IPC Comments on the
Draft Qualified Launch Program for New gTLD Registries
March 14, 2014

The Intellectual Property Constituency (IPC) of the Generic Names Supporting Organization (GNSO) welcomes the opportunity to comment on the proposed Qualified Launch Program Addendum and the corresponding implications for the Rights Protection Mechanism (RPM) Requirements.

The IPC has previously expressed concern about the implications of allowing Registry Operators (ROs) to enter into private deals that provide preference to RO business partners above sunrise-eligible rights owners. Such preferential treatment would circumvent and avoid the rights protections developed and relied upon by the community.[1] The priority of Sunrise Registration over other forms of third party registration must be respected and maintained. The IPC generally supports the clarifications provided by ICANN in the QLP Addendum and urges ICANN to modify the QLP Addendum to provide further clarity regarding the priority of Sunrise Registration whether domain names are allocated pursuant to Paragraph 3.2 or 3.3 of Specification 5.

Allocation of 100 names pursuant to Paragraph 3.2 of Specification 5

Paragraphs 2-4 of the QLP Addendum appropriately clarify that domain names can only be allocated to non-Sunrise-Eligible Rights Holders prior to allocation and registration of all Sunrise Registrations if such domain names do not match a label contained in the Trademark Clearinghouse or if such domain names are being allocated to an appropriate Public Authority and the TLD has been designated by ICANN as a geographic name. These clarifications are appropriate to ensure that the provisions of Paragraph 3.2 of Specification 5 are not used to circumvent the rights of intellectual property rights holders.

The IPC believes that the provisions of Paragraph 2.2 of the QLP Addendum are appropriately limited to allow for pre-Sunrise registrations to Public Authorities and the IPC opposes broadening this exemption to allow more general pre-Sunrise "public interest" registrations as advocated by a public comment.[2]

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[1] http://forum.icann.org/lists/comments-rpm-requirements-06aug13/msg00022.html.
[2] http://forum.icann.org/lists/comments-qlp-addendum-13feb14/msg00005.html.

Paragraph 3.2 of Specification 5 states that any such registrations must be "necessary for the operation or promotion of the TLD," and therefore the IPC recommends that the same language be added to Paragraph 3 of the QLP Addendum to further clarify the limited scope of such registrations.

Reservation and subsequent allocation of an unlimited number of names pursuant to Paragraph 3.3 of Specification 5

The IPC has consistently opposed modification and/or interpretation of ICANN contracts to allow for circumvention of established Rights Protection Mechanisms such as the mandatory sunrise period.[3] The IPC has serious concerns that the narrowly tailored exception to the RPM Requirements contemplated by Paragraph 3.2 of Specification 5 and the QLP Addendum could be subsumed and rendered moot by certain ROs' interpretations of Paragraph 3.3 of Specification 5.

Paragraph 3.3 of Specification 5 addresses "reserve list" domain names and, unlike the limitation in Paragraph 3.2 of Specification 5 at 100 domain names, Paragraph 3.3 allows ROs to place an unlimited number of domains on the registry's reserve list. Without an appropriate clarification in the QLP Addendum, Section 2.4.3 of the RPM Requirements could be interpreted as allowing for placement of an unlimited number of domain names on a RO's reserve list for the sole purpose of making the domain names available for allocation after the conclusion of the sunrise registration period. In this circumstance, Section 2.4.3 of the RPM Requirements would appear to require only the Claims Services—not a sunrise registration period.

The potential harm to rights holders from this practice is exacerbated by some ROs' willingness to sell, pre-Sunrise, reserve list domain names via "option contracts," despite the prohibition in Section 2.2.4 of the RPM Requirements on allocation of domain names to non-Sunrise-Eligible Rights Holders prior to the allocation or registration of all Sunrise Registrations.[4] Thus, the provisions of the QLP Addendum addressing allocation of domain names pursuant to Paragraph 3.2 of Specification 5 could be rendered moot, and the value of mandatory sunrise registration periods significantly undermined, if ROs are permitted to reserve an unlimited number of domain names pursuant to Paragraph 3.3 of Specification 5, sell "option contracts" to such domain names, and then subsequently allocate such domain names after the conclusion of the mandatory sunrise registration period.

In light of the foregoing, the QLP Addendum should be modified to clarify that domain names that are initially reserved and then allocated pursuant to Paragraph 3.3 of Specification 5 are also subject to the procedures set forth in Paragraphs 2-4 of the QLP Addendum dictating that such domain names may only be allocated to non-Sunrise-Eligible Rights Holders if they do not match a label contained in the Trademark Clearinghouse. Alternatively, Section 2.4.3 of the

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[3] http://forum.icann.org/lists/comments-rpm-requirements-06aug13/msg00061.html.

[4] Notably, Section 2.1.1 of the Rights Protection Mechanism Requirements defines Allocate as "allocate, assign, designate or **otherwise earmark**" (emphasis added).
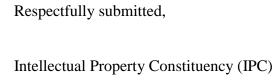
RPM Requirements could be revised to clarify that any and all domain names that will be allocated by a RO must be subject to all Rights Protection Mechanisms including Sunrise—not just the Claims Services. The aforementioned clarifications would ensure that all domain names are treated uniformly whether allocated pursuant to Paragraph 3.2 or 3.3 of Specification 5.

Proposed additional exemptions from the RPM Requirements

In response to a public comment proposing modification of the QLP Addendum to include additional exemptions from the RPM Requirements,[5] the IPC opposes granting any further exemptions to ROs for allocation of domain names prior to Sunrise. It is not practicable at this point to develop and approve a new standard for exemption from the priority of Sunrise Registration for domain names that a RO subjectively determines to be generic terms that are ineligible for trademark protection, along with the corresponding dispute resolution policies and mechanisms that would be necessary. The determination of whether a term or string should be classified as being "generic" under principles of trademark law requires a complex analysis.[6] It would be inappropriate for ROs to be provided with the authority to determine that certain domain names are generic and ineligible for trademark protection, and therefore eligible for sale and allocation by the RO prior to the mandatory sunrise registration period. Accordingly, the IPC opposes any expansion of the limited exemption from the priority of Sunrise Registration as set forth in Paragraph 3.2 of Specification 5 and the QLP Addendum.

Lastly, since there are two categories of reserved names (those under Spec 5, Section 3.2 and those under Section 3.3), in order to ensure the accuracy of the list of 100 reserved domain names, the IPC urges ICANN, as it is empowered pursuant to the terms of Section 2.6 of the Agreement and Section 3.3 of Specification No.5, to request that each Registry Operator provide a listing of all names withheld or allocated to Registry Operator. The transparency of this data will be critical so that potential registrants understand why domain names that they may be seeking to register in the Sunrise or Landrush phases are unavailable and to avoid gaming of the Sunrise process.

Respectfully submitted,

Intellectual Property Constituency (IPC)

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[5] http://forum.icann.org/lists/comments-qlp-addendum-13feb14/msg00005.html.

[6] *See, e.g., H. Marvin Ginn Corp. v. Int'l Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987 (Fed. Cir. 1986) (The genericness inquiry requires the following two-part test: "First, what is the genus of goods or services at issue? Second, is the term … understood by the relevant public primarily to refer to that genus of goods or services?").