

Dr. Stephen D. Crocker, Chairman of the Board
Mr. Fadi Chehade, President & CEO
Mr. Cherine Chalaby, Chair of the New gTLD Committee
Internet Corporation for Assigned Names and Numbers (ICANN)
12025 Waterfront Drive, Suite 300
Los Angeles, CA 90094

April 9, 2013

Dear Sirs:

On behalf of China Unicom, the new gTLD applicant for both the 联通 IDN top-level domain and the .UNICOM TLD, we are writing to voice our objection to ICANN's decision to place .UNICOM and .UNICORN in a contention set with each other. The policy goal of avoiding user confusion is simply not served by reliance on a formulaic calculation of visual similarity where, as here, the actual "probability of user confusion" is plainly low. Given the completely different meanings, intended audiences and commercial impressions of the two strings.

China Unicom was established in 2009 as a result of a merger between China Netcom Group Corporation (Hong Kong) Ltd and China Unicom (Hong Kong) Ltd, which was first incorporated in 2000. With a modern communications network characterized by nationwide coverage and global reach, China Unicom operates communications services, including mobile, fixed, data, network access, satellite International Private Leased Circuit (IPLC) system integration and value-added telecommunication services to its individual, family and enterprise customers.

China Unicom is the only Chinese telecommunications operator listed on the stock exchanges of New York, Hong Kong and Shanghai. China Unicom was in Financial Times' Top 500 in 2012 in terms of its revenue, and ranked at the top of the world leading telecom operators in terms of its customer base and market capitalization. By 2012, the total revenue of China Unicom reached RMB249 billion. The company has 239 million mobile subscribers and 156 million fixed line users. China Unicom has subsidiaries operating in 31 provinces in China and in other parts of the world with over 450,000 employees. China Unicom is a well-known brand in China and other parts of the world with its "China Unicom" trademark registered in 14 countries and territories, including Japan, US, Hong Kong and India, in Class 38 Telecommunications.

China Unicom is in fact the first Chinese Operator to embrace the TLD initiative to serve more people. It will shed a positive image to the whole industry if we succeeded. We would also encourage other Chinese entities to entering into the community and applying for more New gTLDs.

Consumer Confusion is unlikely given the nature of each TLDs

Rigid reliance on the strict visual similarity rules in this case is unwarranted, unfair to both applicants, and serves no reasonable policy goal. The strings themselves are phonetically and aurally distinct, and each creates a distinct and readily distinguished overall impression. Moreover, the applicants operate in completely distinct markets, and provide very different products and services. Finally, each applicant proposes to operate as a truly closed TLD.

First, “Unicom” and “unicorn” sound different and evoke completely different images.

- Unicorns are well known around the world as Greek mythological creatures possessing magical powers. It creates a strong and very distinct impression based on that heritage. To the average Internet user, “unicorn” refers to that magical creature of legend. The string is also distinctive to Unicorn A.S. customers and prospective clients because of that association. It is highly unlikely that the average Internet user – whether looking for information on mythological creatures or looking for a IT services provider named Unicorn - will be confused by the presence of a .UNICOM TLD in the domain name service.
- “Unicom,” on the other hand, does not call to mind magical creatures of any kind, and is highly descriptive of the telecom services provided by the applicant. An Internet user looking for information about fixed or mobile communications services is not likely to be confused or diverted by the presence of a .UNICORN TLD.

Second, the applicants provide different products and services in different markets. China Unicom offers fixed and mobile communications services focused in the Chinese market, while Unicorn is a business to business provider of information and online business management solutions in the Czech Republic and other European countries.

- China Unicom is a provider of communications network services including mobile, fixed, data, network access, satellite International Private Leased Circuit (IPLC) system integration and value-added telecommunication services to its individual, family and enterprise customers. Although it operates globally, the company’s primary focus is the provision of fixed and mobile communication services in the rapidly growing Chinese market, and was the first company to offer the iPhone to subscribers in China. In the international arena it promotes itself as the provider of “international networking solutions – *to China – from China – and in China.*

- Unicorn, on the other hand, is a provider of (1) IT network solutions to businesses, particularly in the banking, insurance, telecommunications, energy, industry, commerce and public sectors; (2) online business and information system management software and services; and (3) high-quality university education in the field of information and communication technologies, economics, and management. According to a recent company press release “Unicorn group sales consisted of 97 % service deliveries, particularly the building up, integration, operation and support of information systems for clients in primarily banking, insurance, energy and utilities, industry, telecommunications and sales and services.”
<http://www.unicorn.eu/en/news/most-successful-year-in-unicorns-history.html> Approximately 70% of its revenue is generated in the Czech Republic, with the remainder coming from other European countries.

Third, both applicants envision that the TLDs will operate as small, closed TLDs for promotion of their respective products, services, and reputation. Unicorn’s application, for example, envisions a maximum of 1,000 second-level registrations in the first year, with no more than 20% growth per year thereafter. (Application Question 22 Response) The .UNICOM application estimates 800-2,400 second level registrations for the first few years, increasing to 5,000 in the following years. (While the applicant for .UNICOM indicates that it may consider expanding second level registration opportunities to its subscribers at some point, this is not envisioned in the near term.) Given the intended “users” of these two distinct TLDs, there is virtually no possibility of user confusion.

- As stated in its application, the new .UNICOM gTLD will operate as a restricted registry, in which China Unicom can create and control domain spaces that promote its brand identity and authenticity. The .UNICOM gTLD will provide an authoritative internet space for China Unicom and its affiliates that are associated with the brand to provide personalized information, services and resources to its users in a unique way that promotes trust, convenience and security. Second and third level domains can then be utilized for advertising and marketing purposes, with internet users assured of brand authenticity.
- In Unicorn, A.S.’s .UNICORN application, the applicant states that its TLD will also be restricted. That TLD, according to its application is only intended for its employees, customers, partners and suppliers and will be used to promote

Unicorn's own products and services, improve its brand consistency and assist Unicorn A.S. in establishing and developing community of its own users

For the reasons set forth in this letter, China Unicom objects strenuously to the creation of a contention set including “.UNICOM” and “.UNICORN”. The visual similarity test in this case does not accurately measure the likelihood of user confusion, given that it does not reflect string meaning, overall public impression, the distinctive nature of the products and services offered by the applicants, or the different markets being served by the applicants. Creation of this contention set does not serve the public interest, nor does it serve the policy concerns that the string similarity processes were designed to address. We urge the ICANN Board to formally reconsider the decision of the String Similarity panel and allow these two very different applications to proceed through the evaluation process independently.

Sincerely,

Wang Jingyu

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China Unicom