International Centre for Dispute Resolution

New gTLD String Confusion Panel

Re: 50 504 T 00256 13

    Commercial Connect LLC, OBJECTOR

and

    Zodiac Libra Limited, APPLICANT

    String: <.网店>

EXPERT DETERMINATION

The Parties

The Objector is Commercial Connect LLC (1418 South 3rd Street, Louisville, KY 40208) and is represented by Jeffery S. Smith (same address) - JSmith@dotshop.com.

The Applicant is Zodiac Libra Limited (c/o Pam Little, Zodiac Holdings Limited, 196 Oak Road Matcham NSW 2250, Australia) and is represented by Chinghong Seng (Flat 2,19F, Henan Building, 90-92 Jaffe Road, Wanchai 999-77, China) - libra@zodiac-corp.com - and Pam Little (same address) - pam.little@zodiac-corp.com.

The New gTLD String Objected To

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

Prevailing Party

The <u>Applicant</u> has prevailed and the Objection is <u>dismissed</u>.

The New gTLD String Confusion Process

Module 3 of the ICANN gTLD Applicant Guidebook (the Guidebook) contains as an attachment 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 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 the Procedure 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."**

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Procedural History of this Case

On October 11, 2000, Commercial Connect LLC (the Objector) filed an unsponsored TLD application with ICANN for, *inter alia*, .shop. This application was supplemented by a new gTLD application to ICANN by the Objector on June 13, 2002 for .shop (Application ID: 1-1830-1672).

Zodiac Libra Limited (the Applicant) filed a TLD application for .网店 (Application ID: 1-858-36255).

On March 14, 2013, the Objector filed a gTLD String Confusion Objection to the gTLD application of the Applicant for .网店 on the ground that "The gTLD applied for so nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the IDN for eshop gTLD application is similar either visually, aurally or has a similar meaning".

The objection was accepted for filing by the ICDR on April 11, 2013, as complying with Article 5-8 of the Procedure.

On April 18, 2013 the Applicant was advised that it shall file a response to the objection within 30 days from that date.

That response to the objection was delivered in a timely way and on May 24, 2013 was noted as complying with Article 11 of the Procedure and the applicable Dispute Resolution Service Provider Rules (the DRSP Rules).

On June 17, 2013 I was appointed as the Expert to decide the objection, and the parties were to submit comments and challenges, if any, to the appointment by June 20, 2013. No comments or challenges to my appointment were received.

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

As appears from its 2000 application and its June 13, 2002 new gTLD application, the Objector has a lengthy history of efforts to bring the .shop gTLD to the internet. It bases its standing to object on the Guidebook s. 3.2.2, on the grounds of string confusion with respect to any application that uses words (in whatever language) that have similar meaning to "shop". It takes the position that the string .网店 put forward by the Applicant has such a similar meaning because it so "nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the IDN for eshop gTLD application is similar either visually, aurally or has a similar meaning".

As such, the Objector, in my view, has standing to object based on the allegation of string confusion.

Factual Background

The Objector claims that:

> From 2004 to present eCWR and Commercial Connect LLC have been active in obtaining supporters for our .shop cause which is to provide a safe and secure eCommerce experience which meets and exceeds what is offered currently. To date there are in excess of 15,000 members which represent over $650 trillion is annual revenues that support our application for .shop.
>
> On June 4, 2012 the final version of the Applicant Guidebook was release which stands as a contract for anyone wishing to apply for the delegation of new gTLD¿s in or about 2012/2013.
>
> ...
>
> The gTLD filed by Zodiac Libra, so nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the IDN for eShop gTLD application is similar either visually, aurally, or has a similar meaning.

.网店 is said by the Applicant to be a Chinese IDN string. The Applicant claims that it is a general application with the prioritization number 31. The Applicant claims that the proposed TLD is targeted at Chinese speaking internet users, primarily within China, and notes that China has over 560 million internet users whose mother tongue is Chinese.

Parties' Contentions

(a) Objector

The objection is stated in general terms as set out above. The Objector filed a document described as a dispute resolution objection, which contains a general review of the history of the application for the .shop TLD and the requirements for an application and a string confusion dispute. On page 5 of the submission the following appears:

> The gTLD filed by _____, so nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the _____ gTLD application is similar either visually, aurally, or has a similar meaning.

In the document headed additional claim information, the Objector notes a variety of words that have similar meanings to shop:

> Agency
> Boutique
> Bureau
> Chain
> Deli
> Department store
> Emporium
> Five-and-dime
> Mall
> Market
> Mart
> Mill
> Office
> Outlet
> Service
> Showroom
> Stand
> Store
> Supermarket

The Objector then sets out the basis for standing and repeats again "The gTLD filed by Zodiac Libra, so nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the IDN for eShop gTLD application is similar either visually, aurally, or has a similar meaning".

In its objection, the Objector refers to a variety of Articles of the Procedure, including Articles 1.1.2.10, 2.2, 2.2.1.1 and 2.2.1.2 and includes extracts from what appears to be earlier versions of what became either the Guidebook or the Procedure.

The Objector takes the position that visual, aural and meaning confusion should be considered when evaluating string confusion.

The Objector provides no evidence in support of its objection.

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(b) Applicant's Response

The Applicant has a procedural response, on the basis that the objection is not properly brought because it does not contain a description of the basis for the objection sufficient for the Applicant to comply with Article 11 (d)(ii) of the Procedure so as to allow the Applicant to provide a "point by point response to the statements made in the objection".

The substantive response is that the objection does not show similarity between .shop and .网店 and that there is a probability of user confusion as required by s. 3.5.1 of the Guidebook.

In particular, the Applicant contends that the translation of .网店 in its gTLD application as "online store" does not have similar meanings or similarity to .shop that rise to the level required to meet the requirements of string confusion.

The Applicant argues that the two proposed strings are not similar visually or aurally, and that the Chinese phrase .网店 has multiple meanings in English, none of which are confusing with .shop.

The Applicant argues that the strings target different internet user groups who use different languages, such that user confusion cannot arise.

The Applicant relies on the stated policy goal of ICANN to allow users to register and use domains based on their local languages and scripts, given ICANN's statement that 70% of internet users worldwide are non-English speakers.

The Applicant bolsters its position with evidence which I will address in the discussion and findings section of this Expert report.

Discussion and Findings

The Objector has standing to file a String Confusion Objection to assert a String Confusion between an applied – for gTLD and the gTLD for which it has applied, where, as here, String Confusion between the two Applicants has not already been found in the Initial Evaluation. (Guidebook s. 3.2.2.1)

"String Confusion Objection" is defined in Article 2(e)(i) of the Procedure as referring "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 application".

Section 3.5 of the Guidebook sets out the principles and standards that are to be applied. With respect to a String Confusion, I am to:

> "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."

(a) The Procedural Objection

The Applicant takes the position that the objection has not been properly filed, and should not have been accepted as a proper objection under the Procedure because it does not contain a description of the basis for the objection as required by Article 8 of the Procedure, specifically Article 8(a)(iii) which requires an explanation of the validity of the objection and why the objection should be upheld, such that the Applicant can respond as required by Article 11(d)(ii) with .网店 point-by-point response to the statement made in the objection.

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As appears from the foregoing, the Objector's position is stated in the most general terms, alleging similar meaning and that confusion will arise visually and aurally. No particularity is given, and no evidence is put forward to support the allegations, and why the objection should be upheld.

While there is force to the Applicant's procedural objection, in view of my opinion on the substance of the objection, it is not necessary for me to come to a conclusion as to whether the objection should fail on procedural grounds.

(b) The Substantive Objection

It is apparent that visually there can be no confusion between .shop and .网店, and there is no evidence that there is any possibility of aural confusion. .shop is aimed at English speakers, and .网店 is aimed at a Chinese speaking public.

The affidavit of Kevin Lin provided by the Applicant is instructive. Dr. Lin, a PhD in linguistics, provided an expert opinion on the meaning of the Chinese word 网店 in connection with the domain name issue, and whether it would be confused with the English word "shop". Dr. Lin is highly qualified to render such an opinion.

Dr. Lin noted that standard for String Confusion and opined as follows:

> "First there is no visual resemblance whatsoever between 网店 and 'shop' as is evident in this line.
>
> Second, the Chinese phrase 网店 needs to be translated into English before a comparison with 'shop' can be made and vice versa.
>
> Third, the Chines phrase 网店 consists of two characters. The first one means 'web' or 'net'. The second one means 'shop'. Together, the phrase means, if translated literally, 'web shop' or 'net shop'. Although read in English translation, one may wonder if 'web shop' or 'net shop' causes confusion with 'shop', in Chinese, there is no confusion between 网店 and 商店."

Dr. Lin concludes as follows:

> "Finally, 网店 and 'shop' are in two completely different languages. Internet users will have to reasonably good bi-lingual speakers of English and Mandarin Chinese before being to make any association between 网店 and 'shop'. Such internet users are the relative minority of the whole population of internet users, not the average."
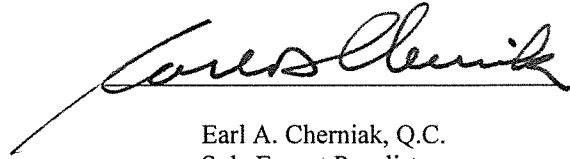
It is clear from the ICANN Factsheet submitted by the Applicant that internationalized domain names in local languages, including non-alphabetic languages like Mandarin Chinese, are to be encouraged.

The Applicant in its gTLD application for 网店 provides the translation "online store" as one of the English translations for 网店. I agree that even for those few persons able to read both Mandarin and English, there would be no reasonable possibility of confusion between .shop and "online store" or "net store" or "web store", especially given that the 网店 has multiple meanings in Chinese. The two strings applied for target different internet users who use different languages. Considering that the Applicant's string is targeted at the hundreds of millions in the Chinese market, and .shop is targeted at the English speaking market, and they are visually and aurally dissimilar, the chances of confusion are vanishingly small, if confusion exists at all. At its highest, there might be an association in the minds of persons fluent in both languages, in the sense that the Chinese string brings to mind .shop, but the Guidebook is clear that a mere association is insufficient to find a likelihood of confusion. The alleged confusion does not reasonably approach the level of probability of the likelihood to deceive and cause confusion required by the Guidebook s. 3 and the Procedure Article 2(e)(ii) for the objection to be upheld.

Determination

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

August 16 2013

Earl A. Cherniak, Q.C.
Sole Expert Panelist

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