

International Centre for Dispute Resolution
New gTLD String Confusion Panel

Re: 50 504 T 231 13

VERISIGN, INC., OBJECTOR

and

SILVER AVENUE, LLC, APPLICANT

String: <.company>

EXPERT DETERMINATION

The Parties

The Objector is VERISIGN, INC., 12061 Bluemont Way, Reston, VA 20190, and is represented by Thomas Indelicarto, 12061 Bluemont Way, Reston, VA 20190 (hereinafter, the “Objector”)

The Applicant is SILVER AVENUE, LLC, 10500 NE 8th Street, Suite 350, Bellevue, WA 98004, and is represented by John M. Genga and Don C. Moody of “The IP & Technology Legal Group, P.C.” (hereinafter, the “Applicant”).

The New gTLD String Objected To

The new gTLD string applied for and objected to is: <.company>

Prevailing Party

The Applicant has prevailed and the Objection is denied.

The New gTLD String Confusion Process

Module 3 of the ICANN gTLD Applicant Guidebook contains Objection Procedures and the New gTLD Dispute Resolution Procedure (“the Procedure”).

Article 1(b) of the Procedure states that “The new gTLD program includes a dispute resolution procedure, pursuant to which disputes between a person or entity who applies for a new gTLD and a person or entity who objects to that gTLD are resolved in accordance with this New gTLD Dispute Resolution Procedure.

As expressed in the Guidebook, and the Procedure, there are four (4) grounds to object to the registration of new gTLDs. One of these grounds is String Confusion. As described in DRP Article 2(e)(i): “(i) **‘String Confusion Objection’ refers to the objection that the string comprising the potential gTLD is confusingly similar to an existing top-level domain or another string applied for in the same round of applications.**”

Article 3(a) states that “String Confusion Objections shall be administered by the International Centre for Dispute Resolution”.

Procedural History of this Case

Objector filed a request for determination with ICDR, the Dispute Resolution Service Provider (DRSP) for String Confusion Objections, on March 13, 2013. After an administrative review, on April 3, 2013 ICDR confirmed that the objection complied with Articles 5-8 of the New gTLD Dispute Resolution Procedure and the applicable ICDR Rules. Applicant filed its timely response within 30 days of a prompting letter by the DRSP. ICDR confirmed on May 23, 2013, that the response complies with Art. 11 of the New gTLD Dispute Resolution Procedure and the ICDR Rules. ICDR appointed a one person expert panel on June 14, 2013.

Basis of Objector’s Standing to Object for String Confusion

The Objector is the existing TLD operator of “.com”. It has continuously served as the operator for the “.com” TLD virtually from its beginnings. (see Declaration of Joseph Waldron, dated March 12, 2013). Thus Objector has standing in accordance with Article 3.2.2. of the gTLD Applicant Guidebook (version 2012-06-04, Module 3) of ICANN.

Parties’ Contentions

Objector

On a factual basis, Objector contends that the “.com” TLD has a unique, well-established identity. It maintains the strongest identity worldwide, a unique record for security and stability; and broad offerings. This TLD has more than 100 million registered names and is served by about 1,000 ICANN registrars. “Dot-coms” are a well-known name among Internet technology companies and beyond. The Objector (including its predecessor) has served as the registry operator for more than 20 years. It claims an infrastructure with an unmatched quality with a record uptime of 100% for more than 15 years. It uses its specially designed proprietary system with robust database functionality rather than the industry standard. Objector maintains a high level of security with malware scanning products, registry lock service, two-factor authentication, and botnet check automation services.

On a legal basis, Objector contends that it is probable, not merely possible, that confusion will arise in the mind of the average, reasonable Internet user. Objector contends that the ICANN Dispute Resolution Procedures reflect and parallel standards developed under general and U.S. trademark law. Objector holds that the proposed string “.company” is similar and confusing. The Objector raises the following elements of similarity: visual, phonetic, meaning, and context and overall impressions. As sources to gauge visual similarity it lists U.S. federal anti-cybersquatting law, McCarthy, and the Overview of WIPO Panel Views on Selected UDRP Questions.

As to phonetic similarity it quotes *Interlego AG v. Abrams/Gentile Entm't Inc.*, 63 U.S.P.Q.2d 1862, 1863, 2002 WL 31039614 (T.T.A.B. 2002) and *Pfizer Inc. v. Cody John Cosmetics, Inc.*, 211 U.S.P.Q. 64, 68-69 and n.4, 1981 WL 40481 (T.T.A.B. 1981).

Regarding similarity of meaning, Objector brings forward *Standard Oil Co. v. Standard Oil Co.*, 252 F.2d 65, 74 (10th Cir. 1958)(“the use of a designation which causes confusion because it conveys the same idea, or stimulates the same mental reaction, or has the same meaning is enjoined on the same basis as where the similarity goes to the eye or the ear.”).

For similarity based on context and overall impressions, Objector refers to *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 725 F.2d 1240, 1245 (9th Cir. 1984), *cert. denied*, 469 U.S. 1188 (1985), (pointing to the growing importance of voice-controlled computing) and *Nabisco, Inc. v. Warner-Lamberts Co.*, 220 F.3d 43, 47 (2d Cir. 2000) (court must appraise the overall impression created by...the context in which they are found and consider the totality of factors that could cause confusion among prospective purchasers), and *Lang v. Retirement Living Pub. Co., Inc.*, 949 F.2d 576, 581 (2d Cir. 1991)(look at general impression created).

Objector then lists seven factors from the federal court jurisprudence that point toward confusion (*Sleekcraft Boats*, 599 F.2d at 348-49; *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 [2d Cir. 1961], *cert. denied*, 368 U.S. 820 [1961]; *In re E.I. DuPont DeNemours & Co.*, 476 F.2d at 1361.), of which it briefly discusses three. Distinctiveness and the commercial strength (marketplace recognition) of the mark's strength. Objector holds there is no stronger label in Internet usage than “.com”.

Objector argues that a higher degree of care exercised by the user supports a lower likelihood of confusion and a lower degree of care increases the likelihood of confusion. The

Objector holds that the relevant user class is likely to exercise a low degree of care when exposed to or interacting with TLDs.

Objector argues that overlapping marketing channels will confuse consumers. It cites the intention stated in Applicant's application to create an open TLD, open to all registrants. Objector sees, e.g., users using the TLD to identify an Internet address, thus encountering similar strings through the same marketing channels.

Objector holds, relying on *Yellow Cab (Yellow Cab Co. of Sacramento v. Yellow Cab Co. of Elk Grove, Inc., 2006 WL 5516883, at *2 [E.D. Cal. Dec. 11, 2006])* that linguistic expert testimony provides helpful guidance as to how people use a certain term and the roots of the term.

Objector lists the following three factors why the applied-for string resembles so nearly ".com" that it is likely to deceive or cause confusion in the mind of the relevant Internet user: (1) the strings are visually similar because they have the same first three letters, (2) they are phonetically similar for the same reason and the sound of "com" is completely subsumed within "company", and (3) there is similarity in meaning. This is because the letters ".com" were derived from an abbreviation of the word "company" and ".com" is shorthand for "commercial," making ".com" the well-established TLD for companies engaged in commerce. Based on the ICANN String Similarity Assessment Tool, an algorithm, the similarity between ".com" and ".company" scores 43%, which Objector attributes to the fact that the beginning of the applied-for string is identical.

According to expert witness Walsh, the same three letters of a trademark yield the all-important first impression of the mark. According to Walsh, there is no reason to assume first letters would not have the same important impact in the case of a TLD. (Walsh Affidavit, p. 6). Walsh dismisses the significance of the several more letters in "company" in view of other factors. Walsh thinks that the meaning similarity is confusing as ".com" is shorthand for business, businesses, and companies, in the Internet world in our everyday vocabulary (Walsh, Affidavit, p. 7). Relying on Walsh, Objector contends that users may believe that ".company" is the long form of ".com".

According to expert witness Stygall confusion will occur if Internet users encounter domain names with the ".company" string. Stygall writes, there is nothing to distinguish ".company" from ".com" as they both mean the same thing, (Stygall Affidavit, p. 2).

Finally, Objector argues that users would suffer harm due to the confusion, namely when they look up domains that do not exist or reach an unintended one. If a user signs up mistakenly for a ".company" domain, s/he may get a start-up TLD and be deprived of the high quality longstanding product that was intended and paid for. Objector would suffer economic harm because of users diverted from its registry services, which would result in loss of revenue. Negative experience with ".company" may be erroneously attributed to Objector by consumers.

Applicant

Applicant provides a whole list of other applications by its sister companies or third parties against which Objector has filed objections. It alleges that neither these other objections nor the string in question here bears actionable resemblance to “.com”. Respondent also sees Objector seeking to stifle fair competition and free speech by “misusing the ICANN objection process to obstruct the path of those applying for distinct TLD names for the benefit of the public.” (Response p. 2). In the eyes of Applicant, a successful “knock-out” of the new string from the Internet, would contravene the letter and spirit of the new gTLD program. This letter and spirit is increased choice, expression and competition in the domain name industry.

Applicant argues that the other side equates two completely different terms (“.com” and “.company”), in a discerning environment where much greater similarity and freedom of expression flourishes. Applicant argues that the legal standard is clear and is clearly unsatisfied; similarity judgments for trademarks rely on different criteria than those using the new gTLD string similarity standard. Applicant argues that trademark cases have uniformly held that top-level domains are generic and serve no source-identifying function (quotes omitted). Trademark law does not support monopolies for domain name uses. If another Internet user has an innocent and legitimate reason for using the mark as a domain name, and is the first to register it, that user should be able to use the name (quotes omitted). Respondent recites the initial evaluation performed by ICANN, and reminds the panel that “.company” passed it.

Applicant alleges that Objector does not show sufficient similarity to make confusion probable. Applicant states that “company” is a complete word as opposed to the fragment “com,” the three-syllables word contrasts with the monosyllabic “com”, and to type “company” requires users’ additional effort with the use of different fingers of both hands and parts of the keyboard. Applicant argues that users having to type “c,” “o,” and “m” first in order to type “company” doesn’t make confusion probable. Applicant argues that “Co” is the real abbreviation for “company” and not “com”. Applicant criticizes Objector for its application for rights to manage “co” in Columbia, and maintains that the public had no difficulties using “com” and “co” besides each other. Applicant has produced a table for other words under ICANN’s string similarity assessment tool. This table shows score results higher than the 43% that “company” scored. “Co” and “com” reached a similarity score of 64%.

Applicant points to differences in the pronunciation of “com” and “company” which it asserts are “substantial.” Applicant points out their divergence in meaning with dictionary examples. Applicant states that a “confuser” would first have to go from “com” to “commerce” and then progress to “company” in order to establish a complete chain of association. Applicant concedes that Objector could argue that “company” might bring the expression “com” to mind under certain circumstances.

Applicant emphasizes that the degree of similarity has not reached a “loss of confidence in the DNS” (domain name system) required under ICANN Guidance. According to Applicant, the many country domain strings show commercial ones can co-exist. Applicant argues that objector has failed to demonstrate other “confusion” factors.

Applicant dismisses the Waldron declaration as dealing with irrelevant points. Applicant argues consumers have a right to choose. Applicant further accuses Objector of claiming a cyber-monopoly over a word, without actually using the word itself. Applicant is concerned about the precedential effect that a sustaining decision may have on future TLD expansion rounds.

Discussion and Findings

The list of other objections that Objector has filed is irrelevant and will remain outside the consideration of the panel. The Objector has the right to object to anything; this is within Objector's right to free speech.

It is correct that the law does not support monopoly over domain name uses such that the first-comer takes all. New domain names, including new TLD strings, should be given a chance.

Applicant mentions the "visual similarity check" of ICANN, but the fact that ".company" passed that threshold is not sufficient in itself to overcome the present objection. Respondent produced a table for other words under the string similarity assessment tool with scores higher than the one for "company". While that was not necessary, the limited 43% that "company" reached is not overwhelming. If anything can be deduced from this (and Objector put this at issue in its brief), this lower percentage speaks against similarity and probability in confusion.

Objector treats trademark law as applicable law. This is incorrect. The correct standard is the one mentioned above and below stemming from the ICANN rules. The panel allows trademark law only as analogous; it is not controlling.

Objector concedes that in trademark law visual similarity is not a binary factor but is a matter of degree (*In re Coors Brewing Co.*, 343 F.3d 1340, 1344 [Fed. Cir. 2003]), and that a "spelling variation will not prevent a finding of confusing similarity" (McCarthy). A string with more than double the number of letters (".company") would be mischaracterized as a spelling variation.

An average speaker would hardly pronounce "com" so closely to the word "company" that this could lead to confusion. The three syllabic word "company" is too different from the generic syllable "com" to be phonetically confused by a reasonable user of the Internet.

Since "com" by itself has no meaning, a fact that Objector has purported to ICANN, its meaning cannot be confused with the well defined word "company".

Drawing from trademark law, Objector holds its commercial strength on the marketplace is one factor to consider. However, the argument that ".com" is the strongest label in the Internet world is a double edged sword, as (1) it also indicates Objector's defense of a monopoly, which runs afoul of the stated goal of ICANN to open up the gTLD market and (2) it helps users to distinguish something new. Yes, the degree of care exercised by users is low, but users do have a level of discernment and are not foolish. On average, they will be able to distinguish "com" from "company" – even under adverse conditions such as time pressure, distractions, and using a foreign language.

Expert Walsh draws connections between *per se* correct statements about trademarks and TLD's. His declaration, however, in light of the high burden of proof needed, is not clear and deep enough.

Stygall's representations on the identity of ".com" and ".company" are too thin and not sufficiently founded. Her argument that the linguistic similarities lead to probable confusion, appears conclusionary.

While witness Waldron recalls some useful historical and statistical facts, they do not sustain the objection in a relevant manner.

Thus, the affidavits do not establish evidence for Objector's considerable burden of proof.

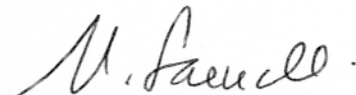
The danger of confusion is possible, but the degree of possibility is so low that it remains below probable.

Determination

The gTLD ".company" is not confusingly similar to the existing top-level domain ".com". It is not probable that confusion will arise in the mind of the average, reasonable Internet user.

Therefore, the Applicant has prevailed and the Objection is denied.

San Francisco, August 27, 2013


Urs Laeuchli, Esq.

Sole Expert Panelist