

International Centre for Dispute Resolution
New gTLD String Confusion Panel

Re: 50 504 T 230 13

VERISIGN, INC., OBJECTOR

and

ECOMMERCE INC., APPLICANT

String: <.ecom >

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, the “Objector”).

The Applicant is ECOMMERCE INC., 1774 Dividend Drive, Columbus, OH 43228, and is represented by Michael Anthony Harris, 1774 Dividend Drive, Columbus, OH 43228 (hereinafter, the “Applicant”).

The New gTLD String Objected To

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

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, on April 3, 2013 ICDR confirmed that the objection complied 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. ICDR confirmed on May 23, 2013, that the response complies with Art. 11 of the New gTLD Dispute Resolution Procedure and the ICDR Rules. ICDR appointed a one person expert panel on June 14, 2013.

Basis of Objector’s Standing to Object for String Confusion

The Objector is the existing TLD operator of “.com”. It has continuously served as the operator for the “.com” TLD virtually from its beginnings. (See Declaration of Joseph Waldron, dated March 12, 2013). Thus Objector has standing in accordance with Article 3.2.2. of the gTLD Applicant Guidebook (version 2012-06-04, Module 3) of ICANN.

Factual Background

Among other business activities, Verisign, Inc., is the operator of the “.com” and “.net” strings. Verisign maintains their products are unique and their quality exceeds industry standards. Verisign wants to prevent other strings that may be confused with the “.com” string from entering the public square for the protection of the world wide web public, and for Verisign’s own economic interest.

Ecommerce Inc. is a newer company that would like to place the string “.ecom” on the web. Ecommerce maintains “.ecom” is distinct enough from “.com” to avoid confusion. Ecommerce maintains its product’s quality is as good as “.com’s”. Ecommerce also wants to break what it perceives as Verisign’s monopoly.

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. “Dot-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 “.ecom” is similar and confusing. The Objector raises the following elements of similarity: visual, phonetic, meaning, context, and overall impressions (closeness of number and sequence of letters, between “.com” and “.ecom”). 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 “.ecom” scores 71%, which Objector posits is too high.

Relying on expert witness Walsh, Objector posits that the difference between the 3- and 4-letter strings is too subtle a distinction to avoid confusion. The relevant class of users are casual Internet users; with regard to sound they are also prone to confusion. Objector names examples of second-level domains in combination with the two TLD's that show a high level of confusion. Further, according to Walsh, their similarity in meaning is confusing as “.com” is shorthand for “commercial” online, which comes close to electronic commerce. Objector contends that users would believe that “.ecom” is derived from “.com”.

Expert Poret conducted a survey of more than 450 consumers regarding perception, opinion and behavior. After using control questions to screen out background confusion, he found a confusion rate of 25% between the two strings in question. Expert Stygall found a linguistic similarity between “.com” and “.ecom”.

Finally, Objector argues 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 “.ecom” 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 revenue. Negative experience with “.ecom” may be erroneously attributed to Objector by consumers.

Applicant

Applicant does not appear to take issue with Objector’s factual contentions. Applicant’s legal arguments rely on the general standards of ICANN’s gTLD Applicant Guidebook Module 3, Article 3.5.1, and that a gTLD is not a trademark under U.S. law.

In its rejection of the trademark standard, Applicant points out that neither the beginning of the URL nor the TLD have any source-indicating significance. Related to this, courts have never imputed trademark rights to a gTLD, and Internet users don’t think of “VeriSign” when typing a web address. Applicant argues that ICANN principles govern the proceeding, namely that mere association, in the sense that the string brings another string to mind, is insufficient to find a likelihood of confusion. The issue is whether Internet users will be able to distinguish between “.com” and “.ecom” when navigating the web or if they will be confused in believing they are the same thing. Survey evidence and expert reports are particularly helpful.

Applicant assigns little value to the Stygall and Poret Reports because their methodology and conclusions are improper, and the Poret Report may contain errors (according to Applicant’s experts Klein and Butters). Applicant maintains that there is no evidence that supports a claim of likelihood of confusion between “.com” and the proposed “.ecom” gTLD. Based on the Butters Report, linguistics would support a speaker’s ordinary-language ability to distinguish between “.ecom” and “.com” on the basis of sight, sound, and meaning. Applicant sees no linguistic evidence that establishes a probability that Internet users will be unable to distinguish between the two gTLD’s.

Applicant discusses the four criteria the Objector brought forward, and in addition, four other criteria, all part of the eight-prong test under *Sleekcraft*. Regarding the strength of the mark, Applicant concedes the high level of familiarity Internet users have with the “.com” gTLD. However, Applicant believes that based on the dominant and ubiquitous part of the Internet that “.com” represents, it is highly unlikely that consumers will be confused by the “.ecom” gTLD any more than they would be confused by “.net” or “.org.”

Somewhat following *Sleekcraft*, Applicant’s similarity argument is divided into sight, sound, and meaning contentions. Applicant concedes that this approach is similar to the one in ICANN’s gTLD Applicant Guidebook, Module 2. Based on the Butters Report, Applicant posits that there is no linguistic basis for concluding that the additional sound/letter [<E>] ‘does not adequately distinguish “.com” from “.ecom” for normal adult speakers of the English language. The European Trademark Office has determined that the length of a name may influence the effect of differences (shorter names have better distinguishability). Unique aural impressions are supported by the distinction of one vs. two syllables. Regarding the dissimilar meanings, Applicant argues that the generic if not descriptive character of a class of goods (probably borrowing from the trademark context) makes the gTLD’s dissimilar. Also, Applicant argues

that Objector may not monopolize the generic meaning of “commerce.” Since “.com” has no meaning, but “.ecom” has a distinct and narrowly defined meaning, there is no similarity. Since “.com” has such a ubiquitous and dominant presence on the Internet, Applicant states users are unlikely to be confused. Relying on the 2002 9th Circuit decision in *Entrepreneur Media, Inc. v. Smith*, consumers are aware of often similar names, but these similarities are justified based on the need for language economy.

Regarding the marketing channels used, Applicant vouches for an entirely new marketing concept distinct from the 60% registered domain names ending in “.com”: Applicant’s marketing shall be uniquely geared towards online/electronic commerce.

Applicant maintains Internet users are quite sophisticated and even if they mistype “.ecom” instead of “.com”, there is no harm. Applicant states that Objector’s contention that confusion may occur during purchases of domain names is incorrect. Applicant states that the fact that two names may be competitive is not evidence they are confusing. Applicant rejects the notion that its performance, security, stability and services would be anything else than superior.

Discussion and Findings

Objector incorrectly treats trademark law as applicable law. The correct standard is the one mentioned above and below stemming from the ICANN rules. The panel allows trademark law as analogous only; trademark law is not controlling.

While Applicant is correct that Objector may not have a monopoly on the string market, and that Applicant may reach Objector’s quality standards, the crucial point is, is their applied for string confusingly similar to the existing one? The answer is yes.

Analysis of the two opposite experts (Walsh, Butters) shows that Butters has not successfully rebutted Walsh’s report. Objector has shown that the difference of only one out of 4 letters is slight, and “com” is included in “ecom”. The one vs. two-syllables distinction is overstated, as one syllable consists of one letter only. The likelihood that the one letter could be overlooked (missed) is great, and the potential of mix-ups appears remarkable. This is even more so the case since the differing letter “e” stands for “electronic” in the user’s mind and with this, it’s about as generic as anything one may do on the Internet. While it is relatively easy to spot the “e” under “lab” conditions, for an average communicator who may be multi-tasking, using a foreign language, or in a hurry, it is less so. Thus, even in light of the above mentioned maxim by the European Trade Office concerning brevity and distinguishability, “.ecom” is confusing. Also, Applicant should not be allowed to slow Internet users down, forcing them to scrutinize each and every domain name ending in “com” as to whether there is an additional “e” after the dot or not.

Applicant does not argue the Poret report is erroneous; Applicant only surmises the report “may” contain more errors (Response, p. 5). The Klein Report is unconvincing; it states in its conclusion, without proper analysis, that “[t]he flaws in the design of the Poret Survey render it

unreliable and unsuitable” (Applicant’s Exhibit B to Response, Expert Report of Robert L. Klein in the matter of Verisign, Inc. v. Ecommerce, Inc., dated May 10, 2013, p. 19).

The pre-Internet *Sleekcraft* case is not helpful to Applicant; the criteria that prompted the 9th Circuit to allow both “Slickcraft” and “Sleekcraft” for boats may not survive in light of the mentioned ICANN rules. Defunct National Arbitration Forum cases (“Tire Discounters, Inc.,” and “The Men’s Wearhouse Inc.”) are not helpful either.

Applicant’s assumption that the difference between “.com” and “.ecom” is the same as the difference between “.com” and “.net” or between “.com” and “.org” is not plausible. Those gTLD’s are structurally different; also, “.org” stands for a specific segment of entities on the web.

Applicant’s possibly strongest argument is its contention that, of course, Objector may not monopolize the generic meaning of “commerce.” On the other hand, it concedes that Objector has an established practice with ICANN denying any specific meaning for “.com”. Applicant claims non-similarity based on “.ecom” having clear meaning (online commerce) while “.com” having none. However, Applicant may not claim an exclusive right to computer commerce at the expense of consumers and an orderly organization of the Internet.

Some Internet consumers may be aware of often similar names, and there is a need for language economy. However, by quoting *Entrepreneur Media, Inc. v. Smith*, Applicant ignores the substantial difference between a top level and a second level domain. Applicant naturally claims its superior services. It may tout these, without using “.ecom”.

The panel agrees with Applicant, that two things being competitive is not evidence of confusion. However, if confusion leads to deception, this is distortion of a truly competitive market.

The effects of typos will be significant. The operators of “.ecom’s” would disproportionately benefit from the confusion resulting from typos. The two strings are so close that this practice would border on a deceptive practice which the law shall not endorse.

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

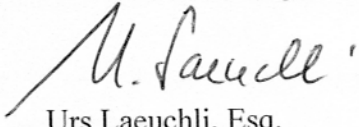
Determination

“(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.”

The gTLD “.ecom” is confusingly similar to the existing top-level domain “.com”. 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 27, 2013

A handwritten signature in black ink, appearing to read 'U. Laeuchli', written in a cursive style.

Urs Laeuchli, Esq.

Sole Expert Panelist