

## **EXPERT DETERMINATION LEGAL RIGHTS OBJECTION**

DotMusic Limited v. Victor Cross

Case No. LRO2013-0062

### **1. The Parties**

The Objector/Complainant (“Objector”) is DotMusic Limited of Lemesos, Cyprus, represented by Constantinos Roussos, United States of America.

The Applicant/Respondent (“Applicant”) is Victor Cross LLC of Bellevue, Washington, the United States of America, represented by the IP & Technology Legal Group, PC dba “New gTLDDisputes”, United States.

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

The applied-for gTLD string is <.music> (“the String”).

### **3. Procedural History**

The Legal Rights Objection (“Objection”) was filed with the WIPO Arbitration and Mediation Center (the “WIPO Center”) on March 14, 2013 (March 13, 2013 UTC) pursuant to the New gTLD Dispute Resolution Procedure (the “Procedure”).

In accordance with Article 9 of the Procedure, the WIPO Center has completed the review of the Objection on March 22, 2013 and determined that the Objection complied with the requirements of the Procedure and the World Intellectual Property Organization Rules for New gTLD Dispute Resolution for Existing Legal Rights Objections (the “Rules”).

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

In accordance with Article 11(a) of the Procedure, the WIPO Center formally notified the Applicant of the Objection, and the proceedings commenced on April 19, 2013. In accordance with Article 11(b) and relevant communication provisions of the Procedure, the Response was timely filed with the WIPO Center on May 20, 2013.

The Objector had requested the appointment of a single-member Panel and the Applicant in its Response requested the appointment of a three-member Panel to render the Expert Determination in this proceeding. Since the WIPO Center did not receive any agreement to a three member Panel from the parties within the time limit for the appointment of a three-member Panel, pursuant to paragraph 8(b) of the Rules and Article 13(b)(ii) of the Procedure, the Panel is to be decided by a single-member Panel.

The WIPO Center appointed Karen Fong 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.

On July 16, 2013, the Objector on its own accord submitted a Request for Leave to File Additional Submissions in Light of New Case Law, and Additional Submissions in Light of New Case Law to the WIPO Center, the Applicant and the Panel. The Panel made Expert Panel Order No. 1 on July 17, 2013 requesting the Applicant if it so wishes to file a response to the Objector's additional submissions, with the Panel's determination of the admissibility of the additional submissions reserved. On July 25, 2013, the Applicant filed its Opposition to Objector's Additional Submission.

#### 4. Factual Background

The Objector is a Cyprus limited company formed in 2005, engaging in the business activities of e-commerce, affiliate marketing and domain name related activities. It is a subsidiary of CGR E-Commerce Limited. It trades under the business names ".music", "DotMusic", "@dotmusic" and "music.us".

The Objector relies on the following relevant European Community Trade Mark registrations in the Objection ('the Trade Marks'):

Trade mark	CTM Registration no.	Classes	Date of Registration
	008139834	35,42,45	November 11, 2009
	008139792	35,42,45	November 3, 2009

Class 35

Advertising; business management; business administration; office functions; management of databases, management of a database for Internet domain names and projects, also containing Internet domain names and other Internet addresses; administrative services provided in connection with registration and allotment of Internet domain names and other Internet addresses, including renewal and assignment services.

Class 42

Design, installation, maintenance, updating and rental of computer software; technical assistance services in the fields of telecommunications and IT; Computer services, namely research, reservation, recording and administration of Internet domain names; design, creation, hosting, maintenance and promotion of Internet web sites for others; Design of computer and telecommunications systems; engineering services for applications on large and medium-sized computer systems; computer management services, namely computer facilities management; technical support in the operation of computer, telecommunications and data transmission networks; technical appraisals relating to the installation of telecommunications terminals; technical expertise relating to Internet domain names and projects; engineering and administration (programming) of telecommunications networks; consultancy relating to electronic security and information system security; surveying relating to the installation of telecommunications terminals, national or international database servers, centres providing access to a computer network; computer rental; among other for worldwide (Internet) or private access (Intranet) telecommunications networks; computer programming; research and development of new products; scientific research for medical purposes; updating of databases and software; software maintenance services; creation of virtual and interactive images; encryption and coding of computer language; Indexing of Internet sites; research and monitoring of Internet sites; computer load relief; conversion of data documents from physical to electronic media; management of a web based commercial platform of Internet domain names and projects, surveying for Internet domain names and projects, design and development of Internet projects; consultancy and appraisals relating to computer security; monitoring of data, signals and information processed by computers or by telecommunications apparatus and instruments.

Class 45

Domain name reservation, registration, maintenance and management services; domain name searching services; domain name registry services, namely co-ordinating the assignment of domain names and address space; technical and legal research relating to Internet domain names.

The Objector's business was incorporated in 2005 to engage in e-commerce, affiliate marketing and domain-related activities including domain name reservation services. The Objector and/or its affiliates owns/operates a network of ".MUSIC" themed websites connected to the following domain names <music.us>, <music.fm>, <music.pro>, <music.mobi>, <music.mu>, <music.co> and <music.biz>. They also own business names, trade name, company names encompassing the names "Dot Music" or ".music". The Objector therefore asserts common law rights in relation to the trademarks .MUSIC and DOT MUSIC.

The Objector is one of a number of other applicants who has also applied for the <.music> gTLD.

The Applicant is a subsidiary of Donuts Inc. The Applicant and its related entities have applied for 307 new gTLDs in total. It asserts that this represents the highest number of applications made for new gTLDs by any applicant. The main purpose for this business model is to "expand consumer choice and specificity in the domain name space". The deliberate choice of common dictionary words is so that consumers are able to make use of the gTLDs in accordance with the meanings they ascribe to these words. The selection of these new gTLDs was based on the belief that these are areas which will interest Internet users.

In section 18(a) of its application, the Applicant says this:

"This TLD will be attractive to registrants with affinity for the term MUSIC. This is a broad and diverse group: producers, performers, distributors, composers, authors, historians, publishers, merchandisers, equipment manufacturers, reviewers, broadcasters, venue operators, and many others. Importantly, it is also a place of expression for the people who make everything else about music possible – the millions of individual fans who love music and want to express their passion for it through an online presence. These fans are typically not part of a formal, organizational structure exclusively related to music. But nevertheless have a critical place as registrants in the MUSIC TLD. The TLD will operate in the best interest of ALL global music participants – in a legitimate and secure manner."

## **5. Parties' Contentions**

### **A. Objector**

The Objector's case may be summarized as follows. It has rights in respect of a registered trade mark for .MUSIC and DOT MUSIC. It also has common law rights in respect of these two marks. The Applicant's stated intentions for the use of the applied for gTLD are within the services covered by the Trade Marks. These are services for which the Objector has acquired substantial goodwill and reputation in relation to the Trade Marks. The granting of the applied-for gTLD to the Applicant will mean that the Objector's rights in the Trade Marks will be impaired and also irreparably harm the Objector. There will be a likelihood that consumers will be confused which means that the millions of dollars invested by the Objector in its business relating to the Trade Marks creating substantial brand equity will unfairly benefit the Applicant. The trading on the goodwill of the Objector and the unfair advantage which will be gained by the Applicant is impermissible. The main points of the specific arguments raised under each of the eight non-exclusive factors relevant to a determination under the Procedure will be set out below in the discussion of each of those factors where appropriate.

For the above reasons, the Objector contends that the potential use of the applied for gTLD by the Applicant:

- a) takes unfair advantage of the distinctive character and reputation of the Trade Marks and the Objector's business; and/or
- b) unjustifiably impairs the distinctive character and reputation of the Trade Marks and the Objector's business; and/or
- c) creates an impermissible likelihood of confusion between the applied for gTLD and the Trade Marks and the Objector's business.

### **B. Applicant**

The main grounds upon which the applicant opposes the Objection are as follows:

- The Objector has failed to show that the applied for gTLD, <.music> in and of itself infringes any legal rights of the Objector as the Objector has failed to demonstrate that it has legitimate trade mark rights in the word "music";
- The Trade Marks have no distinctive character. In any event, the Applicant's proposed generic non trade mark use would not unjustifiably impair or take unfair advantage of these rights nor would there be any impermissible likelihood of confusion arising between the Trade Marks and the use of the term in the proposed generic TLD.
- The Application promotes free speech, competition and consumer choice on the Internet which are the values which underpin ICANN's New gTLD Program. These goals are being thwarted by the Objection as it would prevent the Applicant from offering the dictionary term "music" as a TLD. This would allow the Objector to impose an Internet-wide monopoly over an English language word in which the public has much greater rights than the Objector.

The Applicant's main points of the specific arguments raised under each of the eight non-exclusive factors will also be set out below in the discussion of each of those factors where appropriate.

## **6. Discussion and Findings**

### **A. General**

The ICANN New gTLD Applicant Guidebook (v.2012-06-04), Module 3 ("the Guidebook") Section 3.5.2 provides that for this Objection to succeed in relation to the String, the Objector must prove that the potential use of the String by the Applicant:

- a) takes unfair advantage of the distinctive character and reputation of the Objector's registered or unregistered trademarks; or
- b) unjustifiably impairs the distinctive character and reputation of the Objector's marks; or
- c) otherwise creates an impermissible likelihood of confusion between the String and the Objector's marks.

This is to give effect to GNSO Recommendation 3 which states that “[s]trings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law.”

Where the objection is based on trade mark rights, Section 3.5.2 of the Guidebook states that eight non-exclusive factors have to be considered by the Panel. The Panel will deal with these eight factors in paragraph 6D below.

Section 3.5 states that the objector bears the burden of proof in each case.

## **B. Preliminary Procedural Issue**

Article 17 of the Procedure provides that the Panel may decide whether the Parties shall submit any written statements in addition to the Objection and the Response. Article 18 of the Procedure provides that in order to achieve the goal of resolving disputes over new gTLDs rapidly and at reasonable costs, proceedings for the production of documents shall be limited. In exceptional cases, the Panel may require a party to provide additional evidence. These provisions reiterate Section 3.4.5 of the Guidebook.

There is no provision in the Guidebook, the Procedure or Rules which allows for either party to the proceedings to file additional submissions on its own initiative. Each party has one opportunity to put forward its entire case. Articles 8(b) and 11(e) provide for a word limit for the both the Objection and Response. This should not be circumvented by unsolicited additional filings unless requested by the Panel. The Objector being the initiator of the proceedings has an obligation to anticipate the possible arguments that the Applicant may put forward as there is no other opportunity to file additional evidence. It is only in exceptional circumstances that a Panel will request additional evidence to be filed. Article 20(b) of the Procedure provides that the Panel may refer to and base its findings upon any rules or principles that it determines to be applicable. The approach taken by panels in proceedings under ICANN's Uniform Domain Name Dispute Resolution Policy (“UDRP”) is instructive here as the provisions in relation to additional statements are similar. Panels under the UDRP have discretion whether to accept an unsolicited supplemental filing from either party, bearing in mind the need for procedural efficiency, and the obligation to treat each party with equality and ensure that each party has a fair opportunity to present its case. The Panel is therefore of the view that under the Procedure, should parties make unsolicited filings, a panel has the discretion to rule on their admissibility.

The Panel has considered the filings from both parties and determines not to admit the additional filed evidence. The Objector has not demonstrated any “exceptional circumstances” which would have warranted an additional submission. The Panel finds reference to new Legal Rights Objection decisions at this stage is of limited usefulness in terms of guidance and precedent on this matter. Further, the rest of the Objector's submissions consisted of matters that it could have included in the Objection, subject to the word limit set under the Procedure. As such, it is not an appropriate case for any more additional evidence to be considered.




The Panel would also like to make clear that parties should never copy correspondence directly to the Panel. All communications to the Panel should be made to the WIPO Center as provided for in the Procedure and Rules.

## **C. Standing**

Section 3.2.1 of the Guidebook provides four grounds of objection to an application for a new gTLD string,

one of which is a Legal Rights Objection where “[t]he applied for gTLD string infringes the existing legal rights of the objector.” Section 3.2.2 of the Guidebook states that “Objectors must satisfy standing requirements to have their objections considered. As part of the dispute proceedings, all objections will be reviewed by a panel of experts designated by the applicable Dispute Resolution Service Provider to determine whether the objector has standing to object.” Those objecting under the grounds of legal rights have to be “rights holders”. Section 3.2.2.2 of the Guidebook states that a rights holder has standing to file a legal rights objection. The legal rights may include either registered or unregistered trade marks. It further states that “the source and documentation of the existing legal rights the objector is claiming (which may include either registered or unregistered trade marks) are infringed by the applied for gTLD must be included in the filing.”

The Objector relies on the Trade Marks, common law rights in relation to trade marks “.MUSIC” and “.DOT MUSIC” as well as the following registered trade marks:

Trade mark	CTM Registration no.	Classes	Date of Registration
	010535375	35, 42, 45	June 22, 2012
	010535409	35, 42, 45	June 25, 2012
	010544377	35, 42, 45	August 3, 2012

The Panel does not consider that the above three trade marks are sufficiently similar to the String to be relevant for consideration in this Objection. The Objector has not provided any legal basis under any principle of law which shows otherwise. The fact that because they are music-themed and therefore “similar in connotation” to the String is not relevant for the purposes of the Procedure. The Panel will therefore not include these trade marks in arriving at its decision.

The Objection states that “DotMusic Limited, a subsidiary for CGR E-Commerce Limited, related entities referred to as ‘DotMusic’” owns the Trade Marks. The Panel notes that all the registered Trade Marks relied on are in the name of Constantinos Roussos who is the authorised representative of the Objector in these proceedings. No evidence has been produced to show that the Objector has been granted a license by the owner of the Trade Marks to use the marks so that the Objector is regarded as the “rights holder”. There are certificates to show that Mr. Roussos is a director of a company called Constantinos George Roussos (CGR

E-Commerce) Limited which the Panel presumes is one of the “related entities” referred to. Some of the evidence submitted which included invoices of various sponsorship events for “.music” are also in the name of Mr. Roussos.

The domain names connected to the “music”-themed websites are not in the name of the Objector. No evidence was filed to show ownership of these domain names. The Panel had to do its own Whois searches which revealed CGR E-Commerce Limited to be the owner. Whilst it appears that Mr. Roussos, CGR Commerce and DotMusic Limited are connected, the Objector is required under the applicable rules which govern the Objection to file the “source” and “documentation” of the legal rights that it is claiming. The Objector had the option of filing the Objection in the names of all the related entities and individual, however, it chose not to.

Under the UDRP, in order to assert unregistered rights in a mark, a complainant must show that the name has become a distinctive identifier associated with the complainant or its goods or services. Relevant evidence of such “secondary meaning” includes length and amount of sales under the trade mark, the nature and extent of advertising, consumer surveys and media recognition. A conclusory allegation of common law or unregistered rights (even if undisputed) would not normally suffice; specific assertions of relevant use of the claimed mark supported by evidence as appropriate would be required. In cases where claimed common law or unregistered trademarks that are comprised of descriptive or dictionary words, and therefore not inherently distinctive, there may be a greater onus on the complainant to present compelling evidence of secondary meaning or distinctiveness.

The Panel is of the view that the evidence submitted is insufficient to prove common law rights particularly since the marks comprise descriptive words. The Panel will therefore consider only the registered trade mark rights in these proceedings.

The Objector has thus failed to prove for the purposes of this proceeding that it has the necessary rights to file the Objection as it has failed to show that it is the “rights holder” as would be understood by the rules of international law that the Panel is familiar with. The Objection therefore fails on this basis.

Notwithstanding the above, for completeness the Panel will consider the arguments by both parties in relation to whether the legal rights (had they been proven to be owned by the Objector) would have been infringed by the Applicant’s potential use of the String.

#### **D. Legal Rights Infringement**

In considering whether the existing legal rights in respect of which the Objector relies on is infringed by the potential use of the String by the Applicant, the Panel needs to determine whether any one or all of the three conditions stated in Section 3.5.2 of the Guidebook have been proven. In so doing, the Panel will consider the following eight 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**

The String is <.music>. The Objector’s relevant marks are two device trademarks, the first consisting of “.MUSIC” with a star and reversed treble clef in place of the letter “S” and the second consisting of “DOTMUSIC” again with the star and reversed treble clef device. The Objector claims unregistered rights in the marks .MUSIC and DOT MUSIC because of its extensive use of the trade marks.

The Panel is of the view that the evidence submitted is insufficient to prove common law rights particularly since the marks comprise descriptive words. The Panel will therefore consider only the registered trade mark rights in these proceedings.

The “.” in the String is present only because of a technical requirement. The comparison is therefore between the “music” and the Trade Marks. The Trade Marks are device marks and therefore are clearly not

identical in appearance, phonetic sound with the String. However they are similar in relation to the textual element “music”.

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

The Panel accepts that the Objector’s acquisition and use of the rights in the trade marks has been *bona fide*. There has been no argument raised to suggest otherwise.

**(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 has alleged a substantial global recognition in the relevant sector of the public of the sign corresponding to the gTLD as the mark of the Objector as demonstrated by the Objector’s business, events and their associated sponsorships, marketing efforts, significant social media presence and following, high ranks in search results for relevant domain-related keywords, pre-registration requests, domain-related traffic and e-commerce, the “.MUSIC” petition signed by over 1.5 million people in support of them.

The Applicant has questioned the extent to which the Objector has claimed to have spent on its business in connection with the .MUSIC and DOT MUSIC trade marks as no evidence has been filed to substantiate the “millions of dollars” spent on acquiring, developing, and monetizing music-themed domain names. It also alleges that insufficient evidence has been filed by the Objector to prove public recognition of the sign corresponding to the String as the mark of the Objector. Such evidence that has been filed has been misleading. The Applicant has produced evidence of a survey of 1,000 respondents in the United States and the United Kingdom in which there were only 4% of respondents who spontaneously associated the word “music” with a brand, the brand being Apple in three of every four responses, with Pandora, Sirius, Song, Spotify, Yahoo and YouTube making up the remainder. The conclusion of the survey is that the word “music” is significantly more likely to be a term primarily associated with generic things, and in particular intangible things, rather than a specific brand.

ICANN’s New gTLD Program has attracted numerous applications for gTLD strings that consist of ordinary dictionary words to be used for precisely the ordinary meanings accorded to these words. It is therefore important that any trade mark an Objector wishes to rely on which consist of a common dictionary word is shown to be recognized by the relevant sector of the public as originating from the Objector.

The sign in question is “music” and the relevant sector of the public consists of domain name registrants with affinity for the term “music”. Those falling within this group have been identified by the Applicant in the Factual Background above. The Panel considers that the evidence submitted by the Objector has not in any way demonstrated that the sign MUSIC, a generic word, is recognized by the relevant sector of the public as the mark of the Objector or of any party.

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

The Panel finds that it is more than likely that the Applicant would have been aware of the Trade Marks especially since the Objector has been active in marketing and promoting the Trade Marks at ICANN meetings. However, the Applicant’s parent company has applied for 307 gTLDs comprising of generic dictionary words. The Panel accepts that the Applicant’s intent is to use the String for its generic meaning. In the Panel’s view this does not indicate a pattern of conduct of applying for top-level domains or registrations in top-level domains which are identical or confusingly similar to the marks of others.

**(v) Whether and to what extent the Applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a *bona fide* offering of goods or services**



**or a *bona fide* provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights.**

The Applicant's parent company has made a substantial investment in planning and preparing to use <.music> and its other applied-for gTLDs. There has been no evidence to suggest that the Applicant will not operate the String in a manner which is not consistent with its stated objectives in its Application.

The Objector's trademarks comprise device marks together with a descriptive word. These rights may be legitimately exercised even with a third party running a registry with the applied-for string <.music> in the manner the Applicant indicates.

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

The Applicant contends that it has rights in the sign corresponding to the gTLD only by virtue of its Application.

**(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 contends that its proposed *bona fide* use of the sign corresponding to the gTLD is consistent with the rights it has acquired by virtue of its Application.

**(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 finds the Objector has acquired and used the Trade Marks to associate its trade mark rights with the String as it had always been its intention to apply for and operate the String. Its trade mark rights are not for the words ".MUSIC" or "DOT MUSIC" *per se* but as represented in the trade mark registrations. It has failed to prove that it has unregistered rights in the word marks or indeed in the form covered by the registered trademarks for the purposes of this Procedure. Any reputation and goodwill that it has is therefore limited in any case to the form as represented in the registered trade marks. The String consists of a generic word "music" although it is likely that in use consumers are likely to refer to it as "Dot Music". The Applicant's intended use of the String appears to be generic. In view of the above, the Panel is satisfied that it is unlikely that the intended use of the gTLD would create a likelihood of confusion with the Objector's marks as to the source, sponsorship, affiliation, or endorsement of the gTLD.

## **7. Decision**

The Objector has not proven that it has standing to make a Legal Rights Objection.

In any event, even if the Objector has been able to prove that it is the rights holder, 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.

For the foregoing reasons, the Panel rejects the Objection.

**[signed]**

**Karen Fong**

Sole Expert Panel

Date: August 15, 2013