



Comment on Proposed Launch Programs for the .MADRID gTLD

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Business Constituency Submission

GNSO//CSG//BC

Background

This document is the response of the ICANN Business Constituency (BC), from the perspective of business users and registrants, as defined in our Charter:

The mission of the Business Constituency is to ensure that ICANN policy positions are consistent with the development of an Internet that:

1. promotes end-user confidence because it is a safe place to conduct business
2. is competitive in the supply of registry and registrar and related services
3. is technically stable, secure and reliable.

General Comment

The BC welcomes the opportunity to comment on the .MADRID Application for Approved Launch Programs submitted by the Registry Operator, Comunidad de Madrid (the "Application")¹.

Two aspects of the Application expand the scope of early registrations far beyond what was intended by the new gTLD Applicant Guidebook. Allowing the Application to proceed in its current form circumvents the rights protection mechanisms created by the ICANN community and embodied in the Trademark Clearinghouse (TMCH) RPM Requirements and the QLP Addendum. Further, the Application would contribute to consumer confusion, infringe upon intellectual property rights, and create an undesirable precedent for similar actions by other Registry Operators.

Moreover, the Application is unnecessary since the Registry Operator could achieve its desired result simply by restricting Sunrise eligibility to TMCH-validated registrations with effect in Spain, and then providing an additional registration period (subserving to the Sunrise) for registrations not validated by the TMCH.

As proposed, this Application creates direct costs to business registrants, in terms of increased legal and marketing expenses. More importantly are the indirect costs to businesses through bad consumer experiences, including misdirected traffic and negative impacts on established and trusted brands.

Public Administrations Program ("PAP")

The Application seeks to remove the cap on names that may be registered under the PAP well beyond what ICANN intended to allow under the QLP Addendum, which limits domain registration by non-rights holders to 100 domain names. This uncapped pre-Sunrise registration period creates the inevitability for a conflict with trademark registrations recorded with the TMCH.

The Registry Operator contends that this Application is submitted for approval pursuant to Section 4.5.2 of the TMCH Requirements (not Section 4.5.1), and that the limitation of 100 names does not apply to this section. This contention does not negate the fact that the QLP Addendum was automatically incorporated into the TMCH Requirements, pursuant to Section 4.5.1. Therefore, the cap of 100 pre-Sunrise domain names allowed by the QLP Addendum applies to this Application.

¹ <https://www.icann.org/public-comments/madrid-arp-application-2014-11-11-en>

ICANN has already carefully considered the ability of Registry Operators to allow pre-Sunrise registrations and has rejected proposals to expand the number of pre-Sunrise registrations beyond the 100 allowed in the QLP Addendum.² ICANN also explicitly rejected the ability of Public Authorities to register domain names that do not identically match the Public Authority's name or acronym, "as this goes beyond the intended scope of the Qualified Launch Program."³ In fact, ICANN revised the QLP to specifically cover Public Authorities and Public Services.⁴

Parallel Sunrise Program ("PSP")

The Application seeks to grant priority in the Sunrise period to owners of local trademarks (validated or not validated in the TMCH) over owners of TMCH-validated trademark registrations with effect in jurisdictions other than Spain. Such a proposal effectively creates an alternative clearinghouse that circumvents the rights protection mechanisms developed by the ICANN community and facilitated by the TMCH.

This proposal violates ICANN rules. Qualification 7 of the Applicant Guidebook allows for the creation of additional rights protection mechanisms, so long as they comply with, and are subservient to the TMCH. Paragraph 2.4.1 of the TMCH Requirements prohibits allocation or registration of domain names during or in connection with the Sunrise Period, except to holders of a validated trademark registration recorded in the TMCH.

Spanish trademark owners are not prejudiced by a compliant Sunrise period. Spanish trademark owners have equal access to the TMCH and the validation process. Sunrise participation requires TMCH validation as a prerequisite. By granting priority to local trademarks with effect in Spain that are not TMCH-validated, the proposal creates an additional rights protection mechanism that circumvents the TMCH, thereby creating the potential for consumer confusion and infringement upon intellectual property rights.

The Registry Operator already has alternative processes that achieve the same objective and comply with ICANN rules. First, it could restrict Sunrise eligibility to TMCH-validated registrations with effect in Spain. Second, it could provide an additional registration period (subservient to the Sunrise) for registrations that are not validated by the TMCH. Either one of these processes would render the PSP unnecessary.

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This comment was drafted by Stephen Coates and several BC members, and was approved in accordance with the BC charter.

² See <https://www.icann.org/en/system/files/files/report-comments-qlp-addendum-09apr14-en.pdf> (rejecting a proposal to expand the number of QLP domain names beyond 100 and confirming ICANN's commitment to the priority of Sunrise for all but the limited exception of 100 names under Spec 5, Section 3.2 of the Registry Agreement).

³ *Id.*

⁴ <https://www.icann.org/en/system/files/files/report-comments-qlp-addendum-09apr14-en.pdf> (discussing the amendment of the QLP Addendum to enable Public Authorities to register domain names that reflect the Public Authority itself or a Public Service it provides)