New gTLD Program
Community Priority Evaluation Report
Report Date: 13 March 2015

Application ID:	1-890-52063
Applied-for String:	SHOP
Applicant Name:	GMO Registry, Inc.

Overall Community Priority Evaluation Summary

Community Priority Evaluation Result	Did Not Prevail

Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation.

Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.

Panel Summary

Overall Scoring — **6 Point(s)**

Criteria	Earned	Achievable
#1: Community Establishment	0	4
#2: Nexus between Proposed String and Community	0	4
#3: Registration Policies	3	4
#4: Community Endorsement	3	4
Total	6	16

Minimum Required Total Score to Pass 14

Criterion #1: Community Establishment	0/4 Point(s)
1-A Delineation	*0/2 Point(s)*

The Community Priority Evaluation panel determined that the community as defined by the application did not meet the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook (AGB), as the community defined in the application does not demonstrate sufficient delineation, organization, or pre-existence. The application received a score of 0 out of 2 points under criterion 1-A: Delineation.

<u>Delineation</u>

Two conditions must be met to fulfill the requirements for delineation: there must be a clear, straightforward membership definition[1] and there must be awareness and recognition of a community (as defined by the application) among its members.

The membership definition articulated in the application is as follows:

> The target community for .SHOP is business entities or organizations that deploy commercial activities in an online or offline environment or provide information in relation thereto over the Internet. Their common goal is to sell products and services to third parties, using the Internet as a direct or indirect sales channel.

> Under .SHOP, only those who engage or intend to engage in commercial activities qualify to register domain names, if they meet requirements that – once finalized – will be laid down by the Applicant.

The application states that the community it is committing to serve "is a broad and heterogeneous community not defined by any geographical borders, limited to certain cultures or form of trade," but states that the "community can be delineated more specifically" by the following parameters:

> - community members deploy commercial activities with a certain continuity, whereas most Internet users only sporadically engage in commercial transactions, mainly as buyers (demand side);
> - in some countries, to deploy commercial activities, registration with an official register is required prior to or shortly after engaging in such activities; and, in some countries, a VAT or sales tax number, or equivalent thereof is also required;
> - those engaging in ecommerce related activities have 1 or more websites on which they offer products or services etc. Internet users in general do not usually have transactional websites, and use the Internet only for trading in their own name and for their own purpose. Also, generally, Internet users are not engaged in marketing activities or promotional campaigns for products or services;
> - in some countries, specific commercial activities are regulated by an official or non-official body.

According to the AGB, "Delineation relates to the membership of a community, where a clear and straight-forward membership definition scores high, while an unclear, dispersed or unbound definition scores low." The membership definition for the proposed .SHOP community is dispersed and unbound. The application states that, "members must deploy commercial activities with a certain continuity," but what qualifies as "certain continuity", a key element of the community's delineation, is insufficiently detailed in the application. Moreover, the applicant seeks to delineate some of its members by way of their "commercial activities" being "regulated by an official or non-official body" but this proposed delineating measure lacks the clarity and specificity that would adequately delimit any subset of entities. This unclear requirement furthermore only applies "in some countries" and in others it is unclear whether any "official" or "non-official" regulation would help to delineate membership at all. In sum, the application fails to articulate with adequate precision attributes that clearly and straight-forwardly define the membership of the proposed community. Instead, the application materials demonstrate that the membership of the community is unbound and dispersed.

According to the AGB's second Delineation criterion, "community" implies "more of cohesion than a mere commonality of interest" and there should be "an awareness and recognition of a community among its members." The community as defined in the application does not demonstrate an awareness and recognition among its members. The application materials and further research provide no substantive evidence of what the AGB calls "cohesion" – that is, that the various members of the community as defined by the application are "united or form a whole" (Oxford Dictionaries).

The application cites a "common goal" of community members "to sell products and services… using the Internet" but this does not meet the AGB's standard of cohesion. While any person or organization engaged

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[1] According to the AGB, "an unclear, dispersed, or unbound definition scores low" (ICANN Applicant Guidebook 4.2.3)

in business has an implicit goal to sell a good or service, this goal – or this "commonality of interest"– does not constitute participation in, awareness of or recognition of a community among its members. The lack of required cohesion stems from the defined community's breadth, encompassing all entities that engage or intend to engage in online commercial activities as sellers. This definition is (1) too broad a delineating measure and (2) does not ensure that the various entities defined cohere in any way with one another, despite their engaging in commercial activities. The community as defined in the application, according to its own estimates, includes from hundreds of thousands to millions of retailers and service providers. However, the application provides no information regarding awareness and recognition among the proposed community's members. Furthermore, based on the Panel's research, various representative entities in this cohort do not show an awareness or recognition of the several other parts of the applicant's proposed community, whether by way of interaction or an explicit statement of cohesion.[2]

The Panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for delineation.

Organization
Two conditions must be met to fulfill the requirements for organization: there must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities.

According to the AGB, "organized" implies that there is at least one entity mainly dedicated to the community, with documented evidence of community activities." There must exist, therefore, at least one organization that encompasses entities in all the fields of business included in the application's membership definition, including but not limited to the examples cited in the previous section. That entity must also have documented evidence of community activities. Based on information provided in the application materials and the Panel's research, there is no entity that organizes the community defined in the application, in all the breadth of categories explicitly and implicitly defined.

The community as defined in the application is dispersed geographically and across a wide array of business types and activities, including all business entities or organizations that deploy commercial activities in an online or offline environment. According to the application:

> There is no worldwide coordinating body representing the entire community, though there are organizations and associations related to the industry at regional, national, state, and city levels, such as Chambers of Commerce, professional employer organizations, etc. The targeted community members are globally distributed, with organized activities undertaken by various organizations, stakeholder groups, etc.

> Globally, various organizations represent the interests of businesses, including the International Chamber of Commerce (ICC), Business Europe, the International Fair Trade Association, etc. On a national or regional level, community members are organizing themselves in an attempt to promote use of the Internet in commercial activities, and establish trust in ecommerce.

The application therefore acknowledges that there is no entity mainly dedicated to the community as defined by the application. The ICC, for example, although it represents businesses of all sizes in more than 120 countries, has a remit to work with and represent entities which themselves conduct international or cross-border business and/or have an active involvement in international economic and business issues. The ICC with its members aims to "shape rules and policies that stimulate international trade and investment"[3]. This mission does not represent, for example, the many entities included in the application's community definition that have no ties to international business, including individually owned and operated businesses that are not members of the ICC and whose business is not served by the work of the ICC. Other organizations with a large geographic remit, those cited in the application and others in the Panel's review, are similarly limited in

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[2] The Panel acknowledges that an exhaustive review of all proposed community member entities is not possible and has reviewed a number of representative examples to determine awareness and recognition among proposed community members.
[3] http://www.iccwbo.org/worldwide-membership/members/members/

the type of businesses to which they cater.

The Panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for organization.

Pre-existence
To fulfill the requirements for pre-existence, the community must have been active prior to September 2007 (when the new gTLD policy recommendations were completed) and must display an awareness and recognition of a community among its members.

The community as defined in the application was not active prior to September 2007. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both "false positives" (awarding undue priority to an application that refers to a "community" construed merely to a obtain a sought-after generic word as a gTLD string) and "false negatives" (not awarding priority to a qualified community application). The Panel determined that this application refers to a "community" construed to obtain a sought-after generic word as a gTLD string, and that the application is attempting to organize the various groups mentioned in the documentation through a gTLD. The proposed community therefore could not have been active prior to the above date (although many of its constituent parts were active).

According to the application,

> Community activities include, but are not limited to, buying, selling, exchanging, trading and leasing of goods, services, information, or any other property on the Internet, or activities of a similar nature. Since the community is not represented by a single organization, there is no one establishment date.

The application refers to several organizations that existed prior to 2007, including organizations that have endorsed its application and others that represent parts of the defined community. However, the fact that these organizations were active prior to 2007 does not mean that these organizations were active as a community prior to 2007, as required by the AGB guidelines.

The Panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

1-B Extension	*0/2 Point(s)*

The Panel determined that the community as identified in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB, as the application did not fulfill the requirements for size, nor demonstrate the longevity of the community. The application received a score of 0 out of 2 points under criterion 1-B: Extension.

Size
Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of considerable size. The community for .SHOP as defined in the application is large both in terms of geographical reach and number of members. According to the applicant:

> Given its nature, it is difficult to demonstrate community size: statistics vary from hundreds of thousands to millions of entities who sell products and services using the Internet. On a daily basis, new businesses appear, and existing merchants go out of business…

> According to a recent report by EURid, the registry operator for .EU, 26.5% of domain names in their sample pointed to websites used for business purposes…

> If we extrapolate this result to the total number of domain names registered in the world, and

conservatively estimate the number of community members, the result is that currently about 40-50 million websites exist with commercial characteristics.

However, as previously noted, the community as defined in the application does not show evidence of "cohesion" among its members, as required by the AGB.[4] Therefore, it fails the second criterion for Size. The Panel determined that the community as defined in the application meets only one of the two criteria required.

Longevity
Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application does not demonstrate longevity. According to section 4.2.3 (Community Priority Evaluation Criteria) of the AGB, the CPE process is conceived to identify qualified community-based applications, while preventing both "false positives" (awarding undue priority to an application that refers to a "community" construed merely to a get a sought-after generic word as a gTLD string) and "false negatives" (not awarding priority to a qualified community application).

The Panel determined that this application refers to a proposed community construed to obtain a sought-after generic word as a gTLD. Moreover, the applicant appears to be attempting to use the gTLD to organize the various groups noted in the application documentation, as opposed to applying on behalf of an already organized and cohesive community. As previously stated, the community as defined in the application does not have awareness and recognition among its members. Failing this kind of "cohesion," the community defined by the application does not meet the AGB's standards for a community. Therefore, as a construed community, the proposed community cannot meet the AGB's requirements for longevity.

The Panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for longevity.

Criterion #2: Nexus between Proposed String and Community	0/4 Point(s)
2-A Nexus	*0/3 Point(s)*

The Panel determined that the application did not meet the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB. The string does not identify or match the name of the community as defined in the application, nor is it a well-known short-form or abbreviation of the community. The application received a score of 0 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short-form or abbreviation of the community name. To receive a partial score for Nexus (of 2 out of 3 points; 1 point not possible), the applied-for string must identify the community. "Identify" means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.

The application for .SHOP defines the community as "business entities or organizations that deploy commercial activities in an online or offline environment… using the Internet as a direct or indirect sales channel." According to the application documentation:

> The target community does not have one "name", members have several common characteristics and features, and their activities (and industry) are generally referred to as "online shopping", "ecommerce", "ebusiness", etc…

> [SHOP] is a commonplace word for a location – in the real or virtual world – where commercial

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[4]As stated previously, according to the AGB, "community" implies "more of cohesion than a mere commonality of interest…There should be: (a) an awareness and recognition of a community among its members…" Failing such qualities, the AGB's requirements for community establishment are not met.

activities are deployed, products or services are offered for sale and can be bought…

The applied-for string does not match the name of the community as defined in the application and the application itself cites several other names ("online shopping," "ecommerce," and "ebussiness") that are applied to the proposed community members as defined in its application. According to the AGB, match means "the established name by which the community is commonly known by others." The application's reference to several other names by which its proposed community members are known indicates, therefore, the applied-for string "SHOP" does not *match* the name of the community as the AGB requires for a full score.

The applied-for string furthermore does not *identify* the defined community, as the AGB requires for a partial score, because the applicant is over-reaching in its use of the applied-for string "SHOP" in its reference to all the members of the community it describes. The applied-for string does identify some entities that the application intends to include in its proposed community. For example, the application cites as an example of a community member The Body Shop "retail business", an international chain of over 2,000 stores. However, the application does not offer any other examples that are identified by the applied-for string "SHOP". In particular, it does not cite any examples of "organizations that deploy commercial activities" but whose names do not include the word "shop" or whose places of business are not physical storefronts where "retail business" occurs, as in the case of The Body Shop. The application similarly does not offer any reason why such entities, even in the absence of any examples, might be considered to be identified by the string.

The Panel's research has included a broad review of publicly available information related to sellers of services, including legal, media, consulting, and financial[5]. Many of these entities are not identified by the word "SHOP", which, as the application acknowledges, "is a commonplace word for a location – in the real or virtual world – where commercial activities are deployed, products or services are offered for sale and can be bought." For example, a commercial bank is a business entity that deploys commercial activities (e.g. banking services, insurance services, retirement investments, etc.) in an online and offline environment, and also provides information in relation thereto over the Internet. A commercial bank sells services to third parties, using the Internet as a direct or indirect sales channel, thereby placing it within the community proposed by the application[6]. However, the string "SHOP" does not identify a commercial bank. According to the AGB, in order for the string "SHOP" to *identify* a commercial bank, the string must "closely describe" it. However, following the Panel's review of online and other documented usages of the word "shop", neither the word "bank" nor any of the unique functions of a commercial bank are described by "shop". Furthermore, the websites of commercial banks, and the mission statements of associations of commercial banks that were reviewed by the Panel do not use the word "shop" to describe their business. Therefore, the applied-for string "SHOP" does not identify this sub-set of proposed community members. Given the size of the commercial banking sector[7], this sub-set of entities not identified by the applied-for string is substantial.

The Panel determined that while "SHOP" does identify some businesses providing goods and services, the applied-for string does not match or identify the community or the community members as defined in the application. It therefore does not meet the requirements for Nexus.

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[5] The application states, "The target community for .SHOP is business entities or organizations that deploy commercial activities in an online or offline environment or provide information in relation thereto over the Internet. Their common goal is to sell products and services to third parties, using the Internet as a direct or indirect sales channel." Thus entities such as those included in the Panel's research are presumed to fall within the proposed community membership.

[6] As discussed above, the parameters for inclusion in this proposed community fail the AGB's requirements for a clearly delineated community (see section 1: Delineation). For the purposes of evaluating Nexus, however, and so that a score of 0 in one section does not preclude the objective scoring of another section, the Panel proceeds as though some basic cohort of membership is delineated, even if, as is the case with this application, the bounds are unclear.

[7] In the US alone there are 5,705 commercial banks each with assets totaling US$13.5 trillion. See: https://www.fdic.gov/bank/statistical/stats/

2-B Uniqueness	*0/1 Point(s)*

The Panel determined that the application did not meet the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB as the string does not score a 2 or a 3 on Nexus. The application received a score of 0 out of 1 point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application does not demonstrate uniqueness as the string does not score a 2 or a 3 on Nexus and is therefore ineligible for a score of 1 for Uniqueness. This is based on the Panel's determination that the applied-for string ".SHOP" does not identify the community defined by the application according to AGB standards. Therefore, since the string does not identify the community, it cannot be said to "have no other significant meaning *beyond identifying the community*" (emphasis added, AGB). The Panel determined that the applied-for string does not satisfy the condition to fulfill the requirements for Uniqueness.

Criterion #3: Registration Policies	**3/4 Point(s)**
3-A Eligibility	*1/1 Point(s)*

The Panel determined that the application meets the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB, as eligibility is restricted to community members. The application received a maximum score of 1 point under criterion 3-A: Eligibility.

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of prospective registrants to community members. According to the application:

> The Applicant intends to put in place the following eligibility requirements for registrants in .SHOP: In order to qualify for registering a domain name in the .SHOP TLD, the registrant must be a business entity or organization that deploys commercial activities in an online or offline environment, i.e. offering for sale and selling products or services on a more than occasional basis, or provide information in relation thereto over the Internet.

> .SHOP domain name registrations will also be made available to business entities or organizations that currently do not deploy commercial activities, but that have expressed intention to engage in the activities within one year following the registration of a .SHOP domain name.

The application therefore demonstrates adherence to the AGB's requirement by restricting domain registration to individuals who are members of the community defined by the application. The Panel determined that the application satisfies the condition to fulfill the requirements for Eligibility.

3-B Name Selection	*1/1 Point(s)*

The Panel determined that the application meets the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria). The application provides evidence that the name selection rules included are consistent with the articulated community-based purpose of the applied-for TLD. The application therefore received a score of 1 point under criterion 3-B: Name Selection.

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. According to the application:

> Registrants will be entitled to register domain names that are identical or similar to their current or future trademark, business name, trade name, business identifier, name of business entity or organization, names under which they are commonly known, slogans, acronyms, etc., including combinations thereof, in the .SHOP gTLD.

The application therefore demonstrates adherence to the AGB's requirement of name selection rules that are consistent with the application's community-based purpose, which "is to establish a clear, unambiguous and easy to remember online identity for the community and promote a defined, meaningful, and secure

namespace in order to contribute to the further development of the community and the (commercial) activities of its members."

3-C Content and Use	*1/1 Point(s)*

The Panel determined that the application meets the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria). The application provides evidence that the content and use rules included are consistent with the articulated community-based purpose of the applied-for TLD. The application therefore received a score of 1 point under criterion 3-C: Content and Use.
 	
To fulfill the requirements for Content and Use, the registration policies for content and use must be consistent with the articulated community-based purpose of the applied-for gTLD. According to the application:
 	
    a. Registered .SHOP domain names must be used for commercial activities in an online or offline environment or to provide information in relation thereto over the internet; or
 	
    b. Registered .SHOP domain names must be intended to be used for commercial activities in an online or offline environment or to provide information in relation thereto over the internet.
 	
    Registering a .SHOP domain name solely for the purpose of selling, exchanging, trading, or leasing such domain name shall be deemed as inappropriate use or intent, and will be prohibited by the registry operator.
 	
The application therefore demonstrates adherence to the AGB's requirement of content and use rules that are consistent with the application's community-based purpose, which "is to establish a clear, unambiguous and easy to remember online identity for the community and promote a defined, meaningful, and secure namespace in order to contribute to the further development of the community and the (commercial) activities of its members."	

3-D Enforcement	*0/1 Point(s)*
The Panel determined that the application does not meet the criterion for Enforcement as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB. The application provides specific enforcement measures but does not include a coherent and appropriate appeals mechanisms. The application received a score of 0 points under criterion 3-D: Enforcement. Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeals mechanisms. The applicant outlined policies that include specific enforcement measures constituting a coherent set. The applicant outlines a comprehensive list of investigation procedures, and circumstances in which the registry is entitled to suspend domain names. The application does not, however, make reference to an appeals process. It refers to "a grace period within which the registrant needs to demonstrate that registration and/or use of the domain name is compliant with" the policies that have allegedly been violated, but not an appeals mechanism. The Panel determined that the application satisfies only one of the two conditions to fulfill the requirements for Enforcement and therefore scores 0 points.	

Criterion #4: Community Endorsement	**3/4 Point(s)**
4-A Support	*1/2 Point(s)*
The Panel determined that the application partially met the criterion for Support specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB, as there was documented support from at least one group with relevance. The application received a score of 1 out of 2 points under criterion 4-A: Support. To receive the maximum score for Support, the applicant is, or must have documented support from, the recognized community institution(s)/member organization(s), or has otherwise documented authority to represent the community. "Recognized" means that the institution(s)/organization(s), through membership or otherwise, are clearly recognized by the community members as representative of the community as a whole. To receive a partial score for Support, the applicant must have documented support from at least one	

group with relevance. "Relevance" refers to the communities explicitly and implicitly addressed by the application.

The Panel determined that the applicant was not the recognized community institution(s)/member organization(s), nor did it have documented authority to represent the community, or documented support from the recognized community institution(s)/member organization(s). A recognized community institution or member organization is one which not only (1) represents the entirety of the community as defined by the application (in all its breadth of categories as described in Delineation), but is also (2) recognized by the same community as its representative. No such organization among the applicant's supporters demonstrates the kind of structure required to be a "recognized" organization, as per AGB guidelines, and the Panel has determined that no such organization exists. However, the applicant possesses documented support from at least one group with relevance and this documentation contained a description of the process and rationale used in arriving at the expression of support, as required by the AGB. The Community Priority Evaluation Panel determined that the applicant partially satisfies the requirements for Support. See also the table in the following subsection for a summary of all pieces of support and opposition.

4-B Opposition	*2/2 Point(s)*

The Community Priority Evaluation panel determined that the application met the criterion for Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not receive any relevant opposition. The application received the maximum score of 2 points under criterion 4-B: Opposition.

To receive the maximum score for Opposition, the application must not have received any opposition of relevance. To receive a partial score for Opposition, the application must have received opposition from, at most, one group of non-negligible size.

The application received one letter of opposition, determined not to be relevant, as it was (1) not from communities either explicitly mentioned in the application nor from those with an implicit association to such communities, and/or (2) made for a purpose incompatible with competition objectives. The Community Priority Evaluation Panel determined that the applicant fully satisfies the requirements for Opposition. The table below summarizes the review and verification results for all pieces of support and opposition related to this application for the applied-for string "SHOP":[8]

	Total	Total Valid for Verification	Verification Attempted	Successfully Verified
Comments	1 (not support or opposition)	0	0	0
Attachments to 20(f)	5 (all support)	5	5	2
Correspondence	1 (opposition)	0	0	0
Grand Total	7	5	5	2

Disclaimer: Please note that these Community Priority Evaluation results do not necessarily determine the final result of the application. In limited cases the results might be subject to change. These results do not constitute a waiver or amendment of any provision of the AGB or the Registry Agreement. For updated application status and complete details on the program, please refer to the AGB and the ICANN New gTLDs microsite at <newgtlds.icann.org>.

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[8] Details and procedures regarding the review and verification of pieces of support and opposition can be found on the ICANN CPE website: http://newgtlds.icann.org/en/applicants/cpe