

EXPERT DETERMINATION LEGAL RIGHTS OBJECTION

i-Registry Ltd v. Charleston Road Registry Inc.

Case No. LRO2013-0017

1. The Parties

The Objector/Complainant is i-Registry Ltd of Berlin, Germany, represented by Bettinger Schneider Schramm of Germany.

The Applicant/Respondent to this Objection is Charleston Road Registry Inc., of Mountain View, the United States of America, represented initially by Steptoe and Johnson LLP and subsequently by Katten Muchin Rosenman LLP of the United States.

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”), which is set out in the Attachment to Module 3 of version 2012-06-04 of ICANN’s *gTLD Applicant Guidebook* (“Module 3”).

In accordance with Article 9 of the Procedure, the WIPO Center completed its 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”).

The WIPO Center received a proposal from the Objector to consolidate LRO Objections LRO2013-0014, LRO2013-0015, LRO2013-0016, LRO2013-0017 and LRO2013-0018 on April 23, 2013. The Respondent opposed the Objector’s consolidation proposal. The WIPO Center subsequently determined not to consolidate the cited LRO Objections for the purposes of Article 12(b) of the Procedure and Paragraph 7(d) of the WIPO Rules.

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 timely filed with the WIPO Center on May 16, 2013.

The WIPO Center appointed Philip N. Argy 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.

On June 18, 2013 the Objector sought leave to file an answer to the Response in respect of issues that it claimed were new or unforeseen and had taken it by surprise. The Respondent submitted that no answer should be permitted and that there were no issues it had raised which should have taken the Objector by surprise.

The Panel issued the following ruling in response to the foregoing exchange:

“To enable the Panel to make a determination in relation to its request for a supplementary filing, the Objector is requested to identify what it claims are the “new or unforeseen arguments” and explain why it says they could not have been foreseen and addressed in its original Objection. If the Panel is satisfied in that regard some supplementary submission may be permitted but not otherwise. If any substantive submission in response to the new arguments is included with the reply to this request, there will be no supplementary submission permitted. The Panel also does not concede that permitting the Objector to make a supplementary submission in relation to new and unforeseen arguments in the Response would entitle the Respondent to a reply.”

The Objector subsequently filed a single-page document identifying the following arguments as new or unforeseen:

“First, the Respondent’s challenge to the Objector’s standing was certainly surprising, since CTM trademarks (once granted) take effect as of the date of filing. Thus, the Objector’s trademark protection commenced on November 22, 2011, and is afforded priority via German Trademark No. 3020110414564, valid from July 29, 2011. Since the Objector’s mark was clearly valid and enforceable as of the date of its Application the Respondent’s comments in this regard were unexpected.

Secondly, the Respondent has elected to rely almost exclusively on precedent gleaned from the USPTO and United States courts, despite the fact that the Objector’s marks are registered in European jurisdictions, and therefore US case interpretation is not controlling law. The USPTO is extremely unusual in disallowing the registration of “dot” trademarks, and has been historically hostile to the registration of TLD extensions as marks. The cited case precedent is not highly relevant in this matter, however, as the laws of the EU and of Germany control the validity of the Objector’s mark.

Thirdly, the Respondent has claimed that it will offer rights-protection mechanisms in any <.VIP> space which would “minimize the potential” for harm based on its use of the TLD. The Respondent, however, provided absolutely no evidence of these specific RPMs, and has offered no explanation as to how it feels it could use the TLD for the provision of registry services without infringing the Objector’s trademark.

Fourth, the Respondent has conflated (for its own purposes) the use of a generic term for the provision of related goods or services with; on the other hand, the use of a dictionary word or phrase as a trademark in connection with unrelated services. This line of argumentation, prevalent throughout the Response, is both misleading and disingenuous. The Objector would kindly request an opportunity to refute these claims in a brief supplemental submission, and to provide evidence of third party marks which have been used in similar connotations (for example, the trademark SEVENTEEN is protected in IC 41, for *inter alia* the publication of magazines, despite the fact that the target audience of the Seventeen magazine is American teenagers – US Reg. No. 3188078). The Respondent’s allegation that the use of “VIP” for the “connection and management of Internet Domains” is “generic” was not foreseeable, since the target audience of a service is not relevant to the

class for which the given service may be registered.

Fifth, the Respondent's claims that third party use of the "vip" term is prevalent do not address the specific issues in this case. There is no question that trademarks are valid and offer protection for the specific classes of goods and services for which they are registered. In this case, the Objector's mark is registered specifically for registry services, whereas the examples provided by the Respondent cover other types of goods. The Objector did not anticipate the Respondent's submission of these comments, since they do not address the key issues of potential infringement and harm addressed in this matter."

In the Panel's view only the Respondent's denial of the efficacy of the registered trademark on which the Objector's standing was based was a surprising and unforeseeable argument. The Panel therefore permitted the filing of a brief submission by the Objector to answer that argument, of which permission the Objector availed itself. Where relevant the submissions made are included in section 5 below.

In relation to each of the other four arguments referred to by the Objector the Panel took the view that they were either entirely foreseeable, or that the Objector had transgressed the direction not to include substantive submission in relation to the arguments in question. In any event, pursuant to Articles 4(e) and 17 of the Procedure, the Panel determined that it would not be assisted by further submission from the Objector in relation to those four issues and was satisfied that the parties had been treated with equality in having a reasonable opportunity to present their position. The Panel does not view Article 4(e) as always entitling an opposing party to a further submission. If that were the case the Procedure would quickly become entirely unworkable and easily gamed.

All other administrative requirements appear to have been met.

4. Factual Background

On 29 July 2011 the Objector's parent company, i-content Ltd ("ICL"), applied to the German Patents Office to register the three letters "VIP" as a trademark. The language of that application was stated to be German, with English specified as a second language. The application, which had a status of "Accepted" at the time the Response was filed, was subsequently cited as the priority document in a November 22, 2011 application for <VIP> to the Office for Harmonization in the Internal Market (OHIM) under the European Community Trademark system (CTM). This CTM application was successful, and VIP was registered on April 11, 2012 as trademark No 010437051 (the "Principal Mark") in classes 36, 41, 44 and 45. The class 45 goods and services claim included "Connection and management of Internet domains".

On April 30, 2012 ICL licensed the Principal Mark exclusively to the Objector "in connection with and for the goods and services it is registered for" in the European Union. ICL made subsequent trademark applications in other countries which are not material for present purposes, other than perhaps the Madrid Protocol notification it made on November 29, 2012 for the United States of America in respect of the Principal Mark. According to the evidence filed by the Objector, on December 27, 2012 the United States of America notified ICL that protection under the Madrid Protocol was provisionally refused.

On May 30, 2012 the Respondent filed an application with ICANN for the string <.VIP> as a new gTLD. The Respondent is a wholly-owned subsidiary of Google Inc, an American multinational corporation.

On June 13, 2012 the Objector filed its own application with ICANN for the string <.VIP> as a new gTLD.

There were four other applications made for <.VIP> as a new gTLD, and all five of the applications not made by the Objector are the subject of a Legal Rights Objection filed on March 13, 2013 by the Objector. Three of the other five applicants for the <.VIP> string opposed consolidation of their proceedings with this one. The Panel presumes that they were all opposed on the basis that five different applicants would likely have five different bases for their applications, that consolidation would affect no efficiencies, and that there may

be prejudice to one or other of the applicants if consolidation resulted in a 'strong' application being considered alongside a 'weak' one. Two applicants did not respond to the WIPO Center's request for comment. As noted above, the other proceedings were not consolidated with this one and therefore those applications are not the subject of this determination.

The Objector applied for <vip-registry.com> as a domain name on June 28, 2012. It operates a website at "www.vip-registry.com" which details the proposed uses and features of its applied-for <.VIP> space.

5. Parties' Contentions

A. Objector

The Objector claims standing as licensee of the Principal Mark which it submits is registered in connection with "registry-related services, which are logically connected with the operation and management of a new gTLD space". In SurReply to the Respondent's challenge to the efficacy of the Primary Mark, the Objector provided details of the application, examination and grant processes, and enforceability rights, under the CTM system, including the five year grace period which an applicant has to commence use of a new mark before it is vulnerable to being struck off for non-use.

It anticipates the Respondent's submission that VIP is generic by arguing that VIP is not a term of art within the domain name industry, has no inherent connection to the Internet space generally or to the registration or licence of specific domain names. It says that the VIP Mark is completely arbitrary in relation to the connection and management of Internet Domain's services and has no inherent relation whatsoever to domain registration or any additional services reasonably offered by potential registry operators in connection with the management of a TLD space. Thus, the Objector argues, the word VIP has an important source-identifying function in relation to "connection and management of Internet Domains".

The Objector submits that it was making preparations for its new gTLD business venture well in advance of the Respondent's application for that TLD space and it nominates its above-referenced website in evidence. It relies also on its own application for the gTLD in which it proposes to utilise VIP under an open-gTLD model "to cater to the unique needs and interests of important people and public figures worldwide, such as politicians, artists, actors, musicians, athletes, aristocrats and wealthy individuals, as well as their representatives and service providers".

By reference to the Respondent's application for the VIP gTLD the Objector notes that the Respondent proposes to use the gTLD to "provide a dedicated domain space in which registrants can enact second-level domains that positions content as specifically for VIP users".

The Objector then submits that the potential use of the applied-for gTLD by the Respondent:

- (i) takes unfair advantage of the distinctive character or reputation of the Objector's registered trademark; 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.

Standards (i) and (ii) are derived in large part from traditional trademark law provisions for the protection of well-known marks, which aimed to provide protection beyond the standard scope of likelihood of confusion. However, according to the Objector, relief under the Procedure is not restricted to well-known marks because the LRO was designed to prevent future trademark infringing activity which might result if a top-level domain space were to be delegated to an operator who is not the rightful holder of the relevant trademark rights. According to the Objector, although the Uniform Domain Name Dispute Resolution Policy ("UDRP") is available to redress trademark infringement at the second-level that requires action to be taken against individual second-level domain registrants, and assumes that top-level domains do not comprise third-party

trademarks. By contrast in the context of the new gTLD program, it has been long-foreseen that many of the newly-registered top-level domain strings will comprise registered trademarks and therefore both the Legal Rights Objection Procedure as well as the Trademark Post-Delegation Dispute Resolution Procedure (PDDRP) was introduced. As the Objector observes, the three elements of the PDDRP are virtually identical to the three standards prescribed under the Legal Rights Objection Procedure.

Were the Respondent granted control of the VIP top-level domain it is self-evident, according to the Objector, that the Respondent would be using VIP as a trademark in respect of domain name registration activities rather than descriptively or generically, as a consequence of which the Objector's rights would of necessity be infringed. Customers would find it difficult to differentiate the offerings of the Objector and the Respondent and the Primary Mark would cease to arouse an immediate association with the Objector's business endeavours. Where the Respondent, utilising the Objector's Mark without authorisation, is engaged in the same business, the same industry, and using a virtually identical sales and marketing model, it is impossible to believe that the consuming public would be able to distinguish the Respondent's activities from those of the Objector.

In relation to the eight non-exclusive factors set out in Section 3.5.2 of Module 3, the Objector's submissions can be summarised as follows:

(1) Comparing the VIP applied-for gTLD with the Primary Mark shows them to be entirely identical with no additional or unique text or elements which would distinguish it from the Primary Mark or enable users to differentiate any potential activities of the Respondent undertaken using the TLD from the Objector's Mark and business.

(2) The Objector's acquisition and use of the Primary Mark in connection with its planned business activities has been entirely *bona fide*. This was done with no foreknowledge of the Respondent's existence or activities and, since the Respondent took no steps to register VIP as a trademark, the Objector could not reasonably have been aware of the Respondent's intent to use the VIP string. The Respondent, on the other hand, would easily have been able to discover the Objector's pre-existing trademark rights.

(3) So far as the Objector is aware, the Respondent has made no active or demonstrable use of the term VIP other than in connection with its application for the gTLD string. Accordingly, the Objector is not aware of any sector of the consuming public that would associate that term in any manner with the Respondent. Furthermore, any interested consumer research for the VIP string as a trademark would come across the Objector rather than the Respondent, and the Objector's website.

(4) The Respondent was on 'constructive notice' of the Objector's rights, as it could and should have conducted a due diligence trademark search prior to filing its application with ICANN.

(5) The Objector has not located any proof of the Respondent's use of the term VIP in trade or commerce and suggests that the Respondent could have no unregistered or common law rights in that string as a trademark. It follows, according to the Objector, that the Respondent does not possess any rights in the VIP string.

(6) Just because VIP has a dictionary meaning, once a dictionary word has been registered as a trademark, the "generic meaning" argument essentially ceases to be effective.

(7) The Respondent has never been commonly known as VIP.

(8) It is certain that the Respondent's use of VIP would create a likelihood of confusion with the Primary Mark as to the source, sponsorship, affiliation, or endorsement of that gTLD.

The Objection concludes by seeking a determination that the Respondent's application for the VIP gTLD "constitutes a violation of these LRO rules", seeking an opinion advising ICANN to refuse delegation for the Respondent's application and asking the Panel to issue a statement declaring that the Respondent's

intended use of the VIP gTLD would constitute an infringement of the Objector's trademark rights.

B. Respondent

In summary the Respondent submits that its application is based on the right to use the string <.VIP> in its "common everyday generic sense that 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 and the International Covenant on Civil and Political Rights". By this the Respondent means it wishes to offer domain names for website owners that want to immediately indicate to Internet users that the information or services at their website are related to VIP goods, services and/or information. For the most part it uses the term "VIP" as an abbreviation for "very important person" by which it intends to signify "a person of great influence or prestige" or "a high official with special privileges". It positions its application for the <.VIP> string as being "to provide a dedicated domain space in which registrants can enact second-level domains that position content specifically for VIP users".

The Respondent denies any intention to trade off the goodwill of any trademark of any third party, including ICL and the Objector, in applying for the gTLD and notes that it has proposed a full suite of protection mechanisms above and beyond those mandated in the new gTLD program, "to minimise the potential for any domain names granted within that gTLD to infringe, dilute or otherwise abuse third-party trademarks".

It also accuses the Objector of attempting to subvert the new gTLD evaluation process by asserting trademark rights obtained in bad faith.

Addressing in particular the Standards for a Legal Rights Objection (see Section 6 below), the Respondent submits that none of the three elements of the Standards have been proven by the Objector.

The Respondent claims that its mission is to help make information universally accessible by extending the utility of the DNS while enhancing the performance, security and stability of the Internet for users worldwide. It apparently aspires to create unique web spaces where users can learn about products, services and information in a targeted manner and in ways never before seen on the Internet.

The Respondent stresses that its proposed use of the VIP string is intended to invoke its "very important person" denotation and its related connotations. It submits that the value of the proposed gTLD inheres in that denotation and connotations.

When the LRO factors are properly weighed, the Panel is asked to find that the applied-for gTLD will not infringe the existing legal rights of Objector and to uphold the Response.

The Respondent submits that the Objector has not sufficiently proven that it owned legal rights in the Primary Mark at the time Respondent filed its application for the VIP gTLD. Whilst acknowledging the CTM registration of the Primary Mark the Respondent says that there is no evidence in the record that Objector used the mark in commerce before the Respondent filed its application, nor any evidence to establish that the Objector was the owner of legal rights in the Primary Mark prior to the filing of the Respondent's application. Accordingly, so the Respondent argues, the Objection should be dismissed for lack of standing.

Turning to address the eight factors prescribed in the Standards, the Respondent's main arguments can be summarised as follows:

(1) The VIP gTLD is not identical or similar to the Primary Mark because VIP is a generic term meaning "very important person" and the Objector therefore has no enforceable rights in VIP for domain name services. When a trademark is composed, in whole or in part, of a domain name, neither the beginning of the URL nor the top-level domain have any source-indicating significance. Instead, those designations are merely devices that every Internet site provider must use as part of its address.

Even if Objector was able to establish that it had acquired some rights in VIP, such rights would be extremely

limited in scope due to the numerous users of VIP in the marketplace and as trademarks. Moreover, VIP is widely used in active domain names. If all these different trademarks can coexist without confusion, the Respondent's generic use of VIP a top-level domain can coexist with whatever alleged rights Objector may have. Thus, even if VIP is similar in appearance and pronunciation to Objector's alleged trademark, that factor should be of minimal weight due to the limited scope of protection a generic term like VIP is entitled to and the numerous users of VIP in the marketplace indicating that consumers are capable of distinguishing between different uses of VIP. Accordingly, the potential for confusion is extremely small, and there is no likelihood of confusion between Respondent's use of the proposed top-level domain and Objector's trademark rights.

(2) Objector admits that it sought and obtained its trademark rights solely in anticipation of obtaining the VIP gTLD through ICANN's new gTLD program. Acquiring and using a mark solely to obtain or maintain rights in the trademark is considered "token use" of the mark, and not *bona fide*. Objector cannot gain market share or maintain its trademark rights if it is not using the mark for the services covered by the registration. If it is not granted the VIP gTLD it cannot provide the services covered by the registration and therefore will have no entitlement to the mark.

(3) The Respondent notes that Objector is not the registrant of the second-level domain VIP.com, making it most improbable that the public would recognise the Respondent's VIP gTLD as the Objector's trademark.

(4) Respondent's intent in applying for the VIP gTLD is entirely in good faith. The "g" in gTLD signifies "generic" and the new gTLD program was intended to create broader consumer choice for generic terms as top level domains. In line with those goals, Respondent applied for the VIP gTLD so that consumers could register domain names that signal to Internet users content related in one way or another to "very important person" goods, services or information. Respondent could not have known or been reasonably aware of the Primary Mark because it was not in use before Respondent filed its gTLD application. No evidence has been filed to suggest that Respondent has engaged in a pattern of conduct whereby it applied for or operates TLDs which are identical or confusingly similar to the trademark of others.

(5) The Respondent has made demonstrable preparations to use VIP 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 trademark rights. Objector has pointed to no evidence that Respondent intends to use VIP as a trademark or in any other way likely to interfere with Objector's use of its trademark rights. It is well-settled that a term used in its generic sense does not interfere with a third party's trademark rights. Moreover, Respondent has promised to adopt rights protection mechanisms above and beyond those required by ICANN in the Guidebook and to act in good faith to minimise the interference with the legitimate exercise by the Objector and others of their trademark rights. Respondent's parent company, Google, has a long history of using generic terms with the *bona fide* provision of various services that has not interfered with the legitimate exercise by the Objector or any other rightsholder of its trademark rights.

(6) VIP is a commonly used generic term and Respondent intends to use it in its generic sense. It would be very difficult if not impossible for Respondent to obtain intellectual property rights in the VIP string. Respondent's intended use of the gTLD in its generic sense is consistent with it having no intellectual property rights in the gTLD.

(7) VIP is a commonly used generic term that consumers understand refers to "very important person" information, goods or services.

(8) Respondent submits that Objector has not satisfied its burden of demonstrating that it had existing legal rights in VIP at the time of Respondent's application filing, or that there is any recognition of the Primary Mark by the consuming public. Certainly there is not sufficient recognition of the Primary Mark to satisfy any of the claims of the Objection, and the Objection should be denied and the Response upheld for these reasons alone. Generic use of a term is a complete defence against all of the harms alleged by the Objector.

Even if non-trademark use of a term could cause a likelihood of confusion, Objector cannot satisfy its burden of proving this claim. According to Respondent, courts have identified several factors to determine whether consumers would be likely to be confused by a new mark. Some of the important factors include strength of the mark, proximity of the goods, similarity of the marks, evidence of actual confusion, marketing channels used, type of goods and degree of care likely to be exercised by the purchaser, defendant's intent in selecting the mark, and the likelihood of expansion of the product lines.

The ultimate test of the strength of trademark is the distinctiveness of that mark in the mind and perception of the relevant consumer group. Here VIP is a generic term commonly used in the marketplace and there is no evidence that consumers associate VIP with the Objector. Indeed, there are over 1000 other marks that consist of or contain VIP and numerous domain names.

The Respondent contends that the goods and services of it and the Objector will not be related because only one of them will achieve delegation of the VIP gTLD. If it is the Respondent, the Objector will not be able to use the VIP gTLD and therefore will unlikely offer the class 45 services in respect of which ICL registered the Primary Mark.

The Respondent has already demonstrated good faith intent, promises to enact extensive rights protection mechanisms, and the majority of "likelihood of confusion" factors weigh strongly in Respondent's favour.

There is no evidence in the record that Respondent intends to use the VIP gTLD in any way other than as a generic top-level domain and generic uses of a term such as in a gTLD are a defence to unfair advantage claims. Furthermore, Objector's reference to the PDDRP is misguided and irrelevant. Unless a registry operator holds itself out as a beneficiary of a trade mark, there is no action under the PDDRP. There is no evidence to demonstrate that Respondent applied for the VIP gTLD to take advantage of any alleged goodwill in Objector's marks.

Nor has Objector provided any evidence or analysis to show that the VIP gTLD would unjustifiably impair the distinctiveness or reputation of any of Objector's trademarks. VIP is a generic term and Objector has not established any legitimate trademark rights. Generic terms are not primarily understood as source identifiers, so their generic use cannot impair the distinctiveness of a third party's trademark. Consumers do not associate the term VIP with Objector, and there is no significant recognition or reputation to support an unjustified impairment claim. Objector cannot show that Respondent intended to create an association between the applied-for gTLD and Objector's trademarks, nor any actual association. Accordingly, there is no evidence that the VIP gTLD would unjustifiably impair the distinctiveness of any of Objector's trademarks.

In conclusion, the Respondent claims to be within its rights to apply for a gTLD comprising the generic term VIP for generic use and submits that the Objection should be denied.

6. Discussion and Findings

The Respondent has challenged the Objector's standing to file the Objection. Section 3.2.2.2 of Module 3 states that a "rightsholder" has standing to file a legal rights objection and that the "source and documentation of the existing legal rights [which] the objector is claiming ... are infringed by the applied-for gTLD must be included in the filing".

Clause 2 of the April 13, 2012, trademark licence agreement referred to in section 4 above (the "trademark licence") grants the Objector the right to use the Primary Mark "in connection with and for the goods and services it is registered for" in the European Union. It also indicated that ICL had no objection to the Objector using the Primary Mark outside the area of its protection although, of course, the Objector could not be authorised by ICL to use a mark which ICL itself could not lawfully use outside the CTM territory or for goods or services other than those in respect of which it was registered.

By clause 3 ICL disclaims any warranty that the Primary Mark will continue to exist, or that it does not

infringe earlier rights of third parties.

Clause 5 of the trademark licence permits the Objector to “pursue acts of infringements of third parties concerning the [Primary Mark] in its own name. This includes the right to lodge court actions”.

Clause 7(a) of the trademark licence provides for it to be “governed and interpreted under the laws of the Federal Republic of Germany” with the District Court of Berlin having “sole jurisdiction”. The Panel disavows any knowledge of the laws of the Federal Republic of Germany and is self-evidently not the District Court of Berlin.

On March 1, 2013 ICL executed a document by which it purported to “confirm”:

- (i) that ICL “is the legal owner of” the Primary Mark;
- (ii) that the Objector is the “authorised licensee of our registered VIP trademark”;
- (iii) that the Objector is authorised to apply for the VIP gTLD;
- (iv) that ICL is “further aware of [Objector’s] intent to file Legal Rights Objections with regard to some or all of the competing applications for the .VIP space”; and
- (v) that ICL consents to these actions undertaken by [Objector] and confirms the filing of the said Objections by [Objector] and its operation of the VIP gTLD is and would be “within the scope and bounds of its rights granted to it under its trademark license agreement”.

Under Section 3.2.1 of Module 3, a Legal Rights Objection is made out if “the applied-for gTLD string infringes the existing legal rights of the objector”.

In the Panel’s view “existing legal rights” means rights that exist at the time that the application for the gTLD under objection is filed. In this case that means those legal rights that the Objector had as at May 30, 2012.

The Panel is satisfied, by reason of the trademark licence if nothing else, that the Objector is a “rightsholder” within the meaning of Section 3.2.2.2 of Module 3. While noting clause 7(a) of the trademark licence, the Panel determines that the Objector held “rights” in relation to the Primary Mark (and perhaps also in other <.VIP> word mark registrations owned by ICL) as at May 30, 2012. That merely gives the Objector standing to bring this proceeding, and says nothing about the extent to which those rights are impacted by the Respondent’s application for the VIP gTLD. It was always open to ICL to bring this proceeding in its own name as “legal owner of” the Primary Mark and its other registrations for <.VIP>. To the extent the Objector’s rights differ in time and/or scope to those of ICL, both the Objector and ICL have to live with any consequences.

Under Article 20(c) of the Procedure, the Objector “bears the burden of proving that its Objection should be sustained in accordance with the applicable standards”. The applicable standards are prescribed in Section 3.5.2 of Module 3 (the “Standards”), which relevantly require the Panel to 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.

In the case where the objection is based on trademark rights, the panel will consider the following non-exclusive factors:

- (i) Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the objector’s existing mark.
- (ii) Whether the objector’s acquisition and use of rights in the mark has been *bona fide*.
- (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.

(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.

(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.

(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.

(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*.

(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 Panel must therefore address each of these factors, noting that they are "non-exclusive" and that, as the Respondent has observed, there are three material qualifications embodied in the Standards in the three phrases "*unfair advantage*", "*unjustifiably impairs*" and "*impermissible likelihood of confusion*" (emphasis added).

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

The proposed .VIP gTLD differs only from the Primary Mark by the ".", and that is simply a function of the rules that have been put in place for the orderly operation of the DNS. The current line of thinking (as explained in SAC053, the February 23, 2012 ICANN Security and Stability Advisory Committee *Report on Dotless Domains*) is that, because so-called "dotless" domains are generally assumed by browsers to be intranet sites or even non-domain search terms, and the former usually behind the same firewall as the user, it would be imprudent to permit dotless gTLDs. Despite such technical, functional and security importance of the ".", it is not sufficient to deprive the <.VIP> string of its visual and phonetic similarity to the Primary Mark and the Panel so finds.

The language used in factor (i) requires, if read literally, that the relied upon mark is that of the Objector. Since the Primary Mark belongs to ICL, it is plainly not the Objector's mark and the exclusive trademark licence does not make it so. Unlike the UDRP first limb reference to a mark "in which the [complainant] has rights", much narrower "ownership" by the Objector appears at first blush to be required. But, in the Panel's view this interpretation would be inconsistent with the grant of standing to "Rightsholders" and the Panel concludes that this factor should be interpreted as if requiring no more than that the relied-upon mark is one "in which the Objector has rights". This interpretation would achieve consistency with the UDRP (and derivatives) approach to second-level domain names under existing gTLDs and to third-level domain names under ccTLDs. It would also be consistent with the reference in factor 2 to the Objector's rights in the subject mark. Usefully for comity purposes, it happens to co-incide with the view taken by the learned panel in relation to another of the Objector's objections to a gTLD application for <.VIP>, namely proceeding LRO2013-0013.

Accordingly, the Panel determines that the applied-for gTLD <.VIP> is both visually and phonetically similar to the Primary Mark in which the Objector had rights as at May 30, 2012, being the Respondent's application date for that gTLD string.

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

This factor requires an assessment of the Objector's *bona fides* in acquiring the rights it has in the Primary Mark. Despite the aspersions cast by the Respondent, to the point of alleging a lack of good faith, the Panel can discern no conduct of the Objector deserving of such approbation. Indeed the only difference between the Objector and the Respondent is that the Objector's parent decided to apply for a trademark in anticipation of the business use pursuant to which it filed its own application for <.VIP> as a gTLD. On the record before the Panel there is no basis for impugning the Objector's *bona fides*.

(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.

It is difficult for the Objector to make good an argument that any use by the Respondent of <.VIP> as a gTLD, or even in connection with the operation of a gTLD registry and related business activities, is necessarily use of that string as a *trademark*. Use of the string in any generic or descriptive sense is often described as a 'defence' to a trademark infringement action but, in truth, there is no need for a defence unless the string is used as a trademark in the first place. The record suggests that the Respondent's sole motivation in choosing the <.VIP> string was what that term connotes to the majority of the English-speaking world. It is almost universally recognised as an acronym of "Very Important Person" but, it is equally identified with the trappings and accoutrements of such people, and with prestigious or important goods, services, people and matters of all kinds. Independently of the strength of the Respondent's submissions on this factor, and the complete lack of evidence about the extent to which the public has the faintest idea that the Objector has rights in the Primary Mark, the Panel would have concluded that the gTLD use of <.VIP> being proposed by the Respondent is not use of <.VIP> in a trademark sense. Even associating that gTLD with supporting commercial activity does not detract from the proposition that the Primary Mark would most unlikely be infringed simply by its use as a gTLD. This is especially the case with a gTLD that is to be promoted for its generic meaning and positioned *vis à vis* prospective registrants as enabling them to attract consumers looking for very important or prestigious products or services, or any other subject matter in respect of which the term VIP has a legitimate adjectival use. Finally, no relevant information is in the record in relation to any third-party rights.

(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 Panel has already determined that the Respondent selected the VIP string for use as a gTLD in reliance upon its denotation and related connotations. Consistently with that determination the Panel determines that the Respondent selected the VIP string in good faith.

(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.

Each of the parties has made clear in its application for the <.VIP> gTLD that it has made advanced business plans in anticipation of being successful. It is sufficient for the Panel to determine that neither party's planning and preparations to use the gTLD are sufficiently well advanced to have created any material public awareness of that proposed use of the VIP string and, accordingly, this factor must be given little weight.

(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.

Unlike the Objector, the Respondent had not taken any steps to register VIP as a trademark prior to lodging its application with ICANN. That is not surprising given its assertion that it intends only to use the string in a generic sense. For that reason this factor also has little weight.

(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*.

Similarly, there is nothing to suggest that the Respondent has been commonly known as VIP and the Respondent has not suggested otherwise.

(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.

Whilst the Panel is quite satisfied that, to date, there is almost no likelihood of confusion between use of VIP as a gTLD and the Primary Mark, it is more difficult to predict the extent to which that state of affairs will be maintained going forward as much depends on what use is made by the Objector of the Primary Mark should it not receive the gTLD delegation for VIP. Nevertheless the Panel is confident that for so long as the Respondent continues to use the VIP string as a gTLD positioned in the way foreshadowed in its application to ICANN, assuming its application were to be successful, there would be little likelihood of confusion between the VIP gTLD and the Primary Mark. In particular, in the Panel's assessment, use of the VIP string by the Respondent as a gTLD would be neutral in terms of suggesting any sponsorship endorsement or affiliation by the Objector of the gTLD or the Respondent's business.

Beyond the eight factors discussed above, an additional factor in the Panel's view is the fact that five other organisations have made an application to ICANN for a delegation of <.VIP> as a gTLD. Whilst each of those applications is made on a different basis, and in some cases an applicant has registered a trademark as part of its preparatory steps, it is striking that all intend to use the gTLD as a virtual marketplace for people, products and services in respect of which the "VI" in "VIP" signifies "very important", and the "P" may or may not reflect a person, a product or a service. In some cases the mere connotation is regarded as sufficient to create a viable virtual marketplace.

Another matter taken into account by the Panel is the wide range of phrases which the Objector has shown are, sometimes to the public but more often to special classes of professional people, known by the shorthand form "VIP". Some of the more esoteric examples include "ventral intraparietal sulcus in the lateral parietal lobe", "vasoactive intestinal peptide", "The Vanilla Ice Posse" (a band), "Voices in Public" (a band), "vacuum insulated panel", "variable information printing" and "Virgin Islands Party" (a political party). In the Panel's view such uses, even by a small minority, further narrow the scope for the Primary Mark to grow and thrive so as to become a valuable property. In the Panel's view if it survives the strike out action which is likely to be made after five years if the Objector is not successful in its application for delegation of the VIP gTLD, the Primary Mark will remain extremely weak and unable to support many infringement actions except in blindingly clear cases which knowingly fit squarely and unambiguously into ICL's statement of goods and services for which the Primary Mark has been registered.

The fact that the United States has notified the Objector that it proposes to refuse United States protection for the Primary Mark under the Madrid Protocol is of some significance given that the Respondent is based in United States and proposes to maintain its business there.

In conclusion, the Panel has determined that the Response is valid and should be upheld because the potential use of the applied-for gTLD <.VIP> by the Respondent does *not*:

(i) take *unfair* advantage of the distinctive character or the reputation of the Primary Mark; or

(ii) *unjustifiably* impair the character or reputation of the Primary Mark; or

(iii) create an *impermissible* likelihood of confusion between the applied-for gTLD and the Primary Mark.

Pursuant to Article 21(d) of the Procedure, the only permissible outcomes of an Objection are its success or dismissal. The Objector's request that the Panel make declarations that the Respondent's conduct infringes its trademark rights, provide an opinion to ICANN, and find the Respondent to have "violated the LRO Rules" does not apply even if the Panel's determination had grounded such remedies, which in this case it does not.

7. Decision

For all of the foregoing reasons, the Panel dismisses the Objection.

[signed]

Philip N Argy

Sole Panel Expert

Date: July 30, 2013