

International Centre for Dispute Resolution

New gTLD String Confusion Panel

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Re: 50 504 T 229 13

VERISIGN, INC., OBJECTOR

and

UNITED TLD HOLDCO, LTD., APPLICANT

String: <.cam>

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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, “Objector”).

The Applicant is UNITED TLD HOLDCO, LTD., Ugland House, South Church Street, George Town KY1-1104, Cayman Islands, and is represented by Greenberg Traurig, LLP, 1840 Century Park East, Suite 1900, Los Angeles, CA 90067 (hereinafter, “Applicant”).

**The New gTLD String Objected To**

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

**Prevailing Party**

The Objector has prevailed and the Objection is sustained.

**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, ICDR confirmed on April 3, 2013, compliance of the objection 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. DRSP determined compliance of the response with Art. 11 of the New gTLD Dispute Resolution Procedure and the ICDR Rules. ICDR appointed the one person expert panel on June 14, 2013. After proper funding and expert disclosure, which disclosure is ongoing, the DRSP set a deadline of August 12, 2013, for the expert determination of this case.

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

The Objector is the existing TLD operator of “.com”. It has continuously served as the operator for the “.com” gTLD virtually from its beginnings. (see Declaration of Joseph Waldron, dated March 12, 2013). With this, 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 boasts 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. “.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 “.cam” is similar and confusing. The Objector raises the following elements of similarity: visual, phonetic, meaning, and context and overall impressions (closeness of “.com” and “.cam” with only one letter, “o”/“a”, different). Objector then lists the following factors that point toward confusion: the commercial strength (marketplace recognition) of the existing TLD, the low degree of care exercised by the user, and overlapping marketing channels. Objector quotes experts and surveys to support a claim of confusion. Based on the ICANN String Similarity Assessment Tool, an algorithm, the similarity between “.com” and “.cam” scores 63%.

Relying on expert witness Walsh, Objector posits that the similarity between “.cam” and “.com” is material and likely to cause confusion. Each includes just three letters, starts with “c” and ends with “m”. The relevant class of users are casual Internet users; they are exposed to confusion based on appearance as well as sound (the “.com” and “.cam” differ only in one vowel).

Expert Poret conducted a survey of more than 450 consumers regarding perception, opinion and behavior. After using control questions to screen out background confusion, Poret found a confusion rate of 39% between the two strings in question. Expert Stygall maintains a linguistic similarity of “.com” and “.cam”.

Finally, Objector posits that users would suffer harm due to the confusion, namely when they look up domains that do not exist. If a user signs up mistakenly for a “.cam” domain, s/he may 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 revenues. Negative experience with “.cam” may be erroneously attributed to Objector by consumers.

## **Applicant**

Applicant holds that the gTLDs “.com” and “.cam” are distinguishable visually, phonetically, and in their meaning, and thus are not confusingly similar. Hence, they are not visually similar because the short length of the strings weighs against visual similarity, as a matter of degree. The Applicant concedes some visual resemblance between the strings. It points out that ICANN’s SWORD algorithm’s standards have never been explained or described, and are not intended to test whether it meets the probability standard. Other three-letter pairs such as “orb” and “bro”, “ant” and “tan”, “god” and “dog”, etc., score much higher.

For positing phonetic dissimilarity, Applicant relies on Dr. Disner’s report. Dr. Disner states that Stygall fails to employ standard linguistic techniques, provides no evidence of aural similarities, and has not calculated the degree of similarity from real data. Dr. Disner bases her contrary opinion on analysis of several studies. These tested the listeners that are confused by the sounds of various letters, summarized in matrices common in linguistics. According to Dr. Disner, the vowels in ‘cam’ and ‘com’ are confused less than 0.2% of the time.

In terms of meaning, Applicant maintains “cam” is short for “cameras” or “engine components” and is not semantically related to “com”. Even if “cam” can sometimes refer to “computer-assisted manufacturing”, computer-related definitions make up only 5% of the total uses of “cam”. “Com” can be shorthand for “company” or “commercial”.

Applicant alleges that there is no probable confusion between the two strings. Applicant bases this conclusion on its survey (suggesting there is a total absence of confusion), on irrelevance of the marketing channels, and on the average reasonable Internet user not being confused. Applicant’s expert Dr. Ostberg counters Objector’s Poret Report as “doubtful, unreliable, and essentially meaningless.” This is mainly because of the Poret Report’s ‘cam’-‘com’ sequence, interference by second level domain names, suggestive descriptions, potential guessing, permitting of hasty responses, improper control, insufficient pool of respondents, lack of validation of interviews, and incompleteness. Applicant commissioned its own expert survey with 440 average Internet users and concluded that there is no likelihood of confusion in the marketplace between the TLDs at issue (conducted under the supervision of Dr. Ostberg).

As to marketing channels, Applicant relies on McCarthy, which states “because of the ubiquity of Internet use and the widespread Internet presence of all kinds of commercial companies, the fact that both parties appear on the Internet will shed little, if any, light on whether confusion is likely.” Even though Applicant plans to operate an open gTLD, it expects to appeal to people and organizations that use a live feed from a web camera (United TLD’s Application, answer to question 18(a)). Thus, it sees this as a factor against probable confusion.

As to the standard of the person to be confused, Applicant points out that it is the average, reasonable Internet user, not registrants of second level domain names. Because registrants engage in a process when registering, including agreeing to terms and conditions, Applicant argues that consumers would not confuse one TLD with another. Applicant posits that internet users look primarily to the second level domain name to determine the source of a given website, not the gTLD. To Objector’s concern that confused Internet users would look for a non-existing or wrong address, Applicant argues that 2011 or 2013 users are more savvy than users 20 years ago. Also, Applicant argues that according to a Pew Internet survey most adult Internet users go to a search engine to find web information, which renders the gTLD virtually irrelevant.

Since Objector does not own protectable trademark rights in “.com”, Applicant does not want to rely on trademark law. Applicant argues that the multi-factor test used by Objector in *E.I.DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973), is not applicable. In light of the ICANN rules, reliance on trademark infringement tests would be misplaced. Applicant argues that even if some trademark law principles could be helpful, Objector would not be entitled to trademark-like protection for its TLD. Generic terms are even less protectable as the public has a right to call a product or service by its generic name. Applicant notes that while second level domains are potentially eligible for trademark protection, the USPTO prohibits registration of a TLD for registry services

Applicant sees in the objection a “blatantly anticompetitive purpose.” Applicant reminds the panel that the purpose of the new gTLD program is to increase competition and consumer choice on the Internet. Indeed, Applicant recaps the 13 string confusion objections launched by Objector and qualifies it as a transparent attempt to limit competition among registries. Objector has also filed 14 applications to operate more gTLDs. Applicant concludes that the Objector has no right to deprive Applicant of its opportunity to run a competing registry.

## **Discussion and Findings**

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 as analogous only; it is not controlling.

Applicant labeled its expert review and expert survey as “independent” and Objector’s expert report as “biased” and methodologically flawed. The expert surveys and reports of both sides seem to have been commissioned – there were no truly neutral expert reports submitted. Hence, all the reports and annexes shall be taken with the proper grain of salt.

Applicant seems to concede visual resemblance between the strings. The opinions diverge as to the degree visual resemblance occurs. While one out of 3 letters is indeed only 33 1/3 % of the word, Applicant did not adequately discuss how visually close the letters in question, “o” and “a” are. These letters do not look entirely different such as e.g., “y” and “F”, or “x” and “T”. While this is true in general, it is especially so to a fast reader. No matter what standards and purpose the ICANN SWORD algorithm includes, it has comparative value. The pairs quoted by Applicant are very different other than their brevity, and they make use of exactly 3 letters, just in different sequences. Since pairs such as “God” and “dog” (85%), reach similarity scores of 84 % and higher, how much more similar would “cxm” and “cxm” be (x being replaced with a vowel)!

Stygall convincingly shows a mouth pronouncing the “o” and the “a” and a range of sounds in between. Both are sounds in the lower third of the mouth (Stygall Affidavit, p. 2 and 3.) Obviously, different accents will lead to different pronunciations, aggravated by foreign language use, eventually blurring a crisp and clear distinction. Disner’s reproduced charts with the utterances of 45 men, 48 women, 46 children, and acoustic frequencies articulated by 76 speakers and 140 speakers are interesting (Disner Affidavit, pp. 3-6, in Respondents’ Annex 2). However, neither they nor figure 5 and accompanying text (ditto, p. 7-8) manage to rebut the Stygall evidence.

Applicant made contentions about the meaning of ‘cam’ and ‘com’, but never showed that most people take ‘cam’ as short for ‘camera’. Or, if one wanted to link the visual with the connotation test, is the number of people that mix up ‘com’ and ‘cam’ really smaller than those who know what “cam” means? I do not think so. The Disner assertion that computer-related definitions make up only 5% of cam use, is unsupported in her affidavit-report (Disner, ditto, p. 11) other than by a generic reference to COCA. She admits this database is limited to American English, while here world wide Internet users have a right to be protected.

Applicant’s allegation of a “total absence of confusion” is weak. Applicant relies on the Ostberg Report to rebut the Poret survey, but the Ostberg Report is deficient on several fronts. The Ostberg Report mentions the sequence in which respondents of the Poret survey have been asked, whether first with the TLD “.cam” and then “.com” or vice versa, without sufficient elaboration on why this leads to a distortion of significance. Ostberg’s attack on the combination of top level and second level domains is misplaced (second and sixth arguments), as this is the realistic setting in which Internet users see a TLD. Ostberg’s assertion that this “may have caused some respondents to believe [that the two domain groups were] the same” is also not sufficient to rebut Poret. The Ostberg rebuttal attacks the Poret survey because it uses hasty responses without sufficient thought and effort; however, this is what occurs when Internet users access a website in the real world. Ostberg’s allegation that the Poret Report was incomplete in content by failing to include information which is normally supplied in a research report, does not disprove the Poret Report. Other factors, e.g., suggestive description, potential guessing, improper control, insufficient pool of respondents, and non-validation of the interviewer were not persuasive. At best, Ostberg’s rebuttal may only slightly lower the weight accorded an otherwise good piece of evidence that shows probability of confusion (see Hal Poret, Report on Survey to Measure Whether the gTLD .cam is Confusingly Similar to the gTLD .com, March 2013; Henry D. Ostberg, Review of a Survey Conducted by Mr. Hal Poret Concerning the Possible Confusion between proposed “.cam” TLD name with “.com” TLD, Respondent’s Annex 4, 5/23/2013).

Dr. Ostberg’s survey of 440 average Internet users that led to the conclusion that there is no likelihood of confusion, seems to compare “apples with oranges” and is less convincing than the Poret survey. It is not a strong rebuttal (Henry D. Ostberg, Survey to Determine Likelihood of Confusion (if any) between the “.com” and “.cam” TLD names, Respondent’s Annex 5, 5/21/2013).

Applicant shares the same general view that courts evaluating trademark infringement find that goods marketed in similar channels of trade are more likely to be confused. But it plays down the significance of those channels because everyone else in the Internet business uses

them. This cannot remove the fact that “.com” and “.cam” would use the same channels appealing to a broad audience. Even though according to Applicant, its envisioned TLD will “likely appeal” to a specific audience, it plans to operate “.cam” as an open gTLD. This would lead to extensive overlap.

Regarding the standard of the person to be confused, both parties agree on the ICANN language of the average, reasonable Internet user. While Objector worries about registrants signing up for a different TLD than what they intended, Applicant sees avoidance of this by the “reasonably sophisticated process when registering” including “review[ing] terms and conditions of registration and click[ing] assent.” However, Applicant failed to provide proof of this, e.g., a survey demonstrating that a majority of the registrants that click the required assent button have actually read the terms and conditions, and a plurality has understood it (and not only wanted to bypass these as quickly as possible).

Applicant aptly emphasizes that users look primarily to the left of the “dot” and not to the TLD, (quoting Ostberg and *Advertise.com v. AOL Advertising, Inc.*, 616 F.3d 974, 981 [9<sup>th</sup> Cir. 2010]). This lessens the attention paid to one vowel within a 3-letter string on the right; this will increase, not decrease the potential for confusion. Applicant seems to have an overly optimistic picture of the general audience of Internet users and their willingness to pay attention to technicalities of sorting out roots of top level domain names. Applicant is also overly optimistic about their focused attention to online tasks. Most adult Internet users may find websites through search engines, however, this does not prevent the confusion at issue here. Google and other search engines would have to develop a gigantic algorithm to correct psychologically or otherwise induced confusion among its users.

The parties seem to agree that gTLDs may not be owned as a trademark. Objector views the trademark infringement test as essentially the same test for similarity. Applicant disputes that the multi-factor test in *E.I. DuPont DeNemours & Co.* may be used. Applicant enters a fruitful discussion of most prongs of the test developed and enhanced by the courts in infringement cases. Lastly, the parties are correct in assessing the lack of protection for generic terms: this would apply to both “cam” and “com”. Alas, Applicant has failed overall to dislodge Objector’s evidence that proves the probability of confusion.

ICANN and the panel share the underlying goals of Applicant. A goal of the new gTLD program is to open up and create more markets and competition. However, this has to occur in orderly channels and may not be based on a distortion of the market. While Applicant is invited and welcomed to enter the market with a truly new and innovative gTLD, the proposed “.cam” is just too close to the existing “.com”. Even more than Objector, the Internet public at large needs to be protected.

While it is not disputed that Objector has launched applications on its own and objected to other strings, Applicant has failed to demonstrate the relevance of this. Objector is entitled to participate in the new gTLD process according to the ICANN rules just as anyone else. To treat Objector differently, would trample on its rights. Here, the question of possibility vs. probability of confusion between the strings “.cam” and “.com” is the central issue.

The danger of confusion is not only possible, it is probable.

**Determination**

The gTLD “.cam” and “.com” are confusingly similar and the use of “.cam” will likely result in string confusion. Objector has met its burden to prove that “.cam” so nearly resembles “.com” that it is probable that confusion will arise in the mind of the average, reasonable Internet user.

Therefore, the Objector has prevailed and the Objection is sustained.

San Francisco, August 12, 2013

A handwritten signature in black ink, appearing to read "Urs Laeuchli". The signature is written in a cursive, flowing style.

Urs Laeuchli, Esq.

Sole Expert Panelist