

## Reconsideration Request Form

Version of 11 April 2013

ICANN's Board Governance Committee is responsible for receiving requests for reconsideration from any person or entity that has been materially affected by any ICANN staff action or inaction if such affected person or entity believes the action contradicts established ICANN policies, or by actions or inactions of the Board that such affected person or entity believes has been taken without consideration of material information. Note: This is a brief summary of the relevant Bylaws provisions. For more information about ICANN's reconsideration process, please visit <http://www.icann.org/en/general/bylaws.htm#IV> and <http://www.icann.org/en/committees/board-governance/>.

This form is provided to assist a requester in submitting a Reconsideration Request, and identifies all required information needed for a complete Reconsideration Request. This template includes terms and conditions that shall be signed prior to submission of the Reconsideration Request.

Requesters may submit all facts necessary to demonstrate why the action/inaction should be reconsidered. However, argument shall be limited to 25 pages, double-spaced and in 12 point font.

*For all fields in this template calling for a narrative discussion, the text field will wrap and will not be limited.*

Please submit completed form to [reconsideration@icann.org](mailto:reconsideration@icann.org).

### 1. Requester Information

Name: Merck KGaA

Representative: Dr. Torsten Bettinger

Address: Contact Information Redacted

Contact Information Redacted

Email: Contact Information Redacted

Phone Number (optional): Contact Information Redacted

(Note: ICANN will post the Requester's name on the Reconsideration Request page at <http://www.icann.org/en/committees/board-governance/requests-for-reconsideration-en.htm>. Requestors address, email and phone number will be removed from the posting.)

### 2. **Request for Reconsideration of (check one only):**

Board action/inaction

Staff action/inaction

**3. Description of specific action you are seeking to have reconsidered.**

(Provide as much detail as available, such as date of Board meeting, reference to Board resolution, etc. You may provide documents. All documentation provided will be made part of the public record.)

Merck KGaA (hereinafter "Requester") seeks reconsideration of ICANN's staff decision to take no action on Requestor's PICDRP complaint, and its decision to not appoint a panel to review it.

Requestor filed a PICDRP complaint, Ticket ID ZYK-367-87515, stating that the registrar for the .pharmacy gTLD was not in compliance with Specification 11.

On September 8, 2016, unidentified ICANN staff delivered a short email to Requestor, stating that ICANN would take no action on the Complaint. ICANN did not appoint a panel to review the Complaint.

The Requestor therefore asks the ICANN Board to reconsider staff's decision to not appoint a panel to hear the Requestor's PICDRP Complaint.

**4. Date of action/inaction:**

(Note: If Board action, this is usually the first date that the Board posted its resolution and rationale for the resolution or for inaction, the date the Board considered an item at a meeting.)

ICANN's staff's decision to not appoint a panel was communicated to the Requester on September 8, 2016.

**5. On what date did you become aware of the action or that action would not be taken?**

(Provide the date you learned of the action/that action would not be taken. If more than fifteen days has passed from when the action was taken or not taken to when you learned of the action or inaction, please provide discussion of the gap of time.)

The Requester became aware of ICANN's decision to not appoint a panel on September 8, 2016.

**6. Describe how you believe you are materially affected by the action or inaction:**

ICANN's decision to not appoint a panel to hear Requestor's PICDRP complaint will materially affect the Requester by depriving the Requestor of a fair and impartial hearing of its well-founded complaint. The registrar of the .pharmacy domain registered Requestor's famous registered trademark to another entity, and did so in violation of its obligations under Specification 11.

**7. Describe how others may be adversely affected by the action or inaction, if you believe that this is a concern.**

Apart from the Requester no other parties will be adversely affected by the action.

**8. Detail of Board or Staff Action – Required Information**

Staff Action: If your request is in regards to a staff action or inaction, please provide a detailed explanation of the facts as you understand they were provided to staff prior to the action/inaction presented to the staff and the reasons why the staff's action or inaction was inconsistent with established ICANN policy(ies). Please identify the policy(ies) with which the action/inaction was inconsistent. The policies that are eligible to serve as the basis for a Request for Reconsideration are those that are approved by the ICANN Board (after input from the community) that impact the community in some way. When reviewing staff action, the outcomes of prior Requests for Reconsideration challenging the same or substantially similar action/inaction as inconsistent with established ICANN policy(ies) shall be of precedential value.

Board action: If your request is in regards to a Board action or inaction, please provide a detailed explanation of the material information not considered by the Board. If that information was not presented to the Board, provide the reasons why you did not submit the material information to the Board before it acted or failed to act. "Material information" means facts that are material to the decision.

If your request is in regards to a Board action or inaction that you believe is based upon inaccurate, false, or misleading materials presented to the Board and those materials formed the basis for the Board action or inaction being challenged, provide a detailed explanation as to whether an opportunity existed to correct the material considered by the Board. If there was an opportunity to do so, provide the reasons that you did not provide submit corrections to the Board before it acted or failed to act.

Reconsideration requests are not meant for those who believe that the Board made the wrong decision when considering the information available. There has to be identification of material information that was in existence of the time of the

decision and that was not considered by the Board in order to state a reconsideration request. Similarly, new information – information that was not yet in existence at the time of the Board decision – is also not a proper ground for reconsideration. Please keep this guidance in mind when submitting requests.

Provide the Required Detailed Explanation here:

(You may attach additional sheets as necessary.)

#### 1. Requestor's PICDRP Complaint

Requestor completed its sunrise application for <merck.pharmacy> within the Sunrise period on March 3, 2015 and received confirmation of such from the registry operator of <.pharmacy>, NABP, on March 10, 2015 (**Exhibit 1**). On April 22, 2015, NABP transmitted a letter informing Requestor that:

“[i]n accordance with the requirements of the Internet Corporation for Assigned Names and Numbers (ICANN), in the case of contention between two or more eligible applicants for the same .pharmacy domain name during the Trademark Clearinghouse Sunrise Period, NABP employs objective criteria, which ICANN requires to be nondiscriminatory, to determine which applicant acquires the domain. Applicant information was reviewed and it was determined that the Merck KGaA application met fewer criteria than another applicant seeking merck.pharmacy.” (emphasis added)

On April 22, 2015 NABP responded that that it had closed Requestor's sunrise application and that NABP did not identify any criteria, objective or otherwise, as the basis for its decision. (**Exhibit 2**)

On April 29, 2015, representatives for Requestor responded to NABP's letter,

indicating Requestor's serious concern that NABP is in violation of its obligations as an ICANN accredited TLD Registry and citing specific violations of the RPM Requirements. **(Exhibit 3)**

On May 12, 2015, NABP responded, denying that it violated any provision of the RPM Requirements and confirming that its decision to close Requestor's sunrise application was final. NABP did not provide any explanation of its analysis or reasoning, nor provided any further details regarding the policy or procedure it relied on to terminate Requestor's application. **(Exhibit 4)**

On May 15, 2015, Requestors submitted a Sunrise complaint to ICANN Compliance utilizing the applicable complaint submission form, detailing NABP's alleged violations of the RPM Requirements, and specifying that an earlier complaint had been submitted to and decided upon by NABP. **(Exhibit 5)**

Later that same day, ICANN Compliance closed Requestor's complaint, stating tersely that

“[t]his complaint is not valid for the top-level domain (TLD).” **(Exhibit 6)**

On May 26, 2015, Requestor wrote directly to ICANN, asking that more responsible persons investigate the complaint, and review it correctly according to published procedures. **(Exhibit 7)**. ICANN apparently recognized its error, and on June 25, 2015, indicated by email that it was processing the Complaint according to its processes. **(Exhibit 8)**.

On July 21, 2015 ICANN transmitted a problem summary to Requestor and asked Requestor to provide a copy of the application Requestor submitted to

pharmacy for the domain name <merck.pharmacy> and and copy of any information received from pharmacy for purposes of submitting Sunrise applications, including any criteria that pharmacy would use to resolve a contention (**Annex 9**, ICANN Email of July 21, 2015).

On July 27, 2015 Requestor provided ICANN with the required documents and information (**Annexes 10-(1)- (21)**, Requestor's Email of July 27, 2015 with Annexes)

On August 13, 2015, ICANN responded to the Complaint, stating first:

“ICANN has concluded that the registry operator is not in violation of Section 2.1.1 of the Trademark Clearinghouse Rights Protection Mechanism Requirements <http://newgtlds.icann.org/en/about/trademark-clearinghouse/rpm-requirements-14may14-en.pdf>, and therefore did not violate Section 1 of Specification 7 of the Registry Agreement”

and, further:

“Although your Sunrise complaint contained some elements required for a Public Interest Commitments (PIC) report, it did not state in detail how the reporter has been harmed by the alleged noncompliance of pharmacy with Specification 11, which is a requirement of the Public Interest Commitment Dispute Resolution Procedure (PICDRP). If you would like to do so now, you may submit an initial PIC report using the form located at...” (**Exhibit 11**)

Requestor, on June 29, 2016, filed a PICDRP complaint. The Requestor's

PICDRP Complaint and Exhibits hereto are attached as **Exhibit 12**.

Pursuant to ICANN's preliminary review of the PICDRP complaint, ICANN notified both Requestor and the registry operator, NABP, that the registry operator may request a conference with the Requestor, and that Requestor should make a report back to ICANN on or before August 19, 2016.

An e-mail conference with NABP was held on Wednesday 3, 2016. During the conference, the NABP admitted that it did not publish or disclose its registration policies for resolving contention between two applicants for the same domain name during the Sunrise period. The NABP stated:

"...NABP neither had, nor has an obligation to provide the criteria it used to resolve a case of contention between two eligible applicants for the same .pharmacy domain name during the Trademark Clearinghouse Sunrise Registration period ..."

Yet, section 3.c of Specification 11 in NABP's registry agreement with ICANN states that the NABP must:

"...operate the TLD in a transparent manner consistent with general principles of openness and non-discrimination by establishing, publishing and adhering to clear registration policies." (emphasis added)

Also during the conference, the NABP apparently thought better of its policy of

using secret criteria to resolve conflicts, and abruptly disclosed same to the Requestor, as follows:

- “1. Number of accurate consumer resources (web pages, sections, articles, tools) that applicant website provides addressing:
  - a. Patient health care
  - b. Disease state management
  - c. Medication safety in general (e.g. safe disposal, misuse and abuse)
  - d. buying prescription medications safely online
2. Applicant holds voluntary accreditations or certifications demonstrating public health compliance
3. Applicant has demonstrated support of the .pharmacy initiative and its mission to protect the public health”

The E-Mail conference Report is attached as **Exhibit 13**.

On September 8, 2016, ICANN staff anonymously dismissed Requestor’s PICDRP complaint without appointing an independent panel to hear it, and without providing a meaningful explanation for its actions. The entire text of the ICANN staff communication is attached as **Exhibit 14**.

**2. NABP’s non compliance with Specification 11, Section 3 c of the .pharmacy registry agreement**



It is clear from these facts presented above, that NABP did not comply with Section 3.c of Specification 11 when it failed to publish criteria for resolving sunrise conflicts. Moreover, this omission was willful and deliberate, not merely negligent or inadvertent.

The violation of Section 3.c was not a harmless error or administrative oversight; had the NABP complied with its obligations and published its criteria, the obvious defects in those criteria would have been brought to their attention before the close of the Sunrise period, giving the NABP an opportunity to instead adopt suitable criteria to resolve conflicts.

NABP failed to provide the complete Sunrise registration policies for the TLD to ICANN in accordance with paragraph 2.1.2 of the RPM Requirements. The <.pharmacy> launch plan materially misled prospective registrants, including Requestor, to rely on a non-discriminatory allocation of sunrise domain names, as well as an appropriate mechanism to adjudicate disputes. All publicly-available .Pharmacy policies are attached as **Exhibits 15 through 22**.

There were no criteria or procedures defined anywhere in NABP's policies listed on either ICANN or NABP's websites which specifically provides for the resolution of multiple sunrise applications.

The termination of Requestor's sunrise application also indicates that the NABP's actions were not "objective" or "non-discriminatory", and is a violation of its obligations under the <.pharmacy> registry agreement. (**Exhibit 23**) Paragraph 3(c) of Specification 11 to the .Pharmacy Registry Agreement states that

“Registry Operator will operate the TLD in a transparent manner consistent with general principles of openness and non-discrimination by establishing, publishing and adhering to clear registration policies.”

NABP’s arbitrary termination of Requestor’s application was conducted in secret. NABP has been asked repeatedly to identify what criteria was used to act on the application, and explain how it was applied, but had refused to do so. This is clearly in violation of Specification 11.

Requestor’s notes that the Whois record for <merck.pharmacy> indicates that the domain name is currently registered to Merck Sharp and Dohme Corp. (MSD), a US pharmaceutical concern. **(Exhibit 24)** MSD is a related entity to Merck & Co., which is described on the registry website as a “Leader” in support of NABP through contributions of USD 100,000 or more **(Exhibit 25)**. Formal discovery would be required to determine whether this relationship had any bearing on the outcome of the competing applications for <merck.pharmacy>.

Furthermore, the criteria which NABP claimed to have applied, are fundamentally irrelevant to resolving contention between two applicants for the same domain name. The criteria do not even reference the domain name itself, or whether either party, or both, may have rights to that name. They do not consider whether an applicant has been using a name, or for how long, or in what capacity. The purpose of the Sunrise period is to address the legitimate concerns of trademark rights holders, but these criteria do not even mention trademark rights. The criteria used by the NABP are so defective that they cannot in good faith be considered criteria at all, with respect to resolving

conflicts.

The result of the NABP's use of secret policies illustrates why openness and transparency instead are required by its contract. If the NABP were to have published this as required, the interested public, including affected Sunrise applicants, would have been able to point out the clear, almost inexplicable, error to the NABP, giving NABP an opportunity to adopt sensible and relevant criteria before causing harm to legitimate rights holders.

Instead of acknowledging its error and belatedly complying with its contract, the NABP simply and arbitrarily favored one applicant over the other, in a process that will likely require formal discovery to unravel.

In summary, the NABP has admitted to non-compliance with Specification 11, Section 3.c. This non-compliance is directly responsible for irrelevant, secret criteria being applied to Merck's Sunrise application in a subjective and arbitrary manner, resulting in the wrongful and harmful dismissal of that application.

The actions of NABP have injured both the Requestor and consumers at large, by preventing Requestor's consumers from locating its goods and services through the highly relevant <merck.pharmacy> domain name, and by awarding the domain name to a competitor absent sufficient justification.

Requestor therefore urged ICANN in its PICDRP Complaint to

- (1) require the NABP to adhere to the terms of its registry agreement, specifically: fully implement Specification 7 and Specification 11 by

publishing clear, specific, objective and nondiscriminatory procedures and criteria for resolving the <merck.pharmacy> dispute;

(2) cancel the allocation of <merck.pharmacy> to MSD;

(3) restart the Sunrise period for <merck.pharmacy>, and

(4) apply the newly published procedures in an open and transparent manner, and; take any additional steps necessary to remedy any and all defects and violations in NABP 's administration of the <.pharmacy> domain.

### **3. ICANN's staff decision to dismiss Requestor's PICDRP complaint without appointing an independent pane to hear it**

ICANN's fully ignored the facts presented to it and anonymously dismissed Requestor's PICDRP complaint without appointing an independent panel to hear it, and without providing a meaningful explanation for its actions.

ICANN policy states that ICANN "may" forward the complaint to a panel of experts to determine whether there is non-compliance. This is a clear case where ICANN must appoint such a panel, as NABP's wrongful termination of Requestor's sunrise application constitutes a tortuous interference with the registration agreement between Merck KGaA and its preferred corporate registrar.

NABP's failure to comply with its contractual obligations is obvious. ICANN staffs statement in its decision of September 8, 2016 that "

“the registry operator’s published Sunrise Dispute Resolution Policy (SDRP) transparently addressed resolution of trademark disputes for Sunrise registrations”,

deliberately misses the subject-matter of the Requestor’s complaint.

NABP’s Sunrise Dispute Resolution Policy allows a third party to challenge a Sunrise application of a trademark holder if

- i. at time the challenged domain name was registered, the registrant did not hold a trademark registration of national effect (or regional effect) or the trademark had not been court-validated or protected by statute or treaty;
- ii. the domain name is not identical to the mark on which the registrant based its Sunrise registration;
- iii. the trademark registration on which the registrant based its Sunrise registration is not of national effect (or regional effect) or the trademark had not been court-validated or protected by statute or treaty; or
- iv. the trademark registration on which the domain name registrant based its Sunrise registration did not issue on or before the date specified by the Registry in its Sunrise Criteria, if one was specified.

The SDRP published by NABP does not address the resolution of a contention between two Sunrise applicants both having effective prior trademark rights in compliance with requirements for a Sunrise application.

The SDRP does not even mention the criteria which NABP claims to have been employed to resolve the dispute between Requestor's and Merck Sharp and Dohme Corp. (MSD) Sunrise applications for <merck.pharmacy>.

ICANN's staff statement that the

“registry operator's published application instructions indicated openly and clearly that all applicants' proposed website content would be subject to review,”

also deliberately misses the subject-matter of the complaint. NABP application instructions which indicated that applicants' proposed website content would be subject to review referred to the eligibility requirements for the registration of a second level domain under <.pharmacy> but not to the dispute resolution criteria for multiple Sunrise applications for the same string.

In fact, as shown above, in violation of its contractual obligations NABP never published criteria for the resolution of such conflicts, nor did it provide for an appropriate mechanism to adjudicate such disputes.

**9. What are you asking ICANN to do now?**

(Describe the specific steps you are asking ICANN to take. For example, should the action be reversed, cancelled or modified? If modified, how should it be modified?)

The Requester asks ICANN to refer Requestor's PICDRP Complaint Ticket ID ZYK-367-87515 to an independent panel for review and decision.

**10. Please state specifically the grounds under which you have the standing and the right to assert this Request for Reconsideration, and the grounds or justifications that support your request.**

(Include in this discussion how the action or inaction complained of has resulted

in material harm and adverse impact. To demonstrate material harm and adverse impact, the requester must be able to demonstrate well-known requirements: there must be a loss or injury suffered (financial or non-financial) that is a directly and causally connected to the Board or staff action or inaction that is the basis of the Request for Reconsideration. The requestor must be able to set out the loss or injury and the direct nature of that harm in specific and particular details. The relief requested from the BGC must be capable of reversing the harm alleged by the requester. Injury or harm caused by third parties as a result of acting in line with the Board's decision is not a sufficient ground for reconsideration. Similarly, injury or harm that is only of a sufficient magnitude because it was exacerbated by the actions of a third party is also not a sufficient ground for reconsideration.)

Under the language of the ICANN Bylaws, a Requester may bring a case if it has been affected by:

- one or more staff actions or inactions that contradict established ICANN policy(ies); or
- one or more actions or inactions of the ICANN Board that have been taken or refused to be taken without consideration of material information, except where the party submitting the request could have submitted, but did not submit, the information for the Board's consideration at the time of action or refusal to act; or
- one or more actions or inactions of the ICANN Board that are taken as a result of the Board's reliance on false or inaccurate material information.

The Requestor has standing to assert this Request as the proponent of the Complaint that ICANN staff has dismissed, and as owner of the MERCK trademark. The Requestor will be damaged by being deprived of use of its trademark on the .pharmacy registry, and the use of its trademark by another company, causing confusion among consumers and compromising the value and distinctiveness of its brand.

11. Are you bringing this Reconsideration Request on behalf of multiple persons or entities? (Check one)

Yes

No

11a. If yes, Is the causal connection between the circumstances of the Reconsideration Request and the harm the same for all of the complaining parties? Explain.

Do you have any documents you want to provide to ICANN?

If you do, please attach those documents to the email forwarding this request. Note that all documents provided, including this Request, will be publicly posted at <http://www.icann.org/en/committees/board-governance/requests-for-reconsideration-en.htm>.

#### Terms and Conditions for Submission of Reconsideration Requests

The Board Governance Committee has the ability to consolidate the consideration of Reconsideration Requests if the issues stated within are sufficiently similar.

The Board Governance Committee may dismiss Reconsideration Requests that are querulous or vexatious.

Hearings are not required in the Reconsideration Process, however Requestors may request a hearing. The BGC retains the absolute discretion to determine whether a hearing is appropriate, and to call people before it for a hearing.

The BGC may take a decision on reconsideration of requests relating to staff action/inaction without reference to the full ICANN Board. Whether recommendations will issue to the ICANN Board is within the discretion of the BGC.

The ICANN Board of Director's decision on the BGC's reconsideration recommendation is final and not subject to a reconsideration request.

  
  
Bettinger 14, 80336 München  
Tel. +49 (0) 89 548 86 70-0  
Fax +49 (0) 89 548 86 70-22

Signature



Date

#### List of Annexes

Exhibit 1	Confirmation of sunrise application from NABP
Exhibit 2	Letter of NABP of April 22, 2015 to Merck KGaA
Exhibit 3	Letter of Merck KGaA of April 29, 2015 to NABP
Exhibit 4	Letter of NABP of May 12, 2015 to Merck KGaA
Exhibit 5	Sunrise Complaint to ICANN of May 15, 2015
Exhibit 6	E-Mail of ICANN of May 15, 2015 to Merck KGaA



Exhibit 7	E-Mail of Merck KGaA of May 15, 2015 to Merck KGaA
Exhibit 8	E-Mail of ICANN of June 25, 2015 to Merck KGaA further processing
Exhibit 9	E-Mail of ICANN of July 21, 2015 to Merck KGaA
Exhibit 10 (1)-(21)	E-Mail Merck KGaA to ICANN of July 27, 2015 with Annexes
Exhibit 11	E-Mail ICANN to Merck of August 13, 2015 re Compliance
Exhibit 12	PICDRP Complaint (including Exhibits thereof (12.1-12.23))
Exhibit 13	E-Mail conference report
Exhibit 14	ICANN staff communication
Exhibit 15	Pharmacy terms and conditions
Exhibit 16	Pharmacy programs and standards
Exhibit 17	Pharmacy registrant eligibility
Exhibit 18	Pharmacy authorized usage policy
Exhibit 19	Pharmacy launch plan
Exhibit 20	Pharmacy standard policies
Exhibit 21	Pharmacy Sunrise dispute resolution policy
Exhibit 22	Pharmacy refund policy
Exhibit 23	Pharmacy registry agreement
Exhibit 24	Merck pharmacy whois
Exhibit 25	Pharmacy financial supporters