Re: 50-504-T-000211-13

Hotel Top-Level-Domain S.a.r.l, OBJECTOR

And

Despegar Online SRL, APPLICANT

String: <**.HOTELES**>

EXPERT DETERMINATION

The parties

The Objector is **Hotel Top-Level-Domain S.a.r.l,** 23, Boulevard Charles Marx, Luxembourg 2130, represented by Dirk Krischenowski.

The Applicant is **Despegar Online SRL,** Ruta 8 Kilometre 17,500, Synergia Building, Office 101, Zonameric, Montevideo 1600, Uruguay, represented by Joshua Bourne and Andres Patetta.

The New gTLD String Objected To

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

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 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 gTLD strings. 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, dated March 13, 2013, was filed with the International Center for Dispute Resolution (the "ICDR") pursuant to the Procedure. The ICDR acknowledged receipt of the Objection by a letter dated March 18, 2013.

In accordance with Article 9 of the Procedure, on April 4, 2013, the ICDR notified the Objector that it had completed the review of the Objection and determined that the Objection was deficient, in that the Objector failed to furnish proof of service on Applicant. On April 11, 2013, following receipt of additional information from the Objector, the ICDR determined that the Objection now complied with the requirements of the Procedure and with requirements of the ICDR Supplementary Procedures for String Confusion Objections (Rules) (the "ICDR rules").

In accordance with Article 11(a) of the Procedure and Article 2, 3 of the ICDR rules, on April 17 2013, the ICDR formally notified the Applicant of the Objection. In accordance with Article 11(b) and relevant communications provisions of the Procedure, the Response, dated May 16, 2013, was timely filed with the ICDR. On May 22, 2013, the ICDR notified the parties that the Response complied with the requirements of the Procedure and the ICDR Rules and that it would proceed with the appointment of the expert panel.

The ICDR appointed Peter R. Day as the Panel in this matter on June 14, 2013, and the Panel was informed by an e-mail dated July 5, 2013, that the 45-day time limit for the Panel's Determination began to run on that date.

The Panel finds that it was properly constituted and is in compliance with the Procedure and the ICDR Rules.

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

Both the Objector and the Applicant have provided copies of the applications for their respective gTLD strings currently pending in the same application round and therefore the Objector has standing to pursue this objection under Section 3.2.2.1, Module 3 of the gTLD Guidebook.

Factual Background

a. **Underlying Facts**

The Objector is an applicant for the <.hotel> string.

As referred to in the Objection and the Response, in the current round there are a number of applications involving the word "hotel" and various plural forms of that word. The applications for the strings <.hotels> and <.hoteis> represent one of only two non-exact match contention sets created by the ICANN String Similarity Panel during the current round. <.Hotel> and <.hotels> have not been placed in a contention set by the String Similarity Panel.

b. Facts related to the Objector

The objector is seeking to use the <.hotel> string "to serve the global Hotel Community" and proposes to limit registrants to 1) Hotels, 2) Hotel chains, and 3) Hotel associations. Use of the <.hotel> string in this fashion has the goal of increasing the ability of the registrants to compete with third-party booking portals and increased direct bookings.

The objector also envisions better mobile device access, directory services, *etc.*, to enhance the ability of consumers to do direct booking. While the registry plans some restrictions of the use of the <.hotel> string, the overall goal is to provide increased competition and flexibility within the "Hotel community."

c. Facts related to the Applicant

According to the Response, the applicant is a branch of the largest online travel agency in Latin America. It is applying for five gTLD strings: <.Vuelos> and <.Hoteles> which target the Spanish-speaking market, <.Passagens> and <.Hoteis> which target the Portuguese speaking market, and <.Hotel> for the English-, Spanish- and Portuguese-speaking markets. The applicant has a four-stage plan for use of the <.Hoteles> gTLD string, beginning with a limited use for itself, its subsidiaries and affiliates. Further expansion will be based on testing and experience to determine to what extent use will expand to "travel companies, hotels, airlines, and other tourism organizations."

A major goal of the Applicant is to provide the Spanish-speaking community "a targeted namespace devoid of piracy, cybersquatting and other malicious activities."

Parties' Contentions

a. Objector

The fact that the Applicant has applied for the strings <.hotel>, <.hoteis> and <.hoteles> shows its belief that they are confusing. Further evidence of the likelihood of confusion is the possibility that Applicant could use the <.hoteles> string to redirect to existing <.com> domains.

Especially in the case of a word commonly used internationally such as "hotel," the plural of the word alone will raise confusion with the singular. The fact that the Applicant has sought registration of <.hotel> itself and multiple plurals suggests recognition by the Applicant of potential confusion.

There is an elaborate discussion of how the distinction between the singular and plural may be blurred depending on the usage and how this may lead to confusion between singular and plural as a TLD string, as well as the concept of invariance as opposed to similarity.

The Objector points out that English is a lingua franca on the Internet, which increases the likelihood for confusion with other plural forms, especially when non-native English speakers are using English on the Internet.

The Objector alleges that the acoustical similarity between "hotel" and "hoteles" could lead to confusion.

The Objector asserts that having seen a TLD string containing the word "hotel" it would be more difficult for an Internet user to memorize related plurals.

The Objector shows that in Google searches based on the Spanish language in Spain and Latin America "'HOTEL' is by far the most retrieved term, followed by the plural 'HOTELES' and/or 'HOTELS.'" (The Portuguese plural, "HOTEIS," appears in much smaller numbers.)

The Objector alleges that the public would suffer a material detriment since the Applicant might use proxy services and offers a number of letters submitted by international hotel organizations supporting the objection.

The Objector alleges that because of the similarities, people might "unwittingly" register domain names under the wrong TLD string, and the similar TLD strings would facilitate deceitful registrations.

The Objector also alleges that the degree of "confusability" would create new squatting opportunities.

The Objector further argues that the similar TLD strings would create a compulsion for multiple defensive registrations with the other TLD string.

The Objector also alleges that while it will offer the <.hotel> TLD string in the interest of the global hotel community, registrations by the Applicant would be more restrictive and lack "hotel community accountability."

The Objector argues that the <.hotel>/<.hoteles> case is not comparable to the <.eu>/<.eus>, <.com>/<.co>, or <.lt>/<.it> cases but rather is like the <hotel.com/<hotels.com>/<hoteis.com> and <hotel.ce>/<hotels.de> cases in that "leading companies involved in hotel bookings" felt the need to register the singular and plural of "hotel" with the<.com> TLD. The Objector cites several WIPO cases to support this argument.

The Objector suggests that the very limited number of String Similarity Panel contention set decisions is understandable since there is no procedure through which a finding of the panel can be revised. Thus, in this case "the absence of a [String Similarity] Panel finding does not imply that the Panel deemed the risk of confusion to be smaller."

Finally, the Objector alleges that the competing registrations would "destroy rather than enhance competition and choice."

b. Applicant

The Applicant argues that the two gTLD strings in this case do not satisfy the narrow standard of paragraph 3.5.1 of the Guidebook defining string confusion.

The Applicant asserts that the Latin American Spanish-speaking market deserves its own TLD string and that users in that market deserve TLD strings in their own language. The Applicant cites from its application that "The intended future mission and purposed of .HOTELES is to serve as a trusted, hierarchical, and intuitive namespace ... for a **Spanish-speaking audience.**"

The Applicant presents the results of a Google searches using the Argentinian and Paraguayan search engines for the word "hoteles" showing the vast majority of the results displaying the Spanish term "hoteles" with far fewer "hotel" results. The Applicant also cites authority that confusion between two terms is less likely "when a term is encountered in an environment associated with the relevant culture of the particular language."

The Applicant argues that if the roles were reversed (*i.e.*, <.hoteles> were asserted against <.hotel>) the objection would clearly not be granted.

The Applicant also provides case citations supporting the proposition that "generic TLD strings are less important to Internet users than second-level domain strings." The Applicant argues that most Internet users are sophisticated enough to know the difference between words in different languages and provides examples of <.com> registrations of generic second-level domain names and the equivalent English plural.

The Applicant argues that trademark law, applied in several of the case citations provided by the Objector, does not apply in this case, which involves generic words.

The Applicant argues that detriment to an Objector or other parties is not a criterion to be considered in this case. It rejects the assertions of the hotel associations supporting the Objector and denies that registration of both TLD strings would foster excessive defensive registrations or deceit. The Applicant further argues that its administration of this TDL will be targeted to specific markets and will limit "piracy, cybersquatting, and other malicious activities."

Discussion and Findings

a. Burden of Proof

The Objector bears the burden of proof in each case, pursuant to Section 3.5, Module 3, gTLD Applicant Guidebook, Procedures, Section 20 (c).

b. Test for String Confusion Objection

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. [Module 3, New gTLD Applicant Guidebook]

2.2.1.1.3 Outcomes of the String Similarity Review

An application that passes the 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. [Module 2, New gTLD Applicant Guidebook]

c. Findings

As referred to in the Objection and the Response, in the current round there are a number of applications involving the word "hotel" and various plural forms of that word. The applications for the strings <.hotels> and <.hoteis> represent one of only two non-exact match contention sets created by the ICANN String Similarity Panel during the current round. <.Hotel> and <.hotels> have not been placed in a contention set by the Panel, nor have the gTLD strings at issue in this case.

For the String Similarity Panel, the standard of review is almost identical to that for a DRSP panel, except for the addition of the word "visual." ("String confusion exists where a string so nearly resembles another **visually** that it is likely to deceive or cause confusion." Emphasis added.) The placing of the strings <.hotels> and <.hoteis> in a contention set by the ICANN String Similarity Panel seems to reflect this approach since the two words are the same length, and the letters "l" and "i" are sufficiently similar to cause confusion, especially when displayed on a computer or mobile device screen.

While both the Objector's and the Applicant's written pleadings articulately discuss a number of factors surrounding the assignment of gTLD strings, it is the Panel's opinion that the key elements in this determination are (1) resemblance, (2) probable confusion, and (3) a likelihood of confusion beyond that caused by mere association. And while the limitation to "visual" confusion is removed in the DRSP appeal process, nevertheless, unlike an objection based on legal rights, the Panel is of the opinion that the primary area for likely string confusion for a gTLD string is visual confusion.

It should be noted that there is nothing in the record to suggest that any trademark is involved in this case. Thus, since the WIPO cases cited by the Objector all involved well-established trademarks and the <.com> top-level domain name, they are of little relevance in this case.

Both parties have addressed the likelihood of misuse, possible effects on competition and possible increased need for defensive registrations. Again, under the gTLD Applicant Guidebook and the rules regarding disputes concerning string confusion, the Panel finds that these considerations are not directly germane to the determination required here.

While both parties have submitted computer search results with their pleadings, it is common knowledge that the "average, responsible Internet user" uses search engines for the purpose of finding products, services or reference information and the links thereto, and has the opportunity to refine, broaden or narrow the search parameters. Thus, it seems unlikely that somewhat similar but still distinct top-level domain names by themselves will affect Internet use, including searches, to the extent of causing user confusion.

Having reviewed the arguments by both parties, the Panel concludes that the Objector has not established the likelihood of probable confusion. The words "hotel" and "hoteles" are sufficiently different, both in length and visual appearance, that it cannot be considered as probable that an "average, responsible Internet user" would not recognize that they are different terms.
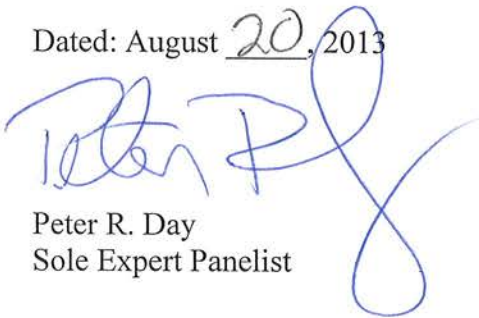
In addition, the fact that "hoteles" should be recognized by Spanish-speaking users (or users having a familiarity with Spanish) as a common Spanish word constitutes sufficient independent status as to render confusion even less likely, notwithstanding some association between the two words. Likewise, assuming the Objector's contention that English is a lingua franca on the internet, "hoteles" is not an English word and is unlikely to be considered at such.

Similarly, while there may be some aural similarity and similarity of meaning in a general sense with the words "hotel" and "hoteles," neither seems likely to be the basis for confusion for an "average, responsible Internet user."

d. **Determination**

Therefore the Applicant has prevailed and the Objection is dismissed.

Dated: August 20, 2013

Peter R. Day
Sole Expert Panelist