

International Centre for Dispute Resolution
New gTLD String Confusion Panel

Re: 50 504 T 00239 13

Verisign, Inc., OBJECTOR

and

Charleston Road Registry, APPLICANT

String: < .pet >

EXPERT DETERMINATION

The parties

The Objector is Verisign, Inc., a corporation incorporated in the state of Delaware, USA with principal place of business in Reston, Virginia, USA, represented by Thomas C. Indelicarto, Esq., Vice-President and Associate General Counsel of Verisign.

The Applicant is Charleston Road Registry, Inc., a corporation incorporated in the state of Delaware, USA with principal place of business in Mountain View, California, USA, represented by Brian J. Winterfeldt, Esq. who prepared the Response while at the law firm Steptoe & Johnson in Washington, D.C. He is now with the law firm Katten Muchin Rosenman LLP in Washington, D.C.

The New gTLD String Objected To

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

Prevailing Party

The Applicant has prevailed and the Objection is dismissed.

The New gTLD String Confusion Process

Module 3 of the ICANN gTLD Applicant Guidebook (“ICANN 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 expressed 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

The Objection was filed with the ICDR on March 13, 2013, using both an ICDR online form and a detailed written Complaint.

On March 18, 2013 the ICDR sent a letter to the Objector, with copy to the Applicant and/or its representative in this proceeding, acknowledging receipt of its Objection to the gTLD string <.pet> which Applicant applied for. On April 3, 2013 the ICDR sent a letter to the Objector stating that there were no administrative deficiencies in the Complaint in terms of its compliance with the requirements set forth in Articles 5 – 8 of the New gTLD DRP and the ICDR Rules. This served as a “Proceed letter”, authorizing the continuation of the process following the ICDR’s administrative verification as described above.

In accordance with the New gTLD DRP and the ICDR Rules, the ICDR formally notified the Applicant of the Complaint in a letter dated April 17, 2013 and invited the Applicant to file a Response within 30 days of this letter. In accordance with the New gTLD DRP and ICDR Rules, the due date for a Response was May 17, 2013. Applicant submitted its Response in a timely manner, which was duly acknowledged by the ICDR on May 23, 2013. The ICDR also confirmed in this letter that the Response complied with provisions of Article 11 of the New gTLD DRP and the ICDR Rules.

The ICDR appointed Paul E. Mason as the Expert Panelist in this matter on July 26, 2013. The Panel finds that it was properly constituted under Article 13(b)(1) of the New gTLD DRP. The Panel has made a statement of acceptance and declaration of impartiality and independence as required by Article 13(c) of the New gTLD DRP and Article 1 of the ICDR Rules.

Basis for Objector’s Standing to Object based on String Confusion

Pursuant to Paragraph 3.2.2.1 of the ICANN Guidebook, two types of entities have standing to object:

- An existing TLD operator may file a string confusion objection to assert string confusion between an applied-for gTLD and the TLD that it currently operates.
- Any gTLD applicant in this application round may file a string confusion objection to assert string confusion between an applied-for gTLD and the gTLD for which it has applied, where string confusion between the two applicants has not already been found in the Initial Evaluation. That is, an applicant does not have standing to object to another application with which it is already in a contention set as a result of the Initial Evaluation.

Verisign has filed its string confusion objection as the existing TLD operator of <.net>, thus satisfying the standing criteria enumerated above.

Factual Background

According to the Complaint, the <.NET> TLD has a unique, strong and well-established identity which was established in 1985, has over 10,000,000 registered internet domain names with this extension and is served by some 1,000 ICANN accredited registrars worldwide. The TLD <.NET> is derived from the abbreviation for network, an obvious choice as a popular TLD.

Verisign has operated the <.NET> TLD registry for more than 20 years with strong infrastructure and high level of performance.

These facts are not disputed by the Applicant.

Parties' Contentions

Objector

Verisign has chosen to base most of its arguments on analogies to U.S. trademark law and cases, with one reference to the ICANN Uniform Dispute Resolution Procedure (UDRP) governing conflicts between trademark holders and internet domain name registrants.

Verisign asserts that the strings <.net> and <.pet> are visually similar, phonetically similar, and that similarity must be evaluated based on context and overall impression. In support of these contentions Verisign has introduced as evidence a report by Professor Gail Stygall, adjunct Professor of Linguistics at the University of Washington in Seattle.

Verisign further claims likelihood of confusion between the strings <.pet> and <.net> based on the following factors cited by U.S. federal courts in trademark cases: (1) similarity of the marks; (2) strength of the mark; (3) type of goods and the degree of care likely to be exercised by the purchaser; (4) marketing channels; (5) evidence of actual confusion; (6) defendant's intent in selecting the mark; and (7) likelihood of expansion of the product lines.

Finally, Verisign alleges economic harm to internet users from possible mistaken registrations of domain names on the young start-up <.pet> string instead of the commercially well-established <.net> string. Verisign also states that it will suffer economic harm from lost registration revenues caused by customer diversion away from <.net> to <.pet>, and harm to Verisign's brand name from negative customer experiences resulting from string confusion. For this, it introduces as evidence declarations from Mr. Joseph Waldron, Verisign's Director of Product Management.

Applicant

Charleston Road Registry ("CRR") also relies in part on U.S. trademark law and court decisions, though also broadens its sources by borrowing from trademark law in the United Kingdom and the European Union generally.

CRR has asserted that Verisign may have shown some possibility of similarity between <.pet> and <.net>, but has not met its burden of establishing a probability, rather than mere possibility, of string confusion in the mind of the average reasonable internet user. Its principal arguments are as follows:

- According to the UK Trademark Office at least, the string confusion standard also requires an expectation that the strings in confusion be under the control of a single trade source, ie that the average reasonable internet user would mistakenly think that the string <.pet> in this case is controlled by the same entity as the <.net> string.

- According to EU trademark law cited by ICANN, small differences in short strings like <.net> or <.pet> result in more marked differences in overall commercial impressions than do similar changes in longer strings.
- The word PET is visually distinct from the word NET: the ICANN String Similarity Assessment Tool algorithm cited by Verisign at 63% ultimately found that the two strings were sufficiently dissimilar to allow the <.pet> application to go forward. There are also numerous visually similar TLDs already coexisting with <.net> to which Verisign has not objected, such as <.NET.CO.UK>, <.BET>, <.NE>, <.IL.NET>, <.ET>, with similar situations also coexisting in the <.com> space which is also administered by Verisign.
- Prof. Stygall's findings are conclusory and are not based on an internet related context as they should be.
- The word PET is aurally distinctive from NET
- The word PET has an entirely different meaning than NET
- In a tactile sense, it is not easy to imagine typographical errors being made by internet users inputting <.pet> if they intend <.net> because the letters "p" and "n" appear far away from each other on the standard computer keyboard.
- Commercial strength of <.net> is irrelevant to the case because "Net" is a generic term which is not capable of trademark protection.
- Reasonable internet users are prudent and check the online marketplace at several sources, and so would not likely rely on typing in a single URL without double-checking further.
- Mr. Waldron's declarations of harm are mere conclusions colored by his bias as a Verisign employee. In any case, Verisign does not seem to have suffered harm from the coexistence of other TLD strings with <.net> such as the ones noted earlier.

Discussion and Findings

Under Paragraph 3.5 of the ICANN Guidebook - "Dispute Resolution Principles (Standards)", the Objector bears the burden of proof in each case.

Paragraph 3.5.1 of the ICANN Guidebook provides the applicable standard on which to rule on these cases:

"3.5.1. String Confusion Objection

A DRSP panel hearing a string confusion objection will consider whether the applied-for gTLD string is likely to result in string confusion. String confusion exists where a string so nearly resembles another that it is likely to deceive or cause confusion. For a likelihood of confusion to exist, it must be probable, not merely possible that confusion will arise in the mind of the average, reasonable internet user. Mere association, in the sense that the string brings another string to mind, is insufficient to find a likelihood of confusion."

The quantum of proof necessary to sustain a string confusion objection is therefore established at the level of probability, not mere possibility.

A. Identical or Confusingly Similar Strings

First, the Panel must establish the legal and factual standards to determine whether the strings are identical or confusingly similar to each other.

These are cases of first impression where no bright line yet exists to define precisely which if any particular national law(s) are applicable. Since both parties are from the United States, it would not be inappropriate to consider U.S. law, particularly trademark law, as a point of legal reference. Since these cases may also have international impact because the New gTLD Program is worldwide in scope accompanying growth of the internet, it would not be incorrect to also take into consideration applicable laws and standards from other national and regional authorities cited by the parties.

The UDRP and U.S. trademark cases can be helpful but not determinative. UDRP cases involve rights of trademark holders and also contain obligatory elements of bad faith by domain name registrant Respondents. None of these aspects are present in New gTLD String Confusion cases. Trademark law standards do not entirely fit here either, because the Objector's string <.net> is generic and hence ineligible for trademark protection.

The legal standards for burden and quantum of proof have been set forth by ICANN in its Guidebook, Module 3, Paragraph 3.5 as quoted above.

There is a factual standard involving exactly what is meant by "similarity" found in the ICANN Guidebook, Module 2, Paragraph 2.2.1.1.3:

"An application that passes the [initial visual] String Similarity review is still subject to objection by an existing TLD operator or by another gTLD applicant in the current application round. That process requires that a string confusion objection be filed by an objector having the standing to make such an objection. **Such category of objection is not limited to visual similarity. Rather, confusion based on any type of similarity (including visual, aural, or similarity of meaning) may be claimed by an objector...**" [emphasis added]

Therefore, it is possible under this provision for a party to launch an objection to a newly-applied for gTLD based on any of these three types of similarity – visual, aural, or in meaning – between the string applied for by Objector and the string applied for by Applicant. Having said that, it does not logically follow that any one of these grounds of similarity *alone* would *automatically* result in having such an objection granted. For example, ".car" and ".automobile" may have the same meaning in English. An objection to a <.car> string based on similarity of meaning alone with an <.automobile> string would not show a real probability that confusion between the two terms would arise in the mind of the average internet user, since these strings look and sound entirely different. It is when there is a confluence of all three types of similarity (visual, aural, meaning) that it becomes most probable that such confusion will occur.

In order for an Objection to application for a new gTLD string to be upheld, the applied-for string must be either identical or confusingly similar to the string already being operated or applied for by the Objector.

Here there is no question that Verisign's string <.net> is commercially robust and well-known. And the words "pet" and "net" do rhyme with each other. However the main point undercutting Verisign's arguments of similarity is the fact that the words "pet" and "net" have meanings unrelated to each other. The string <.pet> is intended to include classes of activities related to domestic animals, while as we have seen from both parties' arguments, the string <.net> is broad in scope but targeted primarily to network and internet related activity. This and the fact that the letters "p" and "n" lie far apart on the computer keyboard make it difficult to envision an average, reasonable internet user requesting a domain name registration by mistakenly inputting <.pet> instead of <.net>. And it does appear likely that changes in very short strings like <.net> or <.pet> would be more noticeable to an average, reasonable internet user than would small one-letter changes in very long strings or domain names.

Furthermore, one of the factors used by U.S. federal courts in trademark cases as cited by Verisign is the defendant's intent in selecting the mark. Here we are not presented with any claim or evidence that the Applicant intended to select this <.pet> string for deceitful or improper purposes.

It is also correct that although the string <.net> is commercially very strong, it is not entitled as a generic term to any trademark protection, meaning that many of the trademark related arguments used by the Objector would not apply to <.net>.

There may be some aural similarity from the simple rhyming of the strings, but from the arguments and evidence presented, the Panel finds that the Objector has not met its burden of showing visual similarity, and/or similarity in meaning between the two strings.

B. Probability, not mere possibility, that confusion will arise in the mind of the average reasonable internet user

For these reasons this Panel finds that the Objector has not established the probability that confusion will arise in the mind of the average internet user if the string application of CRR for <.pet> were to be allowed. There might be some remote possibility, but not a probability of such confusion in the mind of the average reasonable internet user.

Determination

For the foregoing reasons, in accordance with Article 21 of the New gTLD Procedure and the ICDR Rules, the Panel orders that the Objection be dismissed.

by Panelist: Paul E. Mason

A handwritten signature in black ink that reads "Paul E. Mason". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Date: August 9, 2013