



Cherine Chalaby, Chair of the Committee
Fadi Chehadé, ICANN CEO and Member of the Committee

New gTLD Program Committee

April 2nd, 2013

Subject: « Closed Generic » gTLD Applications for HOTEL, HOTELS, HOTEIS, HOTELES

Dear Ms. Chalaby, dear Ms. Chehadé,

HOTREC is a non-profit international association headquartered in Brussels (Belgium) which brings together 44 national associations representing the interests of the hospitality industry in 27 European countries. HOTREC acts, therefore, as the voice of hotels, restaurants, cafés and similar establishments in the European policy decision-making and before other stakeholders.

The European hotel industry consists of about 200.000 hotels employing approximately 2 million people, representing respectively 4.4% of total employment in Europe and around 5% of EU GDP (hotels, restaurants and cafés).

As there is a substantial opposition against the closed generic applications for HOTEL, HOTELS, HOTEIS and HOTELES from a significant portion of the hotel industry community, HOTREC has filed before the ICC four (4) formal “community” objections against the applications identified below:

- Application # 1-1016-75482 for HOTELS by Booking.com B.V.
- Application # 1-1249-36568 for HOTEL by Despegar Online SRL
- Application # 1-1249-87712 for HOTEIS by Despegar Online SRL
- Application # 1-1249-1940 for HOTELES by Despegar Online SRL

HOTREC would like to warn ALAC members about the serious risks and detrimental implications associated with the closed applications filed by the online travel agencies Booking.com B.V. (“Booking”) and Despegar Online SRL (“Despegar”) for the generic terms HOTELS, HOTEL, HOTEIS (i.e., hotels in Portuguese) and HOTELES (i.e., hotels in Spanish). Both Booking and Despegar (the “Applicants”) claim holding a significant market share and have structured their application on a closed registry model.

More specifically, it is noted that the Applicants have formally stated in their application that they will be the sole possible registrants for second-level domains. The scheme proposed by the Applicants therefore excludes the hotel community from these new TLDs and establishes the Applicant’s clear intent to use and maximize the opportunity offered by these generic TLDs to their own and sole benefit, in a manner that would undoubtedly be highly detrimental

to the hotel industry worldwide since actual hotel operators would then be unable to register their trademarks and/or other strings within these TLDs.

It clearly appears from these statements that the Applicants' intentions are to operate the HOTELS TLDs for their exclusive commercial benefit, regardless of the rights of third parties, including trademark owners.

In addition, the assignment to one single player (which in addition is not a hotel operator but acts as an intermediary between hotels and clients) of a generic term referring to a particular industry would necessarily lead to establishing a monopoly by excluding the direct and indirect competitors.

This monopoly will result in a distortion of competition between online reservation platforms, by allowing the Applicants to choose which hotels will be offered a domain name under their TLDs and to dictate their commercial conditions to partners and hotel stakeholders. Use of third party trademarks and commercial names by the Applicants will also lead to consumer confusion at best, misappropriation of client at worst.

The market advantages obtained from controlling closed generic TLDs will not only create steep barriers against entry for others in the hotel industry, but it also will ultimately harm the interests of consumers in that market.

In this respect, HOTREC is already working closely with designated ministries (foreign affairs, industry and tourism) from various countries, as well as with the broader hotel sector, to raise awareness of the risks for consumers due to these closed applications. The governments of France and Germany in particular have already given their support to HOTREC action.

Therefore, HOTREC urges the ALAC members not to allow the Applicants to establish a closed registry that will reduce competition and consumer choice, contrary to free trade principles and ICANN's goal of increased competition in connection with the new gTLDs.

HOTREC is of course prepared to meet ALAC members should they wish to obtain further clarifications or information on the significant risks and detrimental implications associated with the above mentioned applications.

Sincerely yours,

KENT NYSTRÖM



PRESIDENT OF HOTREC

ANNEX

HOTREC very serious concerns are shared by many other organizations including international organizations, governments, hotel industry members and consumer protection groups.

Besides HOTREC national associations, the following organizations are supporting HOTREC four community objections before the International Chamber of Commerce of Paris:

- UNWTO, The United Nations World Tourism Organization
- IH&RA, The International Hotel & Restaurant Association
- AAA, The Accommodation Association of Australia
- TAA, The Tourism Accommodation Australia
- AHLA, The American Hotel & Lodging Association
- FNT, The Moroccan National Federation for Tourism
- HCPC, The Hotel Consumer Protection Coalition
- ABIH, The Brazilian Association of the Hotel Industry
- Brazilian Association of Resorts
- FBHA, Brazilian Federation of Food and Lodging
- HAN, Hotel Association Nepal
- FEHGRA, La Federación Empresaria Hotelera Gastronómica de la República Argentina
- FHE, French Hospitality in Europe
- GNC, Groupement National des Chaînes (France)
- Synhorcat, Syndicat National des Hôteliers, Restaurateurs, Cafetiers et Traiteurs (France)
- UMIH, Union des Métiers et des Industries de l'Hôtellerie (France)
- CPIH, Confédération des Professionnels Indépendants de l'Hôtellerie (France)
- FAGIHT, Fédération Autonome Générale de l'Industrie Hôtelière Touristique (France)
- ÖVH, Österreichische Hotelierversammlung
- AHR-CR, The Czech Association of Hotels and Restaurants
- AHRESP, Associação da Restauração e Similares de Portugal
- APHA, Fachverband Hotellerie (Austria)
- BHA, British Hospitality Association
- CEHAT, Confederación Española de Hoteles y Alojamientos Turísticos
- CHA, Cyprus Hotel Association
- DEHOGA, Deutscher Hotel-und Gaststättenverband
- GastroSuisse, Fédération de l'Hôtellerie et de la Restauration
- HHRA, Hungarian Hotel and Restaurant Association
- Horesca Luxembourg, Fédération Nationale des Hôteliers, Restaurateurs et Cafetiers
- HORESTA, Association of the Hotel, Restaurant and Tourism Industry in Denmark
- IHF, Irish Hotels Federation
- MHRA, Malta Hotels and Restaurants Association
- NHO Reiseliv, Norwegian Hospitality Association
- Hotelleriesuisse, Swiss Hotel Association
- Turob, Touristic Hotels & Investors Association (Turkey)
- Visita, Swedish Hospitality Association
- ZHRSR, The Slovak Association of Hotels and Restaurants
- KHN, Koninklijk HORECA Nederland

Several governments have expressed concerns and issued a GAC Early Warning:

- HOTELS Application from Booking.com : Australia, France and Germany
- HOTEL Application from Despegar Online SRL : Australia, France and Germany
- HOTEIS Application from Despegar Online SRL : Australia
- HOTELES Application from Despegar Online SRL : Australia

The following organizations have published a negative comment on the considered applications:

- HOTELS Application from Booking.com. Oppositions from:
 - Wyndham Hotel Group, LLC (Comment # 8y4d9o6f)
 - InterContinental Hotels Group (Comment # xip64jpd)
 - Hilton Worldwide, Inc. (Comment # 7wmljhmw)
 - The European Technology and Travel Services Association (Comment # hvq9c1c6)
 - German Hotel Association (Comment # zi9nszml)
 - International Hotel & Restaurant Association (Comment # 5xab6yl4)
 - Expedia, Inc. (Comment # 1oyt9r9u)
 - Travelocity.com LP (Comment # 859jphph)
 - Orbitz Worldwide LLC (Comment # 9bb9cyzy)
- HOTEL, HOTEIS, HOTELES Application from Despegar Online SRL. Oppositions from:
 - Wyndham Hotel Group, LLC (Comments # wc16npa6, xk4nqzhe, usas610z)
 - InterContinental Hotels Group (Comments # 79-k1vva, tk4fw2sw, wdp4uhwq)
 - Hilton Worldwide, Inc. (Comments # 7k73lf2p, tnnvk3a6, ne3i977k)
 - HOTREC - represents the hotel industry at European level and brings together 44 National Associations representing the sector in 27 different European countries (Comments # 088o10de, dmeqn03i, xpbijeyk)
 - The European Technology and Travel Services Association (Comments # gj0tjk9x, ty8rcqkr, qznawao6)
 - German Hotel Association (Comments # relyblf8, jdylcyer, l5xykz2z)
 - International Hotel & Restaurant Association (Comments # k1cya1q1, duq052pj, bv7jrn87)
 - Expedia, Inc. (Comments # b7nngjw6, w35po4te, j3i7mr1k)
 - Travelocity.com LP (Comments # 46k6d1y5, 7pb1awrp, gksblpxz)
 - Orbitz Worldwide LLC (Comments # g4n6374f, 82ezy8d3, dxv5ceh0)