

EXPERT DETERMINATION LEGAL RIGHTS OBJECTION

DotMusic Limited v. Charleston Road Registry Inc.

Case No. LRO2013-0058

1. The Parties

The Objector/Complainant is DotMusic Limited of Lemesos, Cyprus, represented by Constantinos Roussos. The Objector is referred to in this decision as 'the Objector' or 'DotMusic'.

The Applicant/Respondent ("Applicant") is Charleston Road Registry Inc. of Mountain View, California, the United States of America, represented by Katten Muchin Rosenman LLP of the United States.

2. The applied-for gTLD string

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

3. Procedural History

The Legal Rights Objection ("Objection") was filed with the WIPO Arbitration and Mediation Center (the "WIPO Center") on March 14, 2013 pursuant to the New gTLD Dispute Resolution Procedure (the "Procedure").

In accordance with Article 9 of the Procedure, the WIPO Center has completed the review of the Objection on March 22, 2013 and determined that the Objection complied 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").

The WIPO Center received a proposal from a third-party to consolidate the objections LRO2013-0057, LRO2013-0058, LRO2013-0059, LRO2013-0060, LRO2013-0061, LRO2013-0062, and LRO2013-0063 on April 25, 2013. The Objector indicated support for aspects of the consolidation proposal, which was opposed by other parties in the objections referred to in the consolidation proposal. In accordance with Article 12 of Procedure and Paragraph 7(d) of the WIPO Rules for New gTLD Dispute Resolution, the WIPO Center did not make a decision to consolidate the objections for purposes of Article 12(b) of the Procedure.

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 19, 2013. In accordance with Article 11(b) and relevant communication provisions of the Procedure, the Response was timely filed with the WIPO Center on May 17, 2013.

The WIPO Center appointed David J. A. Cairns as the Panel in this matter on June 17, 2013. The Panel finds that it was properly constituted. The Panel has 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.

The Objector presented an Additional Submission directly to the Panel on July 16, 2013. By Expert Panel Order N° 1 of July 16, 2013 the Panel acknowledged receipt of the Objector's Additional Submission of July 16, 2013 and, without prejudice to the Panel's decision as to the admissibility of the Objector's Additional Submission, invited the Applicant to provide any comments it wished to make in response. The Applicant's comments were received on July 18, 2013, and further additional comments made by the Objector were also received on the same day. On July 23, 2013 the Panel advised the Parties that the Objector's Additional Submission was rejected for reasons that would be explained in the Panel's determination.

4. Factual Background

The following trademarks are relevant to the determination of this Legal Rights Objection (referred to in this determination as "LRO Trademarks"):

(i) Community Trademark registration N° 008139792 registered November 3, 2009 in classes 35, 42 and 45 for design mark consisting of a green dot and the word 'music' including the stylized letter 's' in the form of a reversed treble clef within a star, as follows:



(ii) Community Trademark registration N° 008139834 registered November 11, 2009 in classes 35, 42 and 45 for design mark consisting of the word 'dotmusic' comprising a green dot and the word 'Music' including the stylized letter 's' in the form of a reversed treble clef within a star, as follows:



(iii) Community Trademark registration N° 010535375 registered June 22, 2012 in classes 35, 42 and 45 for a design mark consisting of a dot and the word 'SONG' in yellow, preceded by a graphic, as follows:



(iv) Community Trademark registration N° 010535409 registered June 25, 2012 in classes 35, 42 and 45 for a design mark consisting of a dot and the word 'TUNES' in green, preceded by a graphic, as follows:



(v) Community Trademark registration N° 010544377 registered August 3, 2012 in classes 35, 42 and 45 for a design mark consisting of a dot and the word 'ARTIST' preceded by a multicoloured graphic of an artist's palette, as follows:



These trademarks are all registered in the name of Constantinos Roussos of Limassol, Cyprus.

The Objector also relies on various '.music', 'music' and 'dotmusic' themed domain names, referring in its Objection to "www.music.us", "www.music.fm", "www.music.pro", "www.music.mobi", "www.music.mu", "www.music.co", and "www.music.biz". The Panel entered the websites at these addresses on July 24, 2013. The website at "www.music.us" prominently displayed the CTM N° 008139792 together with the slogan "Not just a great sounding web address Its your home: yourname.music". The text on the landing page begins as follows:

“.MUSIC (DotMusic) - More than just a Great Sounding Web Address

.MUSIC (DotMusic) is the exclusive, global, community-based Top-Level Domain (TLD) name that gives music entities and the music community a unique identity online and a validated industry standard for official music websites. The specialized .MUSIC web address enhances a brand's visibility online. It ensures that .MUSIC websites are associated with a memorable, self-explanatory and trusted badge restricted to the music community: www.YourName.music...

.MUSIC will benefit the registrants and Internet users by providing an immediately-identifiable exclusive domain for the Music Community to use as their online home. Registrants will have the opportunity to register their preferred domain under .MUSIC which might not be available today under .COM or other preferred TLDs.”(emphasis original).

There are various links on the landing page, including a link entitled: "What is .MUSIC (DotMusic)?" which begins with the following text:

“What is .MUSIC?

.MUSIC (dotMusic) is a specialized domain name for the global music community and industry. It is a music "badge" and recognizable web identity that gives music websites distinct advantages over traditional or generic domain name addresses.

A .MUSIC address will look like this in your web browser:

http://www.YourName.MUSIC” (emphasis original).

"www.music.fm", "www.music.pro" and "www.music.biz" resolved to the "www.music.us" website.

"www.music.mobi" and "www.music.co" resolved to different website that also promoted the <.music>gTLD.

The Panel found no website at "www.music.mu".

It is a matter of public record that the Objector has also applied for the <.music>gTLD (see "newgtlds.icann.org"; Application ID: 1-1115-14110).

Applicant Charleston Road Registry Inc. is an American company wholly owned by Google Inc., an American multinational public corporation and global technology leader. The description of the mission/purpose of the applied for gTLD in the Applicant's answer to question 18(a) of the new gTLD Application states that:

“The purpose of the proposed gTLD, .music, is to provide a dedicated domain space in which copyright holders and their authorized distributors and licensees can enact unique second-level domains that relate to the promotion, sampling, or purchase of music. Charleston Road Registry believes that registrants will find value in associating with this gTLD, in particular musicians and music distributors. There is a significant audience for music on the Internet, as supported by industry data: over 10 billion songs have been downloaded on iTunes since its launch in 2001... Pandora total listener hours were approximately 2.1 billion for the third quarter of fiscal 2012...”

5. Parties' Contentions

A. Objector

The Objector states that the string comprising the potential new <.music> gTLD infringes the existing legal

rights of the Objector that are recognized or enforceable under generally accepted and internationally recognised principles of law. The Objector states that the potential use of the applied for gTLD of the applicant: (i) takes unfair advantage of the distinctive character and reputation of the Objector's trademarks and business; (ii) unjustifiably impairs the distinctive character and reputation of the Objector's trademarks and business; and (iii) creates an impermissible likelihood of confusion between the applied for gTLD and the Objector's trademarks and business.

The Objector states that it is a subsidiary of CGR E-Commerce Limited, and its business was incorporated in 2005 to engage in e-commerce, affiliate marketing and domain-related activities. It asserts that since 2005 the business has generated millions of dollars in revenue and the domain-related activities of the LRO Trademarks. It states that it has used the DOTMUSIC and .MUSIC trademarks in commerce offering domain registrations and related services as well as merchandising. It states that since 2005 it has spent millions of dollars acquiring, developing and "appropriately monetizing" these <.music> themed domain names. It states that this business relating to domain names began in 2005 prior to the introduction of ICANN's New gTLD Program.

In addition to the LRO Trademarks, the Objector relies on common law rights relating to domain name registrations and domain-related businesses. It also refers to business name registrations and the Objector's company name registration.

The Objector says its Objection is valid and should be upheld because of the following non-exclusive factors based on trademark rights:

First, the applied for gTLD is identical in appearance, phonetic sound, or meaning to the Objector's existing mark .MUSIC and identical in phonetic sound and connotation to Objector's existing mark DOTMUSIC. The applied for gTLD is also similar in connotation in the sense of a music-theme domain-related business to the Objector's existing marks .SONG, .TUNES and .ARTIST. The Objector asserts that a consumer would identify the Applicant's applied for gTLD with the Objector's trademarks, and its use would result in trading upon the brand equity and goodwill created by the Objector's substantial global marketing efforts.

Second, the Objector states that its acquisition and use of trademark rights has been *bona fide* and essential to its ongoing business and future activities as a leader of services relating to domain names, Internet branding, e-commerce and affiliate marketing. The Objector states that it has a history of actual and *bona fide* use of .MUSIC, DOTMUSIC and 'music' formative marks in relation to its domain name registration and music services business, including extensive marketing in those areas.

The Objector states that its acquisition and use of its trademarks has plainly been *bona fide* as confirmed by its extensive past use of its trademarks as well as its multi-year, ongoing and substantial brand equity campaign and current expansion and development that pre-dated its trademarks marks. The Objector states that it and its subsidiaries for years have used their trademarks to brand their domain name reservation and related service sites referring to MUSIC ("www.music.us/domains"), DOTMUSIC ("www.dotmusicdomains.com"), .TUNES, ("www.dottun.es" and "www.dottunes.info") .SONG ("www.dot-song.com" and "www.dotson.gs") and .ARTIST ("www.dot-artist.com") and have generated domain-related revenues through DotMusic's domain reseller business through GoDaddy and domain-related affiliate links. These domains also enjoy thousands of daily impressions and traffic originating from Google Search in relation to keyword searches associated with the Objector's trademarks. (.MUSIC, DOTMUSIC, .SONG, .TUNES and .ARTIST) and domain name registration phrases e.g. ".MUSIC domain name registration" as well as visitors from the Objector's trademark-branded social media accounts.

The Objector states that during that time, related consumers have grown to identify the DotMusic marks and brands with DotMusic's domain name reservation services. It says that DotMusic's .MUSIC, DOTMUSIC, .SONG, .TUNES, and .ARTIST brands have over 5 million followers/fans across all relevant and most popular social media sites (referring to Twitter, Facebook and MySpace sites).

The Objector says that the social media accounts enjoy thousands of daily impressions and traffic originating

from keyword searches, which point consumers to the Objector's domain name reseller branded sites offering domain names for registration as well as an opportunity to inquire about pre-registration. The Objector states that granting the Applicant the applied for gTLD would result in actual confusion between the Applicant and the Objector's trademarks.

The Objector states that apart from their substantial presence online its trademarks have been featured at major events globally related to both the domain and music sectors in a *bona fide* manner to expand brand awareness and recognition amongst consumers. Further, the Objector has received letters of interest from leading and globally recognized music organisations with millions of members to resell domains under the Objector's brands, which the Objector states indicates another *bona fide* use of the trademarks.

For all the foregoing reasons, the Objector states that it is indisputable that the marketing in use of the Objector's trademarks has been and continues to be actual and *bona fide*. Furthermore, consumers clearly associate the Objector's marks with the Objector's domain name related services which are concretely demonstrable, evident and globally recognised.

Third, the Objector says that there is substantial global recognition in the relevant sector of the public of the sign corresponding to the <.music> gTLD as a trademark of the Objector, as demonstrated by the Objector's business, events, and their associated sponsorships, marketing efforts, significant social media presence and following, high rankings in search results and other matters.

Fourth, the Objector says that the Applicant had knowledge of the Objector's trademark at the time of the application for the <.music> gTLD.

Fifth, the Objector states that it is unaware of any trademarks of the Applicant corresponding to the <.music> gTLD. The Objector states that the Applicant is not known as .MUSIC and DOTMUSIC nor has any trademark rights for MUSIC and DOTMUSIC and has not marketed or advertised or promoted itself as .MUSIC.

Sixth, the Objector is unaware of the Applicant being commonly known or recognized by the relevant sector by the name using the <.music> gTLD and is unaware of any circumstances by which the Applicant's use of the applied-for gTLD can peacefully coexist with the Objector's prior rights.

Seventh, the Objector states that the Applicant's intended use of the applied for gTLD would create a strong likelihood of confusion with the Objector's trademarks as to the source, sponsorship, affiliation and endorsement of the gTLD, especially as the Applicant is targeting the same public as the Objector. The Objector refers to various substantiating factors, and case law in the United States, including the relatedness of the goods and services; the fact that the goods or services need not be identical; the comparison of the Objector's trademarks in their entireties in terms of sound, appearance, meaning, as well as commercial impression; the importance of overall impression; and the fact that the gTLD is identical or similar to the trademarks in sight, appearance, sound or meaning, as well as commercial impression. The Objector says that since the relevant sectors are closely related, if not identical, the likelihood of confusion and the economic and reputational impairment of the Objector's business will result by giving the Applicant an unfair advantage by "piggybacking" on the Objector's substantial branding equity that was created through its extensive its marketing and strategic branding efforts. The Objector says that its trademarks will create a likelihood of confusion through the eyes of the average consumer in the music Internet-related and domain name services sectors. The Objector states that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The Objector states that the visual, oral and conceptual similarities of the Objector's trademarks will convey a strong likelihood of confusion for goods in the same class.

The Objector states that there is an inescapable risk that the public will believe that the domain name registry services for the applied for <.music> gTLD come from the Objector and not the Applicant.

Eighth, the Objector states that its rights will be impaired or harmed if the Applicant is granted authority to

use the <.music> gTLD. In contrast the Applicant does not have any prior rights to harm if its application for the gTLD is denied. In this regard the Objector refers to its expenditure in developing its brand equity, relevant target consumer communication outreach efforts and domain name related recognition strategies for its trademarks. It states that:

“[u]ndoubtedly millions of targeted consumers in the relevant markets have already identified with the .MUSIC gTLD as a result of [the Objector’s] brand recognition marketing and outreach efforts with the [Objector’s trademarks] including the .MUSIC and DOTMUSIC registered trademarks offering domain-related services. On the contrary, there is absolutely no indication that the Applicant has any prior actual use of the “.MUSIC” or “DOTMUSIC” formative in the sale of any products or services. As such, allowing the Applicant’s request to be granted for the .MUSIC gTLD will result in material harm and abrogation of [the Objector’s] existing legal rights and the applicant will receive an unjustifiable advantage of piggybacking [the Objector’s] brand equity and substantial goodwill created in the relevant public sectors. The rejection of the Applicant will not harm any prior legal rights it may have in the sign corresponding to the gTLD” (emphasis original).

By way of summary the Objector states:

“DotMusic is the owner of multiple distinct legal registrations, and common law rights will be impaired if the Applicant is granted the .MUSIC gTLD. Specifically, if the Applicant assumes the goodwill created by DotMusic then the Applicant will take unfair advantage of the millions of dollars invested by DotMusic in its business relating to its Marks. Applicant would unfairly benefit from the significant reputation and goodwill established by DotMusic’s actual and bona fide use of its Marks creating an inevitable likelihood of confusion among consumers and target audience...It is also clear that Applicant’s use of the .MUSIC gTLD would infringe upon European Community Trademark (CTM) registrations for DotMusic’s Marks, including the registration for the marks .MUSIC and DOTMUSIC in relation to classes involving domain name registration (Classifications 35, 42, 45).

If the gTLD is granted to Applicant, it will irreparably harm Objector by rendering Objector’s Trademark rights and years of investment and development of DotMusic Marks useless... For all of the foregoing reasons, DotMusic respectfully requests that this Panel denies the Applicant’s application to prevent the Applicant from trading on the goodwill of DotMusic’s marks and to prevent the Applicant from impermissibly benefiting from the substantial investment made and brand equity created by DotMusic in relation to its Marks.”

On July 16, 2013 the Objector submitted ‘Objector’s Additional Submissions in Case LRO2013-0058 in light of New Case Law’, which provided additional submissions on some recent LRO determinations, as well as additional submissions in relation to matters such as the reputation of its brands, the damage its brands would suffer from the <.music> gTLD, and the Applicant’s knowledge of the Objector’s reputation and its use of trademarks in the relevant sectors.

B. Applicant

The Applicant states that it intends to use <.music> in its generic sense, *i.e.*, to offer domain names for website owners that want to immediately indicate to Internet users that their information, goods or services are related to music. It asserts that the right to use terms in their common everyday generic sense is guaranteed under the principles of free expression set forth in the Paris Convention for the Protection of Industrial Property, the Universal Declaration of Human Rights (UDHR), and the International Covenant on Civil and Political Rights (ICCPR).

The Applicant states 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 Marks; and/or (ii) unjustifiably impair the distinctive character or the reputation of the Objector’s Marks; and/or (iii) otherwise create an impermissible likelihood of confusion between the Applicant’s applied-for gTLD and the Objector’s Marks.

The Applicant states that 'music' is a commonly used generic word that is in the public domain, and no single entity can claim exclusive rights to the word or stop others from using it in its generic sense. The Applicant states that it intends to use 'music' not as a source identifier but rather as a generic term in providing a dedicated domain space in which copyright holders and their authorized distributors and licensees can enact unique second-level domains that relate to the promotion, sampling, or purchase of music.

The Applicant states that it has no intent to trade off of the goodwill of any trademark of any third party, including Objector, in applying for the gTLD. It has proposed a full suite of rights protection mechanisms, to seek to minimize the potential for domain names within its gTLD to infringe, dilute, or abuse third party marks.

The Applicant makes submissions on each of the eight factors in Section 3.5.2 of the New gTLD Applicant Guidebook.

As to the first factor ("whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the objector's existing mark") the Applicant states that 'music' is a common, everyday generic word that means the art or science of combining vocal or instrumental sounds (or both) to produce beauty of form, harmony, and expression of emotion; or the vocal or instrumental sound produced in this way. As such, these are the primary meanings that ordinary consumers associate with the 'music' term.

The Applicant states that the Objector bases its Objection on trademark registrations as well as Cypriot corporate documents and various business and marketing exhibits directly related to its attempt to create token legal rights, and thereby manipulate the gTLD application process and secure the <.music> gTLD without having to go through the new gTLD evaluation or contention process.

The Applicant states that Objector has not, however, submitted any evidence that it registered or has used the word 'music' alone in commerce. Rather, Objector always uses 'music' with additional terms or very distinctive design elements. It states that the Objector cannot assert any rights in 'music' alone and consumers will not and cannot recognize 'music' as a source indicator for the Objector.

The Applicant states that the applied-for <.music> gTLD should be considered distinct in appearance from the LRO Trademarks. The <.music> gTLD does not resemble even the LRO Trademarks incorporating the word 'music' because of their distinctive additional elements, namely the 'star and reversed treble clef' design, the stylization of 'Music' in the marks, and the DOT prefix; in other words, the only element in common is the unprotectable and generic term "music."

As to the second factor ("Whether the objector's acquisition and use of rights in the mark has been *bona fide*") the Applicant states that 'music' is a commonly used generic term, and its use as a TLD for <.music> domain names is generic use. It states that it is well-settled under the trademark laws of the United States that TLDs are not source indicators and thus do not function as trademarks.

Moreover, the Applicant states that the Objector's application for and use of its trademarks have not been *bona fide* because it has also made an application for the <music> gTLD. The Applicant also refers to the date of registration of the CTM N° 008139792 and CTM N° 008139834 trademarks and states that applicants were generally well aware of ICANN's New gTLD Program well before March 2009. It states that the Objector's earliest dated evidence of use of .MUSIC is an ICANN conference sponsorship agreement dated August 2009, and that registering domain names under suspicious timing to merely reserve rights is an indicia of bad faith.

The Applicant concludes that the Objector is clearly attempting to reserve trademark rights in the applied-for gTLD in order to subvert the new gTLD application process so that it does not have to proceed to auction with other applicants. It says that such use of a mark in the European Community and the United States is considered impermissible "token use" of a term solely to reserve rights in a mark, and is not considered *bona fide* or genuine. The Applicant asserts that the Objector's alleged business and marketing activities merely amount to lobbying ICANN to accept its proposal for a <.music> gTLD and pre-reservation of second-level

domain names.

For all of these reasons, the Applicant alleges that the Objector has not demonstrated *bona fide* ownership of the asserted trademarks, and has made a blatant attempt to manufacture false grounds for objection simply to prevent competition for its sought after gTLDs, and this demonstrates extremely bad faith.

As to the third factor (“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/respondent or of a third party”) the Applicant states that consumers understand ‘music’ to be a generic term and when used as a top-level domain, will not associate the term ‘music’ as identifying the Objector or its products or services. It argues that the Objector has provided no recognition evidence that Objector is specifically recognized as ‘music’ alone without any additional terms or designs. In fact, Objector does not even control the term ‘music’ in the most popular existing gTLD space <.com>.

As to the fourth factor, the Applicant’s states that its intent in applying for the gTLD is entirely in good faith. It states that as gTLDs are not source indicators and thus do not function as trademarks, there was no legal rationale or obligation for Applicant to conduct a search for third-parties’ marks, rendering Applicant’s actual or constructive knowledge of Objector’s Marks irrelevant to this analysis. Finally, it states that there is no evidence that Applicant has engaged in a pattern of conduct whereby it applied for or operates top-level domains or registrations in top-level domains which are identical or confusingly similar to the marks of others.

As to the fifth factor, Applicant states that it has made demonstrable preparations to use the sign corresponding to the gTLD in connection with a *bona fide* offering of goods or services in a way that does not interfere with the legitimate exercise by Objector of its mark rights. It states that it is well-settled in international trademark law that using a term in its generic sense does not interfere with a third-party’s trademark rights.

As to the sixth factor the Applicant states that because ‘music’ is a generic term and Applicant intends to use ‘music’ in its generic sense, Applicant does not intend to acquire intellectual property rights in the top-level domain.

As to the seventh factor the Applicant states that ‘music’ is a common generic term, its use of the top-level domain is consistent with the public’s understanding and use of ‘music’ in the marketplace and therefore is *bona fide*.

As to the eighth factor (“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 Applicant states that the Objector bears the burden of proof, owns narrow rights in strictly the design or additional distinctive elements in MUSIC-formative marks, and has not shown how Applicant’s applied-for gTLD will cause any of the harms identified by Objector. It states that generic use of a term such as Applicant’s planned use of ‘music’ in a top-level domain is a complete defense against all of the harms alleged by Objector.

The Applicant states that courts generally identify several relevant factors for determining whether consumers would likely be confused by a new mark, referring to the eight factors in *Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F.3d 1137, 1145 (9th Cir. 2011), namely (i) strength of the mark; (ii) proximity of the goods; (iii) similarity of the marks; (iv) evidence of actual confusion; (v) marketing channels used; (vi) type of goods and the degree of care likely to be exercised by the purchaser; (vii) defendant’s intent in selecting the mark; and (viii) likelihood of expansion of the product lines. The Applicant reviews these factors and concludes that the majority of the likelihood of confusion factors weighs strongly in Applicant’s favor, and thus Applicant’s intended use of the gTLD will not create a likelihood of confusion with the LRO Trademarks as to the source, sponsorship, affiliation, or endorsement of the gTLD.

Finally, the Applicant states that generic uses of a term such as in a gTLD are a defense to unfair advantage claims, and the Objector has not provided evidence or analysis to demonstrate that the Applicant applied for

the <.music> gTLD to take advantage of the goodwill in LRO Trademarks or to prove that the applied-for gTLD will unjustifiably impair the distinctiveness or reputation of any of LRO Trademarks.

6. Discussion and Findings

A. Additional submissions

On July 16, 2013 the Objector submitted 'Objector's Additional Submissions in Case LRO2013-0058 in light of New Case Law' directly to the Panel. The Objector relied upon the power of the Panel in Article 17 of the Procedure to authorize Additional Submissions, and argued that the Additional Submissions were justified in this proceeding to address new information, and by the importance of the case which meant that the interests of justice required the parties to be heard.

The Applicant objected to the Additional Submissions, with the exception of the Objector's request to address other LRO cases where the Objector's .MUSIC mark was identified or where newly published case law is relevant to the instant proceeding. The Applicant stated that it "respectfully requests that the Panel deny Objector's request to file an Additional Submission on the issues discussed in Sections A - H (Pages 3 – 10) of the Additional Submission, but requests leave to brief the Panel on the Legal Rights Objection cases that have been decided to date. If the Panel accepts the entire Additional Submission, then in the interests of fairness [the Applicant] requests the right to file an Additional Statement on these issues as well."

The Panel has decided not to consider submissions on new LRO decisions. New decisions are being posted on an almost daily basis. The LRO standards in Section 3.5.2 of the Guidebook are 'party-specific' and 'application-specific', and consideration of other cases at this stage, even in respect of the same gTLD string, may give rise to complexity and collateral issues rather than clarity. More generally, the Panel considers that the presentation of further arguments in light of decisions published within the LRO framework is not a material basis for additional submissions pursuant to Article 17.

The other material that the Applicant wished to address in its additional submissions largely relates to the reputation of its trademarks and the consequent confusion and damage from the registration of the <.music> gTLD. This part of the Additional Submissions was not supported by any new evidence, nor was specifically intended to address matters raised in the Response. Rather, it constituted additional material that was available and could have been included in the original Objection. The Procedure (Article 8(b)) provides that objectors must exercise their right to object through a single LRO submission of limited length, unless the Panel decides otherwise. Likewise, the Applicant must respond in a single submission. The Procedure requires the parties to select, focus, and express effectively their arguments in one round of submissions. The Panel considers that there is no justification in the present case to vary this procedure, and accordingly the Objector's Additional Submissions are rejected.

B. The legal standard for the determination of a Legal Rights Objection

An Existing Legal Rights Objection refers to the objection that the string comprising the potential new gTLD infringes "the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law." The grounds on which an Existing Legal Rights Objection may be made are set out in full in Module 3 of the Guidebook, and are based upon the Final Report on the Introduction of New Generic Top-Level Domains dated August 7, 2007, issued by the ICANN Generic Names Supporting Organization (GNSO).

In order to make a Legal Rights Objection an Objector must first demonstrate standing as defined in Sections 3.2.2 and 3.2.2.2 of the Guidebook:

3.2.2. Standing to Object.

Objectors must satisfy standing requirements to have their objections considered. As part of the dispute proceedings, all objections will be reviewed by a panel of experts designated by the applicable Dispute Resolution Service Provider (DRSP) to determine whether the objector has standing to

object...”

“3.2.2.2. Legal Rights Objection

A rightsholder has standing to file a legal rights objection. The source and documentation of the existing legal rights the objector is claiming (which may include either registered or unregistered trademarks) are infringed by the applied-for gTLD must be included in the filing...”

Once the Objector has demonstrated standing, then Article 20(a) of the Procedure requires the Panel to “apply the standards that have been defined by ICANN” to the determination of the objection. Article 20(b) states that: “In addition, the Panel may refer to and base its findings upon the statements and documents submitted and any rules or principles that it determines to be applicable.” Article 20(c) states that: “The Objector bears the burden of proving that its Objection should be sustained in accordance with the applicable standards.”

The “standards defined by ICANN” referred to in Article 20(a) of the Procedure are set out in Section 3.5 (‘Dispute Resolution Principles (Standards’) of Module 3 (‘Dispute Resolution Procedures’) of the Guidebook. The standards in relation to Legal Rights Objections appear in Section 3.5.2 which reads as follows (omitting the references to the names or acronyms of Intergovernmental Organizations that are not relevant in the present case):

“3.5.2 Legal Rights Objection

In interpreting and giving meaning to GNSO Recommendation 3 (“Strings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law”), a DRSP panel of experts presiding over a legal rights objection will determine whether the potential use of the applied-for gTLD by the applicant takes unfair advantage of the distinctive character or the reputation of the objector’s registered or unregistered trademark or service mark..., or unjustifiably impairs the distinctive character or the reputation of the objector’s mark..., or otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the objector’s mark.....”

Section 3.5.2 then lists eight non-exclusive factors that the Panel must consider in making its determination in a case where the objection is based on trademark rights. Section 3.5 also states that the Panel may “refer to other relevant rules of international law in connection with the standards.”

The Panel’s duty is therefore to apply a multi-layered standard. At the highest level, GNSO Recommendation 3 establishes a mandatory rule that “[s]trings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law”. Internationally recognized principles of law include the protection of trademark rights.

The second layer of the standard requires the Panel to determine whether the potential use of the applied-for gTLD falls within one (or more) of the three defined circumstances in Section 3.5.2. However, while the Panel is required to address these circumstances, Section 3.5.2 does not define the effect of the determination; rather the Panel must use this determination “in interpreting and giving meaning to GNSO Recommendation 3”; in other words, to guide an assessment as to whether the string in question infringes the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law.

The third layer consists of eight non-exclusive factors that the Panel must address (“will consider”) when the objection is based on trademark rights. Although it is not expressly stated, the purposes of the Panel’s consideration of these factors is to enable it to make the determinations required in the second layer of the standard. These eight factors refer to a number of concepts that are familiar in international trademark law or in domain name dispute resolution under the Uniform Domain Name Dispute Resolution Policy (“UDRP”) Policy. The factors refer to the strength of the Objector’s trademark rights (factors 2, 3 & 4), the nature of the Applicant’s trademark rights (factors 3, 5, 6, & 7), the Applicant’s intentions and proposed use of the gTLD (factors 4, 5, 6, & 7); and the similarity and likelihood of confusion between the Objector’s trademark rights

and the gTLD (factors 1 & 8).

Finally, the Legal Rights Objection procedure does not require the Panel to make any abstract determination of the suitability of the applied for gTLD registry. The Public Interest and Community Objections procedures are available to address some broader concerns. The third layer factors demonstrate that the Legal Rights Objection procedure involves a determination of a 'party specific' and 'application specific' objection. There may be multiple applicants and multiple objectors in respect of the same gTLD string, and each must succeed or fail on its own merits.

C. Standing

The Objector relies on the LRO Trademarks set out above "as well as common law rights... relating to domain name registrations and domain-related business". The LRO Trademarks are registered in the name of "Constantinos Roussos", and not the name of the Objector. Further, the Objector has not provided evidence as to the registered ownership of the extensive list of domain name registrations relied upon and incorporating the term 'music' or 'dotmusic', but a Whois search of the first three domain names listed (<music.us>, <music.biz>, and <music.mobi>) reveals that the registered owner is CGR E-Commerce Ltd. with Mr. Roussos as the contact person. Mr. Roussos is the Objector's designated representative in this LRO proceeding.

Section 3.2.2 of Module 3 of the New gTLD Applicant Guidebook requires the Objector to establish that it has standing to bring a legal rights objection. The Panel notes that this is a mandatory requirement ("Objectors *must* satisfy standing requirements to have their objections considered" (emphasis added)), and that the Panel is under an express duty to consider the question of standing ("all objections *will be* reviewed by a panel of experts...to determine whether the objector has standing to object" (emphasis added)). Accordingly, the Panel should consider standing, *ex officio* if necessary, before entering into a determination of infringement pursuant to the criteria in Section 3.5.2.

The rationale of the mandatory standing requirements is readily apparent. A successful Legal Rights Objection may well exclude an applicant from the new gTLD process. With such consequences it is reasonable to require that the objection is made by the rightsholder itself and that the rightsholder establishes its standing through the provision of the appropriate documentation (Section 3.2.2).

In the current case the Objector, DotMusic Ltd., does not own the LRO Trademarks, nor has evidence been provided to demonstrate its ownership of relevant domain names. There are indications that the Objector, Mr. Roussos, and CGR E-Commerce are all closely related, and they might well operate as a single entity. There may be a formal or informal licensing arrangement in place, but if there is it has not been produced. Alternatively, this Objection could have been made by the various rightsholders jointly, but this again has not been done. The business name of the Objector does not create rights to support an objection in circumstances where the LRO Trademarks and domain names through which it purports to do business are owned by others.

Accordingly, the Objector has non-existent or at best ambiguous rights in circumstance where Section 3.2.2 requires the Objector to satisfy the standing requirements. The Panel finds that the Objector has failed to meet the burden of proof in relation to standing and the Objection must be dismissed for this reason.

Nevertheless, and in deference to the Parties' submissions, the Panel has considered whether the applied-for gTLD string would infringe the bundle of rights owned by the Objector and/or Mr. Roussos and/or and CGR E-Commerce Limited.

D. Alleged infringement of rights

There are five LRO Trademarks. The most important of the LRO Trademarks for the purposes of this proceeding are the .MUSIC and the DOTMUSIC trademarks. The other three trademarks, although related in their music theme and in their designs, are well removed from the applied-for <.music> gTLD string. The

Panel notes that the .MUSIC and the DOTMUSIC trademarks are design marks with significant graphic elements. These graphic elements must be taken into account for the purposes of the consideration of visual similarity and likelihood of confusion required by the Section 3.5.2 factors.

The Objector also claims common law rights arising through its domain name registrations, business names and related activities. The most significant domain name registration appears to be “www.music.us”. The website at this address prominently features the .MUSIC design mark. The primary purpose of this website is to promote the <.music> gTLD and the Objector’s concept of this gTLD. This website relates primarily to the prospective business of the Objector in relation to the <.music> gTLD. Similarly the sponsorship and marketing relied upon in the LRO relate largely to the promotion by the Objector of its own concept for the <.music> gTLD. The result is that the Objector relies upon its own preparations for use of the <.music> gTLD string, including trademark registrations, domain names and sponsorship and branding in order to defeat a competitor’s application for the same string.

On the one hand, the Panel recognizes that there has been a real investment by the Objector and associated parties in the trademark registrations, domain name registrations, sponsorship and branding to create consumer recognition and goodwill entitled to protection. On the other hand, there is a circularity in the Objector’s position in that the rights upon which the Objector relies to defeat the application are to a certain extent conditional on the defeat of the Applicant and the Objector’s success in obtaining the <.music> gTLD string. There is therefore a tension between the existing rights of the Objector and its associated parties and the prospective rights it seeks, which the Panel must evaluate through consideration of the eight factors set out in Section 3.5.2 of the Guidebook. The Panel now turns to these factors.

(i) Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the objector’s existing mark.

The Objector argues that the <.music> gTLD is identical in appearance, phonetic sound, or meaning to the .MUSIC mark (CTM N° 008139792), and identical in phonetic sound and connotation to Objector’s existing DOTMUSIC mark (CTM N° 008139834).

This case raises a question of whether the applied for gTLD string is properly described as <music> or <.music>. There is no doubt that the overwhelming popular use, both verbally and written, is to include the dot. This applied-for string in the present case is referred to in writing as “the <.music> gTLD” or orally as the “dotmusic string”, in the same way that the <com> gTLD is inevitably referred to as “<.com>” or “dotcom”. This is a convenient shorthand to indicate that the speaker or writer is referring to a TLD, in contradistinction either to a second-level domain or some other descriptive use of a common word.

In most circumstances whether the dot is included in the description of the top-level domain is irrelevant, and users can choose to include it or ignore it. However, in this case the ‘dot’ forms a prominent element of the trademarks in which the Objector relies, so the Panel is forced to address the question of the role of the dot in the assessment of the Section 3.5.2 factors. The Panel considers that the significance of the dot varies depending on the nature of the factor that the Panel is required to evaluate.

The ‘dot’ has the function of separating the top-level domain from the second-level of the domain. Although the dot always precedes the gTLD string, this Panel considers that it has an independent function in the domain name system, and therefore is not part of the top-level domain for the purposes of the comparison with a trademark for the purposes of the first factor of Section 3.5.2.

In the Panel’s view, the first factor requires a straightforward comparison of the actual gTLD string with the objector’s trademarks, without consideration of the likelihood of confusion through consumer understanding or popular use (which falls within the eighth factor).

On this basis, in terms of appearance, the prominent use of the word ‘music’ in the first two LRO Trademarks is the only point of similarity with the applied-for gTLD. These are design marks and the graphic elements are at least as prominent as the word ‘music’. The Panel finds that there is limited similarity in appearance

between the graphic .MUSIC and DOTMUSIC marks and the applied-for gTLD.

“Dotmusic” is an invented word, and different phonetically and in meaning from the generic and widely understood word “music”. The Panel finds there is little similarity in terms of phonetic sound and meaning.

(ii) Whether the objector’s acquisition and use of rights in the mark has been *bona fide*.

The Objector submits that its application and use of its rights has been *bona fide*. The Applicant alleges that the Objector has attempted to reserve trademark rights in order to subvert the new gTLD application process, and has made a blatant attempt to manufacture false grounds for objection, and this demonstrates extremely bad faith.

The evidence indicates that the primary use of the .MUSIC and DOTMUSIC trademarks as well as the “www.music.us” website has been to promote the claim to the <.music> gTLD. It is true that the Objector is trying to use its rights (together with rights owned by Mr. Roussos and CGR E-Commerce Limited) to exclude a competitor from the new gTLD application process. In the view of the Panel, such a strategy may be misconceived in respect of a gTLD string that is a generic word, but it does not as such constitute bad faith.

It is reasonable for an entrepreneur to prepare for a possible venture through the registration of trademarks and domain names and then to use those registrations to create brand awareness in anticipation of the launch of the venture. If a competitor infringes such rights then the entrepreneur is entitled to assert them. It must be remembered that the rights of the Objector/Mr. Roussos/CGR E-Commerce Limited are in the LRO Trademarks, and the goodwill associated with the various domain and business names, and there is no evidence to confirm that these rights have not been acquired and used in good faith.

It is another question entirely as to whether the rights of the Objector/Mr. Roussos/CGR E-Commerce Limited are infringed by the <.music> gTLD string, but the Panel considers these rights were acquired and have been used in good faith.

(iii) 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.

The Panel considers that the sign ‘music’ is a generic word and there is no recognition of this word as the mark of the Objector, of the Applicant or of a third party.

(iv) Applicant’s intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector’s mark, or could not have reasonably been unaware of that mark, and including whether the applicant has 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 applied for a gTLD consisting of a generic word. The Applicant has not denied knowledge of the LRO Trademarks, but states that it is irrelevant. The Panel finds that the Applicant was likely to be aware of the LRO Trademarks through their use to promote the <.music> gTLD string to the music community. However, it also accepts that the Applicant’s intent in applying for the <.music> gTLD string was the purposes set out in its answer to question 18 in the Application and not to take advantage of the trademark rights of the Objector/Mr. Roussos/CGR E-Commerce Limited. Further, there is no evidence to suggest that the Applicant has 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.

(v) 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 intends to use the sign corresponding to the gTLD for the purposes described in the Application, and with the rights protection mechanisms described in the application, which the Panel accepts are *bona fide*. The Applicant states that by using 'music' only in its generic sense it cannot interfere with the legitimate exercise by the Objector of its trademark rights. The question of possible interference with the rights of the Objector/Mr. Roussos/CGR E-Commerce Limited through the generic use of the word 'music' is further considered in respect of the eighth factor.

(vi) 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 acknowledges that it has no rights in the word 'music'.

(vii) 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*.

The Applicant has not been commonly known as 'music'.

(viii) 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 Objector provides information relating to the recognition and following of the LRO Trademarks in social media, and also its sponsorship and other branding initiatives in relation to the Internet and domain-related services. It makes claims of having "generated millions of dollars in revenues" through domain name related activities, but the evidence presented does not support these claims. The promotion, sponsorship and branding relied on by the Objector relates primarily to a prospective business that first requires the successful acquisition of the <.music> gTLD string.

The Panel accepts that the LRO Trademarks .MUSIC and DOTMUSIC, despite the fact that their distinctiveness as trademarks is based on graphics, are likely to be referred to by consumers and Internet users as "dotmusic". The <.music> gTLD string is also referred to as the "dotmusic" string. No doubt some users will be sufficiently sophisticated to differentiate the trademarks, websites and business of Objector/Mr. Roussos/CGR E-Commerce Limited from the yet-to-be-allocated <.music> gTLD string. Further, the Panel accepts the Applicant's submission that the proliferation of trademarks and websites related to 'music' means that customers are accustomed to distinguishing between them and do not expect them to be associated with a single source. Nevertheless, the Panel also considers that some consumers, at least initially, will be confused and consider that the business of the Objector/Mr. Roussos/CGR E-Commerce Limited is affiliated in some way with the <.music> gTLD string. This finding is not surprising as the intention of the Objector/Mr. Roussos/CGR E-Commerce Limited has been precisely to associate their intellectual property with the <.music> gTLD string that they hope to acquire.

In addition to these eight factors it is important in the current case that the Applicant proposes to use the <.music> gTLD string in relation to the promotion, sampling or purchase of music on the Internet. In other words <.music> gTLD will have a functional use to identify websites offering goods and services related to music. The Applicant therefore proposes to use the word 'music' in its generic sense in the <.music> gTLD string. It is an established principle of trademark law that "a generic name is free for use by anyone when applied to the products it signifies ... and can be used in its generic sense notwithstanding its registration for other products" and that "[g]enericness is a defence to a trademark infringement action." 1 Anne Gilson LaLonde, *Gilson on Trademarks* § 2.02[1] (Matthew Bender 2012). The rationales for this rule are, firstly, functional in that a generic name by definition does not distinguish the products of one supplier from another and therefore cannot act as a trademark; and secondly, economic in that "if a generic word could be trademarked by the producer of one brand of the product denoted by a word, and thus (upon proof of likely confusion) barred to use by producers of competing brands, the producer who trademarked it would have a

competitive advantage that bore no relation to relative efficiency” (per Judge Posner, *Door Sys. Inc. v. Pro-Line Door Sys. Inc* 83 F3d. 169; 38 U.S.P.Q 2d 1771 (7th Cir.1996), referred to in *Gilson on Trademarks*, supra). In his case the Objector has attempted to associate, perhaps not without some success, the LRO Trademarks and related domain name registrations with the <.music> gTLD string. One objective of the Objector has been to obtain precisely the type of competitive advantage (in this case in the application process for the <.music> gTLD string) that the doctrine of generic names is designed to prevent. However, as the Applicant proposes to use the <.music> gTLD string in a generic sense it is immune from this challenge.

The Panel now returns to address whether the potential use of the applied-for gTLD either takes unfair advantage of the distinctive character or the reputation of the registered or unregistered trademarks of the Objector/Mr. Roussos/CGR E-Commerce Limited, or unjustifiably impairs the distinctive character or the reputation of these trademarks, or whether there is an impermissible likelihood of confusion between the <.music> gTLD and these trademarks. The Panel concludes that the potential use of the applied-for gTLD in relation to the promotion, sampling or purchase of music on the Internet would not infringe the existing legal rights of the Objector/Mr. Roussos/CGR E-Commerce Limited on any these grounds.

The Panel decision is based on a consideration of all the evidence, and in particular on the following circumstances: (i) the applied-for gTLD is a common descriptive word, and the Applicant proposes to use it in its generic sense; (ii) the LRO Trademarks comprise substantial design elements and do not by themselves create any rights in word marks .MUSIC or DOT MUSIC; (iii) the Objector/Mr. Roussos/CGR E-Commerce Limited have consciously sought to associate their intellectual property rights with the applied-for gTLD string although they have no rights in that string; (iv) a trademark owner that deliberately associates its trademarks with a generic term must bear the risk of confusion resulting from the use of the term in its generic sense; (v) the risk of confusion is likely to be temporary if the Objector/Mr. Roussos/CGR E-Commerce Limited cease their efforts to associate their trademarks with the <.music> gTLD (should their efforts to obtain this string prove unsuccessful).

E. Conclusion

The Objector has not demonstrated standing to make a Legal Rights Objection.

In any event, the Panel finds the potential use of the applied-for gTLD by the Applicant would not infringe the existing legal rights of the Objector (and presumably associated parties) that are recognized or enforceable under generally accepted and internationally recognized principles of law, and in particular does not:

- (i) take unfair advantage of the distinctive character or the reputation of the Objector’s registered or unregistered trademarks or service marks (“marks”); or
- (ii) unjustifiably impair the distinctive character or the reputation of the Objector’s marks; or
- (iii) otherwise create an impermissible likelihood of confusion between the applied-for gTLD and the Objector’s marks.

7. Decision

For the foregoing reasons, the Panel rejects the Objection.

[signed]

David J.A. Cairns
Sole Panel Expert
Date: July 30, 2013