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'Dot-ca' speculators get \$2.5M payday

**Internet address owners get payday
'Dot-ca brand' finally in demand**

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BUSINESS REPORTER

In a little-noticed market where Internet addresses are routinely bought and sold, Peter Maxymych has been dubbed The Registration Machine.

Maxymych and business partner Harold Simpkins have spent the past decade registering more than 1,000 Canadian or "dot-ca" Web addresses in hopes that the properties — mostly generic addresses such as taxis.ca, doctors.ca and drugs-.ca — would pay off down the line.

Last week, after more than six years of persistence, the two online speculators finally got their payday.

Phone directory giant Yellow Pages Group surprised the Canadian Internet industry by announcing it had spent \$2.5 million for 389 "domain names" owned by Maxymych's Montreal-based firm, Email.ca. The prize list includes maps.ca, autos.ca and attorneys.ca, all specific categories that Yellow Pages will use to expand the reach of its online directory business.

Maxymych calls the deal a watershed for Canada's dot-ca market, which has been overshadowed over the years by the vastly more popular and higher-priced dot-com addresses, many having sold for millions of dollars apiece before the market collapsed in 2000.

"This is old hat in the United States," said the 50-something businessman whose background is in real estate. "What's happening now is people are starting to see the dot-ca extension as a very valuable one."

It's not like registration of dot-ca addresses hasn't been growing. The number of Canadian domain names has jumped to more than 600,000 from about 100,000 six years ago, when the newly created Canadian Internet Registration Authority, or CIRA, took over management of the address database.

But that's still tiny compared to the dot-com system, which claims 50.6 million registered addresses, or the dot-net and dot-org systems, which number 7.8 million and 4.8 million addresses, respectively.

While we may never see those numbers in an economy as small as Canada, Michael Geist, a technology lawyer and director on CIRA's board, said the purchase by Yellow Pages provides a "strong signal" about the resale value of dot-ca domain names that, in the past, have attracted little interest.

It has been a long time coming. Maxymych and Simpkins, who teaches marketing at Concordia University, began accumulating generic dot-ca addresses as early as 1996, well before most Canadian companies and individuals knew how to register one.

They snapped up everything, including adult entertainment names callgirls.ca and porno.ca, and trademarked names victoriasecret.ca and montrealcanadiens.ca. At anywhere from \$20 to \$70 a year for registration, it didn't come cheap. Maxymych estimated they've paid more than \$1 million over the years to maintain rights to the names, including administrative and office expenses.

"With the money we put in there, there was this huge question mark of whether the value of the dot-ca brand would

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ever take off," he said. "I can tell you, three years ago I was already getting fed up. I kept thinking, I'm a believer in this, but who else is?"

Controversy emerged in 2000 when a news story raised the fact that Emall.ca had registered a number of trademarked names for major U.S. businesses and dozens of professional sports teams. This led to accusations of "cybersquatting," or registering a trademarked name to extort a high price from the company who holds the trademark.

Maxymych said there was never any intention of cybersquatting and that his team simply got carried away with the registration process.

After the media attention, Emall.ca immediately got rid of any Web address associated with a trademark.

Their original plan was to use the generic Web addresses they had acquired to build an online shopping mall — called Emall.ca — that would aggregate legitimate sites that focused exclusively on specific products. Some of those sites did emerge, including perfume.ca, lobsters.ca and cheaptickets.ca, but then the dot-com crash hit and Maxymych and Simpkins had to weather the storm.

"We had to just sit and wait until the market got better, until people recognized that we had valuable properties that can be developed," said Maxymych.

"Yellow Pages is the first major company to recognize the value of primary, premium Canadian domain names. Now we've got other media companies interested from the U.S. and elsewhere asking us what other names we have."

Answer: Hundreds and hundreds more.

Elliot Noss, chief executive officer of Tucows Inc., a Toronto-based Internet services company, said the dot-ca brand should grow stronger as Yellow Pages develops its new addresses.

"The fact that we're going to see some number of important generic names in the dot-ca space get developed is a positive for the whole domain space," Noss said.

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