

International Centre for Dispute Resolution

New gTLD String Confusion Panel

Re: 50 504 000251 13

Commercial Connect LLC, OBJECTOR

and

Half Falls, LLC, APPLICANT

String: <.supply>

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 Half Falls, LLC (10500 NE 8th Street Suite 350 Bellevue, WA 98004) and is represented by John M. Genga Esq. and Don Moody of New gTLD Disputes (15260 Ventura Boulevard Suite 1810 Sherman Oaks, CA 91403) - jgenga@newgtlddisputes.com and don@newgtlddisputes.com.

The New gTLD String Objected To

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

Prevailing Party

The Applicant has prevailed and the Objection is dismissed.

The New gTLD String Confusion Process

Module 3 of the ICANN gTLD Applicant Guidebook (“the 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 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.”

Article 3(a) states that “String Confusion Objections shall be administered by the International Centre for Dispute Resolution”.

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).

Half Falls, LLC (the Applicant) filed a new gTLD application with ICANN on June 13, 2012 for .supply (Application ID: 1-1591-23028).

On or about March 18, 2013, the Objector filed a gTLD String Confusion Objection to the gTLD application of the Applicant for .supply on the ground that “The gTLD filed by Half Falls, LLC 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 .supply gTLD application is similar either visually, aurally or has a similar meaning”.

In the initial administrative review of the Objection by the ICDR, deficiencies were noted. Following a further submission by the Objector, a further administrative review was conducted, and on April 11, 2013, the ICDR noted that the deficiencies had been rectified and the Objection was registered for processing as complying with Article 5-8 of the Procedure.

On April 17, 2013 the Applicant was advised that it shall file a response to the Objection within 30 days from that date.

The 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 determine the validity of 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.

On August 21, 2013, the Objector sought leave to make an additional submission. Permission being granted, the additional submission was submitted on September 20, 2013, to which the Applicant replied on October 3, 2013.

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 .supply 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 .shop 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

As noted, the Objector has a long history of proposing the gTLD of .shop, dating back to 2000. It claims that .shop is globally recognized and exists “in excess of 20 different languages, all with the same meaning ‘a building or room stocked with merchandise for sale – a store’”.

The Objector claims that over the last several years it has been active and successful in obtaining supporters for what it describes as its “.shop cause”. It claims there are in excess of 15,000 members, representing over \$650 trillion in annual revenues, that support its application.

The Applicant is a subsidiary of Donuts Inc., both American corporations. Donuts Inc., through its subsidiary such as the Applicant, has applied for 307 New gTLDs, including .supply. It notes in the material supporting its application that:

“Along with other TLDs in the Donuts family, this TLD will provide Internet users with opportunities for online identities and expression that do not currently exist. In doing so, the TLD will introduce significant consumer choice and competition to the Internet namespace – the very purpose of ICANN’s new TLD program.”

Before this Objection reached the Procedure, there was an Initial Evaluation under Module 2 of the Guidebook, which did not result in the two strings (.shop and .supply) being put into a string contention set, thus allowing the Objector to register its Objection in the Procedure. I will deal in detail with the effect of this circumstance in the discussion in the Discussion and Findings section of this Expert Determination.

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 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 claims that “The gTLD filed by Half Falls, LLC, 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 Sections of the Guidebook, including Sections 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 references to Section 2 are to the Initial Evaluation.]

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 the Objection, other than its own June 2012 application for the gTLD .shop and its unsponsored October 2000 application.

In its additional submission, the Objector requests that the Applicant's gTLD be placed in the same contentious set as the Objector's gTLD "because they have a confusingly similar meaning, so that the String Contention Procedures in Module 4 of the Guidebook will be invoked".

(b) Applicant's Response

The Applicant responds under a number of headings, which I list below, and will expand upon in the Discussion and Findings section of this Expert Determination:

- a) Objector does not fully state the basis for its standing to object:
This is a procedural objection based on deficiencies in the Objection.
- b) Objector fails to prove the substantive elements required for its Objection:
This ground relates to the failure of the Objector to provide evidence to justify the burden of proof that rests on it to demonstrate the probability, as opposed to the possibility, that confusion will arise in the mind of the average, reasonable Internet user.

The Applicant supplements this submission with certain particulars:

- i. Objector does not prove ".shop" and ".supply" are so similar in appearance as to result in a likelihood of Internet user confusion;
 - ii. Objector does not prove the words "shop" and "supply" are so similar in sound as to result in a likelihood of Internet user confusion.
 - iii. Objector does not prove the words "shop" and "supply" are so similar in meaning as to result in a likelihood of Internet user confusion.
 - iv. The Objection fails to show the high level of similarity needed to succeed.
- c) The Objector makes irrelevant arguments.

In its response to the additional submission, the Applicant repeats and enlarges on its submission that no similarity of any kind has been shown to exist between .supply and .shop, either aural, visual or in meaning, so as to satisfy the onus on the Objector.

Discussion and Findings

a) The Procedural Objection

The procedural objection by the Applicant is primarily based on the result of the Initial Evaluation on the basis that the Objector's string was not placed in a contention set. I do not accept this submission, as it overstates the effect of the Initial Evaluation, which I will discuss under the heading of "Initial Evaluation".

b) The Standard and the Burden of Proof

The issue in this Expert Determination is whether the applied for gTLD string (.supply) is likely to result in string confusion with the Objector's proposed string (.shop).

The Guidebook s. 3.5.1 defines String Confusion Objection and the standard to be applied on the Expert Determination as follows:

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.

The Procedure Article 2 (e) (i) defines a string confusion objection as “the objection that the string comprising the potential gTLD (in this case .supply) is confusingly similar to ... another string applied for in the same round of applications” (in this case .shop).

The Guidebook s. 3.5 provides that “the objector bears the burden of proof in each case”.

Article 20 (c) of the Procedure provides that “the Objector bears the burden of proving that its objection should be sustained in accordance with applicable standards that have been defined by ICANN” (in this case s. 3.5.1 of the Guidebook, quoted above).

Thus, there is a presumption in favour of granting new gTLDs to applicants who satisfy the requirements. The burden of proof on the Objector is the civil standard of a balance of probabilities. It may be stated as follows: has the Objector demonstrated that it is more likely than not that there will be string confusion as defined?

c) The Initial Evaluation

The Initial Evaluation is provided for in s. 2.2 of Module 2 of the Guidebook, under the heading “String Review”. It is described as a “first review” focusing on “whether the applied-for gTLD string is so similar to other strings that it would create a probability of user confusion”.

S. 2.2.1.1 describes the Initial Evaluation as a “preliminary comparison of each applied for gTLD string” against, inter alia, other applied for strings. The objective is “to prevent user confusion and loss of confidence in the DNS resulting from delegation of many similar strings”. The section notes the definition of “similar” for purposes of the Guidebook. It adds “[T]he visual similarity check that occurs during Initial Evaluation is intended to augment the objection and dispute resolution process that addresses all types of similarity”.

S. 2.2.1.1.1 describes the String Similarity Panel’s task as “to identify visual string similarities that would create a probability of user confusion”.

With respect to applied for gTLD strings, the task is described as “[A]ll applied-for gTLD strings will be reviewed against one another to identify any similar strings. In performing this review, the String Similarity Panel will create contention sets that may be used in later stages of evaluation”.

The Review Methodology provided for in s. 2.2.1.2 is important and I quote it in full (footnotes omitted):

The String Similarity Panel is informed in part by an algorithmic score for the visual similarity between each applied-for string and each of other existing and applied for TLDs and reserved names. The score will provide one objective measure for consideration by the panel, as part of the process of identifying strings likely to result in user confusion. In general, applicants should expect that a higher visual similarity score suggests a higher probability that the application will not pass the String Similarity review. However, it should be noted that the score is only indicative and that the final determination of similarity is entirely up to the Panel’s judgment.

The algorithm, user guidelines, and additional background information are available to applicants for testing and informational purposes. Applicants will have the ability to test their strings and obtain algorithmic results through the application system prior to submission of an application.

The algorithm supports the common characters in Arabic, Chinese, Cyrillic, Devanagari, Greek, Japanese, Korean, and Latin scripts. It can also compare strings in different scripts to each other.

The panel will also take into account variant characters, as defined in any relevant language table, in its determinations. For example, strings that are not visually similar but are determined to be variant TLD strings based on an IDN table would be placed in a contention set. Variant TLD strings that are listed as part of the application will also be subject to the string similarity analysis.

The panel will examine all the algorithm data and perform its own review of similarities between strings and whether they rise to the level of string confusion. In cases of strings in scripts not yet supported by the algorithm, the panel's assessment process is entirely manual.

This portion of the section concludes by providing that the panel will use the common standard to test for string confusion quoted earlier in these reasons.

S. 2.2.1.1.3 deals with Outcomes of the String Similarity Review. The relevant portions are:

An application for a string that is found too similar to another applied-for gTLD string will be placed in a contention set.

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. Refer to Module 3, Dispute Resolution Procedures, for more information about the objection process.

It is thus apparent that the Initial Evaluation is primarily a preliminary review, focusing on visual string similarity, for the purpose of determining whether, as relevant to this case, two applied-for strings should be placed in a contention set. Where, as here, that was not the result of the Initial Evaluation, it is open to an applicant to file a string confusion objection and such an objection is not limited to visual similarity, but rather, confusion based on any type of similarity, including visual, may be claimed by an objector. This is sufficient to dispose of the procedural objection by the Applicant.

Thus, in my view, that the Initial Evaluation did not find visual string confusion between .shop and .supply, such as to result in a contention set, is relevant, but not conclusive, with respect to the issue of visual similarity in a string confusion objection, but otherwise the Initial Evaluation has no other relevance to the resolution of the Objection.

d) The Issues of Visual and Phonetic Similarity

The Objector provides no evidence of visual or aural similarity, except for the conclusory statement that “the .supply gTLD is similar either visually, aurally or has a similar meaning” to .shop.

The Applicant makes a number of arguments to meet the suggestion of visual and aural similarity, which I need not detail because it is abundantly clear that there is no such similarity. The Applicant notes that the ICANN String Similarity Panel did not find confusion probable after performing a manual visual similarity check and that the algorithmic similarity score obtained for the String Visual Similarity Assessment Tool yielded a score of 31%, just above the minimum level to be cited of 30%. As I noted earlier, this is a relevant, but not a conclusive, element on the issue of visual similarity.

The Applicant notes the completely different pronunciations of the words “shop” and “supply”. No evidence is needed to conclude that there is no aural or phonetic similarity between the two words.

I have no difficulty in concluding that there is no visual, aural or phonetic similarity between .shop and .supply that has even the potential to cause confusion among Internet users acting reasonably, let alone the probability of such confusion.

e) The Issue of Similarity of Meaning

The Objector provides no evidence of a similarity of meaning between the words “shop” and “supply”, except for the conclusory statement that similarity exists.

In its gTLD Application, it notes that “.shop is globally recognized and exists in excess of 20 different languages all with the same meaning: ‘a building or room stocked with merchandise for sale: a store.’”

In the Objection it lists a number of words which it claims to have a “similar meaning to shop”, which are listed earlier in this Expert Determination. It is noteworthy that “supply” is not one of the words listed as having a similar meaning to “shop”.

In its additional submission, the Objector uses as an example of probable confusion an internet user searching for purchases of plumbing parts, confronted by “plumbing.supply” and “plumbing.shop”, and adds other similar examples (e.g. “house.supply” and “house.shop”).

The Applicant responds by noting a number of definitions of the word “supply”, including “provide for”, “make available for use”, “furnish” and several others. It notes that the word “shop” means, *inter alia*, “establishment; a store”, “a place for the repair of goods or material”, or as a verb “to make a search or to hunt through a market in search of a best buy”. It notes that “[w]hen one shops for a supply, one is the buyer. When they supply for a shop, they are the sellers”. It denies that there is any possibility of confusion, based on lack of visual or aural similarity, and dissimilar meanings.

At its highest, there is at most a potential for the word “shop” to bring to mind the word “supply” or the reverse. But this is at best an association, and the Guidebook s. 3.5.1 provides in part “mere association in the sense that the string brings another string to mind, is insufficient to find a likelihood of confusion”.

In my opinion, there is not sufficient similarity in meaning between the words “shop” and “supply” to cause a probability of confusion in the mind of the average, reasonable Internet user. The Objector has failed to meet the onus on it to prove string confusion as defined in the Guidebook.

Other Arguments

In its additional submission, the Objector asks that the two gTLDs be placed in the same contention set, so that the procedures set forth in Module 4 of the Guidebook will be invoked.

I noted earlier that the String Similarity Panel that performed the Initial Evaluation declined to place these two gTLDs in a contention set, thus resulting in the reference to an Expert Panel under Section 3 (Module 3) of the Guidebook.

My jurisdiction is to sustain or dismiss the Objection. Module 4 deals with string contention procedures, and appears to apply (*inter alia*) if competing strings are placed in a contention set in the Initial Evaluation (s. 4.1) or where the Expert Determination under Module 3 finds in favour of the Objector (s. 4.1.2). Neither precondition exists here, but in any event, I have no jurisdiction to put applications for gTLDs in a contention set.

The Objector notes what it says is the wide support for “our .shop cause” to provide a safe and secure eCommerce experience. I do not find that this is a relevant consideration to the issue I am to decide.

The Applicant refers to its intention, along with the other TLDs in the Donuts family, to “provide Internet users with opportunities for online identities and expression that do not currently exist”, and “introduce significant consumer choice and competition to the Internet namespace”.

While these are no doubt laudable goals, they are not relevant to the task before me.

Analysis

The Objector bears the onus of proving on the balance of probabilities that .supply so nearly resembles .shop that it is likely to deceive or cause confusion in the mind of the average, reasonable Internet user.

Given my findings on the lack of visual similarity, also evidenced by the result of the Initial Evaluation, the lack of phonetic or aural similarity, and the lack of similarity of meaning, except for the mere possibility of an association between the two words, the Objector has failed to meet the burden of proof which it bears. To my mind, the co-

existence of .shop and .supply in the DNS is not capable of causing user confusion or a loss of confidence in the DNS.

Determination

Therefore, the Applicant has prevailed and the Objection is dismissed

October 22, 2013

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to read "Earl A. Cherniak".

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