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Comments of the Coalition to Advance the Protection of Sports logos
on the Special Trademark Issues Review Team Recommendations

The Coalition to Advance the Protection of Sports logos ("CAPS") appreciates the opportunity to provide its comments to ICANN on the "Special Trademark Issues Review Team Recommendations" (the "STI Report"). CAPS is an alliance formed by The Collegiate Licensing Company ("CLC"), Major League Baseball Properties, Inc., NBA Properties, Inc., NFL Properties LLC, and NHL Enterprises, L.P. (collectively, "CAPS Members"). Each of the four professional sports leagues consists of dozens of teams or clubs and CLC represents nearly two hundred collegiate institutions. CAPS was formed in 1993 to coordinate and centralize the common intellectual property protection and enforcement matters of the CAPS Members, in both the civil and criminal arenas. Such enforcement efforts are essential to ensure that members of the public are not confused into purchasing unlicensed merchandise of inferior quality, and that the value of intellectual property rights developed through the efforts and investment of brand owners is not diluted by the unlawful activity of third parties seeking to capitalize on the goodwill and consumer recognition of the underlying brands.

The CAPS Members are the owners and/or exclusive licensors of thousands of trademarks registered in countries throughout the world. Collectively, the CAPS Members devote millions of dollars each year to protecting these valuable intellectual property assets and enforcing against their unauthorized use, including with respect to infringing domain names registered in the current gTLDs.

CAPS believes that the scale of abuse likely to result from the introduction of potentially hundreds of new gTLDs and the corresponding trademark infringement will impose significant additional burdens on the ability of trademark owners to protect their intellectual property and to prevent the consumer confusion that would arise. Because the CAPS Members are responsible for enforcing the intellectual property rights of multiple brands, we are concerned about the feasibility of effective enforcement in such an environment. It is simply not feasible -- particularly in today's economic climate -- to expend the resources necessary to pursue the infringing use of every one of our brands in domain names registered in such an expanded offering of gTLDs.

The CAPS Members do not support the proposed roll out of unlimited gTLDs. Nevertheless, should such an introduction proceed, it is imperative that ICANN first adopt and implement comprehensive solutions and develop effective tools aimed at preventing the infringement of the CAPS Members' trademarks and allowing us to enforce effectively against those who violate their respective intellectual property rights.



We appreciate the time and effort devoted by members of the IRT and the STI. In addition, we welcome the STI recommendations that all new gTLD registries must use the Trademark Clearinghouse to support their pre-launch Rights Protection Mechanisms (RPMs), that all new gTLD registries must adopt either a Trademark Claims Process or Sunrise Process RPM, and that the Uniform Rapid Suspension (URS) process be mandatory for all new gTLD registries. Although the STI Report Recommendations are a good start, the CAPS Members do not believe that they provide the comprehensive solutions and effective tools that are necessary. Subject to the modifications proposed below, however, the CAPS Members would recommend that the STI Report recommendations be adopted.

- “Design Marks” must be included in the Trademark Clearinghouse. The STI Report’s proposal to exclude “design marks” (more accurately in this context, “composite marks” that consist of design and text elements) will prevent owners of such marks from gaining the full potential benefit of the Trademark Clearinghouse and, as a result, the Trademark Claims and Sunrise Process Rights Protection Mechanisms (“RPMs”) that will depend on it. Past launches of .asia, .eu, and .mobi TLDs demonstrate that it is possible (although somewhat more complex) to include composite marks in RPMs without “expand[ing] existing trademark rights.”
- The Trademark Clearinghouse should include common-law marks other than only court-validated ones. The STI Report’s proposal to allow only court-validated common-law marks is too narrow. For cost reasons, trademark owners are not always able to pursue registration of all of their marks. The STI’s exclusion will adversely impact the owners of common-law trademarks, particularly, in the case of the CAPS Members who are collectively responsible for enforcing hundreds of marks associated with their teams and schools. Registry operators that wish to cover common-law marks in their RPMs should be allowed to do so and, to facilitate such inclusion, must have the data about those rights included in the Trademark Clearinghouse.
- Limiting reported strings to “identical matches” of validated trademarks is too narrow. Most of the cybersquatting and associated online fraud that the CAPS Members confront is not limited to “identical matches” of their respective trademarks. To the contrary, the vast majority of abusive domain names consist of typographical errors, obvious misspellings, or abbreviations of marks, marks plus generic or descriptive words, or marks plus geographic identifiers. The STI Report’s proposed limitation of reported strings to “identical matches” of validated trademark is too narrow to reduce the need for defensive registrations or to provide cost effective protection. The CAPS Members suggest that, for each validated trademark in the Trademark Clearinghouse,¹ a trademark owner be permitted to submit three additional strings, falling into one of four categories, against which a “match” would be reported: (i) typographical error or intentional misspelling of the validated trademark; (ii) abbreviation of the validated trademark (for

¹ By way of example, one trademark that is the subject of one national registration “validated” through the Trademark Clearinghouse could count as “one” trademark. Similarly, one trademark that is the subject of 15 national registrations, all of which are “validated” through the Trademark Clearinghouse, would also count as “one” trademark.

example, L.A. Lakers); (iii) combination of the validated trademark with generic or descriptive word related to the goods or services identified by that mark (for example, Yankees Baseball); (iv) combination of the validated trademark and geographic identifier associated with the origin of the goods or services (for example, Chicago Bears). For purposes of reporting strings, the match would still be “identical” but identical to the four covered strings instead of only one string consisting solely of the relevant trademark. This proposed solution would not only accommodate the concerns expressed by registries and registrars that the reporting process must be automated, but would also provide trademark owners with the cost-effective protection they need.

- The first sentence of Section 5.2(ii) should be deleted as unnecessary and overly broad. The second sentence of this section, “ICANN could allow specialized gTLDs to restrict eligibility for sunrise registrations to fit the purpose of the registry as described in the charter (example, .shoe could restrict sunrise to only trademark registrations in shoe-related class of goods and services).” is sufficiently precise to identify the intended scope of the exemption.
- Only with the consent of trademark owners may their trademark data be used for ancillary services and such consent must not be a condition to participating in the Trademark Clearinghouse. The universe of trademark data submitted to and “validated” by the Trademark Clearinghouse will have significant commercial value and, as a result, will be vulnerable to misuse and abuse. To prevent such misuse and abuse, the Trademark Clearinghouse and other third parties may not use the data without the prior consent of trademark owners for each type of use, and ICANN should not permit the Trademark Clearinghouse provider to circumvent this mandate by requiring trademark owners to provide a prior consent as a condition to participating in the Trademark Clearinghouse.
- Requiring use of the Trademark Clearinghouse to support post-launch Trademark Claims merits serious consideration. A requirement that registries provide a post-launch Trademark Claims process and use the Trademark Clearinghouse to support that process would be highly beneficial and desirable in combating post-launch cybersquatting. However, it is important that the cost to trademark owners of that process is not exorbitant or unreasonable.
- Registries and registrars should also bear some of the cost of operating the Trademark Clearinghouse as they will benefit from the administrative and implementation efficiencies associated with its use. The Trademark Clearinghouse will render it unnecessary for registries to “invent the wheel” to implement their RPMs and for registrars to do so for each registry in whose RPM they participate.
- The standard of review for a URS complaint should be high, but not so high as to render the URS of limited utility. CAPS is concerned that the current recommended standard may be too high. After one year of implementation, the standard of review should be reassessed to determine whether it has been set too high.
- Transfer of the disputed domain name(s) should be an available remedy under the URS. If transfer is not an available remedy, a successful trademark owner complainant should

at a minimum be offered a "right of first refusal" to register the disputed domain name(s) when the registration(s) expires. Either alternative would avoid a scenario in which trademark owners find it necessary to repeatedly initiate URS proceedings against the same domain names.

- The penalties for abuse of the URS by trademark owners should be modified and clarified. We suggest the "three strikes" standard for abusive complaints by trademark owners that the IRT proposed because it is more fair than the STI Report recommendation, especially because there are no corresponding penalties for serial cybersquatters. In addition, it should be made clear that an unsuccessful URS complaint would not in and of itself constitute a evidence of abuse.

Thank you for consideration of these comments. If you have questions or wish to discuss any of the points raised herein, please contact any of the undersigned.

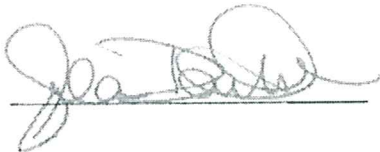
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