

April 13, 2009

AIPLA Comments Regarding the Second Draft Applicant Guidebook for New gTLDs

These comments are submitted on behalf of the American Intellectual Property Law Association (“AIPLA”) to the ICANN Board and its Generic Names Supporting Organization (“GNSO”) regarding the Second Draft Applicant Guidebook for New gTLDs (“Second Draft”).

AIPLA is a national bar association whose more than 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.

In December 2008, AIPLA submitted its comments to the First Draft of the Guidebook. As stated in those comments, AIPLA supported (and continues to support) the detailed and extensive comments submitted by the Intellectual Property Interests Constituency (“IPC”) of the GNSO.

AIPLA now submits the following additional comments regarding the Second Draft. These comments are divided into two sections. The first addresses AIPLA’s threshold concerns about whether ICANN’s plans to introduce new gTLDs should move forward *at all*, and if so the conditions which should be fulfilled before doing so. The second section below discusses how the Second Draft addressed (or did not address) the concerns AIPLA raised in its first round of comments.¹

1. Threshold Concerns

In comments submitted on December 15, 2008 (which AIPLA endorsed), the IPC expressed fundamental concerns about the launch of new gTLDs as contemplated in the Applicant Guidebook. For example, IPC expressed skepticism about whether this initiative is being carried out in a way that will meaningfully promote competition in the registration of domain names and will benefit the public interest of the Internet community, rather than simply advocating certain private interests with an economic stake in expanding the volume of domain name registrations. (IPC 12/15/08 comments at 2). The comments noted that the Applicant Guidebook does not respond to the oft-expressed concerns that

¹ AIPLA understands that the newly formed Implementation Recommendation Team (“IRT”) plans to submit on April 24, 2009 a draft report addressing many of the concerns raised by the intellectual property community, including those that may have been raised in AIPLA’s previous comments. AIPLA may have further comments after it has an opportunity to review the IRT’s report.

new gTLDs should create a new and differentiated space and satisfy legitimate needs and demands not served by existing gTLDs. While recognizing that certain limited new TLDs might meet those criteria, the comments warned that the new gTLD process and launch as outlined in the Applicant Guidebook is likely to swamp the domain name space with potentially hundreds of unproductive TLDs that impose significant threats and costs on intellectual property rights holders, harm consumers through confusion generated by intellectual property infringement, and provide little or no benefit to the Internet community as a whole.

In addition, the IPC's comments expressed economic concerns about launching new gTLDs as set forth in the Applicant Guidebook. (*Id.* at 2-3). ICANN has failed to support this initiative with empirical economic research showing that the launch of new gTLDs in this magnitude will promote competition in the marketplace and result in economic benefit to the Internet community. In particular, ICANN has still not conducted the independent economic study on the domain registration market that its Board called for in October 2006 (see <http://www.icann.org/en/minutes/minutes-18oct06.htm>). The comments also questioned the timing of the launch at this time, given the current rapid deterioration of global economic conditions.

Numerous other entities (including the U.S. government) expressed similar threshold concerns in their first round of comments.² Yet, these critical issues have yet to be resolved by ICANN in any meaningful manner. Indeed, when introducing the Second Draft for comments, ICANN itself candidly admitted:

There have been a number of overarching issues raised in the comment process that require further work and so *remain unchanged in this draft*. Those issues are:

- Trademark protection
- Security and stability
- Malicious conduct
- Demand and economic analysis

See <http://www.icann.org/en/announcements/announcement-3-18feb09-en.htm> (emphasis added).

AIPLA continues to strongly oppose implementation of the new gTLD process set forth in the Applicant Guidebook until *at least* the following conditions occur: (1) ICANN completes and publishes the economic study called for in October 2006, and provides adequate opportunity to the public to study and comment on the results of the study; *and* (2) adequate measures (such as those being studied by the IRT) are incorporated to protect intellectual property rights and prevent cybersquatting and other abuses.

² See, e.g., December 18, 2008 comments from the United States Department of Commerce (“it is unclear that the threshold question of whether the potential consumer benefits outweigh the potential costs has been adequately addressed and determined. ... ICANN needs to complete [the economic study called for by the ICANN Board on October 18, 2006] and the results should be considered by the community before new gTLDs are introduced.”); December 15, 2008 comments from the Chamber of Commerce of the United States of America (“the proposed gTLD program will introduce significant threats to businesses and consumers without clear evidence of counterbalancing benefits”); December 15, 2008 comments from the International Trademark Association.

2. Specific Issues

a. Dispute Resolution Procedure

1. AIPLA appreciates ICANN's inclusion on page 3-11 of the Second Draft of an option for the parties to select three experts (as opposed to requiring only one expert) to resolve Legal Rights Objections ("LROs").

2. A party filing a LRO should not be barred from challenging in court ICANN's decision regarding the objectionable application.

3. Experts in LRO proceedings should be subject to the approval of both parties. This concern does not appear to have been addressed in the Second Draft.

4. *Every* panel decision from a Dispute Resolution Service Provider ("DRSP"), without exception, should be published on the DRSP's website. This is imperative in order to ensure transparency and assist in attempting to achieve consistency in terms of how these disputes are resolved. The Second Draft, consistent with the First Draft, allows the expert panelists discretion concerning whether their decisions will be published. Yet there do not appear to be any guidelines concerning when and how such discretion may be exercised.

5. In the Second Draft, ICANN explained that it will "accept" the determination and advice of the panel. This appears to clarify AIPLA's previous concern that the circumstances and extent to which ICANN will "consider" the DRSP expert's decision be more explicitly detailed. It does not, however, establish or express standards concerning LRO appeals.

b. Dispute Resolution Principles

1. AIPLA supports the likelihood of confusion standards for a LRO. AIPLA further supports the revision protecting unregistered marks when considering LROs. AIPLA again reiterates that factor no. 2 should be clarified to read: "Whether the objector's acquisition of rights in the mark, and use of the mark, has been bona fide." Bona fide acquisition without bona fide use should not be considered determinative.

2. Clarification should be provided as to whether dilution-type protection will be afforded without requiring a showing that the applicant's mark is famous. This has not been addressed in the Second Draft.

3. As stated in its comments on the First Draft, AIPLA supports mandatory, rather than optional, comparative evaluation on string contention. However, the Second Draft may permit parties involved in a string contention to circumvent the comparative evaluation process by agreement, which could result in the launch of confusingly similar top level domains. AIPLA is also concerned about the proposal to use auctions as a "last resort" mechanism for resolving string contentions.

4. AIPLA supports priority rights of "Community-Based" over "Open" applicants.

c. Post Launch Protections

1. New gTLDs should operate as “thick” registries, and should commit to making a full set of Whois data publicly available on each registration in the new gTLD so that trademark and copyright owners, among others, will have ready access to this information.

2. Applicants should be required to implement expedited procedures for rapid takedown of registrations that infringe intellectual property rights.

3. Policies should be established concerning enforcement of Whois data accuracy and use of proxy or private registrations.

AIPLA looks forward to the opportunity to provide further comments to the next revision of the draft applicant guidebook.

Sincerely,

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