

INTERNATIONAL CENTRE FOR DISPUTE RESOLUTION

New gTLD String Confusion Panel

Re: 50 504 T 00222 13

VERISIGN, INC., Objector

and

NEC CORPORATION, Applicant

String: <.NEC>

EXPERT DETERMINATION

The Parties

The Objector is VeriSign, Inc. ("VeriSign" or "Objector") and is represented by Thomas C. Indelicarto, Esq., Vice President and Associate General Counsel of VeriSign.

The Applicant is NEC Corporation ("NEC" or "Applicant") and is represented by Mike Rodenbaugh, Esq. of Rodenbaugh Law.

The New gTLD String Objected To

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

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 contains Objection Procedures and the New gTLD Dispute Resolution Procedures ("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 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

NEC filed its New gTLD Application for string .NEC. VeriSign timely filed and served its String Confusion Objection dated March 12, 2013. (“Objection”) NEC filed and served its Response to String Confusion Objection dated May 15, 2013. (“Response”) The undersigned was thereafter appointed as expert. (ICDR letter to parties, June 14, 2013).

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

VeriSign is the existing TLD operator of .net.

Parties’ Contentions

VeriSign contends that its .net TLD enjoys a unique, strong and well-established identity with very positive attributes and characteristics and that approval of the use of .NEC as a new TLD would create confusion among Internet users. It also contends that there is clear visual similarity between the two names, although recognizing “that the likelihood of confusing similarity must consider more than mere visual similarity” (Objection, pp. 4-5) and there is high aural similarity. (Id., pgs. 6 and 8; Gail Stygall Affidavit, p. 2)) VeriSign also asserts that since “.NEC possesses no meaning as a word . . . there is no difference in meanings.” (Id., p. 5) It also contends that “[t]he relevant class of Internet users here consists of casual Internet users likely to exercise a low degree of care when exposed to or interacting with TLDs, increasing the likelihood of confusion.” (Id., p. 6) It acknowledges that Applicant NEC currently intends to reserve all names for itself to promote its online presence (hence, according to VeriSign, overlapping marketing channels) but that the breadth of the overlapping channels may increase in the future – so that “the .nec TLD may become an open TLD” - thus leading to broader overlapping channels. (Id., pgs. 7 and 9) VeriSign also contends that the strings are so similar that one could be a typographical error for the other and “The reasonable Internet user could misspell the letter string .net by unintentionally typing .nec.” (Id., p. 8) In summary, VeriSign contends that the two TLDs are confusingly similar

NEC contends that it is a globally famous brand, it formally changed its name to NEC Corporation in 1983, long before Verisign existed or any .net domain name was ever registered, and that the NEC mark is "one of the most broadly and exclusively protected trademarks in the world," largely as a result of "selling highly complex products and services to highly sophisticated industries." (Response, p. 2) NEC "intends to operate the .NEC TLD as a closed 'single-registrant' model . . . (and) intends to be the sole registrant of domain names within the TLD. . . (which, it states) will ensure that such domain names only are used for purposes authorized by [NEC]," that the ".NEC TLD is not going to be 'open' like the .net TLD [and] .NEC is intended always to refer only to NEC's brand" (Id., p. 3) NEC further contends, based largely on a very extensive survey by a survey and consumer perception expert, that "internet users are highly unlikely to be confused by the coexistence of these TLDs." (Id., p. 4; Survey Report by James Wright, Annex 10 to Response) NEC also contends that there is "no probability of aural confusion since .NEC will be used only by NEC and its controlled licensees, and there is no material confusion as to visual appearance since NEC is virtually always capitalized while .net is almost never capitalized. NEC further contends that average reasonable Internet users are NOT "likely to exercise a low degree of care when exposed or interacting with TLDs" as asserted by VeriSign, since, in part, "the default degree of consumer care is increasing as the novelty of the internet evaporates and online commerce becomes commonplace" and "[c]onsumers who use the internet for shopping are generally quite sophisticated about such matters." (Id., p. 8) NEC urges that VeriSign's Objection be dismissed.

Discussion and Findings

The issue in this proceeding is whether the applied-for gLTD, .NEC, 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 to mind, is insufficient to find a likelihood of confusion." Guidebook, Section 3.5.1.

In a proceeding in which an application for a new gTLD is objected to on the ground of alleged string confusion, the objecting party bears the burden of proof.

"The objector bears the burden of proof in each case." Guidebook, Section 3.5

"The Objector bears the burden of proving that its Objection should be sustained in accordance with the applicable standards." Procedure,

Article 20(c).

Having reviewed and considered the Objection, Response and the supporting materials and affidavits submitted in support of each, I find and conclude that the applied-for gTLD, .NEC, is not likely to result in string confusion, and that the strings .net and .NET are not confusingly similar. VeriSign has not sustained its burden of proof.

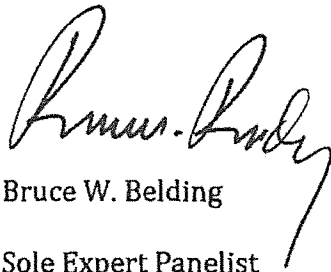
I find no visual or aural similarity or confusion. The record clearly, in my judgment, establishes that the NEC brand is recognized in the marketplace as a three-letter acronym commonly pronounced "en ee see," and not "neck." (Affidavit of Dr. Ksenia Golovina, Annex 3 to Response, Pars. 6-9) Consequently, I find no aural similarity or confusion. Dr. Golovina's affidavit is detailed, non-conclusory and relevant. I also find no likelihood of aural confusion in light of NEC's announced intention to operate the .NEC TLD as a closed (as opposed to 'open' like .net) single-registrant model, so that the .NEC TLD will only be used by NEC and its controlled licensees. In addition, I find relevant and further evidence of visual dissimilarity the fact that .net is usually not capitalized while NEC is usually capitalized. These names neither look nor sound alike to be confusingly similar.

I also find no likelihood, and surely no probability, of user confusion. VeriSign's contention that the relevant group of internet users are "likely to exercise a low degree of care" is rejected as unsupported by the evidence and contradicted by the detailed and thorough Survey Report Demonstrating the Absence of Consumer Confusion (Response, Annex 10), which I find persuasive, statements by the Ninth Circuit Court of Appeals ("[c]onsumers who use the internet for shopping are generally quite sophisticated about such matters") and NEC's argument "that the default degree of consumer care is increasing as the novelty of the internet evaporates and online commerce becomes commonplace." (Response, p. 7)

Determination

The Applicant has prevailed, and the Objection is dismissed.

Dated: August 8, 2013



Bruce W. Belding
Sole Expert Panelist