



NEWSLETTER

A quarterly update on intellectual property topics.

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THE DOMAIN NAME UNIVERSE EXPANDS: Report on Recent Developments at ICANN

In 2008, the Internet Corporation for Assigned Names and Numbers (ICANN) announced a plan to dramatically expand the universe of available domain names by allowing any interested party to apply to operate any global top-level domain (gTLD) of its choosing. Until this new proposal was announced, new gTLDs (such as .biz or .mobi) had been introduced in a metered fashion with specific target groups or communities in mind. ICANN's new proposal would end the practice of limited, targeted rollouts, and instead allow registration of virtually any alphanumeric string as a gTLD, including generic terms, geographically or culturally descriptive terms, or trademarks.

For brand owners, the proposed expansion of the domain name universe represents an unwelcome multiplication in online infringement possibilities that already impose significant costs. While the high costs of establishing a gTLD registry and the availability of a process for brand owners to object to a proposed gTLD provide some protection against registration of infringing gTLDs, many comments that ICANN received on the first version of its Draft Applicant Guidebook (which set forth the proposed new gTLD rules) led ICANN to identify the protection of trademark rights as an overarching issue meriting special study. ICANN therefore assembled an Implementation Recommendation Team (IRT) to develop recommendations for preventing confusion and fraud in the new gTLD system. Mark Partridge, a Firm partner, was a member of the IRT.

The final version of the IRT report was released on May 29, 2009, and recommended the following measures to protect brand rights and prevent fraud online:

IP Clearinghouse and Globally Protected Marks List

The IP Clearinghouse would serve as a central location for storing and validating the data regarding the legal rights of trademark owners and support registry operators in creating their own Rights Protection Mechanisms (RPMs). The IP Clearinghouse would support an IP Claims Service, through which new gTLD applicants and the relevant trademark owner(s) would receive notice that a validated right exists for the term being applied for on the second level. Data in the IP Clearinghouse would also be available to those gTLD registries that want to implement Pre-Launch RPMs, such as a Standard Sunrise Registration Process that would restrict second-level domain name registrations in a new gTLD to verified trademark owners for a period of time after launch. The IP Clearinghouse would include a list of Globally Protected Marks (GPMs) that would receive a greater degree of protection because of their global fame. Proposed gTLDs and second level domains that match a GPM would be blocked, with the applicant having the right to request reconsideration of the blocking. While the final IRT Report does not provide all the criteria that must be met for a mark to qualify as GPM, the Report is clear that the list of GPMs will be a very limited one.

Uniform Rapid Suspension

The Uniform Rapid Suspension (URS) process would allow domain name registrations that are obviously infringing trademark rights to be suspended quickly (in as little as 14 days in some cases) and at low cost. This

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process is envisioned as supplementing the existing Uniform Dispute Resolution Policy (UDRP), which would still be available for those situations where the complainant wants a transfer of the domain name. A domain name that is the subject of a URS complaint would be frozen during the pendency of the action, and deactivated for the life of its registration if the complaint is successful.

Post-Delegation Dispute Resolution Mechanism

The IRT Report recommends creation of a post-delegation dispute resolution mechanism that would allow trademark owners to challenge a gTLD registry's violations of its agreement with ICANN with respect to protection of intellectual property rights by filing a complaint with ICANN and paying a refundable deposit, which would not be returned if ICANN finds the complaint to be "without merit," meaning either: a) completely baseless and lacking in tangible support so as to constitute an abuse of the procedure; or b) it was filed merely to harass the registry operator. ICANN would be given thirty calendar days to investigate the complaint and report its findings to the complainant. If ICANN finds a violation, it would be required to take enforcement action as provided in the Registry Agreement. If ICANN finds no violation, the complainant, affected registry and ICANN are required to confer in good faith for another fifteen days. If this conference fails to resolve the issue, the complainant can request that ICANN submit the dispute to a dispute resolution service provider for resolution. The complainant would be required to pay an additional fee to the dispute resolution service provider and a Penalty Fee that would be forfeited if the complaint is found to be "without merit," as defined above.

Thick WHOIS

The IRT recommends that all new gTLD registries use a "thick" model for their WHOIS databases. A "thick" WHOIS database is one where the registry maintains detailed WHOIS information for all registered domain names, as contrasted with "thin" databases, where the information available from the registry is very limited and detailed information must be sought from individual registrars. The IRT views thick WHOIS data as essential to preventing fraud and protecting brand rights. The ICANN staff has agreed, and recommended the adoption of a thick WHOIS model.

CONCLUSION

For brand owners, staying abreast of what is happening in this fast-moving process can seem a daunting task. Because it appears likely that the new system will go on-line early next year, this is the appropriate time for brand owners to assess their Internet enforcement strategy, and whether it makes sense to try and register primary brands as gTLDs for either defensive or business purposes. This is also a good opportunity to identify those marks in a portfolio that should be considered for registration in an IP Clearinghouse or for which GPM status should be sought, in the event that ICANN accepts the IRT Report's recommendations.

Finally, INTA has asked brand owners concerned about the process to submit comments under their own name rather than relying solely on bar associations to serve as their advocates. Comments on the Final IRT Report may be submitted to ICANN until July 6, 2009, and a new version of the Draft Applicant Guidebook is expected to be published and opened for comment in August. These are both opportunities to make your voices heard.

– Daniel In Hwang



NOTEWORTHY

On behalf of the American Bar Association Section of Intellectual Property Law and the International Visitors Center of Chicago, **Jonathan S. Jennings**, **Phillip Barengolts**, **Teresa D. Tambolas** and **Diana J. Koppang** hosted a delegation of intellectual property rights professionals from Russia invited to the U.S. by the Department of State's International Visitor Leadership Program and discussed with them U.S. perspectives on navigating trademark and copyright laws on the Internet and in e-commerce.

FIRM UPDATE & ANNOUNCEMENTS

RECENT SUCCESS

The Firm congratulates **Belinda J. Scrimenti** and her team for the successful result obtained for the Peabody Hotels. Belinda and her team filed suit in federal court against a national painting contractor, alleging that the defendant's use of the name Peabody and a duck logo infringed and diluted our client's Peabody name and the famous Peabody Marching Ducks. The defendant was permanently enjoined by consent. Previously, Belinda successfully registered the famous Peabody Hotel Duck March as a motion mark, one of the most unusual marks on the U.S. trademark register.

In late April 2009, **Uli Widmaier**, **Kristen Knecht** and **Ashly Iacullo** won a significant victory for Pepsico, defeating a motion for summary judgment and a motion for sanctions, and prevailing on a counter-motion for sanctions in the Circuit Court of Cook County, Law Division, State of Illinois.

APPOINTMENTS

Phillip Barendolts has been selected as the Chair of the Copyright Committee of the Intellectual Property Law Association of Chicago (IPLAC).

Daniel I. Hwang has been appointed the legislative liaison of the Intellectual Property Committee of the Chicago Bar Association's Young Lawyers' Section.

Ashly Iacullo has been appointed the Chair of the Intellectual Property Committee of the Chicago Bar Association's Young Lawyers' Section.

Jonathan S. Jennings has been appointed to the International Trademark Association's North America Council.

Thad Chaloeintiarana has been appointed the Chair of the Committee on Trademarks and the Internet of the Intellectual Property Section of the American Bar Association for 2009-2010.

Kristen S. Knecht has been appointed a Director of the Chicago Bar Association Young Lawyers' Section.

Mark V.B. Partridge was appointed by the Internet Corporation for Assigned Names and Numbers (ICANN) as one of 18 international trademark experts to serve on the Implementation Recommendation Team (IRT), which prepared a 70-page report and recommendations for trademark rights protection in the new generic top-level domain name (gTLD) system that ICANN intends to launch. Other participants include in-house counsel for Yahoo!, Microsoft, Time-Warner, Lego and Network Solutions. **Mark** participated on a panel about the IRT recommendations at the INTA Annual Meeting in May 2009 and is attending the ICANN meeting in Sydney, Australia, in June for further presentations on the IRT recommendations. The final IRT Report was published on May 29, 2009.

HONORS

Brett A. August, **Bradley L. Cohn**, **Raymond I. Geraldson, Jr.**, **David C. Hilliard**, **Jonathan S. Jennings**, **Mark V. B. Partridge**, **Robert W. Sacoff** and **Joseph N. Welch II**, were recognized by the publishers of *Law & Politics* as Super Lawyers in the 2009 Corporate Counsel Edition magazine. In addition, **David C. Hilliard** was recognized by the publishers of *Law & Politics* as one of the top lawyers in Illinois.

Raymond I. Geraldson, Jr., **David C. Hilliard** and **Robert M. Newbury** have been selected for inclusion in *The Best Lawyers in America*.

Phillip Barendolts has been designated an expert on gray market goods by Legal OnRamp, a collaboration system for in-house counsel and invited outside lawyers and third party service providers.

Raymond I. Geraldson, Jr. has again been listed as one of the top 25 trademark lawyers in the United States in the 2009 edition of *Best of the Best USA*, a guide to the top legal practitioners in the United States as determined by a biennial survey of senior practitioners and in-house counsel conducted by Legal Media Group, the British publisher of *Managing Intellectual Property* magazine.

Mark V.B. Partridge was selected by "Intellectual Asset Management" (IAM) magazine as one of the 250 top Intellectual Property Strategists in the world. IAM 250 aims to identify individuals who have exceptional skill as well as profound insights into the development, creation and management of IP value. An individual qualifies for a listing in the IAM 250 after an extensive research process which includes face to face and telephone interviews, email exchanges with members of IP professions from across the world, and if he has been nominated for inclusion by at least three people who work in organizations unrelated to those of the potential nominee.

PUBLICATIONS

Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP is proud to announce the recent release of the Seventh Edition of the widely used law school coursebook *Trademarks and Unfair Competition*, authored by **David C. Hilliard**, **Joseph N. Welch II** and **Uli Widmaier**. Also just released is the Fourth Edition of the highly regarded *Trademarks and Unfair Competition Deskbook* for practitioners, authored by **David C. Hilliard**, **Joseph N. Welch II** and **Janet A. Marvel**. Both books are published by LexisNexis and are available at bookstores as well as online at www.lexisnexis.com.

Raymond I. Geraldson, Jr. co-authored an article on "Maximizing the Value of Mediation" published in the May 1, 2009 issue of the *INTA Bulletin*.

Mark V.B. Partridge's book *Alternative Dispute Resolution: An Essential Competency for Lawyers* was published by Oxford University Press. This unique book helps litigators and corporate counsel gain a critical understanding of the increasingly important world of Alternative Dispute Resolution. This book combines valuable information as well as strategic advice in obtaining the best possible practices and outcomes in Alternative Dispute Resolutions. The book is available for purchase from the Publisher and at www.amazon.com.

Mark V.B. Partridge and **Scott T. Lonardo's** article, "ICANN Can or Can It?" was published in the May/June 2009 issue of *Landslide*, the magazine of the American Bar Association Section of Intellectual Property Law.

Sanjiv D. Sarwate and **Daniel I. Hwang's** article "ICANN's Expansion of the Domain Name Space- A Primer" was published in the May 2009 issue of the *CIPA Journal*, the magazine of the Chartered Institute of Patent Attorneys in the United Kingdom.

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FIRM UPDATE & ANNOUNCEMENTS

Sanjiv D. Sarwate's article "Fraud on the Trademark Office in the U.S. and Canada" was published in the May 2009 issue of the Illinois State Bar Association's *Intellectual Property Law*.

PRESENTATIONS

Phillip Barengolts gave a presentation on April 21, 2009, to the Cyberlaw and Data Privacy Committee of the Chicago Bar Association on "Sponsored Internet Advertising in Light of Rescuecom."

Thad Chaloeintiarana will speak on "Legal Strategies for Dealing with Anonymous Internet Posters" on August 1, 2009 at the American Bar Association's Annual Meeting in Chicago.

Bradley L. Cohn spoke on "Ethical Issues in Trademark Clearance and Investigations" at John Marshall Law School's Ethics in the Practice of Intellectual Property Law program on May 1, 2009.

Jake Linford presented two papers at the 2009 Meeting of the Law and Society Association in Denver, Colorado. His paper, *How the "Traditional Contours of Copyright Law" Illuminate the Limits of Institutional First Amendment Analysis*, was presented May 29 as part of a panel on "Comparative Perspectives on Constitutional Interpretation and Judicial Review." His paper, *Dangerous Liaisons: Why Networks Theory*

Supports a Limited Right of Online First Publication, was May 30 as part of a panel on "Intellectual Property Law in the Digital Age."

Mark V.B. Partridge will be speaking at the Annual Meeting of the Society for Human Resource Management (SHRM) on "Are Your Employees Selling You Out?" in New Orleans on June 29, 2009. **Mark** also gave a presentation entitled "Intellectual Property Is Your Greatest Asset" to the CEO Group of Boston, Massachusetts on May 21, 2009.

Sanjiv D. Sarwate spoke on "The United States and the Madrid Protocol" at a joint ABA/WIPO program at John Marshall Law School on May 11, 2009.

Uli Widmaier, was a speaker at the 10th International Trademark Conference 2009 (and Pre-conference Workshop), held in Alicante, Spain between May 6 and May 8, 2009. At the Pre-conference Workshop, Uli spoke on "Licensing Law - IPR Issues in Cross-Border Licensing." At the Conference, he spoke on "US Practice: A Practitioner's Look at Serious PTO Pitfalls." **Uli** also gave a presentation titled "An Update on the TTAB's New Rules of Practice - Where Are We Now?" at the 2009 Spring Meeting of the American Intellectual Property Law Association (AIPLA), held in San Diego, California from May 13-15, 2009.

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311 South Wacker Dr.
Suite 5000
Chicago IL 60606