



NEWSLETTER

A quarterly update on intellectual property topics.

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New Policies Regarding Top Level Domains

On June 20, 2011 ICANN's Board of Directors voted to end most restrictions on generic top level domains ("gTLDs"). Companies will be able to become registries for new gTLDs, enabling them to customize their domain names both to the left and to the right of the "dot". As a result, we may soon see dozens or hundreds of new gTLDs, in addition to the familiar ones such as ".com", ".net", or ".org."

Some of these new gTLDs are expected to consist of trademarks. Thus, trademark owners should understand not only how to use these new opportunities, but also how to protect their brands from abuses.

Another new "adult materials" TLD - .xxx, known as a "sponsored" TLD or sTLD - will begin accepting registrations in September 2011. Companies may block registration of their marks in such domain names.

I. Implementation of the New gTLDs

The application period to become a registry for new gTLDs is expected to open on January 12, 2012, and close on April 12, 2012. The number of applicants will initially be limited to 500, and the evaluation process will take anywhere from nine to twenty months. The first new gTLDs may appear as early as the end of 2012.

Applying for and maintaining a new gTLD registry is both expensive and burdensome. To register a new gTLD, applicants must pay an initial application fee of \$185,000 and an annual fee of \$25,000. Applicants must also pay a \$5,000 deposit fee, which will be credited against the application fee. Other fees may also apply.

Applications will be divided into standard and community applications. Community applications are for gTLDs that benefit a clearly defined community rather than an individual brand, and are eligible for priority evaluation. To qualify for a community gTLD, the applicant must demonstrate an ongoing relationship with a clearly defined community, apply for a gTLD that is strongly and specifically related to the community named in the application, propose dedicated registration and use policies for registrants in its proposed gTLD (including appropriate security verification procedures that are in line with its community-based purpose), and obtain written endorsements from one or more other established institutions representing the community.

Upon receiving an application, ICANN will first check that all mandatory questions have been answered, all fees paid, and all supporting documents included. Next, applications will move into a comment period where the public may submit comments on each proposed gTLD. ICANN's Government Advisory Committee ("GAC") will issue early warnings if one or more governments take issue with the proposed gTLD. Applications then move into an initial evaluation phase. Here, ICANN will review the proposed gTLD to ensure it will not cause security or stability problems and is not similar to existing TLDs or trademarks. ICANN also will perform a financial, operational, and technical analysis to ensure the applicant has the necessary means to operate a gTLD registry. This is followed by an objection period, during which formal objections may be filed on one of four grounds: string confusion (applied-for gTLD is confusing to an existing or applied-for TLD), legal rights (applied-for gTLD infringes the objector's pre-existing legal rights), limited public interest (applied-for gTLD is contrary to generally accepted legal norms of morality and public order), and community (applied-for community gTLD is objectionable to a significant portion of that community).

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For competing applications, ICANN will first recommend that the parties resolve any dispute by themselves. Otherwise, ICANN will institute an auction. Applicants for community gTLDs may elect a priority evaluation. Under a priority evaluation, ICANN will award points according to certain evaluation criteria. The application with the most points will be given priority. In case of a tie, ICANN will hold an auction. Once priority is determined, the gTLD will be granted.

II. Allowance of the .xxx sTLD

Shortly before ICANN authorized the new gTLDs process, it approved the .xxx sTLD for use in the adult entertainment industry. The .xxx sTLD was first presented to ICANN in 2000 and resubmitted in 2004. ICANN preliminarily approved the TLD in 2005, but pressure from GAC caused ICANN to reverse its approval. A revised proposal was submitted in 2007, but public reaction caused ICANN to reject the proposal. After an independent panel reviewed the decision in 2009, the panel found that .xxx satisfied the sTLD requirements and should have been allowed. After another year of voting and public comment, ICANN approved the .xxx sTLD on March 18, 2011.

Several companies within the adult entertainment industry have expressed reservations about introducing the new sTLD. They fear it will make it easier for governments to monitor or block adult entertainment websites. Nevertheless, implementation of the .xxx sTLD will begin in September 2011. The application and blocking process will be organized into four periods.

The first period, Sunrise A, is the application period for applicants who satisfy adult Sponsored Community requirements and already operate an existing domain name in another gTLD or ccTLD or own an issued, qualifying trademark registration. This period runs from September 7, 2011 through October 7, 2011. Sunrise A applicants have priority over all other applicants.

The second period, Sunrise B, is the opt out period for trademark owners outside the adult Sponsored Community. Sunrise B runs at the same time as Sunrise A. It allows trademark owners to prevent their trademarks from being registered by others under the .xxx sTLD. The minimum term for blocking marks is ten years.

The third period, the landrush, opens up registration for the .xxx sTLD to the entire adult Sponsored Community. This period will run for ten days beginning October 24, 2011. At the close of the landrush, those .xxx domain names having a single applicant will be automatically allocated. Finally, the .xxx sTLD opens for general registration on a first come, first serve basis, on December 6, 2011.

III. Conclusion

Brand owners should be aware that the changes in domain name administration are quickly approaching. Whether it is applying for a personalized gTLD, objecting to a new gTLD applied for by another entity, or blocking a .xxx sTLD, ICANN's adoption of these new rules requires owners to act quickly to protect their brands.

– Jasmine R. Davis

FIRM ACCOLADES

The March/April 2011 issue of *Managing Intellectual Property* magazine has ranked **Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP** in top tiers for trademark and copyright law, including prosecution, litigation, enforcement and licensing.

The Legal 500 United States, 2011 Edition, recognized **Pattishall McAuliffe, Newbury, Hilliard & Geraldson LLP** as having “a strong specialization in trademarks, with experience across a full range of litigation matters at TTAB and federal court levels.” It went on to say that **Pattishall, McAuliffe** is “well regarded for its track record” and “its experience includes significant disputes related to issues such as gray market goods, as well as internet and e-commerce matters.” The publication also recognized **David C. Hilliard** as “a long standing figure in trademark litigation, with extensive trial and appellate experience, and is notable for representing Ford Motor Company and PepsiCo” and noted that **Phillip Barendolts** “represented Bayer Healthcare as plaintiff in a domain name dispute against multiple defendants.”

Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP is one of the top ranking firms in World Trademark Review 1000. Specifically mentioned were **Raymond I. Geraldson, Jr.**, described as “a great practitioner,” and **Joseph N. Welch II**, who is similarly considered “a true expert in the field.”

NEW ASSOCIATE

Seth I. Appel has joined the firm as an Associate. **Seth** comes from a San Francisco firm where his practice covered all aspects of trademark, trade dress, and copyright law, including IP clearance, prosecution, licensing, and enforcement. **Seth** also has extensive experience litigating in federal and state courts and before the Trademark Trial and Appeal Board. **Seth** received his JD in 2004 from Columbia Law School.

APPOINTMENTS

Bradley L. Cohn has been appointed Chair of the Chicago Bar Association's Professional Responsibility Committee for the 2011-2012 year.

Ashly A. Iacullo has been appointed Chair of the Intellectual Property Committee for the Chicago Bar Association for the 2011-2012 year. **Ashly** was also appointed a member of the Development Committee for the Chicago Bar Foundation.

Robert W. Sacoff has been appointed Liaison between AIPPI and the ABA Section of Intellectual Property Law for 2011-2012.

PRESENTATIONS

Brett A. August, spoke at 55th Annual Intellectual Property Law Conference, at The John Marshall Law School in Chicago, IL, on February 25, 2011. The topic was "Proving and Defending Damage Claims in Trademark Litigation."

Phillip Barengolts gave a presentation on "Ethics of Investigations," at the 13th Annual Richard C. Sughrue Symposium on Intellectual Property Law and Policy, on March 21, 2011, at the University of Akron. On April 6 and 7, **Phil** also gave presentations on "Trademark Issues in the Anti-Counterfeiting Trade Agreement (ACTA)" and "ACTA: What Will it Mean For The IP Practitioner?" at the American Bar Association, Intellectual Property Section's Spring Meeting in Washington, D.C. On April 19, **Phil** gave another presentation on "The Potential Impact of the Anti-Counterfeiting Trade Agreement (ACTA) on U.S. and International Intellectual Property Enforcement," at the Chicago Bar Association in Chicago. **Phil** also gave the "Trademark Issues in the Anti-Counterfeiting Trade Agreement (ACTA)" presentation at the American Intellectual Property Law Association's Spring Meeting in San Francisco, California, on May 13.

David M. Beeman gave a presentation at the University of Chicago entitled "Constitutional Boundaries of Intellectual Property Law" on April 12. **David** also taught a class on April 28, 2011, entitled "Introduction to Intellectual Property" to staff members and students of the Young Chicago Authors organization.

Thad Chaloeintiarana moderated a panel discussion on "Issues and Trends in Consumer Privacy Law" at the Chicago Bar Association on Friday, June 10. The discussion included a primer on consumer privacy class actions and causes of action, how businesses can better manage consumer breach of privacy risks, and pending federal legislation.

Ashly Iacullo presented "Trademarks in Practice: Searching, Clearance and the Application Process in the United States," as part of the Practising Law Institute's Understanding Trademark Law program, on June 17, in Chicago, Illinois, and also in New York on July 17.

Jonathan S. Jennings will speak on "Gray Goods - A US Perspective" at the Pharmaceutical Trademarks Group's Fall Meeting in Prague, Czech Republic, on October 14, 2011.

Janet A. Marvel will present "Understanding the Trademark License" at the Practising Law Institute PLI's Understanding the Intellectual Property License 2011, in Chicago, Illinois on November 3. **Janet** will also present "Top Ten U.S. Trademark Cases in 2010-2011" at the annual meeting of the Intellectual Property Institute of Canada, in Chicago, Illinois, on November 3 and 4.

J. Michael Monahan was a panelist at a USPTO Roundtable on "Best Practices for Communication in Trademark Matters" in Washington, DC, on March 29, 2011. **Mike** was also a panelist on "Clarifying the role of EULAs, Terms of Service and Codes of Conduct" at the 2011 Login Conference on May 16, 2011.

Alexis E. Payne was a panelist at a Business Marketing Association event, entitled "Creating the Blueprint to Bring Social Media into Your Organization" on March 16, 2011, in Chicago. **Lexy** hosted the "Mobile Marketing Law" roundtable at the 26th Annual Intellectual Property Law Conference on April 6, 2011, in Arlington, Virginia, and she also co-chaired an ABA Mobile Marketing Roundtable on June 8, 2011, in Chicago. **Lexy** gave a presentation on "Green Marketing: Understanding the Science Behind 'Green' and Creating Cost-Effective and Compliant Marketing Programs," at the American Conference Institute's Conference on Environmental Advertising and the FTC's Revised Green Guides on May 24, 2011, in Chicago. **Lexy** will be speaking on "Using the Current Technologies to Jumpstart Legally Compliant Promotions" at the Promotion Marketing Association's 33rd Annual Promotion Marketing Law Conference on November 16, 2011, in Chicago.

Robert W. Sacoff spoke on "The Ethics of Deception" on April 29, 2011, at the Fourth Annual Conference on Legal Ethics in the Practice of IP Law put on by the Center for Intellectual Property Law at John Marshall Law School, in Chicago. **Bob** will also moderate the program "The Functional Boundary of Trademark Rights" on September 12, at the Intellectual Property Owners (IPO) Annual Meeting in Los Angeles, California.

PUBLICATIONS

Phillip Barengolts co-authored a book entitled "Trademark and Copyright Litigation, Volume I: Cease and Desist Demands Through Electronic Discovery," which was published by Oxford University Press. **Phil** was also quoted in an article, "MGA Beats Mattel in Bitter Doll Dispute" in *Managing Intellectual Property Magazine*, in April.

Kristen S. Knecht wrote "Finding Value in Lunch" for the Chicago Law Bulletin, which was published on May 11, 2011.

Dale Qualls wrote an article entitled "World IPv6 Day Provides a Wake-Up Call" for the Communications Technologies edition of *Peer to Peer*, the quarterly magazine of the International Legal Technology Association.

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FIRM UPDATE & ANNOUNCEMENTS

HONORS

Brett A. August, Raymond I. Geraldson, Jr., David C. Hilliard, Jonathan S. Jennings, Jeremiah D. McAuliffe, Robert M. Newbury, Robert W. Sacoff and Joseph N. Welch II have again each received an AV® Preeminent rating from the Martindale-Hubbel Bar Register.

Thad Chaloeintiarana will be recognized in the 2012 Edition of Marquis Who's Who in America, to be published in the Fall.

Raymond I. Geraldson, Jr., David C. Hilliard, Robert W. Sacoff and Joseph N. Welch II have been recognized in the International Who's Who of Business Lawyers 2011.

Raymond I. Geraldson, Jr. and Joseph N. Welch II have been ranked in the inaugural edition of World Trademark Review 1000 - The Definitive Guide to Trademark Legal Services.

David C. Hilliard, Robert W. Sacoff and Joseph N. Welch II have been recognized in the 2011 edition of the International Who's Who of Trademark Lawyers 2011.

In 1971, **David C. Hilliard**, along with a small number of visionary attorneys, established the Young Lawyers Section of the Chicago Bar Association (the "YLS"). **David** served as the first chair of the YLS. In honor of his vision in helping estab-

lish the YLS and in thanks for his continued contributions to the YLS and its members over the past forty years, the YLS, acting through its Executive Council, recently named **David C. Hilliard** as an "Honorary Young Lawyer in Perpetuity."

Jonathan S. Jennings has been recognized in the 2011-2012 Edition of Who's Who in American Law and in the 2011 Marquis Who's Who in America.

AWARDS

Each year the American Bar Association presents its Awards of Achievement for the best project or seminar developed and hosted by a Young Lawyers bar organization in the United States. This year, the ABA gave an Achievement Award to the Diversity Committee of the Chicago Bar Association's Young Lawyers Section, chaired by **Daniel Hwang**, for its seminar on the same-sex marriage debate. The ABA awarded **Daniel's** committee a first place honor for its seminar, choosing it over all other diversity bar projects in the country.

TEACHING

Jonathan S. Jennings will teach a class on right of publicity and privacy law this Fall at The John Marshall Law School.

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