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IP owners need to create new protection program

The recent blackout moves of Wikipedia, Google and other Internet sites to protest pending U.S. legislation that sought to combat online piracy by denying access to rogue websites (referred to as SOPA, HR 3261) underscores that 2012 may be a banner year for intellectual property owners.

In some areas, the banner may be black, as rhetorical excesses on both sides have made workable compromises less likely. In other areas, IP owners will have new opportunities to expand their ability to protect and promote their rights globally. But to take advantage of these opportunities and anticipate future problems, it is time to tweak your 2012 to-do list.

The first critical tweak involves participating in the Special 301 process. Under the authority of the Trade Act of 1974, the U.S. Trade Representative (USTR) investigates, and ultimately issues, an annual report identifying countries that fail to provide adequate protection for U.S. IP rights holders. Countries identified on the priority watch list are generally the subject of bilateral discussions, providing an opportunity to bring governmental attention to rights holders' problems. Written comments are due on Feb. 10 and must be filed electronically at regulations.gov, docket number USTR-2011-0021.

In addition to identifying problem countries, you should also provide as much detail about the issues rights holders have faced, including local, failed enforcement attempts, and estimated quantitative losses, if available, as a result of such failures. The Special 301 Report should issue on or about April 30. This report and the Notorious Markets Report, issued by the USTR on Dec. 20, provide some of the best, free thumbnail accounts of IP protection globally and can serve as useful planning tools for anticipating future problems in the country.

The second critical tweak involves protecting trademarks in light of the new domain name opportunities the Internet Corporation for Assigned Names and Numbers (ICANN) has created (and the protection headaches that seem inherent in the new system). As of Jan. 12, ICANN has begun accepting applications for new generic top level domains (gTLDs) that allow you to own "dot anything." The initial application period is scheduled to close on April 12, however, applicants must register their intention to apply by no later than March 29.

For those who can afford the



Global IP

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\$185,000 application fee (and meet the technical obligations of being able to run their own domain), you can own your own "dot" brand with all the opportunities for providing secondary domains, including, for example, cokeze-ro.cocacola; or even yourname.cocacola (for fan sites).

Sadly, the potential for cybersquatting and other infringements with these new gTLDs is enormous. On May 1, ICANN will post all applied-for gTLD character strings at www.icann.org. This listing begins a 60-day objection period.

Among the critical objections that can be filed is that the new gTLD infringes an "existing legal right," including, in particular, registered and unregistered trademarks. The Arbitration and Mediation Center of the World Intellectual Property Organization will serve as the initial dispute resolution service for legal rights-based complaints. Objections can also be filed for conflicts between parties who have applied for identical or similar new gTLDs. Those disputes will be resolved by the International Centre for Dispute Resolution. For more information about this objection process, check the gTLD Applicant Guidebook, Module 3, at newgtlds.icann.org/en/applicants/agb.

In addition to allowing companies their own branded gTLD, this new system also offers a tremendous opportunity to revitalize the second level domains, the area before the "dot." There will undoubtedly be numerous "dot" generic gTLDs. For those who do not have the funds for, or interest in, running their own gTLDs, developing a strategy for registering brands as second level domains is a good idea. For example, instead of establishing .cocacola, Coca Cola may want to register its various

brands with generic domain registries, such as .soda, .beverages, .colas or even .refreshments.

To avoid abuses of second level domains, ICANN obligates the gTLD registry operator to conduct electronic arbitrations under a Trademark Post-Delegation Dispute Resolution Procedure (Trademark PDDRP). The Trademark PDDRP prohibits a pattern of registering domains confusingly similar to third-party marks. It is not yet clear, however, if a refusal to register, for example, pepsi.cocacola could also be challenged.

The final tweak relates to Internet enforcement against rogue sites. The much publicized retrenchment by Congress last week — delaying both House and Senate bills related to the issue — does not mean that it should be similarly removed from your 2012 to-do list.

To the contrary, despite delays in legislation, the notorious rogue site Megaupload was shut down last week and its operators indicted for criminal copyright violations by the U.S. Department of Justice. Internationally, seizures of websites remain viable options for civil enforcement as well. Recently, British courts upheld a civil injunction in *Twentieth Century Fox Film Corp. v. British Telecommunications Plc* requiring a service provider to block access to two websites alleged to carry infringing content. The court expressly rejected any claim that blocking violated any right to freedom of expression under the European Convention on Human Rights.

In addition, even though SOPA has been stalled, a new bill, the Online Protection and Enforcement of Digital Trade Act (OPEN), HR 3782, was introduced last week to provide remedies directed to the "money trail" for rogue sites. By empowering the International Trade Commission to investigate such sites and issue cease-and-desist letters to financial intermediaries, including financial transaction providers and online advertising service providers, OPEN seeks to take the profit out of operating rogue sites.

U.S. Rep. Darrell Issa, R-Calif., one of the sponsors of the bill, has created a website, keepthewebopen.com, where the general public can comment on the bill and offer suggestions and revisions. It provides an easy way to moderate commentary and anticipate future problems. It is also a sign of times to come, as the Internet plays a greater role in both creating and resolving IP protection issues in the coming year.