AIPLA
AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

February 27, 2012

Stephen Crocker
Chairman
ICANN
4676 Admiralty Way, Suite 330
Marina del Ray, CA 90292

RE: Comments on the New gTLD Program and on the Need for "Defensive" Applications at the Top Level to Ensure Protection of Intellectual Property Rights
http://www.icann.org/en/public-comment/newgtlds-defensive-applications-06feb12-en.htm

Dear Chairman Crocker:

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to comment on the need for "defensive" applications as a means of ensuring the protection of intellectual property rights. As stated in prior submissions, AIPLA is concerned that rights owners remain at risk under ICANN's plan for new generic top level domains (gTLDs), and the suggestion of "defensive" applications is not a realistic solution.

AIPLA is a national bar association whose approximately 15,000 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.

With respect to the new gTLDs in general, we continue to believe the new procedures are flawed, untested, and unlikely to meet the needs of protecting consumers and business from fraud and the unwarranted expense likely to result from a dramatic expansion of new gTLDs. Moreover, the burdens and risks imposed on intellectual property owners by the new procedures are not adequately addressed by the suggestion of submitting costly applications for new gTLDs for the "defensive" purpose of protecting those rights.

While there is a legitimate need for a defensive application process at the top level, AIPLA believes that the extraordinary costs are prohibitive and that ICANN should take further steps to alleviate this problem. The adverse impact of unnecessary defensive applications is significant, given the $185,000 filing fee for a new gTLD and the associated business and legal expenses of preparing a detailed application.

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There are several ways in which rights holders would feel compelled to file defensive applications:

1. Rights owners may act out of concern for the uncertain procedures of the Legal Rights Objection and file "defensive" applications for the sole purpose of protecting legal rights. If you are not an applicant, it appears that the Legal Rights Objection is a brand owner's only direct protection in the top level. This is an untested procedure which will be applied against unknown forms of infringing applications. It involves procedural burdens—the rights holder has the burden of proof but the level of that burden is uncertain. A defensive application filing would thus be for the sole purpose of protecting legal rights, not for a business purpose related to a gTLD registry.

2. Rights owners may also feel compelled to file defensive applications in order to get the benefit of other protections. For example, String Confusion Objection and String Similarity Review are only available to applicants.

3. Rights owners face the risk that another entity in the blind application process is seeking the same name. They may feel compelled to file a defensive application to avoid the risk of losing the use of their mark to other legitimate users of the same mark.

4. Rights owners also have a limited window of opportunity to file applications with substantial uncertainty as to the next opportunity. Thus, they may be compelled to file "defensive" applications to avoid being shut out of the opportunity, even in the absence of any current business plan for use of their brand as a gTLD.

These compelling reasons place brand owners in a difficult predicament: risk the loss of valuable rights or incur substantial expense in filing an unwanted "defensive" applications. AIPLA recommends further consideration of alternate proposals to reduce or eliminate the need for "defensive" registrations. These include the following:

1. Allow brand owners to file blocking applications at low cost during the current application period or during a post-application period once the full applications are made public. These blocking applications would not require full development of registry capabilities at this time, but would afford the applicant the protections available to other applications.

2. Create a "do not sell" list based on famous brands, globally protected marks (as recommended by the IRT), or proven victims of cybersquatting. The effect of the list could be to block conflicting applications or to shift the burden to the applicant to demonstrate that it has a legitimate right and interest in using the gTLD.

3. Allow an applicant to submit an incomplete application that may be completed within six months of the close of the application period with an option to opt out and receive a full refund after the applications are made public.

No doubt there are other proposed solutions that merit further consideration.

We believe that ICANN should not proceed with a wide-open gTLD program until these potential solutions and mechanisms addressing these concerns are fully developed and adequately tested. In past comments, AIPLA has recommended that ICANN begin with a small pilot program, as previously suggested by the GAC, for a strictly limited number of gTLDs designed to serve linguistic, geographical, and cultural communities. As the GAC suggests, such a pilot could provide actual data that could be used "to refine and improve the application rules for subsequent rounds."

Thank you for your consideration of this important matter, and we look forward to working with ICANN on ways to minimize the need for defensive registrations.

Sincerely,

William G. Barber
AIPLA President