

## **EXPERT DETERMINATION LEGAL RIGHTS OBJECTION**

Blue Cross and Blue Shield Association v. Afilias Limited

Case No. LRO2013-0004

### **1. The Parties**

The Objector/Complainant is Blue Cross and Blue Shield Association of Illinois, United States of America (the “Objector”), represented by Hanson Bridgett LLP, United States.

The Applicant/Respondent is Afilias Limited (the “Applicant”) of Dublin, Ireland, represented by Bart Lieben of Belgium.

### **2. The applied-for gTLD string**

The applied-for gTLD string is <.blue>.

### **3. Procedural History**

The Legal Rights Objection (“Objection”) was filed with the WIPO Arbitration and Mediation Center (the “WIPO Center”) on March 12, 2013 pursuant to the New gTLD Dispute Resolution Procedure (the “Procedure”).

In accordance with Article 9 of the Procedure, the WIPO Center completed its review of the Objection on March 20, 2013 and has determined that the Objection complies with the requirements of the Procedure and the World Intellectual Property Organization Rules for New gTLD Dispute Resolution for Existing Legal Rights Objections (the “WIPO Rules for New gTLD Dispute Resolution”).

In accordance with Article 11(a) of the Procedure, the WIPO Center formally notified the Applicant of the Objection, and the proceedings commenced on April 16, 2013. In accordance with Article 11(b) and relevant communication provisions of the Procedure, the Applicant filed its Response with the WIPO Center, in time, on May 17, 2013.

The WIPO Center appointed Warwick Smith as the Presiding Panelist and Luca Barbero and Maxim Waldbaum as the Co-Panelists in this matter on June 17, 2013. The Panel finds that it was properly constituted. The Panelists have submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the WIPO Center to ensure compliance with Article 13(c) of the Procedure and Paragraph 9 of WIPO Rules for New gTLD Dispute Resolution.

On June 27, 2013, the Objector sought leave to file an additional written submission. On July 2, 2013, the Panel issued a procedural order advising that the additional submission would be received and considered. The Applicant was allowed until July 5, 2013 to submit any Reply.

The Applicant submitted a Reply on July 5, 2013.

By further procedural order made on July 26, 2013, the deadline for the Panel to give its decision was extended by 14 days, to August 15, 2013.

#### **4. Factual Background**

##### **The Objector**

The Objector is a not-for-profit incorporated association, organized under the laws of the State of Illinois, United States. It is made up of 38 independently-operated members, who by themselves or by licensees offer Blue Cross and Blue Shield plans ("Member Plans") for health care and health insurance. The Objector's Member Plans, often referred to as the "Blue Plans", cover approximately 100 million people in the United States. More than 90% of hospitals and 80% of physicians in the United States are said to contract with Blue Plans.

Outside the United States, "Blue Plan" health insurance services are also provided by the Objector or its licensees to Americans travelling internationally, and to United States Federal employees residing overseas.

The Objector referred to the highly regulated nature of the health and insurance markets in which it operates. The relevant regulatory framework in the United States includes the Health Insurance Portability and Accountability Act ("HIPAA"), which requires health insurers and health care providers to implement measures to protect private health information, and especially electronic health records. Similar regulation of consumer data privacy exists in various other jurisdictions, including the European Union (e.g. under the EU Data Protection Directive).

The Objector noted in its Objection that it is common for health insurance transactions and health-related communications to take place entirely over the Internet. It also referred to the United States Affordable Care Act, under which new health insurance marketplaces will be operated substantially through online health insurance "exchanges". These exchanges are expected to be the source of health insurance plans for tens of millions of Americans.

##### **The Objector's Trademarks**

The Objector holds two United States registrations for the word mark BLUE. On June 15, 2011 it applied to register that mark in international class 44 for "providing on-line information, news and commentary in the field of health and wellness relating to health plans, health support, fitness, nutrition and self-care". The application, which referred to a first use in commerce date of June 3, 2003, proceeded to registration on December 20, 2011.

The second registration for the word mark BLUE, for "prepaid financing and administration of medical, hospital and related health care services" in international class 36, has been in force since August 4, 2011. The application referred to a first use in commerce date of May 31, 1997. It proceeded to registration on March 13, 2012.

In addition to the two United States registrations for the word mark BLUE, the Objector is the proprietor of numerous other United States federal trademarks and service marks which contain the term "blue". It also holds registrations for marks incorporating the term "blue" in more than 170 other countries or territories. In the European Union, where the Applicant carries on business, the Objector's registrations include the marks BLUE CROSS, BLUE SHIELD, BLUE CARD, and GEOBLUE.

The Objector's family of "Blue" marks originated with its BLUE CROSS and BLUE SHIELD word and design marks, which have been used continuously in the United States since the 1930s by the Objector, its predecessors in interest, and association members and licensees. Over time, the portfolio of marks has been expanded, and the Objector now holds hundreds of "Blue"-formative marks. These are some of them: BLUE, MYBLUE, ASKBLUE, COREBLUE, HEALTHY BLUE, DENTAL BLUE, CLASSIC BLUE, NEW BLUE, PRIMARY BLUE, ADVANTAGE BLUE, GO BLUE, SIMPLY BLUE, and BLUE CHOICE.

The Objector's "Blue Plans" are often known in part by the geographic areas in which they are offered e.g. Blue Cross and Blue Shield of Florida use the mark FLORIDA BLUE, and the Objector holds a Florida State registration for that mark. Similarly, Blue Cross and Blue Shield of Arkansas use the mark ARKANSAS BLUE.

The Objector provided a declaration from its Senior Vice-President and general counsel, affirming that the Objector has extensively used, advertised and promoted its "Blue" marks, spending millions of dollars annually advertising and promoting services and products marketed under those marks.

The Objector says that its various "Blue" marks have now become so well recognized that they are known, individually and collectively, as "The Blues". It produced a number of United States Court decisions in support of its contention that its BLUE CROSS and BLUE SHIELD marks are famous and/or strong marks, and one United States Federal Court decision referring to the "fame and goodwill" which the word "Blue" was said to have gained through the efforts of the Objector or its predecessor.<sup>1</sup> To the same end, the Objector produced extracts from the 2011 and 2012 Harris Poll EquiTrend brand equity rankings, showing Blue Cross and Blue-Shield as the health insurance brand of the year in each of those two years.

### **The Objector's Domain Names**

The Objector also owns numerous registrations for domain names which incorporate its "Blue" marks. Included among them are <bluecross.info>, <blueshield.info>, <bluecross.mobi>, and <bluecard.mobi>.

Over the years since 2000, the Objector has been a relatively frequent user of the UDRP. Its general counsel stated that, over that period, the Objector has spent hundreds of thousands of dollars monitoring and enforcing its trademark and service mark rights in respect of thousands of infringing domain names which have been registered in existing gTLDs, and in country code domain spaces.

### **Particular ".blue" Domain Names which the Objector says would be of concern to it**

In Annexes 12 and 13 to its Objection, the Objector produced several lists, which in total extended to some ten pages, containing potential domain names that it contended would create a concern for it if they were registered at the second level in any <.blue> gTLD. The concerns were said to arise either:

- (i) because the names were identical or similar to one of the Objector's "Blue" marks (or to one of the trademarks or trade names of its "Blue Plans"), or
- (ii) because they included words denoting (or commonly associated with) services which the Objector's members and licensees provide under the "Blue" marks, in the fields of health care and health insurance.

### **The Applicant**

The Applicant is a substantial provider of Internet infrastructure services. It manages the generic top-level domains ("gTLDs") .info, .mobi, and .pro, and it is a registry services provider for .aero, .asia, .org, and .xxx. The Applicant is also responsible for operating a number of country code top level domains.

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<sup>1</sup> *National Association of Blue Shield Plans v. Mary Lovelace* (1977) 435 Federal Supplement 115.

## The Applicant's Application for the <.blue> gTLD String

The Applicant's application for the <.blue> string ("the Application") was originally posted on June 13, 2012, under Application ID: 1-868-24255.

In the "Mission/Purpose" section of the Application, the Applicant stated:

“.BLUE proposes to create an Internet space in which businesses, organizations and individuals can create an Internet identity tied to the color and the concept of blue. ... Businesses and organizations may want to create a professional web presence related to the color blue, including online stores or shopping experiences, to support social causes and activities, or use blogs, wikis and file-sharing sites to support their merchandizing, retailing efforts and business goals, or for sharing of information.

Individuals may use .BLUE domains to create websites to support or announce planned businesses and begin marketing efforts, research and tests, or to create web presences that reflect their interest or support causes that have an association with the color blue.”

The Applicant said in the Application that it anticipated that it would have 20,000 “.blue” domains under management after three years.

If the Application proceeds to delegation, registrations of “.blue” domain names will be available to all registrants on an “open” basis, except during the required mandatory Sunrise period, and apart from a “set of premium domains” that will not be released until some unspecified later date. The Applicant did not indicate which names would qualify for this “premium” list.

At section 29 of the Application, the Applicant addressed the issue of Rights Protection Mechanisms (“RPMs”). Under this heading, the Applicant referred to its “fully-developed plan” for RPMs, including:

- (i) implementing a robust Sunrise program, utilizing the Trademark Clearinghouse;
- (ii) implementing a professional trademark claims program, utilizing the Trademark Clearinghouse and drawing upon models of similar programs used successfully in previous TLD launches;
- (iii) complying with the Uniform Rapid Suspension system (“URS”) requirements;
- (iv) complying with the Uniform Domain Name Dispute Resolution Policy (“UDRP”);
- (v) complying with the Post Delegation Dispute Resolution Policy (“PDDRP”);
- (vi) complying with all ICANN-mandated and independently developed RPMs included in the Registry-Registrar agreement for the proposed <.blue> gTLD.

The Applicant also stated in the Application that the Registry-Registrar and Registrar-Registrant Agreements would contain provisions under which the Applicant could reject, delete, revoke, suspend, cancel, or transfer a registration on a number of grounds, including the following:

- (a) To enforce registry policies and ICANN requirements; each as amended from time to time;
- (b) To comply with any applicable law, regulation, holding, order or decision issued by a Court, administrative authority, or dispute resolution service provider who would have jurisdiction over the Applicant;

- (c) To establish, assert, or defend the legal rights of the Applicant or a third party, or to avoid any civil or criminal liability on the part of the Applicant and/or its affiliates, subsidiaries, officers, directors, representatives, employees, contractors, and stockholders;

### **Other Applications made by the Applicant**

In addition to the Application, the Applicant has made similar color-based applications for the new gTLDs <.black>, <.green>, <.red>, and <.pink>.

### **Additional Matters referred to by the Applicant in the Response**

The Applicant acknowledged in its Response that the <.blue> gTLD will be focused specifically on brand owners, and in particular, brand owners who have an affinity with the color “blue”. The Applicant stated that specific processes and procedures “would be put in place to assist these brand owners in enforcing their rights against third parties if need be.”

Elsewhere in the Response the Applicant stated:

“... it is more than likely that [the Applicant] will – in consultations with this key target market – develop additional schemes in order to mitigate the concerns of those who hold trademark rights regarding signs that contain the word or color ‘blue’, since this is one of the primary target markets for [the Applicant].”

The Applicant asserted in its Response that it has invested significantly, in terms of time, money and effort, in the development of all of its new gTLD applications, including the Application. However, it did not provide evidence in support of that assertion, beyond a reference to the payment of the USD 185,000 fee payable on any application for a new gTLD.

### **Other Matters referred to or acknowledged by the Parties**

It is common ground that the Applicant has not been known by the name “Blue”. Nor does the Applicant claim any trademark or other legal rights in the expression “Blue”.

The Applicant did not dispute that it was aware of the Objector when it lodged the Application. Its position was that the Objector’s “Blue” marks represent only a small proportion of thousands of registered marks around the world which incorporate the word “blue”, and in those circumstances cannot give the Objector the “expansive rights for which it now contends”.

Both parties referred to discussions or negotiations which have been held between them in an attempt to reduce or mitigate the Objector’s concerns. In its supplementary statement, the Objector contended that the Applicant told it in the course of these discussions that the Applicant did not intend to create any additional RPMs (beyond those already required of it by ICANN-mandated procedures) for the proposed <.blue> gTLD.

The Applicant acknowledged in its Reply that “both options proposed to Objector during the telephone calls that took place ... would have financial repercussions for Objector”. But it did state in its Reply that:

“... Objector can continue to count on [sic] Objector’s intention to find a “middle-ground” resolution in good faith, meeting both parties’ requirements and objectives.”

Both parties referred to the Government Advisory Committee (“GAC”) Beijing Communiqué of April 11, 2013. In that Communiqué, the GAC advised ICANN to put in place specific safeguards for certain gTLD strings which were seen by the GAC as being either sensitive for some reason, or related to or suggestive of regulated markets. Particular markets identified by the GAC in its Communiqué included health and fitness, financial, and insurance. The GAC identified a number of particular strings for which gTLD registrations have been sought which it saw as calling for specific additional safeguards. The <.blue> gTLD was not one

of the identified strings.

## 5. Parties' Contentions

### A. Objector

The Objector contended that it has standing to object under the Procedure, based on its trademark registrations for the mark BLUE, and its "family" of other registered and unregistered marks containing the expression "blue". It contended that it would suffer damage if the Application were allowed to proceed.

The Objector contended that the potential use of a <.blue> gTLD by the Applicant would:

- (i) take unfair advantage of the distinctive character or the reputation of the Objector's "Blue" marks;
- (ii) unjustifiably impair the distinctive character or the reputation of the Objector's "Blue" marks; and
- (iii) otherwise create an impermissible likelihood of confusion between the <.blue> gTLD and the Objector's "Blue" marks.

Addressing the eight individual factors which experts are required to consider under Section 3.5.2, Module 3, gTLD Applicant Guidebook, the Objector contended as follows:

1. The Objector's acquisition and use of its rights in its family of "Blue" marks has been *bona fide*, and the "Blue" marks are famous symbols representing the Objector and its "Blue Plans".
2. A <.blue> gTLD would be identical in appearance, sound, and meaning to the Objector's registered BLUE mark, and a substantial portion of the public would mistakenly believe that the Objector operates or is otherwise affiliated with the <.blue> registry (consumers would see the <.blue> gTLD as a source indicator). Allowing the Application to proceed would therefore create the opportunity for the Applicant to unfairly take advantage of the public's misperception that the Objector operates or is otherwise associated with the <.blue> gTLD.

Allowing the application to proceed would also create a likelihood of confusion among "blue" brand owners for whom the Applicant has purportedly created this new "dot brand" (many "blue" brand owners will simultaneously reside in the <.blue> space, and that will create a mistaken impression among the public that the individual companies are inter-related). The Application does not contain safeguards against that likelihood of confusion.

3. Third parties would be likely to register domain names in a new <.blue> gTLD that would mimic or call to mind the Objector's "Blue" marks, and the Applicant would profit unfairly from the registration of such domain names. By way of example only, if the Application were approved, the Objector's registered marks ASK BLUE, CORE BLUE, and HEALTHY BLUE could easily become the identical domain names <ask.blue>, <core.blue>, and <healthy.blue>. Similarly, the Objector's famous BLUE CROSS and BLUE SHIELD marks might be reflected in the domain names <cross.blue> and <shield.blue>. The possibilities for the registration of <.blue> domain names that would trade off the renown of the Objector's "Blue" marks, and have the potential to significantly impair their distinctiveness, are wide-ranging and impossible to comprehensively catalogue.

Allowing the Application to proceed would also be likely to result in infringing domain names in the .blue gTLD that referred to or described the Objector's Blue Plans, the goods or services they provide, or the geographic areas in which Blue Plans are offered. For example, the domain names <florida.blue> and <arkansas.blue> would create a likelihood of confusion with (respectively) the Objector's "Florida Blue" and "Arkansas Blue" plans.

Further potentially confusing use would arise out of any domain names registered in a <.blue> gTLD consisting of terms frequently used in the health, insurance, or related industries. For example, domain names such as <insurance.blue>, <claims.blue>, <broker.blue>, <hospital.blue>, <health.blue>, and <pharmacy.blue>, would each call to mind the Objector and its Blue Plans for a substantial portion of the public, thereby creating impermissible confusion as to the ownership or operation of those domain names.

In addition to that sort of confusion, there would likely also be typo-squatting, and/or the insertion of characters such as dashes between words, which would create additional confusion.

4. Neither the terms of the Application nor the RPMs would protect against such confusion arising at the second level. Sunrise procedures, for example, only cover registered trademarks to the left of the dot. They would not take into account confusing similarity associated with the <.blue> string itself.
5. Nor would the Trademark Clearinghouse address the bulk of the Objector's concerns. It only protects precise matches to the left of the "dot", and not precise matches formed using the <.blue> string itself.
6. The fame of the "Blue" marks, and the variety of goods and services for which they are used, make them popular targets for domain name infringers. The Applicant has no plan to mitigate such infringements, and it would be very expensive for the Objector to register every potential infringing <.blue> domain name itself. To expect the Objector to expend resources to protect its "Blue" marks in that way would take unfair advantage of the Objector's pre-existing and well-established rights in the "Blue" marks.
7. In applying for the <.blue> gTLD, the Applicant's intention was to profit from operating a gTLD registry corresponding to a mark in which others have existing rights. That intent is further demonstrated by the Applicant's statement that there will be a "set of premium domains" that it will not release until some unspecified later date. The Applicant will presumably seek a higher than normal profit from the "premium domains", and they might very well include domains that trade off the fame of the Objector's "Blue" marks.
8. There would be a heightened risk of abuse of <.blue> domain names which might be used in the health and insurance industries. Any such abuse would threaten to exacerbate the harm to the Objector's "Blue" marks, and to consumers. The Application contains no safeguards to ensure regulatory compliance, or to proactively block phishing and other fraudulent schemes. There would therefore be a serious risk of consumers being misled into providing sensitive personal information to websites at <.blue> domain names. The Applicant's complaint-based anti-abuse policy, described in section 28 of the Application, fails to adequately address those concerns. While the Applicant may have utilized this policy for existing gTLDs such as <.info>, such policies would be inadequate for any <.blue> gTLD, because of the likelihood that the public would associate the Registry, and later-registered domain names, with the Objector.

## **B. Applicant**

The Applicant's contentions may be summarized as follows:

1. The Applicant's potential use of the <.blue> gTLD would not take unfair advantage of, or unjustifiably impair, any distinctive character or reputation which may subsist in the Objector's "Blue" marks. Any potential use the Applicant might make of a <.blue> gTLD would not create any impermissible likelihood of confusion between the Objector's marks and the <.blue> gTLD.
2. TLDs generally do not have any source-identifying function.
3. The mere risk of third parties registering domain names (whether or not in conjunction with the top-level domain) that could be used to infringe rights of others, is not, *as such*, sufficient for the Objection

to be upheld.

4. “Blue” is first and foremost a common dictionary word, with many uses outside of the scope of the Objector’s activities.
5. The existence of many trademarks which include the word “blue” implies that such rights as the Objector may have in that word are not absolute. Furthermore, the sheer number of such other “Blue” trademarks means that the likelihood of an Internet user immediately associating the <.blue> gTLD with the Objector is almost non-existent.
6. The operation of a domain name registry for a generic top-level domain (<.blue>) that corresponds with such a common dictionary word, and relates to the generic meaning of that word, is a legitimate business venture.
7. The Objector has not provided any proof of the impact the new <.blue> gTLD would have on the (overly expansive) rights claimed by the Objector. For one thing, Internet users will be required to enter something in their browsers before the “.blue”, in order to access a website. Thus Internet users might enter “big.blue” (for IBM), “jet.blue” (for JetBlue Airways), or “cross.blue” (for the Objector), without being confused about the distinctive goods and services offered by each of those parties. The Objector’s stated concerns over likely confusion at the second level are no more than speculation.
8. The Applicant’s applications for the new gTLDs <.black>, <.green>, <.red>, and <.pink>, make it obvious that the Applicant has not specifically targeted the Objector and its purported marks.
9. Under national and international trademark law standards, a proprietor of a trademark cannot prohibit a third party from using in the course of trade, a sign which is the same as the trademark, if the third party’s purpose is to describe the kind, quality, quantity, or intended purpose of the third party’s goods or the services (or other characteristics of those goods or services), and the third party uses the sign in accordance with honest practices in industrial or commercial matters. In this case, the focus for the <.blue> gTLD will be on the kind, quality, or other characteristics of the services the Applicant will be offering through the new registry. As such, the Applicant will be using the <.blue> gTLD in connection with a *bona fide* service offering.
10. ICANN has developed far-reaching RPMs (e.g. the Trademark Clearinghouse, mandatory Sunrise process, trademark claims process, the URS, the UDRP, the PDDRP, and the requirement to have a mandatory point of contact for complaints), that will assist brand owners in enforcing their trademark rights. During the mandatory Sunrise period for the <.blue> gTLD, the Applicant will allow those who can prove they have trademark rights containing the word “blue”, to pre-register domain names which reflect those trademarks. It is also likely that the Applicant will, in consultation with its target market, develop additional schemes to mitigate the concerns of those who hold trademark rights that contain the word or color “blue”.
11. If the Objection were to be allowed, it would encourage other brand owners to make frivolous Legal Rights Objections in the future, relying only on the fact that the applied-for gTLD string happens to be the same as some non-distinctive element in the brand owner’s trademark.

## **6. Discussion and Findings**

### **Section A**

#### ***Principles for Adjudication of Legal Rights Objections***

The principles which expert panels are required to apply in dealing with Legal Rights Objections, are set out at Section 3.5.2 of Module 3 to the gTLD Applicant Guidebook.



The starting point is that applied-for strings must not infringe the legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law. In giving effect to that requirement, expert panels are required to determine whether the potential use of the applied-for gTLD by the applicant:

- (i) takes unfair advantage of the distinctive character or the reputation of the objector's registered or unregistered trademark or service mark ...; or
- (ii) unjustifiably impairs the distinctive character or the reputation of the Objector's mark ...; or
- (iii) otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the Objector's mark ....

The objector in a Legal Rights Objection proceeding bears the burden of proof.

As part of its task of making the determinations listed (i) to (iii) above), the Panel is required to consider eight specific factors, which are listed in Section 3.5.2. These specific factors are expressly stated to be non-exclusive, and are applicable where the objection is based on trademark rights. We consider each of these factors in Section 6C of this decision.

## **Section B**

### ***Considerations Relevant to the Interpretation of the Section 3.5.2 Adjudication Principles***

It is the potential use of the <.blue> gTLD string *by the Applicant* with which the Panel is in the first instance concerned, more than the potential uses to which individual domain name registrants of <.blue> domain names might put their domain names. In this case, the evidence is that the <.blue> gTLD will be used by the Applicant as an open gTLD, at which individuals and corporates "having an affinity" with the color blue will be able to register ".blue" domain names through ICANN-accredited registrars. The issue of these new domain names will be subject to the ICANN-prescribed RPMs (including the UDRP and the URS for individual domain name registrants, and the PDDRP for the Applicant), and to further unspecified RPMs which the Applicant has yet to develop. The question is whether this use of the proposed <.blue> gTLD by the Applicant would do any of the things listed (i) to (iii) in Section 6A of this decision.

How then, should the Panel deal with the potential for confusion at the second level? It is obviously important in this case, where the potential appears to exist for someone to register domain names such as "<shield.blue>", or "<cross.blue>", or other combinations which might call to mind the Objector for a significant number of Internet users.

In *I-REGISTRY Ltd v. Vipospace Enterprises LLC*, Case No. LRO 2013-0014 (gTLD string <.vip>), the panel noted that there might be scope for infringement of the objector's trademark at the second level, but took the view that it was only concerned with the top level.

In *Express, LLC v. Sea Sunset, LLC*, Case No. LRO 2013-0022 (gTLD string <.express>), the panel noted that, although there is a sense in which even a gTLD as ubiquitous as .com can be said to "create" a likelihood of confusion (without the operation of that registry, prospective domain name registrants would have more limited fora in which to take unfair advantage of trademark rights), as a general proposition registries operating in a *bona fide* manner are not held legally responsible for allowing domain names to be registered that create a likelihood of confusion with respect to existing trademarks.

This Panel agrees that in most cases the operator of a new gTLD, should not be regarded as "taking advantage of", or as "impairing", the distinctive character or reputation of an objector's trademark in circumstances where the relevant taking advantage or impairing arises only out of the registration of particular domain names in the new gTLD by third parties unrelated to the registry operator and its conduct.

Whether the establishment of a new gTLD might be enough on its own to create a “likelihood of confusion” between the gTLD and an objector’s mark in such circumstances, is perhaps a more difficult question. In the particular circumstances of this case, the Panel has found it unnecessary to answer the question, as it has come to the view that any likelihood of confusion at the second level does not reach the level of being “impermissible” under the third of the standards the Panel is required to apply.

The Panel agrees with, and respectfully adopts, the following observations made by the panel in *Right At Home v. Johnson Shareholdings, Inc.*, Case No. LRO 2013-0030 (gTLD string <.rightathome>):

“Procedure, Section 3.5.2. The use of the terms ‘unfair’, ‘unjustifiably’, and ‘impermissible’ as modifiers, respectively, of ‘advantage’, ‘impairs’, and ‘likelihood of confusion’ in Section 3.5.2 suggests that there must be something more than mere advantage gained, or mere impairment, or mere likelihood of confusion for an Objection to succeed under the Procedure. It seems, rather, that there must be something untoward – even if not to the level of bad faith – in the conduct or motives of Respondent, or something intolerable in the state of affairs which would obtain if the Respondent would have permitted to keep the String in dispute.”

This passage has been cited with approval by the expert panels in the subsequent LRO cases *Defender Security Company v. Lifestyle Domain Holdings Inc.*, Case No. LRO 2013-0035, *The Canadian Real Estate Association v. Afilius Limited*, Case No. LRO 2013-0008, and *Pinterest, Inc. v. Amazon EU S.à.r.l.*, Case No. LRO 2013-0050.

The Panel also agrees with, and respectfully adopts, the following statement taken from the expert determination in the (same) <.rightathome> case:

“... the Procedure sets forth eight non-exclusive factors which should be considered by the Panel when applying the Section 3.5.2 standards to the facts of this case. [...] The Panel underlines that as these 8 factors are stated to be non-exclusive, it thereby leaves room for the interpretation of [the general concepts set out in the three standards the Panel is required to apply]. It also bears noting that the relevant importance of each factor is not fixed in advance of the Panel’s inquiry; rather, depending on the facts and circumstances of each case, some factors may prove more significant than others. Deciding a case under the LRO Procedure is not simply a matter of tallying the factors (e.g., 5-3) and declaring the winner on that basis.”

This passage was cited with approval by the panel in *The Canadian Real Estate Association v. Afilius Limited (supra)*.

In the <.express> case, the panel referred to the possibility of the objector being called upon to deal with potential Internet user confusion at the second level, and went on to say: “Complainant faces this risk because it adopted a common word in the English language for its trademark. It may be difficult to protect that term outside its channel of trade”.

The Panel considers that that observation is equally apposite where the string in question consists of the word used in English to designate one of the primary colors, and also has a number of other commonly understood meanings (e.g. “blue” in the sense of being sad, or depressed).

The Applicant contended that top level domains are not regarded as source indicators. It referred to practice guidelines maintained by the United States Patent and Trademark Office (“USPTO”) and the Office for Harmonization in the Internal Market in the European Union (“OHIM”), which appeared to support that view.

In the Panel’s view, a different approach may be required where the new gTLD consists of a third party trademark which is not also a common generic expression. However, the position is less clear where the new gTLD is in the form of a common, generic expression.

Each case must of course be considered on its own facts, but particularly in a case where the applied-for

gTLD string consists of nothing more than one of the more commonly used generic expressions in the English language, the Panel notes that it may be difficult for an objector to persuade an expert panel that the gTLD string on its own, without more, will perform any source indication function.

In *Defender Security Company v. Charleston Road Registry Inc.*, Case No. LRO 2013-0032 (relating to the gTLD string <.home>), the panel noted:

“... it is possible that new gTLDs with more general dictionary meaning may appropriately form part of any assessment of the legal status in trademark terms of such domain or registrations made therein.”

The Panel takes that statement to include the implication that, to the extent that panels deciding cases under the UDRP have in the past ignored everything to the right of the dot in addressing the question of confusing similarity, a different approach may be required with the new gTLDs. The Panel agrees with that view. A domain name registered in a new gTLD, in combination with the gTLD string itself, might be almost identical to a complainant’s trademark, and it would seem unrealistic to ignore the gTLD string in such circumstances.<sup>2</sup>

## Section C

### ***The Eight Factors, and how they are to be applied in this Case***

#### **1. Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the Objector’s existing mark.**

The <.blue> gTLD is clearly identical to the Objector’s BLUE mark in terms of its appearance and phonetic sound. As to meaning, the Panel accepts that “blue” as used in the proposed new gTLD was intended to, and does, evoke the color blue. It is not so clear whether that is the case with the Objector’s BLUE mark, where it appears that the word has the (secondary) meaning of acting as a source indicator for particular services provided by the Objector.

#### **2. Whether the Objector’s acquisition and use of rights in its BLUE mark has been *bona fide*.**

The Applicant has not suggested otherwise, and there is nothing in the evidence which would suggest that the Objector’s acquisition and use of its BLUE mark, and its family of “Blue” formative marks, has not been *bona fide*.

#### **3. Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the Objector, of the Applicant or of a third party.**

First, the Applicant has not claimed any rights in a BLUE mark, or contended that any relevant sector of the public regards “blue” as a mark of the Applicant. As for third parties, there is evidence of a very substantial number of trademarks registered around the world that contain the term “blue”. The Panel expects that some of the proprietors of those marks could justifiably claim a level of recognition of that expression (in

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<sup>2</sup> The example <jet.blue> provided in the Response illustrates the point well. Assuming someone were to register the domain name <jet> in a new <.blue> gTLD, it would seem unrealistic for the proprietor of the mark JET BLUE to be deprived of access to relief under the UDRP on the basis that the “.blue” part of the domain name has to be ignored, and that “jet” on its own is purely generic and not confusingly similar to “jet blue”. The issue has been considered in at least one UDRP decision, being the decision of the three-member WIPO Panel in *Project.me GmbH v. Alan Lin*, WIPO Case No. DME2009-0008, relating to the Montenegro country code domain name <project.me>. In that case, the panel noted on the issue of confusing similarity: “In this Panel’s opinion, to ignore the ccTLD identifier in all cases when considering identicalness or similarity of a .me domain name to a trademark is to ignore the commercial reality that, in the .me domain name space, the ccTLD identifier is likely to be a key part of the domain name. Thus, it is this Panel’s view that a determination of identicalness and similarity of a .me domain name may in appropriate cases be based on a consideration of the domain name as a *whole* – that is, of the domain name including the ‘.me’ suffix.”

some sectors of the public, and in respect of some particular goods or services) as their trademark or service mark. However, there is no evidence of the *level* of recognition which any third party might hold in a “blue” mark.

Turning to the Objector, the Panel accepts that, as the proprietor of two BLUE service marks in the United States, there is likely to be some level of recognition of “blue” as a service mark of the Objector, particularly in the health care sector. But with the exception of the reference in the *Mary Lovelace* case,<sup>3</sup> to the “fame and goodwill which the word ‘Blue’ has gained”, the Objector has not submitted evidence of the recognition of its mark BLUE standing alone. The evidence suggests that the Objector has primarily used the term “blue” in combination with some other word or words, such as “Cross”, “Shield”, “Go”, “Ask”, or “Plans.”

**4. Applicant’s intent in applying for the gTLD, including whether the Applicant, at the time of Application, had knowledge of the Objector’s mark, or could not have reasonably been unaware of that mark, and including whether the Applicant had engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others.**

The Applicant has not denied that it was aware of the Objector when it lodged the Application. However, on the evidence which has been produced, the Panel has no reason to doubt the Applicant’s assertion that it applied for the <.blue> gTLD for the purpose of establishing a new registry which would provide domain names to individuals, businesses, and organizations wishing to establish or enhance a presence on the Internet having “an affinity” with the color blue. The Applicant’s intention was to evoke a connection with the color, not with anyone’s “blue” trademark. The fact that the Applicant has applied for four other “[color]” gTLDs is consistent with that assessment.

There is no allegation that the Applicant has engaged in any pattern of conduct whereby it has applied for or operates TLDs, or registrations in TLDs, which are identical or confusingly similar to the marks of others.

**5. Whether and to what extent the Applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a *bona fide* offering of goods or services or a *bona fide* provision of information in a way that does not interfere with the legitimate exercise by the Objector of its mark rights.**

The Applicant does not claim to have made any use of a sign corresponding to the <.blue> gTLD in connection with any *bona fide* offering of goods or services, or *bona fide* provision of information. However, the Applicant does submit that it has made *demonstrable preparations* to use the sign corresponding to the <.blue> gTLD in connection with such services.

In the <.express> case, and in at least one other LRO decision,<sup>4</sup> expert panels have regarded the respondent’s efforts to establish the technical and administrative infrastructure to operate the new gTLD registry, as forming part of “preparations to use” the applied-for gTLD string. However it seems to this Panel that factor 5 is concerned less with use of (or demonstrable preparations to use) the particular gTLD itself, and more with use (or demonstrable preparations to use) a sign corresponding to the gTLD *separately* in some way, whether as a trademark or service mark, or for the *bona fide* provision of information. Before its application reaches the Legal Rights Objection stage, *every* applicant for a new gTLD string will presumably have carried out some work planning and/or creating the technical and administrative structure which will be necessary to operate its proposed new registry. On that basis, the Panel would say on the evidence before it that the Applicant has not made use of, or made relevant demonstrable preparations to use, a sign corresponding to the <.blue> gTLD in connection with a *bona fide* offering of goods or services, or *bona fide* provision of information. That finding makes it strictly unnecessary to consider the latter part of factor 5, relating to the question of interference with the legitimate exercise by the Objector of its mark rights. But

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<sup>3</sup> *Supra*, at footnote 1

<sup>4</sup> TLDDOT GmbH v. InterNetWise Web-Development GmbH, Case No. LRO 2013-0052, relating to the string <.gmbh>.

even if activities associated with establishing the technical and administrative infrastructure necessary to operate the new registry could be regarded as relevant “demonstrable preparations” to use the sign “blue”, there is no evidence that such activities are “sufficiently well advanced to have created any material public awareness of the Applicant’s proposed use of the [.blue] string” (to borrow from the wording used by the panel in *i-Registry Ltd v. Charleston Road Registry Inc.*, Case No. LRO 2013-0017). The absence of proof of such “material public awareness” led the panel in that case to conclude that factor 5 considerations should be given little weight, and the Panel is of the view that the same assessment would be appropriate in this case.

**6. Whether the Applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been *bona fide*, and whether the purported or likely use of the gTLD by the Applicant is consistent with such acquisition or use.**

The Applicant has not claimed that it holds any intellectual property rights in a sign corresponding to the <.blue> gTLD. Its case is that it proposes to use the term “blue” in the gTLD string in its ordinary generic sense, denoting the color blue, and that no intellectual property right is required for it to do that.

**7. Whether and to what extent the Applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the Applicant is consistent therewith and *bona fide*.**

There is no suggestion that the Applicant has been commonly known by a sign corresponding to the <.blue> gTLD.

**8. Whether the Applicant’s intended use of the gTLD would create a likelihood of confusion with the Objector’s mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.**

The Panel considers that while there would be some limited level of recognition of the expression “blue” (standing alone) as the mark of the Objector in the health care and/or health insurance sectors in the United States, and that some of those who recognize that mark might wrongly assume that a <.blue> gTLD was connected in some way with the Objector, the vast majority of Internet users coming across a <.blue> gTLD would have no reason to assume that it was intended as anything other than a reference to the common English word “blue”. In the Panel’s view, the real concern for the Objector in this case arises at the second level, where particular domain names might, in combination with a “.blue” suffix, create confusion with one or more of the Objector’s family of “Blue” marks.

Considering the position at the second level, the Panel agrees with the Objector’s submissions that (i) there are a number of domain names that might be registered which, when read with the “.blue” suffix, could evoke the Objector and its activities in the fields of health care and/or health insurance, and (ii) such registrations might cause confusion with one or more of the Objector’s “Blue” marks (at least among those familiar with the Objector), as to the source, sponsorship, affiliation, or endorsement of the <.blue> gTLD. The Panel further accepts that the Objector could not reasonably expect to completely eliminate that sort of confusion by making defensive registrations during the Sunrise period, and that while the UDRP and the URS will be available to address abusive registrations at the second level (and the option of Court proceedings for trademark infringement or unfair competition may be available in particular cases), there could still be a period when some level of marketplace confusion was present.

However, those considerations do not take the Objector the full distance. First, there is the question of whether the likelihood of confusion at the second level has been “created” by the Applicant’s potential use of the <.blue> gTLD. Secondly, there is the question of whether the likely amount of confusion at the second level may be *permissible*, having regard to the facts that (i) “blue” is an extremely common, generic English word, and (ii) the vast majority of domain names which would be registered in a <.blue> gTLD would likely be perfectly *bona fide* registrations which did not suggest any connection with the Objector.

## Section D

### ***Additional Considerations***

The fact that “blue” is an extremely common generic expression in English, weighs heavily in the Applicant’s favor. As in the <.express> case, the Objector’s difficulties appear to arise in large part because it has seen fit to adopt a common word in the English language as its trademark. In such circumstances, the Objector’s rights in its “Blue” marks must be seen as relatively narrowly confined, being applicable only in respect of particular services in the health care and health insurance fields. As in the <.express> case, it may be said that what the Applicant is doing in this case is no more than “making available the use of a common term in the English language for Internet user registration in domain names.”

The panel in the <.express> case noted:

“... the Panel accepts that second-level domains in that registry relating to apparel and fashion [*the field in which the objector in the case carried on business*] may create a likelihood of confusion among Internet users .... But this is a problem that complainant will face because it has adopted a trademark that is a common dictionary or generic term, while using it in an arbitrary way.”

The introductory words of Section 3.5.2 state that LRO panels are required to apply the three standards in order to interpret and give meaning to the following GNSO Recommendation:

“Strings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law.”

The Panel is therefore obliged to give some consideration to the extent of the Objector’s enforceable rights in its “Blue” marks, and in particular to any limitations on those rights which might exist.

In that context the Panel records its agreement with the panel in the <.vip> case (LRO 2013-0014) where the panel said:

“In most trademark systems an honest use of a dictionary term is most unlikely to be found to be an infringement of a trademark registration of the term.”

In this case, the Applicant proposes to use the dictionary term “blue” in accordance with its dictionary meaning, and although the Applicant may have anticipated some confusion arising at the second level in its proposed <.blue> gTLD, the Panel does not believe there is any evidence that the Applicant will or may use the gTLD dishonestly, or otherwise in bad faith.

## Section E

### ***What Weightings should the Panel give to the Factors addressed in Sections C and D of this Decision?***

As noted by the panel in the <.rightathome> case, the relative importance of the eight factors is not fixed in advance; some factors may prove more significant than others. It is not a question of tallying the factors and declaring a winner on that basis.

In this case, it is clearly important that the gTLD string in issue is phonetically and in appearance identical to the Objector’s BLUE service mark. The Panel accepts too, the possibility that there may be some registrations at the second level which result in confusion with the Objector’s BLUE mark as to the source, sponsorship, affiliation or endorsement of the <.blue> gTLD (factor 8).

Against those considerations, the additional considerations listed in Section D above strongly favor the Applicant, as does the paucity of evidence showing any widespread public recognition of the Objector's BLUE mark standing alone (factor 3). In the Panel's view, those factors outweigh any considerations which might point in favor of the Objection being upheld.

## Section F

### *The Panel's Determinations on the Three Standards*

#### **1. Taking unfair advantage of the distinctive character or the reputation of an Objector's mark**

In *AC Webconnecting Holding B.V. v. United TLD Holdco. Ltd*, Case No. LRO 2013-0006, the panel expressed the view that "taking an unfair advantage" in this context, will normally require "something along the lines of an act that has a commercial effect on a trademark which is undertaken in bad faith – such as free-riding on the goodwill of the trademark for commercial benefit, in a manner that is contrary to honest commercial practices".

While this Panel would not necessarily see bad faith as an essential ingredient of "taking an unfair advantage" under the standard (the Panel prefers the "something untoward ... or something intolerable" test proposed by the panel in the <.rightathome> case (supra)), the Panel agrees that a "taking an unfair advantage" finding will often be appropriate where an applicant has been motivated by a desire to "free-ride" on the goodwill of the objector's trademark, for commercial benefit.

No motivation of that kind has been established by the Objector in this case, and the Objector has not identified what "advantage" would accrue *to the Applicant* in the event of any "taking advantage" at the second level, or explained why the Panel should consider any such "taking advantage" at that level as arising out of *the Applicant's* use of the <.blue> gTLD.

The Objector submitted that allowing the Application to proceed would create the opportunity for the Applicant to unfairly take advantage of the public's misperception that the Objector operates or is otherwise associated with the <.blue> gTLD. The Panel does not accept that submission. In the Panel's view, the mere delegation of a <.blue> gTLD is unlikely to create any public misperception of the kind alleged, particularly given the extremely common nature and widespread descriptive use of the word "blue".

And if anyone were to register a domain name in the proposed <.blue> gTLD which sought to take unfair advantage of one or more of the Objector's family of "Blue" marks, the Objector would have recourse to the UDRP and/or the URS, and, depending on the circumstances, might also be entitled to redress in an appropriate Court.

At the end of the day, any "taking advantage" still has to be *unfair*. If the delegation of the proposed new <.blue> gTLD did provide the opportunity for some "taking advantage", as submitted by the Objector, the Panel does not consider that the Objector has proved that that "taking advantage" would be unfair, particularly when regard is had to the matters discussed in Section 6D above, and to the availability of the RPMs (and court proceedings in appropriate cases).

#### **2. Unjustifiably impairing the distinctive character or the reputation of the Objector's mark**

The Panel is not satisfied on the evidence that the mere existence of the proposed <.blue> gTLD could "impair" the distinctive character or the reputation of any of the Objector's "Blue" marks, let alone do so "unjustifiably". And if in the future a third party were to register a domain name in the <.blue> gTLD which (whether or not in combination with the <.blue> gTLD string itself) impaired the distinctive character or the reputation of one of the Objector's marks, the Panel does not see any basis for concluding that any such impairing would be attributable to *the Applicant's use* of the <.blue> gTLD.

Nor is the Panel of the view that the risk of any “impairing” which might take place at the second level has been shown to be “unjustifiable”, when regard is had to the matters discussed at Section 6D above, to the availability of the RPMs, and to the option of access to the courts in appropriate cases.

### **3. Otherwise creating an impermissible likelihood of confusion between the applied-for gTLD and the Objector’s mark**

In the Panel’s view, any confusion which might arise between the <.blue> gTLD string, standing alone, and the Objector’s BLUE mark (or with any of the Objector’s family of “Blue” marks) may be insignificant. If it does occur, the Panel considers that it will not be “impermissible” when regard is had to the factors discussed at Section 6D of this decision.

As noted earlier, this question is more difficult when one considers possible confusion at the second level. On one view, this standard calls only for a comparison between the Objector’s BLUE mark and the <.blue> gTLD string, with no domain name appearing in front of it. For example, the panel in the <.vip> decision LRO2013-0014 referred to above felt that he need not be concerned with the issue of confusion at the second level. A broader interpretation would have expert panels compare the Objector’s trademark with the applied-for gTLD string in the context in which it is most likely to be found, namely preceded by a (second-level) domain name. On that interpretation, the registration of a domain name such as “<unitedstateshealthinsuranceplan.blue>” would arguably result in a likelihood of at least some confusion between the Objector’s BLUE mark and the <.blue> gTLD string.

As noted above in Section 6B, paragraph 2, the Panel finds it unnecessary on the facts of this case to further address this question. Even if second-level confusion is to be taken into account, the additional factors referred to in Section 6D of this decision, considered with the availability of the RPMs at the second level and the possibility of recourse to the courts in appropriate cases, mitigates the risk of second level confusion to a level which the Panel would regard as “permissible”.

The Panel also notes the commitments the Applicant has made to work with rights holders to avoid the kind of second-level confusion which the Objector fears may arise. The Applicant undertook in its Reply to continue to work in good faith to find a “middle-ground” resolution, which will meet both parties’ requirements and objectives.<sup>5</sup>

Having regard to those considerations, the Panel concludes that it has not been shown that the potential use of the applied-for <.blue> gTLD by the Applicant creates an impermissible likelihood of confusion between the <.blue> gTLD and any of the Objector’s “Blue” marks.

## **7. Decision**

The Panel finds that the potential use of the applied-for gTLD by the Applicant does not:

- (i) take unfair advantage of the distinctive character or the reputation of the Objector’s registered or unregistered trademark or service mark; or
- (ii) unjustifiably impair the distinctive character or the reputation of the Objector’s mark; or

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<sup>5</sup> The Panel notes that in the <.limited> decision (*Limited Stores, LLC v. Big Fest LLC* WIPO Case No. LRO 2013-0049), the panel recorded a commitment by the applicant to co-operate with the objector in establishing a particular means of dealing with the objector’s concerns over the registration of domain names which the objector considered would be particularly sensitive to it. A similar co-operative approach by the parties would seem to be appropriate in this case.



- (iii) otherwise create an impermissible likelihood of confusion between the applied-for gTLD and the Objector's mark.

[signed]

**Warwick Smith**  
Presiding Expert

[signed]

**Dr Luca Barbero**  
Expert

[signed]

**Maxim Waldbaum**  
Expert  
Date: August 16, 2013