

July 21, 2010

**VIA EMAIL**

Mr. Rod Beckstrom,  
CEO and President

Mr. Peter Dengate-Thrush,  
Chairman of the Board

Internet Corporation for  
Assigned Names and Numbers  
4674 Admiralty Way, Suite 330  
Marina del Rey, CA 90292

Dear Mr. Beckstrom and Mr. Thrush:

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to offer comments regarding Version 4 of the Draft Application Guidebook ("DAG 4") for the introduction of new generic top-level domains ("gTLDs").

AIPLA is a national bar association whose approximately 16,000 members are primarily lawyers in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of trademark, copyright, patent, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

Preliminarily, we wish to register our strong objection to any decision by ICANN's to move forward with the roll-out of new gTLDs at this time. We do not believe that the business or public interest case for new gTLDs has been made. There is no way of objectively judging whether they are worth the harm that we believe will result to consumers and trademark owners. Credible, scientifically acceptable economic studies to justify new gTLDs, based on a cost-benefit analysis, were called for by the US Department of Commerce in December 2008 (and echoed by others), and ICANN adopted this as one of its "overarching issues" to be satisfied prior to introducing new gTLDs. Yet, to date, such studies have not been performed and considered. In light of our strong objection, AIPLA fully aligns with the comment submitted on July 21 by IPC, of which AIPLA is a member. However, if new gTLDs are rolled out over these objections, AIPLA would require that the following concerns, at the very minimum, be fully addressed.

Our specific comments regarding DAG 4 focus on two of the mechanisms which have been proposed for the protection of consumers of internet services and intellectual property owners from the abuse which we anticipate will occur as a by-product of the introduction of new gTLDs: the Trademark Clearinghouse and the Uniform Rapid Suspension System. As

an aside, we commend ICANN for its mandate that all registrars of new gTLDs be obligated to maintain accurate “thick” WHOIS data for all registrants. AIPLA has long supported thick WHOIS, and urges ICANN to implement this requirement for existing gTLDs as well. We also support the concept of Trademark Post-Delegation Resolution Procedure, which has been included in DAG 4, but we have no substantive comments on the draft procedure at this time.

## **THE TRADEMARK CLEARINGHOUSE**

We commend ICANN for its inclusion of the Trademark Clearinghouse concept as one component of IP rights protection mechanisms for new gTLDs. The May 2010 Trademark Clearinghouse Draft (“May 2010 TC Draft”) in DAG 4 broadly adopts most of the Special Trademark Issues Review Team Recommendations of December 2009 (“STI Report”) which were approved by the GNSO. The GNSO-STI Report contains some of the recommendations of the Implementation Review Team (“IRT”) report issued in May 2009. However, as discussed below, some important elements are missing. Additionally we believe the May 2010 TC Draft can be substantially improved upon in a number of other ways.

One key IRT element missing from the May 2010 TC Draft is the recommendation that Section 2.1.1 of the Draft Applicant Guidebook (“DAG”) require that that applied-for gTLD strings be analyzed for confusing similarity against a Globally Protected Marks List (“GPML”), in addition to existing TLDs, reserved names, other applied-for gTLD strings, and requested ccTLD strings. Because this aspect of the IRT’s recommendations has not been incorporated into DAG 4, (indeed, the GPML is entirely missing from the May 2010 TC Draft) the Trademark Clearinghouse does not operate as a Rights Protection Mechanism (“RPM”) at the top level of the new gTLDs. We think this is unfortunate.

We address additional aspects of the draft on a section-by-section basis.

### **Section 2 – Treatment of Marks**

#### **Disparate Treatment**

The May 2010 TC Draft provides that marks registered in jurisdictions that do not conduct “substantive review” would be treated differently than those marks that have undergone “substantive review,” with the Trademark Claims service process effectively recognizing a broader set of registrations than Sunrise services. We are opposed to differentiating between registered marks in this regard, and believe that registered marks from all jurisdictions should be accepted in the Trademark Clearinghouse for all purposes.

#### **Substantive Review**

If it becomes necessary to define “substantive review,” we are concerned that the May 2010 TC Draft does not specify what “substantive review” includes. Some public comments suggest that “substantive review” could refer to relative examination, but the matter does not appear to be settled. To avoid this ambiguity as well as the complexities of evaluating examination and opposition processes in individual jurisdictions, we recommend that the term “substantive examination” be clarified to specify that “substantive review” refers to examination for “inherent registrability” or “on absolute grounds.”

## Text Marks

The May 2010 TC draft provides that only text marks will be recognized under the Trademark Claims and Sunrise services. Consistent with previous public comments, we recommend that “text” marks be defined to include the text elements of design marks where the text in its entirety has not been disclaimed. We note that the IRT report proposed that the Trademark Clearinghouse accommodate both “word mark and device (logo) marks that contain a word element.”

## Recognition of Additional Names

Trademark owners will be able to reduce defensive registrations if they are permitted to deposit into the Trademark Clearinghouse names consisting of exact registered trademarks plus generic terms incorporated into their goods or services. We support such a solution. Annex 4 to the GNSO-STI Report, the Minority Report from the Commercial and Business Users Constituency, proposes this solution. Such procedures have been used successfully with prior gTLD launches such as for the .ASIA registry.

## Use of Trademark Clearinghouse in URS and UDRP Proceedings

The Trademark Clearinghouse has a potential to provide authentication of rights for both Complainants and Respondents in the case of any ICANN dispute proceeding. The Trademark Clearinghouse should incorporate a recognition of its use for this purpose in any ICANN dispute proceeding.

## **Section 4 – Service Providers**

Under subsection 4.1.1, the language provides that the entity would “validate” marks from jurisdictions that do not conduct substantive review. If the disparate treatment of such marks remains in the final TC implementation scheme, the criteria for this validation should be specified.

Under subsection 4.2, fees for services should be set by ICANN.

Also under subsection 4.2, we agree that the detailed registrar accreditation agreement is an appropriate model.

Under subsection 4.3, there is a provision stating that the Clearinghouse Service Provider should use “regional marks authentication services.” We question the value of regional services, which seems to add an unnecessary additional layer to the process, and thus will add cost. A regionally based service element seems to work against the objective of rapid provisioning of domain names. No basis for the regional authentication service appears in the IRT or GNSO-STI reports. We are opposed to regional authentication unless there is some justification.

## **Section 5 – Criteria for Trademark Inclusion in Clearinghouse**

We compliment ICANN for including common law marks that have been subject to court validation. We agree that trademark owners should be obligated to keep information supplied to the Clearinghouse current. However, it will be impractical to try to collect

monetary penalties from trademark owners who may be out of business or who may have failed to advise successors in interest of their Clearinghouse entries. Failure to respond to a legitimate request from the TC administrator to update information could yield a series of warnings and, ultimately, suspension from the TC pending a response. We also support mandate periodic renewals – perhaps every 10 years - to maintain the quality of information contained in the database.

### **Section 7 –Data Authentication and Validation Guidelines**

We do not understand the intent of the last paragraph of this section. Is it intended as a backdoor mechanism for entry into the TC for marks that could not otherwise qualify?

### **Section 8 – Mandatory Pre-Launch Services**

The threat to trademark owners does not end at launch, but extends through the life of the registry as new trademarks are introduced and developed. The vast majority of cybersquatting activity involves registration of domains long after a registry has launched. For this reason, the Trademark Claims service should not be limited to pre-launch notification, but should be required for post-launch registration applications, whether the registry uses Trademark Claims or Sunrise services at the pre-launch stage.

A requirement for a post-launch Trademark Claims service is consistent with the recommendation found under Annex 4 to the Commercial and Business Users Minority Position under Annex 4 to the STI Work Team Recommendations.

Further, the May 2010 TC Draft provides that notification under the Trademark Claims service to the trademark owner “should not be before the registration is effectuated so as not to provide an opportunity for a trademark holder to inappropriately attempt to block a legitimate registrant from registering a name in which a registrant has legitimate rights.” See May 2010 TC Draft, pg. 8. We disagree with the advantage given to prospective registrants by delaying notice to the trademark owner. In fact, such delayed notice to the trademark owner under the Trademark Claims service provides no better notice than can be obtained from numerous commercial products already available that can track adverse and conflicting domain name registrations after they have occurred. The objective of the Trademark Claims service should be to prevent registrations by would-be cybersquatters and innocent prospective registrants to the extent possible before after-the-fact enforcement efforts by trademark owners are required.

Other enhancements to the Trademark Claims service would make it more effective at providing notice of trademark rights to prospective registrants without impeding provisioning of domain names unduly. For example, we recommend that the Trademark Claims service require a waiting period before registration is effectuated following notice to both the prospective registrant and the trademark owner.

In addition, in order to provide a prospective domain name registrant with complete information, language such as the following should be included on the Trademark Notice form appended to the May 2010 TC Draft:

*A copy of this Trademark Notice has been sent to the Trademark Owner. If the Trademark Owner deems that granting your requested domain name conflicts with*

*existing trademark rights, it may initiate an ICANN dispute resolution proceeding and/or court action against you.*

Finally, we recommend that plural and singular forms of marks be included in the Trademark Clearinghouse Database, either through automatic operation or by express request of a trademark owner. A substantial portion of abusive domain registrations take advantage of either variant plural or singular forms, and the current rules do not address this issue.

## **Section 9 – Protection for Trademarks in Clearinghouse**

As we have stated, additional protection to trademarks in the Clearinghouse should be extended by requiring mandatory post-launch notification procedures. A substantial portion of cybersquatting activity in the new gTLDs can be expected to occur well after a registry has launched and mark owners are constantly introducing and registering new trademarks requiring the defense available from the Trademark Clearinghouse. Post-launch notification procedures would be no more complex to implement than pre-launch procedures.

In addition, deposit of trademarks into the Trademark Clearinghouse should be clarified such that it is clear that a trademark owner does not also have to register the corresponding domain name in the many new gTLDs that are developed. If, in addition to depositing their trademarks in the Trademark Clearinghouse, trademark owners must also register the corresponding domain names in each register, a substantial part of a key objective of the Trademark Clearinghouse – reduction in defensive registrations – will not be available from the Trademark Clearinghouse. Trademark owners will not have a significant incentive to participate in the Trademark Clearinghouse if they are required to both deposit their marks and also engage in multiple defensive registrations.

## **Section 10 – Costs of Clearinghouse**

The May 2010 states that “[c]osts should be completely borne by the parties utilizing the services,” but does not specify the parties’ identities. Registries and registrars will be direct beneficiaries of the new gTLDs, which suggests that these parties should bear a significant portion of the costs for support of the Trademark Clearinghouse (which they are in position to pass to registrants). Trademark owners should pay only the transaction costs directly associated with the inclusion of their individual trademarks. Trademark owners should not pay for elements of Trademark Clearinghouse overhead and its fixed operational costs.

## **THE UNIFORM RAPID SUSPENSION SYSTEM**

The proposed Uniform Rapid System (“URS”) contained in DAG 4 is a step in the right direction. The concept of an expedited procedure to halt clearly infringing and potentially harmful domain name activity is laudable, and we support it. However, this draft of the URS presents several concerns. For instance, it appears that the URS process, which should be streamlined, may actually be cumbersome as compared to the existing UDRP process. Additionally, a major concern is that the draft URS system does not include the option to transfer the subject domain name to the complainant as a remedy, presenting the possibility of further abuse and expense down the road.

The URS as proposed may not present a compelling alternative to the UDRP. The time difference between institution and decision, between the UDRP and URS, is not vastly

different, and leaving ownership of a closed-down domain name with the registrant presents some risks.

In addition to these general comments, below are comments in response to particular sections of the URS:

### **Section 1 – Complaint**

- The grounds upon which a complaint would be granted mirror the UDRP, including that the domain name was registered *and* is being used in bad faith. The conjunctive requirement of demonstrating bad faith at the time of registration and in the respondent's use at the time of filing a URS is not favored; instead, a disjunctive requirement is preferred (i.e. the domain name was registered or is being used in bad faith).

### **Section 5 – Response**

- The allotted response time is too long for a “rapid” suspension process.
- If the registrant exhibits a pattern of abusive registrations, it should not be a point in its favor that this particular registration does not seem to share the same abusive characteristics as those in the pattern (5.8(d)).
- The sale of traffic through a domain name (5.9(b)) should be presumed to be bad faith, not merely a factor for consideration. The Registrant should bear the burden to prove that sale of traffic is not bad faith, if it has been pled in the complaint.

### **Section 6 – Default**

- The two-year period for submitting a response after default is much too long, creating uncertainty for Complainants.
- Respondent default should result in suspension of the domain name. There is no need for panel appointment and substantive review in the event of a default.

### **Section 8 - Examination Standards and Burden of Proof**

- The proposed burden of proof of clear and convincing evidence, purposely higher than in a UDRP, is counter-productive. If this is not changed, trademark owners are unlikely to utilize the URS.
- The statement that a URS complaint will only be granted in favor of the Complainant if there is no genuine issue of material fact seems to be appropriate.

### **Section 10 – Remedy**

- Transfer of the domain name should be an available remedy, in addition to suspension of the domain name.

## Section 11 - Abusive Complaints

- The proposed section is troubling, particularly because it is highly likely that every registrant will plead that the complaint is abusive, thereby increasing costs and response time. Nevertheless, we support the concept that there be consequences to mark owners who abuse the process.
- There is a definition for the term “abusive,” but not for “deliberate material falsehood.”
- The threshold for the sanction against abusive complaints is too low. Perhaps two abusive complaints or deliberate material falsehoods within a five-year period should warrant the sanction (barred from using the URS for one year).

## Section 12 – Appeal

- We support the concept of a *de novo* appeal by either party, but believe the filing deadline should be shortened.

Thank you for the opportunity to provide these comments. We are available for further discussion if desired.

Very truly yours,

A handwritten signature in black ink, appearing to read "Q. Todd Dickinson", with a long horizontal flourish extending to the right.

Q. Todd Dickinson  
Executive Director, AIPLA