

EXPERT DETERMINATION LEGAL RIGHTS OBJECTION

I-Registry Ltd v. Top Level Domain Holdings Limited
Case No. LRO2013-0018

1. The Parties

The Objector/Complainant (the “Objector”) is i-Registry Ltd of Berlin, Germany, represented by Bettinger Schneider Schramm, Germany.

The Applicant/Respondent is Top Level Domain Holding Limited (“Applicant”) of Tortola, British Virgin Islands, Overseas Territory of the United Kingdom of Great Britain and Northern Ireland, represented by Minds + Machines, California, the United States of America.

2. The applied-for gTLD string

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

3. Procedural History

The Legal Rights Objection (the “Objection”) was filed with the WIPO Arbitration and Mediation Center (the “WIPO Center”) on March 13, 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 21, 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”).

The WIPO Center received a proposal from the Objector to consolidate Legal Rights Objections LRO2013-0014, LRO2013-0015, LRO2013-0016, LRO2013-0017 and LRO2013-0018 on April 23, 2013. The proposal was opposed by several of the applicants in the other objections. 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 Legal Rights 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 Respondent 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 Response was filed with the WIPO Center on May 16, 2013.

In accordance with Article 11(g) of the Procedure, on May 22, 2013 the WIPO Center notified the Respondent of a deficiency in the filed Response, specifically, that the Response had not been filed using the appropriate model which is required for use to respond to an Objection filed under the Procedure. The WIPO Center in its notification requested the Respondent to file an amended response curing the deficiency within five days.

On May 23, 2013, the Respondent filed an amended Response, the receipt of which was acknowledged by the WIPO Center on the same day.

The WIPO Center appointed Warwick Smith as the Panel in this matter on June 14, 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.

On June 18, 2013, the Objector applied for leave to submit a further statement, contending that it was surprised by a number of the arguments raised by the Applicant in its Response.

By Procedural Order made on June 27, 2013, the Panel allowed the Objector until July 1, 2013 to submit a further statement. The Applicant was allowed until July 9, 2013 to submit any Reply it might wish to make.

The parties each submitted further statements within the periods they had been given to do so.

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 9, 2013. The deadline was further extended by seven days by Procedural Order made on August 19, 2013.

4. Factual Background

The Objector

The Objector is a German corporation. Its parent company i-content Limited, Zweigniederlassung Deutschland ("i-content") is the registered proprietor of the Community Trademark VIP, and the Objector has rights to use that mark pursuant to an exclusive, non-transferable license conferred on it by i-content. i-content has also provided documentation confirming that it consents to the Objector initiating Legal Rights Objection ("LRO") proceedings, and that such proceedings are properly within the scope of the rights granted to the Objector under the terms of the license agreement.

i-content's Community Trademark is registered in international classes 36, 41, 44, and 45. It was filed on November 22, 2011, and the specification for the registration in Class 45 includes the "connection and management of Internet Domains".

In addition to the VIP Community Trademark, i-content has also filed an application to register a VIP mark with the German Patent Office. That application was filed on July 29, 2011. It has not yet proceeded to registration.

The Objector operates a website at "www.vip-registry.com" (the Objector's website). The Objector provided screenshots taken from the Objector's website on March 13, 2013. The home page prominently featured a stylized version of i-content's VIP mark, and the text made it clear that the Objector (or i-content) was itself planning the operation of a "new and exclusive domain extension for celebrities and prominent personalities from the world of politics, economics, science, art, fashion, sports and entertainment". The Objector's website indicated that the proposed new <.vip> extension would be open for the registration of domain names from 2014.

The Objector's application for a <.vip> gTLD string

The Objector has itself applied for a <.vip> gTLD string. Its application, under application ID: 1-1003-40726 was originally posted on June 13, 2012. The stated Mission/Purpose in the Objector's application was very similar to the corresponding statements made by the Applicant in the Application, namely, that <.vip> domain names would be issued to cater to the unique needs and interests of important people and public figures worldwide.

The Applicant

The Applicant is a corporation established in the British Virgin Islands. It operates a website at "www.tldh.org" ("the Applicant's website"), which shows that shares in the Applicant are publicly traded on the London Alternative Investment Market. It has a single focus on the new gTLDs. A wholly-owned subsidiary of the Applicant, Minds + Machines, is described on the Applicant's website as a full-service consulting and registry services company, which will provide a complete registry solution for new TLD applicants (including for gTLDs applied for by the Applicant). A note on the Applicant's website as it stood on March 10, 2013 indicated that the Applicant had applied for numerous new gTLD strings, and that 22 of its applications were uncontested.

The Applicant's Application for the <.vip> gTLD

The Applicant's application for the <.vip> gTLD string ("the Application") was originally posted on June 13, 2012, under Application ID: 1-1037-88001. In the "Mission-Purpose" section of the Application, the Applicant described the purpose of the proposed <.vip> gTLD as:

"to offer a premium top-level domain for business and thought leaders, prominent politicians, celebrities, influential trend-setters, and leaders in the arts and sciences as designated by a knowledgeable selection committee. ... The .VIP domain name will be expensive. That is part of its perceived value. But while .VIP will differentiate itself by its upscale membership criteria, the company will also seek to recognize leading scientists, humanitarians, architects, designers and other important figures who stand out for other reasons than pure financial achievement. To this end, a number of .VIP names will be given free of charge for life for a select group of deserving recipients each year."

In section 18(b) of the Application, the Applicant commented:

"In terms of user experience, .VIP will provide users with a top-level domain name that allows them to easily recognize that the registrant is a very important person."

At section 18(c) of the Application, the Applicant stated that agreements and policies would be instituted to ensure "protection of trademarks, the names of natural and legal persons, and other property rights".

Backend registry services were to be provided by Minds + Machines. These services were described in the Application as "the critical registry functions as well as the usual and customary functions provided by a backend registry operator". The registry services were to be standard, with no new services proposed specifically for the <.vip> gTLD.

At section 29 of the Application, the Applicant addressed the topic of rights protection mechanisms ("RPMs"). In addition to the ICANN-mandated RPMs (e.g. Sunrise period, Trademark Claims Service, the Uniform Domain Name Dispute Resolution Policy ("UDRP"), the Uniform Rapid Suspension System ("URS"), and the Post Delegation Dispute Resolution Policy ("PDDRP")), the Application proposed the introduction of four additional RPMs, namely the "naming policy", which would define which names could be registered and by whom; the Acceptable Use Policy, which would describe permitted and non-permitted uses of registered names; a Whois and Privacy Policy, which would help registrants understand what the Applicant would be entitled to do with registrants' personal data; and the Complaint Resolution Service ("CRS"). Registrants would be bound to these four policies by their individual domain name registration agreements.

Generally, the Application emphasized that registration of domain names in the proposed <.vip> gTLD would be limited to an elite group seen as being most unlikely to engage in cybersquatting or other abuse in the registration or use of their domain names.

The Applicant's Trademark Application

The Applicant provided evidence of an application it has made to register the word mark VIP in Chile. Although the document produced by the Respondent was in the Spanish language, with no translation, the Panel is able to discern that the application relates to services in international class 42, including services relating to the registration of domain names. The application to register this service mark was filed on March 30, 2012.

Other Applications for the <.vip> string

In addition to the Objector and the Applicant, the Applicant says that four other parties have applied for the <.vip> gTLD.

5. Parties' Contentions

A. Objector

The Objector contends that the potential use of the <.vip> gTLD by the Applicant:

- (i) takes unfair advantage of the distinctive character or the reputation of the registered VIP mark in which the objector has rights; and/or
- (ii) unjustifiably impairs the distinctive character or the reputation of that mark; and/or
- (iii) otherwise creates an impermissible likelihood of confusion between the applied-for <.vip> gTLD and that mark.

In support of those contentions, the Objector submits the following:

1. Its status as exclusive licensee of the registered VIP mark gives it standing as a "rights holder", and thus it is entitled to make the Objection.
2. The expression "VIP" is not a term of art within the domain name industry, and has no inherent connection to the Internet space generally or to the registration or licensing of specific domain names. The VIP mark is therefore completely arbitrary in relation to the connection and management of Internet domains, and has an important source-identifying function in relation to "connection and management of Internet Domains".
3. Currently-available top-level domains (such as <.com> and <.org>) are not comprised of third-party trademarks. However, with the new gTLD program, it has long been foreseen that many of the newly-registered TLD strings will comprise registered marks. Thus additional levels of protection have been introduced, both via the LRO mechanism and via the PDDRP. Section 6.1 of the PDDRP provides that, even after the delegation of a gTLD, any trademark owner who has been harmed by the operation or use of the gTLD space due to its identity or confusing similarity with the trademark owner's mark, may seek redress. In such case, the complainant must assert and prove that the registry operator's affirmative conduct in its operation or use of the gTLD string causes or materially contributes to the gTLD doing one of the following:
 - (i) taking unfair advantage of the distinctive character or the reputation of the complainant's mark;
or

- (ii) impairing the distinctive character or the reputation of the complainant's mark; or
- (iii) creating a likelihood of confusion with the complainant's mark.

4. The standards prescribed under the LRO procedure are nearly identical to those provided for at section 6.1 of the PDDRP, and both policies aim to provide trademark owners with an action to prevent damage to their marks by the operation or use of the gTLD. The inclusion of a remedy for trademark infringement at the top level in both procedures clearly shows that the drafters of both policies were acting on the assumption that a gTLD can have a source-identifying significance and serve a trademark purpose. In those circumstances, it is no longer appropriate to take the view that gTLDs are generally not source-indicating. That thinking may have been applicable to the <.com> space, where top-level domain strings did not comprise pre-existing trademark terms.¹ Top-level extensions may play a role in assessing trademark confusion.

5. If the Applicant were granted control of the <.vip> gTLD, it is self-evident that the Applicant's activities as the registry operator would entail use of the <.vip> gTLD as a trademark (not descriptively or generically) in connection with certain second-level domains essential to the functioning of the gTLD space. For example, domain names such as <information.vip>, <registration.vip>, <domains.vip>, <whois.vip>, <contact.vip>, and others, would be essential to the functioning of the top-level domain space. A number of these names have been expressly reserved to the registry operator under Specification 5 of New gTLD Agreement outlined in ICANN's gTLD Applicant Guidebook (Version 2012-06-04) (the "Guidebook").

6. The use of second-level domain names to enable the proper functioning of a TLD space is an essential aspect of registry operation. The use of any second-level domain name within the <.vip> space by a registry, for the purposes of conducting the business of the registry and managing the gTLD space, would constitute use in a trademark sense, and i-content's VIP mark is protected for services identical to those required as a registry operator. Thus, the use of any second-level domain within the gTLD by another entity would constitute an infringement of that mark, and would impair the distinctive nature of the mark.

7. The source-identifying power of a TLD will be dramatically increased when Internet browser technology enables a direct, top-level navigation mechanism so that Internet users will be able to simply enter the top-level extension into a web browser and be taken to a pre-established landing page specified by the brand owner or relevant registry operator. It is entirely foreseeable that search engine functions will be modified to accord higher ranking to spaces in which the TLD corresponds to the search terms entered by the user.

8. If the Applicant were permitted to manage and use the <.vip> gTLD, Internet users would be misled as to the actual owner of the VIP trademark, and as to the source of the services provided via the <.vip> gTLD. Individuals interested in registering a <.vip> domain name will naturally assume that the owner of the TLD is also the owner of the corresponding trademark. Thus, the Application takes unfair advantage of and unjustifiably impairs the distinctive character of i-content's VIP mark, which would no longer serve as a distinctive identifier of the Objector's services within the world-wide marketplace. There would be dilution of the mark, and a blurring of its status as a source-identifier. Customers would find it difficult to differentiate between the offerings of the Objector and the Applicant, and the mark would cease to arouse an immediate association with the Objector's business endeavors.

9. With respect to the eight specific factors listed at Section 3.5.2 of the Guidebook, the Objector

¹ Even prior to the introduction of the new gTLDs, the "rule" concerning the inapplicability of top-level extensions to an evaluation of trademark infringement was not universal. In the UDRP case *project.me GmbH v. Alan Lin*, WIPO Case No. DME2009-0008 (WIPO Nov. 11, 2013), relating to the Montenegro country code domain name <project.me>, the panel took the view that to ignore the ccTLD identifier in all cases when considering identity or similarity of a .me domain name to a trademark, would be to ignore commercial reality. The panel considered that, in the .me domain name space, the ccTLD identifier was likely to be a key part of the domain name.

submits:

- (i) Factor 1 – the textual string of the applied-for gTLD is identical to i-content’s mark.
- (ii) Factor 2 – i-content’s/the Objector’s acquisition and use of the VIP mark has been entirely *bona fide*, and without any foreknowledge of the Applicant’s existence or activities. There is no way the Objector could reasonably have been aware of the Applicant’s intent to use the <.vip> gTLD. The Applicant, on the other hand, could easily have discovered i-content’s pre-existing trademark rights in its VIP mark.
- (iii) Factor 3 – the Applicant has made no active or demonstrable use of the term “VIP”, other than in connection with the Application itself. The Objector is not aware of any sector of the public that would associate the term “VIP” in any manner with the Applicant. Any consumer looking to find out more about the source of the VIP mark would likely come across i-content or the Objector (not the Applicant) in conducting any online trademark registration search.
- (iv) Factor 4 – the Applicant was on notice of i-content’s trademark rights, had it elected to conduct a due diligence search of the Community Trademark registry prior to filing the Application with ICANN.
- (v) Factor 5 – the Objector has been unable to locate any substantive proof of the Applicant’s use of the term “VIP” outside of the Application: the Objector therefore concludes that the Applicant has to date made no demonstrable use of the term in commerce. Nor has the Objector been able to identify any use of the term “VIP” by the Applicant in commerce which would justify a claim to common law rights in that expression. The Applicant has no rights in the term.
- (vi) Factor 6 – the fact that “VIP” may have a generic meaning does not prevent it from being protected as a trademark. The term carries a number of different meanings, many of them unrelated to the acronym for “very important persons”. And the “generic meaning” argument is ineffective where (1) the term in question is a registered trademark and (2) the Applicant intends to use that mark in connection with identical goods and services for which the mark is registered.
- (vii) Factor 7 – the Objector has been unable to locate any use in commerce of the term “VIP” by the Applicant.
- (viii) Factor 8 – it is certain that the Applicant’s intended use of the TLD (in connection with the identical goods and services for which the mark is registered) would create a likelihood of confusion with i-content’s VIP mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.

10. The Applicant’s failure to address the required three points of the Policy, as well as the eight factors for consideration and evaluation by the Panel, means that the Response remains procedurally deficient and should be disregarded on that basis.

11. The Applicant has no valid or plausible trademark rights in the term “VIP”. It only has a pending application for trademark registration in Chile, and a pending application does not confer any trademark rights on the Applicant.

12. i-content’s Community Trademark rights enjoy priority over any rights claimed by the Applicant.

13. The Applicant’s claim that the term “VIP” is in some way “generic” for the use of the space, as it will be targeted to “very important persons” around the world, is unhelpful, as the Applicant has itself applied to register a “VIP” mark.

14. The target audience for the Applicant's proposed gTLD services is not relevant. What is relevant is that the Applicant will be providing registry services and domain name management services, which are precisely the categories for which i-content holds a Community Trademark registration.

B. Applicant

In its amended Response, the Applicant mistakenly assumed that the provisions of the UDRP were relevant to this proceeding. Accordingly, some of what was included in the amended Response was not relevant. That misunderstanding was picked up by the Applicant in its Reply, and the following contentions are derived from the combination of the two documents (Amended Response and Reply):

1. The Applicant's potential use of the applied-for gTLD 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
 - (iii) otherwise create an impermissible likelihood of confusion between the Applicant's applied-for gTLD and the Objector's mark.
2. The Applicant has a legitimate interest in the mark VIP by virtue of its trademark application in Chile.
3. The Applicant's application to register the VIP trademark in Chile was made more than a year before the Applicant had notice of the Objector's mark, and before the Applicant had notice of the Objector's application for a <.vip> gTLD string. The Applicant had no knowledge of i-content's VIP mark or the Objector's gTLD application prior to making the Application.
4. ICANN's rules for applications for new gTLDs allow anyone to apply for the gTLDs as long as they meet certain technical and financial criteria.
5. The Application, and the Applicant's notice of intention to use the <.vip> gTLD through the Applicant's answer to Question 18 ("Mission/Purpose") in the Application, sufficiently show that the Applicant has used, or made demonstrable preparations to use, the <.vip> gTLD in connection with a *bona fide* offering of goods or services.
6. The Objector has gratuitously ignored the Applicant's trademark, which was easily discoverable.
7. The Applicant had every right to apply for the <.vip> gTLD even if other trademarks existed.
8. i-content's VIP mark and the *bona fide* interests the Applicant has in <.vip> are identical but competing. The Applicant has a *bona fide* interest in the mark.
9. The Application is neither an illegitimate use of i-content's mark nor likely to create confusion with that mark. The Panel should allow both applications to proceed to the next stage of ICANN's new gTLD application process.

6. Discussion and Findings

Section A

Objector's standing to make a Legal Rights Objection

For a LRO to succeed, an objector must first satisfy the expert panel that it is a "rightsholder" (Guidebook,

Section 3.2.2.2). In this case, the Objector relies on its rights as licensee of the Community Trademark owned by i-content.

The Panel is satisfied that the Objector's rights as licensee are sufficient to give it legal standing to make the present LRO. The standing of the Objector as licensee was addressed in another LRO proceeding brought by the Objector, where the Objector contested an application (for the same <.vip> gTLD string) made by another applicant, Vipspace Enterprises LLC.² In the *Vipspace Enterprises* case the panel noted:

“Under most (if not all) other ICANN dispute resolution policies, including the Uniform Domain Name Dispute Resolution Policy (UDRP), trademark licensees and companies related to the trademark owner are generally held to have rights in the trademark or trademarks in question [see, for example, paragraph 1.9 WIPO Overview of Panel Views on Selected UDRP Questions, Second Edition]. The Objector has produced satisfactory evidence of the licence and the Panel sees no reason to depart from that approach.”

Similarly, the panel in *i-Registry Limited v. Charleston Road Registry Inc.* (WIPO Case No. LRO2013-0017, a decision on another LRO made by the Objector to an application to register <.vip> as a new gTLD), concluded that the same licence agreement was sufficient for the Objector to qualify as a “rightsholder” for the purposes of the Procedure.

The Panel agrees with the decisions on the “standing” point in those cases, and finds that the Objector has standing as a “rightsholder” to make the present LRO.

Section B

The Objector's contentions with regard to the validity of the Response

Although in its Response the Applicant misconceived the nature of the Procedure, and incorporated submissions which were clearly based on the UDRP, the requisite formal elements of the Response were all present. For example, the Applicant identified the relevant rights on which its applied-for TLD and the Response were based, by referring to its trademark application in Chile and its claim to a legitimate interest in the <.vip> gTLD by virtue of the Application. The WIPO Model Form of Response was used, so the Response included the required forms of certification and acceptance of the applicability of the Procedure and the WIPO Rules for New gTLD Dispute Resolution. The Response clearly included an assertion of its validity, and a statement that it should be upheld because none of the standards relevant to LROs were applicable. It was signed on behalf of the Applicant.

In the foregoing circumstances, the fact that the Applicant included irrelevant material in the Response, and failed to specifically address each of the eight factors the Panel is required to consider, in this Panel's view does not affect the validity of the document. The Response, and the Applicant's Reply, will be received and considered accordingly.

Section C

Principles for Adjudication of Legal Rights Objections

The principles which expert panels are required to apply in dealing with LROs are set out at Section 3.5.2 of Module 3 to the 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

² *I-Registry Limited v. Vipspace Enterprises LLC*, WIPO Case No. LRO2013-0014.

the applicant:

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

The objector in a LRO 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. The Panel considers each of these factors in Section 6E of this decision.

Section D

Considerations Relevant to the Interpretation of the Article 3.5.2 Adjudication Principles

1. The Panel agrees with, and respectfully adopts, the following observations made by the panel in *Right At Home v. Johnson Shareholdings, Inc*, WIPO Case No. LRO2013-0030 (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 was cited with approval by the three-member panel in *Blue Cross and Blue Shield Association v. Afiliat Limited*, WIPO Case No. LROD2013-0004 (relating to the gTLD string <.blue>).

2. The Panel also agrees with, and respectfully adopts, the following observations made by the panel in the <.rightathome> case (*supra*):

“... 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 also cited with approval in the <.blue> case (*supra*).

3. In *Express, LLC v. Sea Sunset, LLC*, WIPO Case No. LRO2013-0022 (relating to the gTLD string <.express>), the panel observed:

“Complainant may have a reasonably well-known trademark, but only insofar as it applies to [the particular products for which the complainant held an EXPRESS trademark]. Because the term “express” is a common term in the English language with a variety of meanings, and is used frequently

for those meanings, the scope of Complainant's trademark rights is circumscribed."

The Panel respectfully agrees with those observations, which apply *a fortiori* in this case, where i-content's VIP mark has not been shown to be well known.

Section E

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 applied-for gTLD is identical in both appearance and phonetic sound to i-content's registered VIP Community Trademark, in which the Objector has rights.³ Although the Objector says that that mark operates as a source-indicator for the particular services for which it is registered, and that the expression "VIP" can have a number of different meanings, the Panel is satisfied that the great majority of Internet users who are proficient in English would read both the applied-for gTLD string and i-content's VIP mark as an acronym for "very important persons".

2. Whether the Objector's acquisition and use of rights in its VIP mark has been *bona fide*.

There is nothing in the evidence to suggest that the Objector did not act *bona fide* in acquiring its rights in the VIP mark. The copy of the Objector's website which was provided with the Objection makes it clear that the Objector seeks to operate its own <.vip> gTLD registry, and the Panel sees no basis for any finding that the Objector does not intend to use i-content's VIP mark in respect of the "connection and management of Internet domains", if its gTLD application is successful. Nor is there any other basis for concluding that the Objector has not acted *bona fide* in acquiring its trademark rights.

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.

In *I-REGISTRY Limited v. Vipspace Enterprises LLC (supra)*, the panel noted that there was no evidence to show that either party had yet traded under its mark sufficiently to displace the primary descriptive meaning of the term "VIP" and establish a brand. The panel in that case found that the Internet community at large was likely to recognize the term "VIP" in the context of a gTLD as a descriptive term rather than anybody's trademark.

The Objector, who was also the objector in the *Vipspace Enterprises* case, has not provided any evidence in this LRO proceeding which would justify any different view. On the evidence in this proceeding, if there is recognition of "VIP" as the mark of i-content at all, the Panel believes the level of recognition would be low.

Similarly, the Applicant has not provided any evidence that anyone recognizes "VIP" as the Applicant's trademark or service mark.

There is no evidence of any third party enjoying any level of recognition of the expression "VIP" as that third party's trademark or service mark.

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

³ The Panel agrees with the panel in the *i-Registry Ltd. v. Charleston Road Registry Inc* case (*supra*), that the wording "the Objector's mark" in factor 1 should be construed as including a mark in which the Objector has rights.

marks of others.

The Panel is satisfied that the Applicant's intent in applying for the <.vip> gTLD was as stated in the Application, namely to provide a registry offering domain names to influential and important people who would be attracted by the idea of having websites and/or email addresses which identified them as "very important persons".

The Panel finds there is no proof that the Applicant had any knowledge of i-content's Community Trademark when it filed the Application, although given the size of its investment in the Application, it is surprising that the Applicant apparently did not run a Community Trademark search before filing the Application. If it had done so, the Panel agrees with the Objector that the Applicant should have been alerted to i-content's VIP mark.

In any event, the Panel notes that the priority of the parties' respective claims to rights in a VIP service mark is not a significant factor in this case. The Applicant's case does not depend on any issue of priority between competing rights, but on its entitlement or otherwise to use as a gTLD a common generic expression, in accordance with the most common understanding of that expression.

There is no evidence of any "pattern of conduct" of the kind referred to in this factor.

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 proposed <.vip> 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 <.vip> gTLD in connection with such services.

In the <.blue> decision, the three-member panel stated:

"In the <.express> case, and in at least one other LRO decision [*TLD DOT GmbH v Inter NetWise Web-Development GmbH*, WIPO Case No. LRO2013-0053, relating to the string <.gmbh>], 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 any use of, or made any relevant demonstrable preparations to use, a sign corresponding to the <.blue> gTLD in connection with any *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 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. LRO2013-0017). 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."

Those observations are equally apposite 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 Panel is not satisfied that the Applicant has any intellectual property rights in the expression “VIP”. It has referred to its application to register a “VIP” service mark in Chile, but a mere application to register a trademark or service mark does not, of itself, create any rights in the mark. And there is no evidence that the Applicant has ever used the expression “VIP” as a trademark or service mark, whether in Chile or anywhere else, in such a way that the expression could have acquired a secondary meaning as a source-indicator of the Applicant’s services.

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 evidence before the Panel that the Applicant has been commonly known by the sign corresponding to the <.vip> 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 agrees that some new gTLDs are likely to have a source-indicating function, particularly where the new gTLD consists of a made-up term which is identical to the owners’ trademark. But many new gTLDs, particularly those comprising trademarks utilizing common English expressions, are unlikely to perform that function in the short term, and perhaps may never do so. In the Panel’s view, a <.vip> gTLD will most likely come into the latter category.

In the Panel’s view, the Applicant’s intended use of the <.vip> gTLD will be seen by the vast majority of Internet users as a descriptive use, referring to the intended purpose of the proposed new registry (the provision of domain names for people who are, or wish to be considered, very important persons), and to the kind, or characteristics, of the services the Applicant will offer in the new <.vip> gTLD.

Given that likely perception, and the absence of evidence of any significant level of recognition of i-content’s VIP mark, the Panel considers on the evidence produced in this proceeding that there is no significant likelihood of confusion with i-content’s VIP mark as to the source, sponsorship, affiliation or endorsement of the proposed new <.vip> gTLD.

Section F

Additional Considerations

1. The fact that “VIP” is a very common acronym in English for “very important persons” is strongly in the Applicant’s favor. As the panels noted in the <.express> and <.blue> cases, the Objector’s difficulties appear to arise in large part because it has seen fit to adopt a common expression in the English language (in this case a common acronym) as its trademark. In such circumstances, such rights as the Objector has in the i-content VIP mark must be seen as relatively narrowly confined, being applicable only in respect of the particular services for which the mark is registered.

2. As noted in section 6C of this decision, 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 this case, the particular right relied upon by the Objector is a Community

Trademark. It is appropriate, therefore, to consider any restrictions on the right of the proprietor of a Community Trademark to enforce its mark against third parties using the mark in the course of trade.

Article 12 of the Community Trademark Regulation (EC) No. 207/2009 provides in relevant part:

“A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

...

... (b) indications concerning the kind, quality, quantity, intended purpose ... or other characteristics of the goods or service ...”

In this case, the Panel considers that the Applicant’s proposed use of the <.vip> gTLD appears to be, in accordance with Article 12, to describe the intended purpose and/or kind or characteristics of the services it proposes to offer through the new gTLD, namely the provision of domain names for those who are (or wish to be considered) very important persons.

The Panel finds that the Applicant’s proposed use of the <.vip> gTLD is not a use the Objector is entitled to prohibit. It therefore follows that that use cannot infringe any legal rights of the Objector which are “recognized or enforceable under the relevant law” (Article 12, Community Trademark Regulation).

In the Panel’s view, the creation of domain names such as <contact.vip> or <whois.vip> at the second level is unlikely to alter the descriptive nature of the Applicant’s use of the expression “VIP” within the proposed <.vip> gTLD.

Section G

What Weightings should the Panel give to the Factors addressed in Sections E and F of this Decision?

The relative importance of the eight factors the Panel is required to consider is not fixed in advance. Some will prove more significant than others (see the <.rightathome> and <.blue> decisions (*supra*)).

In this case, the fact that the applied-for gTLD and i-content’s VIP mark are identical (Factor 1 above) is obviously important. The possibility that there might in future be some level of confusion between the i-content mark and the proposed <.vip> gTLD (Factor 8), albeit minor, is also marginally in the Objector’s favor. Factors 2, 4, 5, 6, and 7 are neutral, while the absence of proof of any significant recognition of i-content’s VIP mark (Factor 3) slightly favors the Applicant.

However, the two most compelling considerations for the Panel are those set out at section 6F above. The fact that the Objector has seen fit to adopt a common English expression as its service mark means that the protection afforded by the registration of that mark should be seen as relatively narrowly confined. Secondly, the Applicant’s intended use of the applied-for gTLD is essentially descriptive in character, and in this Panel’s view the Objector’s rights under the VIP Community Trademark do not extend to prohibiting use of the sort proposed by the Applicant.

Section H

The Panel’s Determinations on the Three Standards

Having considered the parties’ submissions and each of the eight factors the Panel is required by Section 3.5.2 to consider, and particularly having regard to the matters discussed at section 6F above, the Panel is satisfied that:

- (i) the Applicant’s potential use of the applied-for gTLD does not take *unfair* advantage of the distinctive character of i-content’s VIP mark (or of any reputation that may exist in that mark); and

- (ii) the Applicant's potential use of the proposed <.vip> gTLD does not *unjustifiably* impair the distinctive character of i-content's VIP mark (or any reputation which may exist in that mark); and
- (iii) any likelihood of confusion between the applied-for gTLD and the i-content VIP mark cannot be regarded as *impermissible*.

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

The Panel rejects the Objection.

[signed]

Warwick Smith
Sole Panel Expert
Date: August 21, 2013