

## **EXPERT DETERMINATION LEGAL RIGHTS OBJECTION**

Starbucks (HK) Limited v. Global Top Level ApS

Case No. LRO2013-0026

### **1. The Parties**

The Objector/Complainant is Starbucks (HK) Limited of Hong Kong, China, represented by Dechert LLP, United Kingdom of Great Britain and Northern Ireland.

The Applicant/Respondent is Global Top Level ApS of Roskilde, Denmark, represented by Zacco Advokatanpartsselskab, Denmark.

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

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

### **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 completed the review of the Objection on March 21, 2013, and determined that the Objection complies with the requirements of the Procedure and the World Intellectual Property Organization Rules for New gTLD Dispute Resolution for Existing Legal Rights Objections (the “WIPO Rules for New gTLD Dispute Resolution”).

In accordance with Article 11(a) of the Procedure, the WIPO Center formally notified the Applicant of the Objection, and the proceeding commenced on April 17, 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 15, 2013.

The WIPO Center appointed Professor Ilhyung Lee as the Panel in this matter on June 20, 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.

## 4. Factual Background

### A. Objector

The Objector identifies itself as a company incorporated in Hong Kong, “a member of the PCCW Group (‘PCCW’) of companies”, “a wholly owned subsidiary of PCCW Limited”, and a “non[-]trading, asset holding company within PCCW [that] owns all of PCCW’s rights in and to the [NOW trademark].”<sup>1</sup> The Objector states that PCCW “provides television and media services under the [NOW trademark] to subscribers in Hong Kong and a number of other jurisdictions”.<sup>2</sup>

The Objector has submitted evidence of the following trademark registrations:

- NOW, with design and color, for, among others, “Information services relating to repair or installation, provided online from a computer database or the Internet” (International Class 37), “Telecommunication services; provision of telecommunication access and links to computer database and to the Internet”, and “broadcasting and transmission of radio and television programmes; cable television broadcasting” (Class 38), in Hong Kong, China, Registration Number 300391266AB, on March 23, 2005.
- NOW TV, for Class 38, in Hong Kong, China, Registration Number 300038132, on June 25, 2003
- NOW with design, for Class 38, in China, Registration Number 1455984, on October 7, 2000.
- NOW with design, for Class 38, in Kuwait, Registration Number 37833, on June 28, 2000.

The Objector states that it filed its own application for the <.now> gTLD, in an effort to

“properly safeguard and to expand the ‘now’ brand that has been firmly established since the launch of now TV in 2003. The mission of the ‘.now’ registry is ... to leverage and expand from the well-established ‘now’ brand from its Hong Kong and Asia base, as well as services, reach and customer base across its parent and related companies, to promote the ‘.now’ TLD to become a globally recognized gTLD as an innovative and online media and infotainment platform”.<sup>3</sup>

In addition to the present Objection, the Objector has objected to applications for the same applied-for gTLD <.now> that were filed by four other applicants separately – Grand Turn, LLC, Amazon EU S.a.r.l., One.com A/S, and XYZ.COM LLC.

### B. Applicant

The Applicant identifies itself “as a company incorporated in Denmark on 5 February 2010 whose registered office and principle [sic] place of business is ... Roskilde, Denmark.”<sup>4</sup> The Applicant filed its application for the new gTLD <.now>, originally posted on June 13, 2012. The application states in part:

“The mission with the NOW TLD is to offer the Internet space a TLD ideal for campaign purposes.

Based on the endless ways of campaigning messages, the purpose with the NOW TLD is to encourage creativity, innovation and competition when campaigning messages, equally commercial as non-commercial.

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<sup>1</sup> Objection at 3. In its submission, the Objector defines “registered trade mark rights and . . . goodwill, reputation and unregistered trade mark rights . . . in the name NOW” as “the ‘Trade Mark’”. *Id.* References to “[NOW trademark]” herein reflect the Objector’s use of the defined term.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at 9.

<sup>4</sup> Response at 2.

Through this mission and purpose, our goal is to be the preferred and natural choice for online campaigning.”<sup>5</sup>

“[O]nline campaigning is a critical component of every go-to-market strategy. However, this is a field that’s littered with casualties. For example, most online marketing and campaign techniques are routine today. As a consequence, on a macro level, a lot of money gets wasted. Having the word NOW ending a campaign message goes a long way towards clearing this hurdle.

The other side of the coin is that the NOW TLD opens up new opportunities to continuously create new campaign messages to an audience. The domain name holder creates a unique level of affinity with its audience, and advertises its campaign message each time an email is sent out, and possibly a new channel for campaigning is born.

Consequently the .NOW TLD will provide a more relevant and recognizable alternative to the existing TLDs, resulting in higher accuracy and awareness when campaigning towards a targeted audience.”<sup>6</sup>

“The word now has a sense of proactivity and action orientation. So the rational[e] behind .NOW is to encourage people to act.”<sup>7</sup>

“By enabling this, domain names become more distinct, energetic, recognizable and easy to remember than what is in the current domain space.”<sup>8</sup>

## 5. Parties’ Contentions

### A. Objector

The Objector contends principally that: it is a rightsholder in the NOW and NOW TV marks, which it has used and for which it has received registration; it has standing to file an objection; the string comprising the potential new gTLD <.now> infringes the Objector’s existing legal rights that are recognized or enforceable under generally accepted and internationally recognized principles of law; and the potential use of the applied-for gTLD by the Applicant (i) takes unfair advantage of the distinctive character or the reputation of the Objector’s marks, (ii) unjustifiably impairs the distinctive character or the reputation of the Objector’s marks, and (iii) otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the Objector’s marks.

The Objector also states, *inter alia*:

“The use of the Application by the Respondent will take unfair advantage of the distinctive character of the [NOW trademark] because it will be associated with the Objector’s well recognised and remembered [NOW trademark]. This will unjustifiably give the Respondent’s services some of the lustre of the Objector’s excellent and globally recognized IPTV [Internet Protocol Television] services, and will also be more easily and cheaply (in terms of advertising and promotional spend and effort) established in the minds of members of the relevant section of the public. That advantage is underserved and unfair.”<sup>9</sup>

“[T]he Respondent’s use of the Application will lessen the Objector’s ability to identify and distinguish its services from its competitors and prejudices the distinctive character of the [NOW trademark]

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<sup>5</sup> Annex 1 to Objection at 6.

<sup>6</sup> *Id.* at 7.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Objection at 10-11.

thereby unjustifiably impairing the distinctive character of the Objector's [NOW trademark][.]... Indeed, the mere registration alone of the Application by the Respondent and not the Objector would mean that the [NOW trademark] is not as unique as it was prior to the registration of the Application by the Respondent. This causes detriment to the [Now trademark] by diluting the distinctive character of the [NOW trademark] thereby unjustifiably impairing the distinctive character of the Objector's [NOW trademark]."<sup>10</sup>

"The Objector has a vast international trade mark portfolio for marks which consist of or include the word NOW, including, but not limited to, NOW and NOW TV including in, but not limited to, Hong Kong, China, India, Canada, USA, Japan, Indonesia, Kuwait, Philippines, Taiwan, Thailand and Saudi Arabia."<sup>11</sup>

"PCCW has a presence in Europe, the Americas, the Middle East, mainland China and other Asian locations as well as in Hong Kong"<sup>12</sup>

"As part of its multimedia and entertainment offerings, PCCW operates a highly successful IPTV ... operation in Hong Kong called NOW TV. Now TV offers over 190 channels of local, Asian and international programming, including premium sports and movies and a range of interactive services."<sup>13</sup>

"PCCW's IPTV platform was launched in 2003 under the name NOW BROADBAND TV. The name of the platform was changed to NOW TV in or around March 2006."<sup>14</sup>

"Up until at least 2007 PCCW's NOW TV platform was the world leader in IPTV (in terms of numbers of users) and was publically recognized as such ...."<sup>15</sup>

"[T]he Objector has been using the [NOW trademark] for a decade and has turned over US\$100s of millions under the [NOW trademark]. It has also built up a significant and outstanding international reputation ...."<sup>16</sup>

"[The NOW trademark] is globally recognized as one of the leading Trade Marks in the global IPTV market and as such it has a massive reputation."<sup>17</sup>

The Objector's other relevant contentions are addressed herein.

## **B. Applicant**

The Applicant contends principally that the applied-for gTLD will not infringe the existing legal rights of the Objector, and that the potential use of the gTLD by the Applicant does not (i) take unfair advantage of the distinctive character or the reputation of the Objector's marks, (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 Applicant's gTLD and the Objector's marks.

The Applicant also states, *inter alia*:

"The term 'now' is an everyday English word, which is understood by all English speaking and more

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<sup>10</sup> *Id.* at 11.

<sup>11</sup> *Id.* at 3.

<sup>12</sup> *Id.* at 4.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 9.

<sup>17</sup> *Id.* at 11.

persons through[out] the world as meaning ‘at the present time or moment’.”<sup>18</sup>

“As an everyday English word, the use of which in relation to goods or services merely express the meaning that one wants[] the relevant goods or services at the present time or moment, the term now lacks inherent distinctiveness for any goods and services.”<sup>19</sup>

“[T]he Objector does not hold a registration of the word mark NOW.

Rather the Objector holds registered trade mark rights in a number of combined word and figurative marks such as



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“[T]he Objector does not own trade mark or other rights in NOW neither in Hong Kong nor elsewhere.”<sup>21</sup>

The Applicant’s other contentions are addressed herein.

## 6. Discussion and Findings

### A. Objector’s standing

Section 3.2.2.2 of the ICANN Guidebook states in relevant part: “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.” Here, the Objector has established standing. The Panel turns to the merits.

### B. The merits under applicable standards

Article 20(a) of the Procedure provides, “(a) For each category of Objection identified in Article 2(e) [which includes the ‘Existing Legal Rights Objection’], the Panel shall apply the standards that have been defined by ICANN.” ICANN’s gTLD Applicant Guidebook (the “ICANN Guidebook”) states in Section 3.5.2:

“[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 (‘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 further instructs that where the objection is based on trademark rights, as here, the Panel is to consider eight non-exclusive factors, which the Panel addresses in turn.

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<sup>18</sup> Response at 4.

<sup>19</sup> *Id.* at 5.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

**(i) 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 <.now>; the Objector's registered mark is NOW. The two are identical. This factor favors the Objector.

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

The Panel concludes that the Objector's acquisition and use of rights in its mark NOW are *bona fide*. There is no evidence to suggest the contrary. This factor also favors the Objector.

**(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 Objector asserts that it uses the NOW TV and NOW marks for its operations in various countries in at least three continents. The Objector also states that:

As of 2009, PCCW's "NOW TV platform was the 8th largest IPTV operation in the world in terms of numbers of users"; and "[a]t present, NOW TV is the largest pay TV operator in Hong Kong and reaches more than 1,165,000 subscribers, which is more than 50% of the estimated 2.3 million households in Hong Kong."<sup>22</sup>

"[T]housands of ... documents, case studies, reports and press coverage" support "the reputation of PCCW's NOW TV platform brand".<sup>23</sup>

"PCCW has incurred significant expenditure in advertising and marketing the NOW TV brand", specifically, \$56 million from 2006-2012.<sup>24</sup>

The Applicant responds that while these averments "may appear impressive, they do not prove that the term NOW has acquired distinctiveness for the services of the Objector" and that "the trade mark referred to in the material provided by the Objector to prove the reputation of the trade mark NOW, is not NOW itself, but the trade mark NOW TV or even PCCW."<sup>25</sup> The Panel agrees; the record does not reveal evidence to indicate public recognition of the gTLD as the mark of the Objector, or for that matter, as that of any party. This factor weighs in favor of the Applicant.

**(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 explains its selection of the gTLD thus:

"It is [the] meaning of the everyday English word 'now' which the Applicant/Respondent had in mind when applying for the applied-for TLD and not the Objector's trade mark.

In a number of count[r]ies, including Denmark, Norway and Sweden, the local language word for English word 'now' is 'nu'.

Therefore, the ccTLD .nu reserved to Niue, an island country in the Pacific Ocean northeast of New

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<sup>22</sup> Objection at 4.

<sup>23</sup> *Id.* at 5.

<sup>24</sup> *Id.* at 6-7.

<sup>25</sup> Response at 6.

Zealand, became one of the first ccTLD's successfully offered alternatively to the gTLD's such as .com in these countries in particular for use in connection with campaign domains.

Registration of campaign and other domains under the ccTLD .nu became widely used in particular in Sweden because registration under the ccTLD .se was restricted.

It is based upon the learning from the success of the ccTLD .nu in Denmark, Norway and in particular Sweden that the Applicant/Respondent wishes to provide a TLD ideal for campaign purposes, which can be used not only in the countries where 'nu' in local languages means 'now' in English but throughout the world or at least in the part of the world where English is commonly understood.

A demand for a TLD for campaign purposes can be seen from the large number of campaign domains already registered under the current TLD's, such as recyclenow.com and ticketsnow.com.

The campaign purposes may be commercial, for example flytoparis.now or buynewcar.now, or non-commercial, for example giveblood.now or gogreen.now, but in all situations the term now will as the TLD appear at the end of the domain name and therefore be understood in accordance with its ordinary meaning as an everyday English word and not as a trade mark or as part of a trade mark."<sup>26</sup>

The Panel finds that the above explanation is plausible.

Although the Objector suggests that the Applicant should have known of the Objector's NOW TV and NOW marks, given the international presence of the services for which the marks are used, the Applicant contends that it "had no knowledge of the Objector and/or its alleged rights in the trade mark NOW at the time of deciding to apply for the applied-for TLD."<sup>27</sup>

This is not a case where there is evidence of the Applicant engaging in a pattern of conduct where it has applied for registrations in, or operates, TLDs that are identical or confusingly similar to the marks of others.

The Panel is not prepared to conclude that the Applicant knowingly selected the <.now> gTLD in order to capitalize on the recognition of the NOW or NOW TV marks. The available evidence thus leans this factor toward the Applicant.

**(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 Objector states that the Applicant has not used, or made demonstrable preparations to use, the sign corresponding to the gTLD, and that the Applicant "has no rights or legitimate interests in respect of the [NOW trademark] or the Application."<sup>28</sup> The Applicant appears not to address this factor directly, and evidence of its use and preparations appears only by suggestion in the Application.

This factor, if significant, favors the Objector.

**(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.**

There is no evidence of the Applicant having marks or intellectual property rights in the sign corresponding to

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<sup>26</sup> *Id.* at 4-5.

<sup>27</sup> *Id.* at 6.

<sup>28</sup> Objection at 10.

the gTLD. For its part, the Applicant insists that “now” is “an everyday English word and is free for everyone to use in accordance with its ordinary meaning.”<sup>29</sup>

On its face, this factor favors the Objector.

**(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 is not commonly known by the sign corresponding to the gTLD. This factor, if significant, favors the Objector.

**(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.**

In determining the likelihood of confusion between the Applicant’s intended use of the <.now> gTLD with the Objector’s NOW mark, the Panel will consider principally: (a) the strength of the Objector’s mark, (b) the similarity of the new gTLD to the Objector’s mark, (c) evidence of actual confusion, (d) the Applicant’s intent in its application and use of applied-for gTLD, and (e) the proximity of the parties’ products or services.<sup>30</sup>

(a) Strength of the Objector’s mark

The Applicant states that the term “now” is an “everyday English word”<sup>31</sup> that means “at the present time or moment”;<sup>32</sup> “lacks inherent distinctiveness for any goods and services”;<sup>33</sup> and “is free for everyone to use in accordance with its ordinary meaning”.<sup>34</sup> The Applicant does not state explicitly (in trademark parlance) that “now” is *generic*, and as such, has no trademark significance or protection, but that is the Applicant’s desired result. Although the Panel is not prepared to rule that “now” is a generic term when used for telecommunication services,<sup>35</sup> the Panel is of the view that there is a descriptive quality to the NOW mark, with little distinctive character. Furthermore, the case record does not indicate evidence of significant acquired distinctiveness, *i.e.*, public recognition of the NOW mark as that of the Objector. Accordingly, the relative strength of the mark favors the Applicant.

(b) Similarity of gTLD to Objector’s mark

As indicated above, the gTLD and the mark are identical, and this favors the Objector.

(c) Evidence of actual confusion

The Objector has not offered any evidence of actual confusion. This favors the Applicant.

(d) Applicant’s intent

As discussed above, this factor leans to the Applicant.

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<sup>29</sup> Response at 7.

<sup>30</sup> See *CAE, Inc. v. Clean Air Engineering, Inc.*, 267 F.3d 660, 686 (7th Cir. 2001); *Mobil Oil Corp. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987).

<sup>31</sup> Response at 4 (twice), 5 (twice), 7 (four times).

<sup>32</sup> *Id.* at 4.

<sup>33</sup> *Id.* at 5.

<sup>34</sup> *Id.* at 7.

<sup>35</sup> An everyday English word may be generic for certain products or services, but a distinctive mark for others. A common example is the term “ivory”, which would be generic “when used to describe a product made from the tusks of elephants”, but an arbitrary, distinctive mark “as applied to soap.” *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 n.6 (2d Cir. 1976).



(e) Proximity of the parties' products or services.

The Objector uses its NOW mark for telecommunication services. The Applicant desires to use the <.now> gTLD for "campaign" websites. The Objector would urge that both services are related to mass communication, with potential for direct competition; the Applicant would attempt distinction.

The Panel determines that, with special attention to the relative strength of the mark, the Applicant's use of the <.now> gTLD would not create a likelihood of confusion with the Objector's NOW mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.

The Panel readily acknowledges that in the discussion of ICANN Guidebook's eight factors, a majority appear to favor the Objector. But the Panel is not required to sustain (or dismiss) an objection as a result of an arithmetic tabulation of the eight indicators. The Panel has the authority, in light of the particular circumstances of each objection, to weigh certain factors more heavily than others. Here, NOW is not a particularly distinctive mark that the Applicant seeks to take advantage of, or impair. Finally, as eloquently stated by Sole Panel Expert Robert Badgley in regard to the text of Section 3.5.2 of the ICANN Guidebook:

"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 [the Applicant], or something intolerable in the state of affairs which would obtain if the [Applicant] were permitted to keep the String in dispute."<sup>36</sup>

Here, the Panel determines that any likelihood of confusion is not *impermissible*, and also that the Applicant's cause falls short of the *untoward* standard.

## Conclusion

The Procedure provides that the Objector has the burden to "prov[e] that its Objection should be sustained in accordance with the applicable standards".<sup>37</sup> The Objector has not met this burden.

The Panel concludes that the string comprising the applied-for <.now> gTLD does not infringe the Objector's existing legal rights that are recognized or enforceable under generally and internationally recognized principles of law. Specifically, the potential use of the gTLD by the Applicant does not: take unfair advantage of the distinctive character or the reputation of the Objector's mark; or unjustifiably impair the distinctive character or the reputation of the Objector's mark; or otherwise create an impermissible likelihood of confusion between the applied-for gTLD and the Objector's mark.

## 7. Decision

For the reasons stated above, the Objection is rejected.

[signed]

**Ilhyung Lee**

Sole Panel Expert

Date: August 9, 2013

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<sup>36</sup> *Right at Home v. Johnson Shareholdings, Inc.*, WIPO Case No. LRO 2013-0030, at 3 (emphasis added).

<sup>37</sup> Procedure art. 20(c). See ICANN Guidebook § 3.5 ("The objector bears the burden of proof in each case.").