

AIPLA

American Intellectual Property Law Association

November 13, 2018

The Honorable Vishal J. Amin
United States Intellectual Property Enforcement
Coordinator
Office of Management and Budget
Executive Office of the President
The White House
Washington, DC 20500

Submitted via www.regulations.gov

Re: Request for Public Comments: Development of the Joint Strategic Plan on Intellectual Property Enforcement 83 Fed. Reg. 178 (September 13, 2018)

Dear Mr. Amin:

The American Intellectual Property Law Association (“AIPLA”) is pleased to have the opportunity to present its views with respect to the U.S. Intellectual Property Enforcement Coordinator (“IPEC”) Request for Public Comments: Development of the Joint Strategic Plan on Intellectual Property Enforcement, 83 Fed. Reg. 178, dated September 13, 2018 (the “Request”).

AIPLA is a national bar association of approximately 13,500 members who are primarily lawyers engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public’s interest in healthy competition, reasonable costs, and basic fairness.

Consistent with AIPLA’s October 2015 comments on the Joint Strategic Plan, AIPLA continues to support and advocate for government efforts to improve enforcement of intellectual property rights. AIPLA also continues to support the efforts of the Intellectual Property Enforcement Coordinator to streamline and facilitate government programs which promote intellectual property enforcement, both domestically and abroad. We take this opportunity to address some specific strategy recommendations for the Joint Strategic Plan currently in development.

Specific Strategy Recommendations

I. Engagement with our Trading Partners

A. Reduce Counterfeiting

AIPLA favors the U.S. government providing an organized and aggressive solution to address the effects of domestic and international counterfeiting. According to The Economic Impacts of Counterfeiting and Piracy Report, the total value of counterfeit and pirated goods is expected to reach \$1.90-2.81 trillion by 2022. The wider economic and social costs, which include displacement of legitimate economic activity, reduction in foreign direct investment, fiscal losses and costs of crime will reach an estimated \$1.54-1.87 trillion by 2022.¹ In addition, it is projected that new job losses will reach between 4.2 to 5.4 million by 2022 due to the displacement of legitimate economic activity by counterfeiting and piracy.² Counterfeiting reportedly deprives local, state and federal governments of billions of dollars in tax revenue annually. In addition, counterfeit goods may create health and safety concerns. Efficient border enforcement efforts benefit both producers and consumers by helping to reduce the need for expensive civil litigation over counterfeit goods, the cost of which is often passed on to the consumer through higher prices.

According to the Update to the IP Commission Report, China (including Hong Kong) remains the world's principal intellectual property infringer and accounts for 87% of counterfeit goods seized coming into the United States.³ A number of other countries, including Turkey, Thailand, Singapore, India, Vietnam, Korea, Cambodia, Pakistan, and Bangladesh, also produce significant quantities of counterfeit goods⁴. AIPLA recommends that the United States focus on the aforementioned countries and utilize its relationships with these trade partners to continue its efforts to combat and reduce counterfeiting including through the provision of training, assistance and education. AIPLA further recommends that the United States discuss with all of its trade partners processes for reducing the cost to the brand owner of seizing and destroying counterfeit goods.

B. Disclosure of Domain Name Registrant Information in WHOIS and Preservation of the UDRP

The manner in which the Internet Corporation for Assigned Names and Numbers (ICANN) has decided to interpret and implement the European Union's General Data Protection Regulation (GDPR) adversely impacts brand owners and other internet stakeholders in the United States. Via its Temporary Specification for gTLD Registration Data,⁵ ICANN has allowed its domain name registrars to mask the contact information of domain name registrants worldwide that was formerly disclosed in the WHOIS record. While the Temporary Specification provides that the public is supposed to retain the ability to contact the registrant or its administrative and technical contacts through an anonymized email or web form, many registrants have inadequately or completely failed to provide this means for contacting domain name owners. As a result, brand owners are often unable to identify the registrants of domains that blatantly infringe trademarks, and/or that are connected to websites through which illicit or infringing

¹ <https://cdn.iccwbo.org/content/uploads/sites/3/2017/02/ICC-BASCAP-Frontier-report-2016.pdf> at p. 8.

² *Id.* at p. 8.

³ http://www.ipcommission.org/report/IP_Commission_Report_Update_2017.pdf at p. 2-3.

⁴ IP Rights Seizure Statistics, Fiscal Year 2017, U.S. Dep't Homeland Security, <https://www.cbp.gov/sites/default/files/assets/documents/2018-Apr/ipr-seizure-stats-fy2017.pdf>.

⁵ <https://www.icann.org/resources/pages/gtld-registration-data-specs-en>

business is being conducted. Without domain name registration information, intellectual property rights holders are not able to demand the cessation of unlawful activity.

AIPLA advocates that the United States address this issue with ICANN and the EU to enable the disclosure of the registrant's contact information to brand owners and other stakeholders (e.g., law enforcement) with a legitimate need for the information in an effective and streamlined manner, without the requestor or the registrant incurring any liability for the disclosure. The United States should support a safe harbor provision within the GDPR (or other formal guidance by the EU) recognizing the disclosure of WHOIS data to IP attorneys as being lawful. The U.S. government should also express concerns to ICANN regarding the ICANN's overly conservative interpretation of the GDPR that gives it broader effect than necessary, and regarding registrars that are not complying with ICANN's own guidelines in the Temporary Specification to provide a pass-through email address.

We note that ICANN is considering whether the Uniform Dispute Resolution Policy (UDRP) for domain names fulfills the purpose for which it was created, or if policy amendments are necessary. AIPLA submits that the UDRP has fulfilled and continues to fulfill its purpose and has successfully protected the valuable trademark rights of brand owners – while providing due process protections to domain name owners - by creating a cost-effective and timely administrative mechanism for addressing trademark infringement in the domain name system. Without an effective UDRP process, the ability of trademark owners to properly protect their intellectual property from an onslaught of cybersquatters, spearphishers, and other online bad actors would be severely undermined, necessitating, in many cases, costly litigation. A trademark owner's ability to protect its trademark rights in the context of the domain name registration system protects the public as well, as cybercriminals use the domain name system for, among other actions, impersonation and perpetration of fraud on unsuspecting Internet users. Accordingly, AIPLA opposes any amendments to the UDRP which would diminish the efficacy and efficiency of the current UDRP process and impair a trademark owner's ability to properly protect its IP rights.

C. Global Patent Law Harmonization

American businesses, small and large, as well as American inventors would truly benefit from appropriately balanced, globally harmonized patent laws that would permit them to draft one application (specification and claims) that would be similarly treated throughout the world. For this reason, AIPLA has long supported work-sharing efforts among the Patent Offices, as well as procedural and substantive global patent harmonization efforts. These efforts occur bilaterally as well as in multilateral collaborations among the Trilateral Offices (USPTO, European Patent Office (EPO) and Japan Patent Office (JPO)), IP5 Offices (USPTO, EPO, JPO, Korean Intellectual Property Office (KIPO), China's National Intellectual Property Administration (NIPA)), Group B+ (all members of WIPO's Group B, EU member states, the European Commission, EPOrg member states, the EPO and South Korea), and the WIPO.

AIPLA supports a sufficient degree of both procedural and substantive patent harmonization be achieved so that the USPTO could obtain real time savings on both search and examination of U.S. patent applications coming from abroad. This could lead to both lowering the fees charged by the USPTO and to using some of the time savings to enhance patent quality. Such a degree of harmonization would permit the EPO, Japan Patent Office (JPO), and other examining offices to achieve similar savings so that the fees and attorney fees for filing in these offices could reflect commensurate savings in connection with patent applications filed abroad.

We encourage IPEC to support bilateral and multilateral discussions with its major counterparts to work towards global procedural and substantive patent law harmonization to improve enforcement of intellectual property rights.

D. Continue Seeking Improved Trade Secret Protection

AIPLA advocates for the United States to address improving trade secret protection globally, which should include a focus on the gap between national law and the standards set by Article 39 of The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Article 39 of TRIPS provides a minimum standard for the protection of trade secrets and confidential know-how.⁶ The European Union is in the process of implementing Directive 2016/943 of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure⁷, which will bring the European Union into compliance with the TRIPS requirements. We encourage IPEC to facilitate bilateral and multilateral discussions with its major and minor counterparts to work towards a global minimum standard for trade secret protection similar to the standard outlined in Article 39 of TRIPS.

E. Enhanced Protection of Trademarks, Industrial Designs, Trade Dress and Copyrights

AIPLA supports collaboration efforts among governmental agencies world-wide to seek streamlined protection of trademarks, industrial designs and copyrights, so long as such efforts enhance the quality or thoroughness of each system. We encourage IPEC to facilitate these multilateral efforts by facilitating the expansion of inter-agency collaboration among agencies tasked with enforcement of such intellectual property rights (such as law enforcement as well as customs and border agencies) to combat infringement and piracy. As was found in the FY2017-2019 U.S. Joint Strategic Plan on Intellectual Property Enforcement,⁸ combatting infringement of trademarks, industrial designs, trade dress and copyrights, especially counterfeits and piracy, requires a holistic approach across the entire supply-chain and cross-border collaboration among multiple agencies in this global economy.⁹

II. Effective Use of All our Legal Authorities, Including our Trade Tools

A. Strengthen Enforcement of ITC Exclusion Orders

AIPLA continues to support IPEC's efforts to strengthen the effectiveness of enforcement of U.S. IP rights under Section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337 by the U.S. International Trade Commission ("ITC") and U.S. Customs and Border Protection ("CBP"). Section 337 "declares the infringement of certain statutory intellectual property rights and other forms of unfair competition in import trade to be unlawful practices."¹⁰ ITC investigations under Section 337 are frequently conducted for the purpose of identifying and blocking the importation and sale of parallel imports. Section 337 is an important, and sometimes the only, means of effective relief available to U.S. companies against unfair competition in the form of infringing imports. Strengthening the enforcement of ITC exclusion orders would reduce the supply of infringing goods imported into the United States.

⁶ https://www.wto.org/english/docs_e/legal_e/27-trips_04d_e.htm

⁷ <http://www.wipo.int/wipolex/en/details.jsp?id=16435>

⁸ <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/IPEC/2016jointstrategicplan.pdf>

⁹ See *Ibid.*, pp 106-112.

¹⁰ The U.S. International Trade Commission, Section 337 Investigations: Answers to Frequently Asked Questions 9 (DIANE Publishing, Mar. 2009); See also 19 U.S.C. § 1337(a)(1)(B)-(E). [NOTE: the format is off.]

AIPLA supports the provision of resources to CBP for enforcement of ITC exclusion orders, including providing guidance on the implementation of these orders to the ports. For example, determining whether an article is covered by an ITC exclusion order, especially when new or designed products are at issue, requires more robust resources than those available today.

AIPLA supports IPEC's continued focus on improving the effectiveness and transparency of procedures for enforcement of ITC exclusion orders and supports focusing attention and resources on strengthening the ITC exclusion order process.

B. Design Patents – CBP Authority

AIPLA believes that design patents should be enforced at the border in a way similar to trademarks and copyrights, and favors investigating the possibility of including design patents within CBP authority.

The effective and efficient enforcement of design patent rights at the border by the government and private parties would benefit the public in a number of ways. First, elimination of counterfeit products provides an overall public benefit as it protects public expectations about the quality of products, and it protects public health and safety through the elimination of harmful and substandard counterfeits. Further, efficient enforcement at the border benefits both producers and consumers by reducing, in some cases, the need for expensive civil litigation, the cost of which is often passed on to the consumer through higher prices. Accordingly, AIPLA continues to encourage IPEC to consider strengthening design protection at the border.

C. Permit Exclusive Licensees to Submit to CBP

CBP maintains a recordation database for certain registered trademarks and copyrights to assist CBP in its efforts to prevent the importation of infringing goods. Currently, only the intellectual property owner may record its intellectual property with CBP.

AIPLA recommends that if the intellectual property owner authorizes it, any exclusive licensee shall have the right to record and enforce the intellectual property that is subject to the exclusive license agreement with CBP. This is particularly important in cases where the intellectual property owner is located outside the United States and the exclusive licensee is a United States company.

III. Expanded Law Enforcement Action and Cooperation

AIPLA recommends that law enforcement develop a comprehensive process by which brand owners and/or stakeholders submit complaints regarding counterfeiters and when credible evidence is provided, law enforcement work in conjunction with the U.S. Attorney's Office expeditiously to prosecute the counterfeiters in accordance with 18 U.S.C. § 2320 and to remove counterfeit goods from the marketplace.

IV. Engagement and Partnership with the Private Sector and Other Stakeholders

AIPLA supports and encourages IPEC to increase its visibility by hosting regular roundtables throughout the United States to describe its resources and how it assists intellectual property owners and

other intellectual property stakeholders. AIPLA also recommends that IPEC utilize webinars to further increase its visibility and provide general information to assist intellectual property owners in protecting and enforcing their rights.

Conclusion

AIPLA appreciates the opportunity to provide input to IPEC with respect to the Development of the Joint Strategic Plan on Intellectual Property Enforcement. We are continuing to gather information on these important issues and look forward to working with IPEC in the future. AIPLA will provide more information as it becomes available.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sheldon H. Klein", with a stylized flourish at the end.

Sheldon H. Klein
President
American Intellectual Property Law Association