



## **Comments of GNSO Intellectual Property Constituency on .Madrid – Introduction of Two Approved Launch Programs**

December 23, 2014

The Intellectual Property Constituency (IPC) of the Generic Names Supporting Organization submits the following brief comments on “.MADRID – Introduction of Two Approved Launch Programs,”<sup>1</sup> the Parallel TMCH/Local Trademark Sunrise Program and the Public Administrations Program (“PAP”).

As a preliminary matter, the IPC would like to note the poor timing of this important comment period, occurring during the holiday season and culminating on Christmas Eve. As the IPC and others have stated, the 21-day comment and 21-day reply periods are already inadequate to accommodate most corporate structures for drafting and approval of comments on these often complex matters. The holiday season further complicates the IPC’s ability to encourage participation and gain consensus.

Therefore, the IPC offers these comments as a starting-off point for discussion with the .MADRID Registry and others, and invites Comunidad de Madrid to participate in a dialogue with the IPC on these comments. The IPC is also happy to provide more detailed comments in the New Year.

### **Parallel TMCH/Local Trademark Sunrise Launch Program**

As we consider the Parallel TMCH/Local Trademark Sunrise Launch Program (the “Parallel Sunrise Program”) proposed by the registry operator Comunidad de Madrid (the “Registry”), it is critical to separate two distinct issues: a) whether it is appropriate to give preference to trademarks with effect in Spain, and b) whether the Parallel Sunrise Program is necessary to give effect to that preference. We agree that “the applications based on a trademark with legal effects in Spain,” can and should “have priority over applications based on Trademarks with legal effect in foreign jurisdiction[s] only.”<sup>2</sup> But validating those marks through the Registry’s own esoteric procedure is at best redundant and unnecessary, and at worst leads to a conflict with the TMCH requirements and to a splintering of sunrise rights protection procedures in new gTLDs. For no apparent benefit, this would increase the cost and complexity of the new gTLD program--something that the TMCH was designed to mitigate.

---

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

<sup>2</sup> Launch Application #2 (Parallel TMCH/Local Trademark Sunrise Launch Program), § 1.6 (Contention Resolution within this category”), <https://www.icann.org/sites/default/files/tlds/madrid/madrid-alp-application-parallel-sunrise-25nov14-en.pdf> (referred to as the “Sunrise Program Description”).

*Priority for resolving contention among rights recognized in the .Madrid sunrise*

At the outset, we agree with the Registry's goal of "not discriminating against valid trademarks in Spain." Sunrise Program Description § 1.2. Trademark rights are fundamentally territorial in nature. Although the pan-geographic nature of the DNS necessitates some protection against trademarks in one registry (say .Madrid) being used to infringe trademarks in a territory to which that registry is not targeted, it is perfectly reasonable in the case of a geographically-targeted gTLD to give preference to marks with effect in the target jurisdiction. But the proposed Parallel Sunrise Program is not needed to accomplish this. Using the TMCH Program alone, the Registry could easily give priority to TMCH-validated marks with local effect, or even restrict the Sunrise Period eligibility to TMCH-validated marks with local effect.

*The Parallel Sunrise Program is not an additional rights protection mechanism.*

The Parallel Sunrise Program recognizes only four types of rights:

1. Spanish trademarks registered at the Spanish Patent and Trademark Office;
2. EU Community Trade Marks registered at the Office for Harmonization of the Internal Market (OHIM)
3. International Registrations under the Madrid System that designate and are in force in Spain
4. "GI" Managing councils (Consejos Reguladores) of Spanish Geographical Indications, as defined in section 1.3(b) of the Sunrise Program Description.

All four of these rights can be validated through TMCH recordal.<sup>3</sup> The Registry "will follow exactly the same standards and guidelines as those of the TMCH, including the request and assessment of proof of use," and the Registry stresses that such locally-effective marks will be in "parity with, not priority over TMCH registrations." Sunrise Program Description §§ 1.1, 1.2. Therefore, with regard to these rights, the Parallel Sunrise Program is completely superfluous and cannot in any sense be regarded as an "additional rights protection mechanism." It is duplicative, and conflicts with the TMCH and with RPM Requirements section 2.4.1, which prohibits allocating names during sunrise except pursuant to a TMCH-issued SMD file.

For the same reason, it is inaccurate to assert that the absence of the proposed Parallel Sunrise Program "would lead the Comunidad de Madrid to incur an unacceptable discrimination" between trademarks valid in Spain.<sup>4</sup> There are no rights—whether Spanish

---

<sup>3</sup> As discussed below, some (if not all) GIs may be recorded in the TMCH. See para 2.4.1: "For marks protected by statute or treaty, the relevant statute or treaty must be in effect at the time the mark is submitted to the Clearinghouse for inclusion. These marks may include but are not limited to: geographical indications and designations of origin." At <http://www.trademark-clearinghouse.com/sites/default/files/files/downloads/TMCH%20guidelines%20v1.2.pdf>.

<sup>4</sup> The Registry contends that it "cannot discriminate against any valid trademark in Spain for the mere fact of not being in the TMCH," and that not having the Parallel Sunrise Program would violate the principle of "non-discrimination by public administrations against equally valid intellectual property rights." § 1.2. This argument suggests that all Spanish trademark rights should be protected without any kind of validation requirement. If requiring TMCH registration would "discriminate" against non TMCH marks, by the same token, requiring Parallel Sunrise validation—according to, as the Registry puts it, "exactly the same standards and guidelines as those of the

trademarks or “GIs” protected by statute or treaty—that the Parallel Sunrise Program recognizes that the TMCH does not.

*With regard to Spanish rights, the Parallel Sunrise Program is unnecessary.*

The Registry suggests that the Parallel Sunrise Program “merely expands this opportunity to holders of duly verified local trademarks, who may have not registered their trademarks at the TMCH for various reasons.” However, there is no good reason for the holder of a Spanish trademark or eligible Spanish GI to prefer validation through the Parallel Sunrise Program:

- If the criteria and process for validation are exactly the same, no mark would be recordable through the Parallel Sunrise but not the TMCH.
- If the criteria and process for validation are exactly the same, presumably the cost of the validation service would be comparable.
- To the extent the mark owner is unaware of the TMCH, the Registry undertakes “to inform all applicants under this category of the existence and advantages of the TMCH,” and it is no less difficult to inform them of the unique process for registration in the Parallel Sunrise than of the equivalent requirements of the TMCH.
- The local mark owner will be even more disadvantaged if there is a conflicting mark in the TMCH, as the Registry proposes first to validate the mark itself, for a fee, and then to require that the owner submit it for validation through the TMCH, for a further fee, before the contention between the conflicting marks is resolved.

*The Parallel Sunrise Program offers no benefits, but creates potential confusion and inefficiency.*

The purpose of the TMCH and standard sunrise requirements in the new gTLD program was precisely to provide a uniform process and standard, so that mark owners would not need to comply with a multitude of unique esoteric requirements in hundreds of registries. Allowing the Registry’s Parallel Sunrise Program or others like it would undermine that uniformity and efficiency. This burden is extremely significant when imposed on trademark owners throughout the DNS. Moreover, it sets a bad precedent that other registries could very well follow, creating a patchwork of disparate, inconsistent requirements.

As a result, we strongly recommend that:

- the Registry should not be permitted to proceed with the Parallel Sunrise Program in this form;
- owners of rights that are recordable in the TMCH should be required to be recorded therein in order to participate in the sunrise.

### **Public Administrations Program (“PAP”)**

- A conflict with trademark rights of TMCH-validated registrations is inevitable because the number of eligible registrants and the .MADRID names they can register is virtually

---

TMCH,” — equally discriminates. Conversely, if Parallel Sunrise validation is not discriminatory, then requiring TMCH validation under the same standards is not discrimination.

uncapped. According to Wikipedia, there are more than 175 “municipalities in the Region of Madrid” and there is no definitive number of “international authorities with competences over or presence in the Region of Madrid.” The geographical names in an area of over 3000 square miles could easily exceed 100,000 .MADRID names and there could be thousands of .MADRID names that are “Names of Public Authorities.” Section 2.5 effectively acknowledges this tremendous number.

- Apparently, PAP seeks to nullify the intent of the Qualified Launch Program (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>5</sup>
- ICANN has specifically revised the QLP to cover Public Authorities and Public Services,<sup>6</sup> which renders PAP unnecessary. Also, ICANN rejected the ability of Public Authorities to register domain names that are not identical matches to the Public Authority’s name or acronym, “as this goes beyond the intended scope of the Qualified Launch Program.”<sup>7</sup> PAP appears to circumvent this policy, allowing non-identical matches.
- The assertion that there is no trademark protection for “the relevant Public Authorities” is incorrect. Public Authorities can and do register trademarks and are eligible to take part in the TMCH and Sunrise periods. 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. Thus, Public Authorities can obtain trademark protection.
- The Section 3.3 proposal that PAP .MADRID domains can be transferred to third parties should be rejected because it provides another mechanism through which the PAP proposal can lead to consumer confusion and trademark abuse. Although the PAP proposes that such transfers would only occur to (i) another eligible Public Authority or (ii) in the event of a sale of all or substantially all of the assets of the registrant, there is no restriction in the proposal that any such receiving party must have taken on the responsibility for the operation of the relevant public authority activity, nor that the domain name must still match the receiving body’s name or acronym.

---

<sup>5</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).

<sup>6</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>7</sup> *Id.*

- It is not clear how the PAP could be anticipated by the Registry Operator's Q18(b) response, given the Registry Operator's decision to intentionally omit Section 2 in its Public Interest Commitment Specification.
- Other new gTLD Registry Operators have successfully used Limited Registration Periods and Qualified Launch Programs to accomplish the same goals as the PAP. .NYC used a Founders Program and a City Government Affiliated Phase; .MELBOURNE used a Government Allocation Period and an .au Priority Allocation Period; .SYDNEY used a Government Allocation Period; and .PARIS used a QLP and had a Limited Registration Period for Public Administration Authorities, Additional Trademarks, and Other Prior Rights. This demonstrates that PAP is not necessary.
- We are concerned by the statements made in section 2.5 to the effect that the PAP should be permitted because the alternatives are unattractive, over-protective, and inconsistent with RPM Requirements. Indeed, as Comunidad de Madrid recognizes, allowing it to reserve a long list of Sunrise-exempt names to allocate to the relevant Public Authorities as it chooses would amount to an earmarking of the names, in contravention of the RPM Requirements and a clear breach of the spirit and intent of the Sunrise obligations. But as stated above, there are more appropriate alternatives to PAP, and numerous gTLD Registry Operators have accomplished the same goals as PAP by means compliant with approved ICANN policies.

The IPC looks forward to continuing discussions on the .MADRID Launch Programs, and as stated above, is happy to provide more detail and engage in dialogue on these questions and concerns before the launch of .MADRID in 2015.

Respectfully Submitted,

Intellectual Property Constituency