

## **INTA Internet Committee Comment on the .MADRID Application for Approved Launch Programs**

**24 December 2014**

The International Trademark Association's Internet Committee (INTA) writes to provide its comments on the two potential Approved Launch Programs submitted by the Comunidad de Madrid for its .MADRID TLD - the "Public Administrations Program" (PAP) and the "Parallel TMCH/Local Trademark Sunrise Launch Program" (PSP).

The .MADRID Registry Operator acknowledges that the PSP and PAP are "substantially similar (in fact, almost identical) to" corresponding proposals submitted by the .PARIS Registry Operator. Accordingly, INTA incorporates by reference its comments for the .PARIS proposal, stating that it "threatens to significantly undermine the carefully negotiated RPM Requirements, poses the risk of infringement of intellectual property rights and attendant consumer confusion, and therefore should not be approved as currently proposed." The .MADRID PAP and PSP would have a similar negative impact on intellectual property rights and could lead to consumer confusion. INTA considers that the objectives of the .MADRID Registry Operator can be accomplished through a traditional Sunrise operated in compliance with the Trademark Clearinghouse (TMCH) Rights Protection Mechanism Requirements (RPM Requirements) coupled, if necessary, with a Limited Registration Period and the available Qualified Launch Program. Therefore, INTA urges ICANN not to approve the .MADRID PAP and PSP as currently proposed.

### **Public Administrations Program**

As with the .PARIS proposal, INTA remains concerned that the scope of eligible registrants and the .MADRID names that they may register under the PAP are so broad that a conflict with protected trademark rights (the holders of which have deposited their trademark registrations with the TMCH, as mandated for Sunrise eligibility) is inevitable. For example, Wikipedia identifies more than 175 "municipalities in the Region of Madrid" and the number of "international authorities with competences over or presence in the Region of Madrid" is indeterminate. Similarly, the Names of Public Authorities under Section 1.3(i) could amount to thousands of domains and the geographical names under Section 1.3(ii) could, for an area of over 8,000 square kilometers, easily exceed 100,000 .MADRID names (the .MADRID Registry Operator admits as much in Section 2.5). In an ALP of such enormous scope, trademark conflicts are inevitable.

The absence of any cap on the number of domain names covered by the PAP proposal attempts to circumvent the intent behind the QLP Addendum, which limits registration of non-rights holders to 100 domain names. ICANN has already considered and rejected a proposal to raise the numerical limit.<sup>1</sup> Should ICANN decide to approve the PAP, it should, at the very least, impose a limit on the scope of domain names covered by the proposal.

---

<sup>1</sup> <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).

Moreover, the PAP is unnecessary because ICANN has specifically revised the QLP to cover Public Authorities and Public Services.<sup>2</sup>

Furthermore, ICANN has 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."<sup>3</sup> ICANN's rationale for rejecting non-identical matches in relation to the QLP remains applicable in the case of an Approved Launch Program.

Two Registry Operator statements in the PAP proposal merit specific comment. Contrary to the Registry Operator's characterizations, INTA has not stated that "Public Authorities have an uncontested right to use certain names for their public services." Nor has INTA stated that "Giving priority to the secondary meaning over the primary meaning of names for registration under the TLD would lead to notable user confusion and unwarranted extension of rights." While this could be so in some cases, for example where a name comprises several words, such as "Cuerpo de bomberos [*firefighters*] de la Comunidad de Madrid," it will not be the case in others. An example would be the word "opera." An opera.Madrid domain name could identify opera performances in Madrid or could equally well relate to the Madrid Metro station of that name. In the second case the appropriation of the name by the Public Authority would be excessive and cannot be justified.

While it is correct that trademark protection is not available for a term for those goods/services for which it is generic, it is not correct that there is no trademark protection for "the relevant Public Authorities." To the contrary, numerous Spanish town and city councils and other local entities have protected their names through trademarks for a variety of different reasons, but fundamentally to promote their activities and for purposes of tourism. For example, the Ayuntamiento de Madrid Area de Gobierno de Seguridad y Servicios a la Comunidad (i.e., the Madrid City Council Government Area of Safety and Community Services) owns several Spanish registrations for the mark POLICIA MUNICIPAL MADRID for security services for protection of property and people.

The proposed further assurances in Sections 3.1 and 3.2 are positive, but are insufficient safeguards alone against the potential consumer confusion and trademark abuse inherent in the PAP. The Section 3.3 proposal that domains registered under the PAP can be transferred to third parties provides another mechanism through which the PAP proposal can lead to consumer confusion and trademark abuse. In the event that any such transfer were to be permitted, this should only be the case where the transferee is another public authority to whom the duties of the transferor have been subrogated and where the domain name remains a match to the transferee's full name or acronym.

The Registry Operator's contention that the ALP was anticipated in its Q18(b) response appears to be contradicted by the Registry Operator's decision to intentionally omit Section 2 in its Public Interest Commitment Specification.

Further, the use of Limited Registration Periods and Qualified Launch Programs by numerous other similarly situated new gTLD Registry Operators demonstrates that the applied-for PAP is not necessary to achieve the stated objectives of the Registry Operator. For example:

---

<sup>2</sup> <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)

<sup>3</sup> *Id.*

TLD	Registration Eligibility Restrictions	Qualified Launch Program	Limited Registration Period
.nyc	Registration restricted to businesses and organizations with an NYC address and individuals whose primary domicile is in NYC.	Founders Program	City Government Affiliated Phase
.melbourne	Registration restricted to residents and businesses and other entities with an interest in Victoria	N/A	Government Allocation Period .au Priority Allocation Period
.sydney	Registration restricted to Australian entities or citizens with address in New South Wales (NSW) or entities that provide goods or services to NSW residents.	N/A	Government Allocation Period

INTA believes that it is worth noting that if a third party had attempted to register as a trademark an expression matching the name of a public authority, as defined in the laws cited by the .MADRID Registry Operator, the Spanish PTO would have been expected to reject the application pursuant to the absolute prohibition on the registration of signs which may mislead consumers or are contrary to law or public policy, as laid down in article 5 of the Trademark Act of Spain. Thus, since it is highly unlikely that a third party could obtain preferential rights in the name of a public authority, and that public authority could therefore obtain protection during a limited registration period following the Sunrise if it did not have a registered trademark itself and had not taken advantage of a QLP, we consider that this preferential right of registration gives little or no practical benefit.

Finally, INTA has no information to suggest that the Registry Operator contacted the Intellectual Property Constituency to request that the IPC act under Section 4.5.3 of the RPM Requirements.

### **Parallel Sunrise Program**

Like the .PARIS proposal, the Registry Operator's Parallel TMCH/Local Trademark Sunrise Launch Program would grant priority to owners of "Local Trademarks" that are not TMCH-validated over owners of TMCH-validated trademark registrations with effect in jurisdictions other than Spain.

The Registry Operator's argument that adhering to the community-developed Sunrise period and RPM Requirements discriminates against Local Trademarks is incorrect. Under the community-developed Sunrise, TMCH-validated registrations with effect in Spain are treated no differently than TMCH-validated registrations with effect in countries other than Spain. The community-developed requirement that TMCH validation is a prerequisite to Sunrise participation has absolutely no effect on the actual intellectual property rights embodied in the trademark registration. The priority granted to TMCH-validated trademark registrations during the community-developed Sunrise is not a right; it is a benefit associated with TMCH

validation. Such benefit motivates trademark owners to deposit their registrations with the TMCH in the first instance. As the Applicant Guidebook itself states, “Inclusion in the Clearinghouse is not proof of any right, nor does it create any legal rights. Failure to submit trademarks into the Clearinghouse should not be perceived to be lack of vigilance by trademark holders or a waiver of any rights, nor can any negative influence be drawn from such failure.”<sup>4</sup>

There is no basis for Registry Operator’s assertion that owners of trademark registrations with effect in Spain do not have equal access to or are unaware of the TMCH; the TMCH website identifies two TMCH Agents in Spain and over 30 TMCH Agents that support Spanish-language registrations. Moreover, there are two alternative solutions already available to Registry Operator, namely, (i) restricting Sunrise eligibility to TMCH-validated registrations with effect in Spain; and (ii) a Limited Registration Period for non-TMCH-validated registrations. The PSP is unnecessary given these alternative means of achieving the same goal. Instead, by giving non-TMCH-validated registrations such priority and by again permitting a potentially unlimited number of registrations ahead of TMCH-validated registrations, the PSP has the potential to cause consumer confusion.

The PSP proposal effectively creates an alternative clearinghouse for Local Trademarks. The proposal purports to respond to INTA’s comment on the corresponding .PARIS program that Qualification 7 of the Applicant Guidebook permits a registry operator to implement additional (not replacement) rights protection mechanisms so long as these RPMs are compliant with, and subservient to, the TMCH. The .MADRID Registry Operator’s statement that its proposals fully comply with Qualification 7 and citation to a quote from ICANN’s CEO during the Beijing Public Forum fall short. The cited quote pre-dates the final RPM Requirements, which specifically reject alternative clearinghouses, by five months. Indeed, ICANN’s September 30, 2013 Report of Public Comment on the RPM Requirements states, “It is not practical to set up an alternative clearinghouse... the impetus for the Trademark Clearinghouse was to have a single resource for the validation of rights, to create efficiencies in domain name registration processes.” That rationale remains equally valid today.

In addition, INTA’s comments on the .PARIS application noted that an ALP that gives non-TMCH-validated registrations priority over TMCH-validated registrations violates Paragraph 2.4.1 of the RPM Requirements, which prohibits allocation or registration of domain names during or in connection with the Sunrise Period except to holders of a validated trademark recorded in the TMCH. The Registry Operator proposes to resolve contention by requiring owners of Local Trademarks to undergo TMCH validation before being given priority for a string over TMCH-validated registrations. Since the owner of the Local Trademark in a conflict situation is being asked to revalidate their mark in the TMCH, this would be more disadvantageous than having recorded their mark in the TMCH in the first place since they will have to pay to validate the mark twice, firstly by the Registry Operator and subsequently by the TMCH. Further, this provision does not change the fact that the PSP grants priority to non-TMCH-validated registrations over TMCH-validated registrations in direct contrast to the ICANN community’s purpose for creating the TMCH.

Moreover, the PSP proposal may also place the Registry Operator in breach of Specification 7: “Registry Operator shall not mandate that any owner of applicable intellectual property rights use any other trademark information aggregation, notification or validation service in addition to or instead of the ICANN-designated Trademark Clearinghouse.”

---

<sup>4</sup> Para. 1.6, Trademark Clearinghouse, Applicant Guidebook, *available at* <http://newgtlds.icann.org/en/applicants/agb>.

## **Conclusion**

ICANN's approval of the .MADRID PAP and PSP would set a dangerous precedent that would ultimately undermine the community-developed RPMs, render the TMCH irrelevant, and, most importantly, create consumer confusion. If, however, ICANN approves the .MADRID PAP and PSP, ICANN must cap the number of registrations under each program. The absence of any caps creates a tremendous opportunity to game both programs, undercut the RPMs developed by the ICANN community and cause consumer confusion.

## **About INTA and the Internet Committee**

INTA is a 136 year-old global not for profit association with more than 6,400 member organizations from over 190 countries. One of INTA's goals is the promotion and protection of trademarks as a primary means for consumers to make informed choices regarding the products and services they purchase. During the last decade, INTA has also been the leading voice of trademark owners within the Internet community, serving as a founding member of the Intellectual Property Constituency of the Internet Corporation for Assigned Names and Numbers (ICANN).

INTA's Internet Committee is a group of over 200 trademark owners and professionals from around the world charged with evaluating treaties, laws, regulations and procedures relating to domain name assignment, use of trademarks on the Internet, and unfair competition on the Internet, whose mission is to advance the balanced protection of trademarks on the Internet.