios from being stolen in the future.

Here is a comment left on KYpost.com news website about the domain name seizure attempt by Governor Steve Beshear by an unhappy resident of Kentucky:

"It has become more apparent that Gov. Beshear is nothing more than a shill for the gaming industry. With all of the problems that this state faces....increasing poverty, health care crisis (including a nearly bankrupt state medicaid system), gas price gouging, an education system that is still ranked in the bottom of the nation, deteriorating roads and bridges, collapse of the real estate market and banking system within the state, and prescription drug abuse....he makes

ONLINE GAMBLING our states top priority. I guess that he still believes that "legitimate" gambling with brick and mortar casinos will bring our state prosperity. I guess that he believes that they do not prey on poor people. The lottery was supposed to boost our education system, but it has not and the only people that buy a ticket are the financially destitute. It is simply ridiculous. I think that he needs to be reminded why he was elected Governor...It is because he was not Ernie Fletcher. If the Democrats would have nominated a can of tomato soup against Fletcher, they would have won. We need to remind the Governor Beshear that he should be focusing on more important and pressing needs, and quit catering to his own special interests."

Here is a comment sent to Governor Steve Beshear by a loyal Point-Spreads.com reader:

"I find what you are trying to accomplish reprehensible. What right do you or any other elected official have in telling citizens of your state that they cannot participate in online gaming? Your job is to preserve freedom, not take it away. If you do not like the fact that tax revenue is being lost, then legalize the industry. This is pathetic and shameless and I hope the people of Kentucky value their freedom enough that they send you back to civilian life. Please do yourself a favor and examine the Constitution of this great country and start working on behalf of the people of your state instead of trying to rule over them simply because you would like some additional tax revenue. You are not running a totalitarian regime, this is not China. Are the people of Kentucky clamoring for the end of online gaming? I doubt it. So why are you? Start representing the people and quit catering to special interests. This is a free market and you don't make an activity that people enjoy illegal simply to help sustain another sector of industry. That stuff is suppose to work itself out in our free market system. The government certainly is not suppose to step and prohibit freedom as you are trying to do."

Here are a few direct quotes from the ICANN website, which officially governs all domain names worldwide:

<http://www.icann.org/en/dndr/udrp/uniform-rules.htm>

Mutual Jurisdiction means a court jurisdiction at the location of either (a) the principal office of the Registrar (provided the domain-name holder has submitted in its Registration Agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name) or (b) the domain-name holder's address as shown for the registration of the domain name in Registrar's Whois database at the time the complaint is submitted to the Provider.

<http://www.icann.org/en/dndr/udrp/policy.htm>

#### 8. Transfers During a Dispute.

a. Transfers of a Domain Name to a New Holder. You may not transfer your domain name registration to another holder (i) during a pending administrative proceeding brought pursuant to Paragraph 4 or for a period of fifteen (15) business days (as observed in the location of our principal place of business) after such proceeding is concluded; or (ii) during a pending court proceeding or arbitration commenced regarding your domain name unless the party to whom the domain name registration is being transferred agrees, in writing, to be bound by the decision of the court or arbitrator. We reserve the right to cancel any transfer of a domain name registration to another holder that is made in violation of this subparagraph.

b. Changing Registrars. You may not transfer your domain name registration to another registrar during a pending administrative proceeding brought pursuant to Paragraph 4 or for a period of fifteen (15) business days (as observed in the location of our principal place of business) after such proceeding is concluded. You may transfer administration of your domain name registration to another registrar during a pending court action or arbitration, provided that the domain name you have registered with us shall continue to be subject to the proceedings commenced against you in accordance with the terms of this Policy. In the event that you transfer a domain name registration to us during the pendency of a court action or arbitration, such dispute shall remain subject to the domain name dispute policy of the registrar from which the domain name registration was transferred.