

EXPERT DETERMINATION LEGAL RIGHTS OBJECTION

Starbucks (HK) Limited v. One.com A/S

Case No. LRO2013-0028

1. The Parties

The Objector/Complainant is Starbucks (HK) Limited of Hong Kong, China, represented by Dechert LLP of the United Kingdom of Great Britain and Northern Ireland.

The Applicant/Respondent is One.com A/S of Copenhagen, Denmark, represented by Crowell & Moring, of Belgium.

2. The applied-for gTLD string

The applied-for gTLD string is <.now>.

3. Procedural History

The Legal Rights Objection (“Objection”) was filed with the WIPO Arbitration and Mediation Center (the “WIPO Center”) on March 13, 2013 pursuant to the New gTLD Dispute Resolution Procedure (the “Procedure”), which is set out in the Attachment to Module 3 of version 2012-06-04 of ICANN’s New gTLD Applicant Guidebook (“Module 3”).

In accordance with Article 9 of the Procedure, the WIPO Center completed its review of the Objection on March 21, 2013 and determined that the Objection complies with the requirements of the Procedure and the World Intellectual Property Organization Rules for New gTLD Dispute Resolution for Existing Legal Rights Objections (the “WIPO Rules”).

In accordance with Article 11(a) of the Procedure, the WIPO Center formally notified the Respondent of the Objection, and the proceedings commenced on April 17, 2013. In accordance with Article 11(b) and relevant communication provisions of the Procedure, the Response was timely filed with the WIPO Center on May 16, 2013.

The WIPO Center appointed Philip N. Argy as the Panel in this matter on June 14, 2013. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the WIPO Center to ensure compliance with Article 13(c) of the Procedure and Paragraph 9 of WIPO Rules.

All other procedural requirements appear to be satisfied.

4. Factual Background

The Objector was incorporated on June 15, 1993. It is a non-trading, asset holding company wholly owned by PCCW Ltd (“PCCW”), which is also incorporated in Hong Kong. The Objector and PCCW between them hold a trademark portfolio for marks which include the word NOW and NOW TV. The earliest trademark registration by the Objector appears from the evidence to have been in Kuwait on 28 June 2000 for a stylized form of NOW in a device, and the earliest registration in Hong Kong for that device was on 23 March 2005. There are earlier registrations for device marks in which the word NOW is prominent but not the sole word, including January 5, 2000 in Bahrain for NOW NETWORK OF THE WORLD in class 45. The Objector also owns a portfolio of 153 active domain names which consist of or include the word NOW.

PCCW operates an Internet Protocol Television (IPTV) business in Hong Kong known as NOW TV which offers over 190 channels of local, Asian and international programming, including premium sports and movies and a range of interactive services. These channels include nine “*Now Sports*” channels and “*Now News*” and PCCW has registered trademarks in Hong Kong for both of those channel designators as well as many other variants that relate to its IPTV activities, channels and content. The NOW TV platform is accessible through “www.now.com” and “www.now-tv.com”.

NOW TV is the largest IPTV operator in Hong Kong and reaches more than 1.165 million subscribers. Moreover, in 2007 NOW TV had more users than any other IPTV operation in the world. Its 2012 annual turnover for the TV and content/media business was approximately USD 362 million, and for the same year it spent USD 8 million advertising NOW TV. Since 2009 NOW TV programming has been shown on many international airlines: Cathay Pacific, Dragonair, Hong Kong Express, Hong Kong Airlines, Singapore Airlines, Qantas, United Airlines, Malaysia Airlines, Virgin Atlantic, China Airlines, Qatar Airways and Royal Brunei Airways. In addition to its application for the <.NOW> string the Objector also applied for <.NOWTV> as a gTLD.

The Respondent is a company incorporated in 2002 under the laws of Denmark. It is a supplier of web hosting services and domain names which today has more than 900,000 customers in 149 countries. In addition to its application for the <.NOW> string the Respondent applied for <.ICU> and <.ONE> as gTLDs.

Altogether six applications for the <.NOW> string have been made including the applications by the Objector and the Respondent. The Objector has filed objections against each of the other five applications for the <.NOW> string. None of those objections has been consolidated and none has yet been the subject of a published determination.

5. Parties’ Contentions

A. Objector

The Objector first of all claims standing based on (i) registered trademark rights, and (ii) goodwill, reputation and unregistered trademark rights, in the name NOW (the “NOW Mark”). In addition to its ownership of the 153 active domain names referred to in Section 4 above, the Objector claims to own all of PCCW’s rights in the NOW Mark whether registered, acquired through use or otherwise.

The Objector submits that the potential use of the applied-for gTLD by the Respondent falls foul of the standards prescribed in Module 3 because it:

- (i) takes unfair advantage of the distinctive character or the reputation of the NOW Mark;
- (ii) unjustifiably impairs the distinctive character or the reputation of the NOW Mark; and
- (iii) otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the NOW Mark.

Its arguments on these three standards, including the eight non-exclusive factors referred to in Section 3.5.2 of Module 3, can be summarized as follows.

An important part of the Objector's own application for the <.NOW> gTLD is to properly safeguard and expand the NOW Mark and to promote the <.NOW> gTLD to become globally recognized as an innovative and online media and infotainment platform. The establishment of the <.NOW> gTLD safeguards the intellectual property in the NOW Mark and enables opportunities for future expansion of the business.

The applied-for gTLD is identical in all respects including but not limited to visual, phonetic and conceptual elements to the NOW Mark. It is also confusingly similar to the Objector's NOW TV mark given that the suffix "TV" is, for English speakers, descriptive and non-distinctive. It has no trademark significance and therefore the dominant and distinctive element of this mark is the word NOW.

The Objector's use of the NOW Mark for more than a decade has clearly been *bona fide* and the evidence demonstrates that there is recognition of the NOW Mark in the relevant sector of the public.

The Respondent has made no preparation to use the NOW Mark in connection with any offering of goods or services or the *bona fide* provision of information. There is no reference whatsoever in the Respondent's mission statement in its gTLD application of any use of the NOW Mark. The Respondent has not made any use of the NOW Mark in the past. If the Respondent had previously used the NOW Mark the Respondent would have mentioned it. The Respondent has no rights or legitimate interests in respect of the NOW Mark.

Prior to filing the Objection the Objector's lawyers conducted a global search which revealed that the Respondent does not own any registered trademarks which consist of or include the word NOW. There was also no evidence of the Respondent having developed any unregistered rights or rights of any other kind in the word NOW.

The Respondent's name does not include the NOW Mark or anything similar and it is not commonly known by that mark. The Objector has not licensed or otherwise permitted or authorized the Respondent to use the NOW Mark.

The use of the <.NOW> gTLD by the Respondent will take unfair advantage of the distinctive character of the NOW Mark because it will be associated with the Objector's well-recognized and remembered NOW Mark. This will unjustifiably give the Respondent's services some of the lustre of the Objector's excellent and globally recognized IPTV services, and will also be more easily and cheaply established in the minds of members of the relevant section of the public. That advantage is undeserved and unfair.

The evidence shows that the NOW Mark is globally recognized as one of the leading trademarks in the global IPTV market and as such it has a massive reputation. The services which the Respondent will be providing in relation to the <.NOW> gTLD are Internet related and therefore highly similar, if not identical to, the IPTV services provided by PCCW under the NOW Mark, including through its "nowPlayer app". Given the overlap of services the Objector submits that the Respondent's proposed use of the <.NOW> gTLD will draw business to the Respondent's gTLD platform as a result of the goodwill and reputation in the NOW Mark thereby taking unfair advantage of the Objector's rights in the NOW Mark. The potential for third-parties to register second-level domain names under the <.NOW> gTLD such as Sports, News, TV and the like is high.

The mere registration alone of the <.NOW> gTLD by the Respondent would mean that the NOW Mark is not as unique as it was prior to the registration. This causes detriment to the NOW Mark by deleting its distinctive character and thereby unjustifiably impairing its distinctive character.

There is no guarantee that the services proposed to be provided by the Respondent under the <.NOW> gTLD will be at the same level of the relevant public have come to expect from and associate with the services provided under the NOW Mark. Realistically it is extremely unlikely that the Respondent will provide a quality of service which comes close to matching that provided by the Objector in the course of creating its internationally acclaimed service under the NOW Mark. Inevitably any use which does not meet these very high standards will unjustifiably impair the reputation of the NOW Mark which PCCW has worked so hard to

establish over more than a decade.

Furthermore, given that the Respondent would manage the registration of second-level domains under the <.NOW> gTLD, the Objector would lose a significant amount of control over the NOW Mark since it would not be able to prevent registration of second-level domains, nor control the content of the website at those domains, which it feels would tarnish the reputation of the NOW Mark or otherwise impair its distinctive character. The loss of control over the NOW Mark in this manner is both unwarranted and unfair. This is so no matter what processes the Respondent might put in place to protect against the abuse of trademark rights as these processes take time to run their course.

The close identity between the NOW Mark and the applied-for <.NOW> gTLD, and between the services provided under the NOW Mark and services to be provided by the Respondent in relation to the <.NOW> gTLD, leads to an inevitable likelihood of confusion between the NOW Mark and the <.NOW> gTLD. This is particularly so given that both services operate exclusively through the Internet, exist solely because of the Internet, and relate fundamentally to the Internet.

The likelihood of confusion is elevated given the enhanced distinctiveness of the NOW Mark acquired through vast use over more than a decade. Where there is use of an identical mark to a distinctive mark in relation to identical or highly similar services there can be no reasonable prospect of successfully arguing that there is no likelihood of confusion. Such a likelihood of confusion should not be permitted because to do so would run contrary to long established principles of intellectual property law.

B. Respondent

The Respondent prefaces its substantive submissions on the standards by submitting that ICANN designed the objection process to protect certain legitimate rights, while also ensuring that objectors could not prevent the delegation of legitimate top-level domains. Accordingly, it is important to apply the criteria as written, and not in an overbroad way that unnecessarily interferes with the delegation of the applied-for gTLD.

The Objector is trying to use the Procedure to block an application for a commonly used word based entirely on alleged figurative or design trademark rights that, at best, it used in a limited geographic area and in connection with very specific services that are not even remotely related to the purported [sic] use of the gTLD by the Respondent. Such use of the Procedure by the Objector is diametrically opposed to the very purpose of ICANN's New gTLD Program.

Although the Objector claims to own registrations for NOW as a word mark, all of the trademarks listed by the Objector are either a combination of the word NOW together with one or more words and/or are a figurative or design mark including the word NOW in a well-defined format. It is these further words or these design and other elements that *may* create what little distinctiveness may exist for the NOW Mark. Moreover, it is apparent that the applied-for gTLD is not identical to the NOW Mark because the NOW Mark does not comprise merely the single word NOW.

The Objector also cites in its evidence a number of trademarks which are not registered in the name of the Objector. Although the Objector claims to be a wholly-owned subsidiary of PCCW, it has produced no evidence to substantiate that and nor has it produced evidence of its relationship with other PCCW entities in whose name many of the trade marks relied upon by the Objector are registered. Similarly, the Objector alleges that marks were assigned to it but has produced no evidence of any such assignment.

Although the Objector argues that the NOW Mark is distinctive, it conspicuously and deliberately fails to acknowledge that in late 2012 the High Court of England and Wales, after considering the dictionary definition of the word NOW and the widespread use of that word in the telecommunications industry, found that Objector's Community Trade Mark ("CTM") registration for NOW was descriptive and invalid (see *Starbucks (UK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 1842). In addition, a cancellation of all related CTMs registered by the Objector is pending before the OHIM. The Objector's failure to mention the judicial and other findings of invalidity of the NOW Mark cannot be considered fair or *bona fide* especially

because the invalidity relates to the territory in which the Respondent is active.

There are numerous listings for current trademark registrations in Europe and the United States of America incorporating the word NOW that are owned by third parties. In opposition proceedings in the United States, the Objector has argued that, as a result of several other trademark registrations incorporating NOW in the United States, there was no likelihood of confusion between the NOW Mark and these other trademarks, given the difference in "overall commercial impression". Now the Objector seems to have reversed its position, by claiming that the NOW Mark is distinctive and sufficient to prevent the delegation of the applied-for gTLD irrespective of the completely different "overall commercial impression" between the NOW Mark and the applied-for gTLD.

The Respondent relies upon internationally accepted principles of trademark law to challenge the distinctiveness of the NOW Mark. Essentially it argues that the word NOW is not inherently adapted to distinguish the goods or services of the Objector from the goods or services of the Respondent or any other legitimate trader. The Respondent goes on to rely upon the dictionary definition of the adverb NOW to establish the wide range of contexts in which the word is used and to support its contentions as to the generic nature of the word. It also cites the unchallenged evidence of Dr Adam Kilgarriff, an expert in the fields of lexicography and lexical computing, who gave evidence in the High Court case referred to above, that the word NOW is the 73rd most common word in the English language. There was also evidence that the word NOW can be used as an adjective as well as in its more usual sense of connoting the present.

The Respondent argues that before the NOW Mark can be said to enjoy a wide reputation, a knowledge threshold requirement must be met. This implies at a qualitative level a certain degree of knowledge amongst the public and in the context of the applied-for gTLD, this must be a geographically widespread public. None of the Objector's evidence adduced before the Panel, including a market overview, case studies, reports and press coverage, either on their own or in combination with other documents, supports a finding that the NOW Mark has a reputation. Indeed, none of the documents refer to the NOW Mark as such but refer variously to NOW TV or to PCCW. None of them show that the NOW Mark is known by a significant portion of the public concerned. At most, NOW TV is known by IPTV customers in Hong Kong. It is simply not known in other markets.

To take unfair advantage of the distinctiveness or repute of the NOW Mark the Respondent would have to benefit from the attractiveness of the earlier right by misappropriating its attractive powers and advertising value or exploiting its reputation, image and prestige. Since the NOW Mark is not distinctive and has no repute the Respondent could not benefit from its repute or distinctiveness. In fact, the Respondent was not previously aware of Objector's use of the word NOW.

The business activities of the Respondent relate to the provision of hosting services, currently offered under its One.com brand. The Respondent wishes to offer hosting services under a new identifier and considers the generic word NOW appealing as a gTLD. The Respondent is neither targeting the same language community as the Objector nor focusing on the same geographical area as the Objector. It is clear from the Objector's website that its target audience is a Chinese-speaking community. The Respondent does not offer its services in Chinese, but does offer hosting services and related support to the English, Danish, French, German, Spanish, Italian, Dutch, Swedish, Norwegian and Portuguese language communities, and its customer base is proficient in these languages.

Before the Respondent could be said to unjustifiably impair the NOW Mark it would have to be associated in the minds of the public with the <.NOW> gTLD, and this association would have to be made possible by the similarities between the strings and enhanced by the reputation of the earlier mark so that perception of the one will bring to mind the memory of the other.

In addition, an association requires that the part of the public already familiar with the NOW Mark is also exposed to the <.NOW> gTLD. As the Respondent and the Objector are active in completely different markets, both geographically and conceptually, any of the public familiar with the NOW Mark will not be exposed to the Respondent's use of the <.NOW> gTLD. The lack of distinctive character of the word NOW

will not result in any association between the <.NOW> gTLD and the NOW Mark. Consequently there is no association possible that will be capable of unjustifiably impairing Objector's invoked trademarks.

A likelihood of confusion only exists if there is a risk that the public might believe that the goods or services in question, under the assumption that they bear the marks in question, come from the same business undertaking. There is no similarity between the goods and services offered by the Objector (IPTV) and the services proposed to be offered by the Respondent (web hosting).

In a simple Google search for the word NOW there was no reference to the Objector in the first 10 results. From this the Respondent asserts that there is no common ground between the NOW Mark and the applied-for gTLD NOW. Accordingly, the Respondent's intended use of the <.NOW> gTLD will not create a likelihood of confusion with the NOW Mark as to the source, sponsorship, affiliation or endorsement of the <.NOW> gTLD.

The Respondent was not previously aware of the NOW Mark and it applied for the <.NOW> gTLD in order to invoke the common descriptive meaning of the term to mean "current" or "immediate". The Respondent believes that many of its hosting clients would like to have a domain name which ends with the adverb NOW in order to associate with this meaning and popular term.

In conclusion, it affirms that it has a legitimate business case for operating the <.NOW> gTLD and that doing so does not take unfair advantage of nor unjustifiably impair the distinctive character or reputation of any of the Objector's marks, and does not otherwise create an impermissible likelihood of confusion between the Respondent's applied-for gTLD and the NOW Mark.

6. Discussion and Findings

Section 3.2.2.2 of Module 3 states that a "rightsholder" has standing to file a legal rights objection and that the "source and documentation of the existing legal rights [which] the objector is claiming ... are infringed by the applied-for gTLD must be included in the filing".

Under Section 3.2.1 of Module 3, a Legal Rights Objection is made out if "the applied-for gTLD string infringes the existing legal rights of the objector".

In the Panel's view "existing legal rights" means rights that exist at the time that the application for the gTLD under objection is filed. In this case that means those legal rights that the Objector had at the time of the Respondent's application for <.NOW> was filed with ICANN. The Panel notes that ICANN does not publish the filing date but rather shows a prioritization number for new gTLD applications. Given the need for panels to assess an objector's "existing legal rights" at the time of an applicant's filing, it would be useful if ICANN would include in the particulars of applications the date of filing. For the purposes of this determination the Panel notes from ICANN's website "newgtlds.icann.org/en/about/program" that the application window for new gTLD applications opened on 20 January 2012 and that subsequently 1,930 applications were received. The Panel thus concludes that the earliest date on which the Respondent could have filed its application for the <.NOW> gTLD was 20 January 2012, and proposes to use that date as the date at which the Objector's "existing legal rights" are to be judged.

The Panel is satisfied that, even if the Objector only owned those registered trademarks that prominently feature the word NOW, albeit in stylized form surrounding by additional graphical matter, the Objector is a "rightsholder" within the meaning of Section 3.2.2.2 of Module 3. That merely gives the Objector standing to bring this proceeding, and says nothing about the extent to which those rights are impacted by the Respondent's application for the NOW gTLD. Under Article 20(c) of the Procedure, the Objector "bears the burden of proving that its Objection should be sustained in accordance with the applicable standards". The applicable standards are prescribed in Section 3.5.2 of Module 3 (the "Standards"), which relevantly require the Panel to determine:

"whether the potential use of the applied-for gTLD by the applicant takes unfair advantage of the

distinctive character or the reputation of the objector's registered or unregistered trademark or service mark ("mark") ... or unjustifiably impairs the distinctive character or the reputation of the objector's mark ... or otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the objector's mark".

Where, as here, the objection is based on trademark rights, the panel is to consider the following non-exclusive factors:

- (i) Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the objector's existing mark.
- (ii) Whether the objector's acquisition and use of rights in the mark has been *bona fide*.
- (iii) Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the objector, of the applicant or of a third party.
- (iv) Applicant's intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector's mark, or could not have reasonably been unaware of that mark, and including whether the applicant has engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others.
- (v) Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a *bona fide* offering of goods or services or a *bona fide* provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights.
- (vi) Whether the applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been *bona fide*, and whether the purported or likely use of the gTLD by the applicant is consistent with such acquisition or use.
- (vii) Whether and to what extent the applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and *bona fide*.
- (viii) Whether the applicant's intended use of the gTLD would create a likelihood of confusion with the objector's mark as to the source, sponsorship, affiliation, or endorsement of the gTLD".

The Panel must therefore address each of these factors, noting that they are "non-exclusive" and that there are three material qualifications embodied in the Standards in the three phrases "*unfair advantage*", "*unjustifiably impairs*" and "*impermissible likelihood of confusion*" (emphasis added).

(i) Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the objector's existing mark.

The proposed <.NOW> gTLD differs only from the NOW Mark by the ".", and that is simply a function of the rules that have been put in place both formally and informally for the orderly operation of the DNS. The current line of thinking (as explained in SAC053, the February 23, 2012 ICANN Security and Stability Advisory Committee *Report on Dotless Domains*) is that, because so-called "dotless" domains are generally assumed by browsers to be intranet sites or even non-domain search terms, and the former usually behind the same firewall as the user, it would be imprudent to permit dotless gTLDs. Despite the technical, functional and security importance of the ".", it is not sufficient to deprive the <.NOW> string of its visual and phonetic similarity to the NOW Mark and the Panel so finds.

The language used in factor (i) requires, if read literally, that the relied-upon mark is that of the Objector. Since at least some variants of the NOW Mark are registered in the name of the Objector, the requirement is satisfied. It would have been preferable for the Objector to have made good by evidence its claims to own all of the trade marks in the PCCW group, especially given its filing of evidence that contradicts that assertion. But even if the precise nature of the Objector's rights to some of the NOW marks are imprecisely known, the Panel is satisfied that the Objector does have some rights in those marks.

Unlike the Uniform Domain Name Dispute Resolution Policy (“UDRP”) first limb reference to a mark “in which the [complainant] has rights”, much narrower “ownership” by the Objector appears at first blush to be required by the Standards. But, in the Panel’s view this interpretation would be inconsistent with the grant of standing to “Rightsholders” and the Panel concludes that this factor should be interpreted as if requiring no more than that the relied-upon mark is one “in which the Objector has rights”. This interpretation would achieve consistency with the UDRP’s (and derivatives’) approach to second-level domain names under existing gTLDs and to third-level domain names under ccTLDs. It would also be consistent with the reference in factor (ii) to the Objector’s rights in the subject mark.

Accordingly, the Panel determines that the applied-for gTLD <.NOW> is both visually and phonetically similar to the NOW Mark in which the Objector had rights as at January 20, 2012, being the earliest date that the Respondent could have applied to ICANN for that gTLD string.

(ii) Whether the objector’s acquisition and use of rights in the mark has been *bona fide*.

This factor requires an assessment of the Objector’s *bona fides* in acquiring the rights it has in the NOW Mark. Here there can be no dispute that the Objector’s parent company has for more than a decade operated a very successful IPTV business in Hong Kong under the name NOW TV. The Panel can comfortably conclude from the evidence filed that the Objector’s acquisition of rights in the NOW Mark, both registered and unregistered, were *bona fide* in connection with that business and associated commercial activities of the PCCW Group.

The Respondent has drawn attention to at least one judicial decision which it says cancelled the Objector’s registered CTMs for NOW and criticizes the Objector for failing to disclose that in its Objection. The Panel agrees that the Objector should have disclosed any such decision, especially given that the cancelled marks are those that apply in the geographic region in which the Respondent operates its business. However upon reviewing the judgment (see “www.bailii.org/ew/cases/EWHC/Ch/2012/1842.html”) the Panel was unable to discern the findings of invalidity reported by the Respondent. To the extent to which the Panel has to assess whether the Respondent is likely to infringe the Objector’s legal rights, any failure of an Objector to disclose a cancellation of the marks on which it relies, or a finding of invalidity, could be critical to the Panel’s determination. In this case the decision cited by the Respondent was delivered on June 29, 2012, more than six months later than the date the Panel has determined to be the date at which the Objector’s legal rights are to be assessed. Accordingly, even if the decision cited had been to the effect contended by the Respondent, it would not be determinative of this Objection. On the record before the Panel there is no basis shown for impugning the Objector’s *bona fides* in claiming the rights in the NOW Mark on which it relies, despite it being a non-trading entity which could imperil its claim to goodwill-based trademark rights.

Moreover, the Panel finds that the Respondent selected the <.NOW> string for use as a gTLD in reliance upon its denotation and related connotations. Consistently with that finding the Panel determines that the Respondent selected the <.NOW> string in good faith.

(iii) Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the objector, of the applicant or of a third party.

The evidence adduced by the Objector shows that the NOW Mark is well known to its large IPTV customer base in Hong Kong, as well as in surrounding areas and on international airlines. However, that is not sufficient for the purposes of the Standards. Without more the Panel cannot conclude that the NOW Mark is well known in the broader sense - that is to say, well known by all of those who are likely to come across the <.NOW> gTLD. As the Respondent has argued, it is difficult to see how there could be any association made by a stranger to both of them between the NOW Mark and the <.NOW> gTLD. Without a person having both in mind at about the same time, there is no conflict to resolve and the Respondent’s application could proceed. The Panel finds that the number and geographic spread of people who might believe there to be any association between the <.NOW> gTLD and the NOW Mark is sufficiently geographically confined to preclude a finding that there is a global likelihood of confusion between them. That being so the Panel cannot accord any great weight to this factor in its assessment of the impact of the delegation on the

Objector's rights.

(iv) The applicant's intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector's mark, or could not have reasonably been unaware of that mark, and including whether the applicant has engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others.

The record suggests that the Respondent's sole motivation in choosing the <.NOW> string was what that term connotes to the majority of the English-speaking world. It disavows any knowledge of the NOW Mark and the Panel accepts that disavowal as credible. Certainly there is nothing in the record to suggest that the Respondent has engaged in a pattern of abusive applications or registrations. So this factor weighs in the Respondent's favor.

(v) Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a bona fide offering of goods or services or a bona fide provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights.

The Respondent of course contends that it does not use the <.NOW> string as a trademark and that is why it never sought to register the word as a trademark or to clear the way for its business activities. It says, with some force, that it simply chose the word because it envisaged many of its customers would be interested in acquiring second-level domain names under the <.NOW> gTLD to take advantage of the denotation and connotations of that word as a matter of simple English. Technically the Respondent has made no preparations to use the NOW mark as a gTLD other than as manifest in its having made the application to ICANN. But minimalist as that preparation is, it does not interfere with the legitimate exercise by the Objector of its rights in the NOW Mark, for the reasons more fully developed below in relation to the main elements of Module 3.

(vi) Whether the applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been *bona fide*, and whether the purported or likely use of the gTLD by the applicant is consistent with such acquisition or use.

Unlike the Objector, the Respondent had not taken any steps to register NOW as a trademark prior to lodging its application with ICANN. That is not surprising given its assertion that it intends only to use the string in a generic sense. For that reason this factor also has little weight.

(vii) Whether and to what extent the applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and *bona fide*.

Similarly, there is nothing to suggest that the Respondent has been commonly known as NOW and the Respondent has not suggested otherwise. It effectively concedes that its plan to use NOW for the online version of some services formerly delivered under the "One.com" label remains fledgling. That begs the question of whether the use of the <.NOW> string as a gTLD is a trademark usage. The Panel is not here to determine whether the Respondent's broader business activities would infringe the Objector's legal rights in the NOW Mark – only whether the delegation of the applied-for string would be likely to have that consequence and, if so, whether that consequence would be unfair, unjustifiable or impermissible.

In the Panel's view, the word NOW is not inherently adapted to distinguish services offered by the Objector from those of others, including the Respondent. The Panel does not regard NOW as capable of becoming distinctive in any geographically broad English-speaking market. Certainly as at January 20 2012 it could not have been distinctive of the Objector except in the narrow geographical territory in which NOW TV operated. In the Panel's view for a gTLD to *unfairly* or *unjustifiably* dilute or impinge on the distinctiveness of

a brand, that brand would have to be known in a large number of countries and by a significant portion of the world's Internet users. Were those qualifiers not present, a corner store with a registered trademark in an obscure geographical location could successfully block the delegation of a plain English word as a new gTLD.

(viii) Whether the applicant's intended use of the gTLD would create a likelihood of confusion with the objector's mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.

The Panel is satisfied that, to date, there is little likelihood of confusion between the <.NOW> string as a gTLD and the NOW Mark. If PCCW and the Objector continue to confine their use of the NOW Mark to their IPTV and closely related commercial activities, even on an expanded geographical basis, the Panel could see that unlikelihood continuing. Accordingly, the Panel is confident that for so long as the Respondent continued to use the <.NOW> string as a gTLD positioned in the way foreshadowed in its application to ICANN then, assuming its application were to be successful, there would be little likelihood of confusion between the <.NOW> gTLD and the NOW Mark. In particular, it is the Panel's determination that mere use of the <.NOW> string by the Respondent as a gTLD would be neutral in terms of suggesting any sponsorship endorsement or affiliation by the Objector of the gTLD or the Respondent's business. Having said that, as the Respondent is "now" on notice of the Objector's and PCCW's interests in relation to the NOW Mark it may elect to exclude from the range of second-level domains otherwise available those whose juxtaposition with the <.NOW> gTLD might convey some association between the registrant and the Objector. That approach might well have been an appropriate outcome had the parties engaged in the mediation envisaged by Article 16 of the Procedure.

An additional factor in the Panel's view is the fact that six separate organizations have made an application to ICANN for a delegation of <.NOW> as a gTLD. Whilst the Panel is not conversant with the basis of each of the other four applications, it seems plausible that they are intending to position their second-level domain offerings to take advantage of the role that the .now suffix has as an ordinary English word.

Having regard to the foregoing, and to any other principles the Panel regards as relevant, the Panel has to determine whether the Objector's trademark rights would be infringed by a delegation of the <.NOW> gTLD to the Respondent. Of fundamental importance to that question is whether the operation of a business which grants second-level domain names under the <.NOW> gTLD is using the NOW string as a trademark. It is difficult for the Objector to make good an argument that any use by the Respondent of NOW as a gTLD, or even in connection with the operation of a gTLD registry and related business activities, is necessarily use of that string *as a trademark*. Use of a string in any generic or descriptive sense is often described as a 'defence' to a trademark infringement action but, in truth, there is no need for a defence unless the string is used as a trademark in the first place. As noted above, the record shows that the Respondent's sole motivation in choosing the <.NOW> string was what that term connotes to the majority of the English-speaking world. Independently of that, the Panel takes the view that the gTLD use of the <.NOW> string being proposed by the Respondent is not the use of NOW in any trademark sense. Even associating that gTLD with supporting commercial activity does not detract from the proposition that the NOW Mark would most unlikely be infringed simply by its use as a gTLD. This is especially the case with a gTLD that is to be promoted for its ordinary English meaning and positioned *vis à vis* prospective registrants as enabling them to attract consumers by conveying the meaning of that word by suffixing it to their second level domain. Obviously one can envisage combinations of second level domains with the <.NOW> gTLD that might infringe the Objector's rights but the Objector needs to show that those infringements are more likely than not to occur, and that it has failed to do.

Whilst many of the Respondent's additional arguments are sound, it is not necessary to consider them given that the Panel's findings are already sufficient to ground a determination in favor of the Respondent.

The Panel has determined with a high degree of confidence that the Response is valid and should be upheld because the potential use of the applied-for gTLD <.NOW> by the Respondent does not:

- (i) take *unfair* advantage of the distinctive character or the reputation of the NOW Mark; nor

- (ii) *unjustifiably* impair the character or reputation of the NOW Mark; nor
- (iii) create an *impermissible* likelihood of confusion between the applied-for gTLD and the NOW Mark.

7. Conclusion

For all of the foregoing reasons, the Panel dismisses the Objection.

[signed]

Philip N Argy
Sole Panel Expert
Date: July 30, 2013