

Reconsideration Request Form

Pursuant to Article IV, Section 2 of the Bylaws for Internet Corporation for Assigned Names and Numbers (“ICANN”) (the “ICANN Bylaws”), DERCars, LLC (“DERCars”), applicant for gTLD string .CARS, respectfully submits this Request for Reconsideration of certain staff actions dated 7 October 2013 and 14 October 2013. This submission is timely in accordance with Article IV, Section 2.5(b) of the ICANN Bylaws.

DERCars hereby requests an opportunity to be heard in accordance with Article IV, Section 2.12 of the ICANN Bylaws.

1. Requester Information

Name: DERCars, LLC

Address: Contact Information Redacted

C/O

Name: David E. Weslow, Wiley Rein LLP

Address: Contact Information Redacted

Email: Contact Information Redacted

Phone Number (optional): Contact Information Redacted

2. Request for Reconsideration of (check one only):

Board action/inaction

Staff action/inaction

3. Description of specific action you are seeking to have reconsidered.

DERCars respectfully seeks reconsideration of ICANN’s acceptance of the expert determinations in: (1) *Charleston Road Registry Inc. v. Koko Castle, LLC*, ICDR Case No. 50 504 233 13 (7 Aug. 2013) (“.CARS I”); (2) *Charleston Road*

Registry Inc. v. DERCars, LLC, ICDR Case No. 50 504 234 13 (27 Aug. 2013) (“*.CARS II*”); and (3) *Charleston Road Registry Inc. v. Uniregistry, Corp.*, ICDR Case No. 50 504 238 13 (10 Oct. 2013) (“*.CARS III*”) (together, the “.CARS Expert Determinations”). A copy of the expert determination in .CARS I is attached hereto as **Annex A**. A copy of the expert determination in .CARS II is attached hereto as **Annex B**. A copy of the expert determination in .CARS III is attached hereto as **Annex C**.

4. Date of action/inaction:

Although the .CARS II expert determination is dated 27 August 2013, the International Centre for Dispute Resolution (“ICDR”) did not release this determination to the parties until 7 October 2013. The ICDR published the .CARS III expert determination on 14 October 2013.

5. On what date did you become aware of the action or that action would not be taken?

DERCars became aware of the .CARS II expert determination on 7 October 2013 and of the .CARS III expert determination on 14 October 2013.

6. Describe how you believe you are materially affected by the action or inaction:

DERCars is the Applicant for gTLD string .CARS (application ID 1-909-45636). Under the New gTLD String Similarity Contention Sets dated 26 Feb. 2013, DERCars’ application was placed in a contention set with two other applications for the gTLD string .CARS: Koko Castle, LLC (“Koko Castle”) (application ID 1-1377-8759) and Uniregistry, Corp. (“Uniregistry”) (application ID 1-845-37810) (the “.CARS Contention Set”).

Charleston Road Registry Inc. (“Charleston Road”) filed string confusion

objections for each of the three applications in the .CARS Contention Set. The ICDR convened three separate expert panels to resolve these objections, but did not provide sufficient guidance to the expert panels to ensure consistency and equality in the application of ICANN's gTLD rules and procedures. As a result, although the expert panels considered the same issue, they reached different and inconsistent results: finding in .CARS I and .CARS III that the co-existence of the .CAR and .CARS strings does not pose a probability of confusion in the mind of the average reasonable Internet user, while finding in .CARS II that the strings do pose a probability of confusion.¹ Because of these inexplicably disparate results, DERCars, as the respondent in .CARS II, likely will be forced to participate in two contention resolution auctions – one with Charleston Road (the “.CAR Contention Set”) and one with both Koko Castle and Uniregistry (the “.CARS Contention Set”).² This result stems directly from the failure of the ICDR,

¹ Notably, all three of the expert panels considered the relevant strings on their face, without considering the use proposed in the respective applications, thus removing any logical explanation for the divergent results. Accordingly, this request is distinguishable from the reconsideration request submitted by Amazon EU S.a.r.l., in which the BGC acknowledged that the materials submitted by each of the respective applicants were different and noted that the expert considered that the applied-for strings “are aimed at distinct markets.” See Recommendation of the Board Governance Committee, Reconsideration Request 13-9, at 10-11 (10 Oct. 13), *available at* <http://www.icann.org/en/groups/board/governance/reconsideration/recommendation-amazon-10oct13-en.pdf>, attached hereto as **Annex D** (“Amazon Reconsideration Recommendation”).

² Article 3.2.2.1 of the AGB states that where a string confusion objection is successful, “the only possible outcome is for both applicants to be placed into a contention set and to be referred to a contention resolution procedure.” Thus, the direct result of the departure from ICANN's policies and procedures in the .CARS II proceeding is that DERCars' application likely will be placed in both the .CARS Contention Set, to which it originally was assigned, as well as the .CAR Contention Set. This also places Charleston Road's application for .CAR in

and potentially ICANN Staff, to ensure the neutral and equitable application of the Objection process set forth in the Applicant Guidebook.

Unless the BGC and NGPC grant the instant request for reconsideration, it appears that ICANN intends to allow the conflicting string confusion decisions to stand.³

7. Describe how others may be adversely affected by the action or inaction, if you believe that this is a concern.

First, ICANN's disparate treatment of DERCars will make it more difficult for DERCars to prevail in a contention resolution procedure, thus potentially depriving the car dealer community and the public of a clean and reliable environment for use of .CARS domain names as proposed in DERCars' application.

Second, ICANN's disparate treatment of DERCars will adversely affect other similarly situated gTLD applicants (e.g., .Cam vs. .Com) and more importantly will impact the entire community of gTLD applicants by depriving the community of consistency and predictability in the operation of the gTLD program and ICANN's implementation of gTLD rules and procedures.

indirect contention with the applications of Koko Castle and Uniregistry for .CARS, notwithstanding the fact that Charleston Road's objections to Koko Castle and Uniregistry's applications were dismissed. Although the AGB does not appear to contemplate this scenario, the only logical result would seem to be that ICANN will split the combined .CAR/.CARS Contention Set into two, with DERCars' application for .CARS in both sets. Although several string confusion objections remain unresolved, as of this writing, DERCars' application for .CARS is the only application in the new gTLD program facing the prospect of assignment to two different contention sets.

³ See Domain Incite, *Interview: Attalah On New gTLD Objection Losers* (Aug. 16, 2013), available at <http://domainincite.com/14208-interview-atallah-on-new-gtld-objection-losers>, attached hereto as **Exhibit E** (quoting Akram Atallah, President of ICANN's Generic Domains Division, as stating that "the [objection panel's] decision is final").

Third, ICANN's disparate treatment of DERCars will introduce great instability into the new gTLD program. ICANN now is faced with at least two instances where expert panels appointed by a Dispute Resolution Service Provider ("DRSP") have reached inexplicably disparate results when considering identical circumstances and nearly identical arguments regarding those circumstances. As a result, similarly-situated applicants face unequal obstacles to becoming registry operators for their respective TLDs.

Finally, the impact of the disparate treatment of DERCars will extend beyond the current round of gTLD applications. If ICANN does not address and prevent the inequitable result now faced by DERCars, such a position by ICANN will leave a blanket of instability over the new gTLD program that likely will deter participation in ICANN's multi-stakeholder model and defeat the gTLD program's objectives of promoting competition in the provision of registry services, adding to consumer choice, and providing market differentiation. Recognizing the undesirability of this approach, the Chairman of ICANN's Generic Names Supporting Organization Council recently wrote to the ICANN Board and the New gTLD Program Committee to express the GNSO's concern regarding "apparent inconsistencies with existing policy" and to propose "look[ing] into the matter in more detail in the near future."⁴

8. Detail of Board or Staff Action – Required Information

It is now established that "the reconsideration process can properly be

⁴ See Letter from Jonathan Robinson, Chair, ICANN GNSO Council, to Dr. Steve Crocker, Chair, ICANN Board and Mr. Cherine Chalaby, Chair, ICANN Board NGPC (18 Sept. 2013), *available at* <http://gns0.icann.org/en/correspondence/robinson-to-crocker-chalaby-18sep13-en.pdf>. A copy of this letter is attached hereto as **Annex F**.

invoked for challenges of the third-party DRSP's decisions where it can be stated that either the DRSP failed to follow the established policies or processes in reaching the decision, or that ICANN staff failed to follow its policies or processes in accepting that decision."⁵ Although the reconsideration process does not provide for a substantive review of DRSP panel decisions, it does provide "for the consideration of process- or policy-related complaints."⁶

Under the New gTLD Program, parties may object to an application on one of four grounds. As applicable in the instant request for reconsideration, a string confusion objection considers whether the applied-for-string allegedly "is confusingly similar to an existing TLD or to another applied-for gTLD string in the same round of applications."⁷ Objections are resolved according to the policies and procedures set forth in the Applicant Guidebook ("AGB") and the New gTLD Resolution Procedure (the "Procedure"). ICANN does not itself administer gTLD objection proceedings, but rather delegates such administration to DRSPs.⁸ String confusion objections are administered by the International Centre for Dispute Resolution ("ICDR").⁹ However, the findings by DRSP panels do not themselves affect any applications; rather, they "will be considered an expert

⁵ See, e.g., Recommendation of the Board Governance Committee, Reconsideration Request 13-7, at 4 (25 Sept. 2013), <http://www.icann.org/en/groups/board/governance/reconsideration/recommendation-on-dish-dbs-25sep13-en.pdf> (citing BGC Recommendation on Reconsideration Request 13.5), attached hereto as **Annex G** ("DISH DBS Reconsideration Recommendation").

⁶ Amazon Reconsideration Recommendation at 8.

⁷ AGB § 3.2.1; New gTLD Dispute Resolution Procedure ("Procedure"), Art. 2(e).

⁸ See AGB, § 3.4.

⁹ Procedure, Art. 3(a).

determination and advice that ICANN will accept within the dispute resolution process.”¹⁰ Thus, ICANN staff must ultimately determine whether to accept DRSP expert determinations.

In administering objection proceedings, DRSPs, including the ICDR, “shall apply the standards that have been defined by ICANN.”¹¹ Under the ICANN Bylaws, all decisions should be made by applying documented policies “neutrally and objectively, with integrity and fairness.”¹² Additionally, the ICANN Bylaws require that ICANN’s standards, policies, and procedures not be applied “inequitably” or in a manner that “single[s] out any particular party for disparate treatment unless justified by substantial and reasonable cause”¹³ To further these interests, the Applicant Guidebook permits DRSPs to consolidate objections where such consolidation will, among other things, result in greater consistency.¹⁴ ICANN “strongly encourage[d] all of the DSRPs to consolidate matters whenever practicable.”¹⁵

The instant matter upon which DERCars seeks reconsideration involves three different levels of failure to comply with ICANN policies or processes. *First*, the ICDR failed to follow established policies and processes to ensure that the three identical objections filed by Charleston Road to gTLD applications for .CARS would be considered “neutrally and objectively, with integrity and fairness”

¹⁰ AGB § 3.4.6.

¹¹ Procedure, Art. 20(a).

¹² See Bylaws for Internet Corporation for Assigned Names and Numbers (11 Apr. 2013) (“ICANN Bylaws”) Art. I, §2.8.

¹³ *Id.* Art. II, §3.

¹⁴ See AGB § 3.4.2.

¹⁵ *Id.*

and that the objection procedure would be applied equitably. As described in more detail below, in both the .CARS I and .CARS III decisions, separate ICDR-appointed expert panels determined that Charleston Road had not met its burden to prove the probability that confusion will arise in the mind of the average reasonable Internet user. In the .CARS II decision, a third expert, also appointed by the ICDR, considered an identical objection by Charleston Road, but reached the opposite conclusion: that “the applied-for gTLD <.CARS> is likely on a balance of probabilities to cause confusion with the applied-for gTLD <.CAR> in the mind of the average reasonable Internet user.”¹⁶

Second, the expert panelist assigned by the ICDR did not apply the proper standards for resolving a string confusion objection. As explained in further detail below, the panel’s errors included, *inter alia*: (1) failing to apply the proper burden of proof; (2) analyzing the objection under a “balance of the probabilities” standard rather than the “probable, not merely possible” standard required by the AGB; (3) arbitrarily considering potential confusion among the “average reasonable potential registrant” in addition to the “average, reasonable Internet user”; and (4) placing too great an emphasis on the sight, sound, and meaning factors to determine a likelihood of confusion. As a result of these departures from ICANN’s policies and procedures, the panel reached a conclusion at odds

¹⁶ Although Charleston Road’s objection in the .CARS I and .CARS III proceedings are not publicly available, ICANN should have received a copy of these objections or can obtain the objections from the ICDR. Based on the description of the arguments in the respective expert determinations, it appears that the arguments made by Charleston Road in all three proceedings were identical or nearly identical, which makes the conflicting decisions even more inexplicable and inequitable.

not only with ICANN's general approach to singular/plural pairs, but also with the other .CARS Expert Determinations.

Third, should ICANN staff improperly accept the .CARS Expert Determinations, such acceptance would violate ICANN's rules requiring implementation of policies and processes in a consistent, neutral, objective, and fair manner.

9. What are you asking ICANN to do now?

ICANN should refuse to accept the .CARS II Expert Determination due to its failure to properly apply ICANN's standards, as set forth in the AGB and the Procedure.

In the alternative, ICANN must reconcile the conflicting .CARS Expert Determinations so that they do not result in the disparate treatment of similarly-situated applicants. In so doing, the community would benefit from ICANN clarifying the standards that should be applied by string confusion panelists and the protocols that should be followed by the ICDR so as to avoid further conflicting decisions.

At the very least, the BGC must follow its own precedent and recommend that ICANN staff provide a report to the NGPC setting out options for dealing with the conflicting outcomes in the .CARS Expert Determinations.¹⁷

10. Please state specifically the grounds under which you have the

¹⁷ See Recommendation of the Board Governance Committee, Reconsideration Request 13-10, at 11 (10 Oct. 2013), *available at* <http://www.icann.org/en/groups/board/governance/reconsideration/recommendation-commercial-connect-10oct13-en.pdf>, attached hereto as **Annex H**; Reconsideration Request Form at 2 (recognizing that "the outcomes of prior Requests for Reconsideration challenging the same or substantially similar action/inaction . . . shall be of precedential value").

standing and the right to assert this Request for Reconsideration, and the grounds or justifications that support your request.

Standing: As stated above, DERCars has standing and the right to assert this Request for Reconsideration. Article IV, Section 2.2 of the ICANN Bylaws states that:

[a]ny person or entity may submit a request for reconsideration or review of an ICANN . . . action or inaction . . . to the extent that he, she, or it have been adversely affected by:

a. one or more staff actions or inactions that contradict established ICANN . . . policy(ies);

ICANN's Board Governance Committee repeatedly has recognized that "the reconsideration process can properly be invoked for challenges of the third-party DRSP's decisions where it can be stated that either the DRSP failed to follow the established policies or processes in reaching the decision, or that ICANN staff failed to follow its policies or processes in accepting that decision."¹⁸ Here, the ICDR, as the DRSP responsible for administration of string confusion objections, failed to follow established policies or processes both in its administration of the string confusion objection procedures and specifically through its delegated panel in the .CARS II objection proceeding. Moreover, the acceptance by the ICANN staff of the .CARS Expert Determinations will require the staff to disregard ICANN's policies and procedures.

DERCars has been adversely affected by this failure to comply with ICANN policies and procedures. DERCars is one of three applicants for gTLD string .CARS. Charleston Road, applicant for gTLD string .CAR, filed identical or nearly identical string confusion objections to each of the three competing .CARS

¹⁸ See, e.g., DISH DBS Reconsideration Recommendation at 4.

applications. The expert determinations issued by the ICDR inexplicably have reached conflicting and irreconcilable results, sustaining one of the objections while dismissing the other two objections. As a result, DERCars likely will be forced to participate in two contention resolution auctions.

Grounds for Request: Because the scope of the BGC’s review is limited to “process- or policy-related complaints,” any request to reconsider a staff action, including a DRSP determination, must begin with an examination of the relevant ICANN standards, policies, procedures, and practices. Here, there are several provisions that the BGC and the Board (through the New gTLD Program Committee) must consider.

Article I of the ICANN Bylaws contains ICANN’s core values, which include, *inter alia*, “Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.”¹⁹ Similarly, Article II, § 3 declares that “ICANN . . . shall not apply its standards, policies, procedures, or practices inequitably or single out any particular party for disparate treatment unless justified by substantial and reasonable cause, such as the promotion of effective competition.” These concepts are incorporated into the AGB, which recognizes that the gTLD process should be operated “[i]n the interests of fairness and equivalent treatment for all,”²⁰ and that ICANN must “act in an open and transparent manner, and to provide equitable treatment among registry operators”²¹. Accordingly, the failure by ICANN staff and/or a DRSP to ensure

¹⁹ ICANN Bylaws, Art. I, § 2.8.

²⁰ AGB § 2.4.4.

²¹ AGB § 5.4.2

that ICANN's policies are applied in a consistent, neutral, objective, and fair manner directly contradicts ICANN's policies and thereby serves as an appropriate basis for reconsideration.

1. The ICDR's Failure to Ensure Equitable Treatment of Applicants for the .CARS gTLD.

The failure to establish procedures for consistent treatment of applications for identical strings contradicts ICANN's commitment to apply its standards "neutrally and objectively, with integrity and fairness" and to provide "equivalent treatment for all." The present issue involves what ICANN Vice President of gTLD Operations, Christine Willett, has recognized as "consistency issues" in the string confusion objection process.²² The GNSO has also advised the ICANN Board that the ICDR's actions are inconsistent with ICANN policy.²³

A "fair" and "equitable" process could not result in disparate treatment of identical objections. As described above, Charleston Road was the only applicant for new gTLD string .CAR, and there are three competing applications for new gTLD string .CARS. Charleston Road filed string confusion objections to each of the three .CARS applications – all of which appeared to make the same argument: that because the plural CARS has essentially the same appearance, sound, and meaning as the singular CAR, they should be found to create a probability of confusion among the average, reasonable Internet user.

In .CARS I, the panelist dismissed the objection by Charleston Road,

²² See ICANNnews, Interview with Christine Willett, VP of gTLD Operations (17 Sep. 2013), *available at* <http://www.youtube.com/watch?v=F0eO5Rpr5Ug&feature=youtu.be>.

²³ See Letter from Jonathan Robinson, Chair, ICANN GNSO Council, *supra* note 4.

concluding that although the two strings have the same meaning, the objector failed to meet its burden of proving a “probability, not just a possibility” of confusion based on all relevant factors.²⁴ Similarly, in .CARS III, the panelist dismissed the objection, determining that “average, reasonable internet users will appreciate the difference between the two TLDs and accordingly, they will not be deceived or confused.”²⁵ In .CARS II, meanwhile, the panelist sustained Charleston Road’s objection, finding that as to the same strings in the other .CARS proceedings, the .CARS string “is likely on a balance of probabilities to cause confusion” with the .CAR string, and therefore that “both of these gTLDs should be placed in the same contention set.”²⁶

Importantly, nothing in the three .CARS Expert Determinations provides substantial and reasonable cause for their disparate conclusions. In all three cases, the panelists considered the similarity between the .CAR and .CARS strings, with some weight being given to the SWORD algorithm. Contrary to other string confusion expert determinations, none of the panelists applied likelihood of confusion principles from trademark cases (which require examining how the words will be used) and therefore none considered the differing business

²⁴ See .CARS I at 6.

²⁵ See .CARS III at 12.

²⁶ See .CARS II at 36. Because the two panels in the other .CARS proceedings reached contrary conclusions, the gTLDs will not be placed in the same contention set, as suggested by the panel in .CARS II. Rather, there likely will be two contention sets, one containing a single .CARS application with Charleston Road’s .CAR application and one containing all .CARS applications. See AGB § 4.1.2 (where “the panel finds that string confusion does not exist,” as in .CARS I, “the two applications will not be considered in direct contention with one another”).

plans of the respective applicants.²⁷ In fact, unlike in other situations recently considered by the BGC, here the arguments presented in the three .CARS proceedings were virtually identical, and the .CARS I and .CARS III Expert Determinations did not rely upon any arguments not raised by DERCars in .CARS II.²⁸ Therefore, the result of these determinations should have been the same. However, unlike other DRSPs, the ICDR did not consolidate similar proceedings – even those involving identical strings – nor did it appoint the same panelists to resolve these disputes. The “consistency issues” acknowledged by senior ICANN staff and the GNSO are a direct and unfortunate result of this failure to install the necessary safeguards to ensure equity and fairness in the string confusion objection process.

As demonstrated by the foregoing, the ICDR operated a flawed process that failed to address the possibility that panels considering identical issues could reach inconsistent results, thereby resulting in disparate treatment of certain applicants without substantial and reasonable cause. Even if the procedures followed by the ICDR complied with the literal requirements of the AGB and the Procedure, the ICDR’s actions cannot be reconciled with the core principles overriding ICANN’s gTLD policy. Moreover, as explained in the following section, separate and apart from the ICDR’s inexplicable failure to ensure fair and equitable treatment of all parties, the expert panel did not properly follow

²⁷ Contrast the issue in the Amazon Reconsideration Recommendation, where the BGC recognized that the conflicting expert determination “rel[ied] on the intended markets for the strings.” See Amazon Reconsideration Recommendation at 13.

²⁸ Attached as **Annex I** hereto is a chart demonstrating the arguments raised and considered in each of the .CARS Expert Determinations.

ICANN's dispute resolution procedures, resulting in a further flawed application of ICANN policy.

2. The Failure of the .CARS II Expert Panel to Apply ICANN's Objection Procedures and Policies.

Also contributing to the disparate results in the .CARS proceedings were the subtle, but significant departures from ICANN policies in .CARS II. Although Article 20 of the New gTLD Dispute Resolution Procedure (the "Procedure") requires the panel to "apply the standards that have been defined by ICANN," there are at least four instances where the expert determination departs from these standards.

First, the AGB makes clear that "[t]he objector bears the burden of proof in each case."²⁹ The .CARS II Expert Determination, while referencing this burden of proof, fails to apply this burden to its analysis. To the contrary, the expert determination relied upon numerous arguments not raised by the objector, including: that the "average reasonable Internet user" must include potential registrants in addition to Internet users;³⁰ that the panel should consider the gTLD string in a vacuum, without any consideration of how the string will be encountered;³¹ that the possibility that business registrants may choose to register domains on two similar, but different, TLDs amounts to a probability of confusion;³² that other instances of coexistence of similar TLDs will have no bearing on consumer awareness of the differences between singular/plural

²⁹ AGB § 3.5.

³⁰ .CARS II Expert Determination at 20-21.

³¹ *Id.* at 22-23, 33-34. As noted *supra*, this finding also was inconsistent with the consideration in other objection proceedings of "the intended markets for the strings."

³² *Id.* at 27-28.

TLDs;³³ and that the level of distinctiveness of the strings is irrelevant to the likelihood of confusion analysis for new gTLDs³⁴. The bulk of the expert's analysis in .CARS II relates to arguments not raised by the objector, which belies any notion that Charleston Road satisfied its burden to prove that a likelihood of confusion between the strings was probable, not merely possible.

Second, the .CARS II Expert Determination applied the wrong standard of proof. The AGB unambiguously sets forth the standard for string confusion, stating that:

String confusion exists where a string so nearly resembles another that it is likely to deceive or cause confusion. For a likelihood of confusion to exist, it must be probable, not merely possible that confusion will arise in the mind of the average, reasonable Internet user. Mere association, in the sense that the string brings another string to mind, is insufficient to find a likelihood of confusion.³⁵

The .CARS II Expert Determination erroneously interprets this language to require proof on a “balance of probabilities.”³⁶ The balance of probabilities test, however, comes not from the gTLD policy, but rather from certain types of civil court proceedings and proceedings under the Uniform Domain Name Dispute Resolution Policy. The “balance of probabilities” is a lesser standard of “whether, on balance, the plaintiff’s or defendant’s case is more probable.” See, e.g., *Funskool (India) Ltd v. funschool.com Corp.*, D2000-0796, (WIPO Nov. 30, 2000). The “probable, not merely possible” standard used in the AGB, meanwhile, derives from the trademark law standard applied by courts for

³³ *Id.* at 31-32.

³⁴ *Id.* at 32.

³⁵ AGB § 3.5.1 (emphasis added).

³⁶ .CARS II Expert Determination at 15.

determining whether there is a likelihood of confusion.³⁷ Courts have recognized that the “not merely possible” standard is heightened from the normal burden of proof in civil cases, placing on the plaintiff a “considerable burden” to show “not just a possibility of confusion but rather a *substantial* likelihood of confusion.”³⁸ Thus, while the “balance of probabilities” is applied by courts in certain circumstances, the AGB, based on trademark law, focuses on the alleged confusion and places the burden on the objector to establish the probability that confusion, not mere association, will occur. The AGB confirms that string confusion panels must apply this heightened standard by directing that: “Mere association, in the sense that the string brings another string to mind, is insufficient to find a likelihood of confusion.” The expert’s failure to analyze the .CARS II objection using the appropriate standard presents an independent basis to grant reconsideration.

Third, the .CARS II Expert Determination examines the likelihood of confusion from a perspective that is inconsistent with ICANN policy. As noted above, the AGB requires an objector to prove a probability that confusion will

³⁷ See, e.g., Case C-251/95, *Sabel v. Puma*, 1997 ECR I-6191 (“[M]ere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion.”), attached hereto as **Annex J**; *Custom Mfg. and Eng’g, Inc. v. Midway Servs., Inc.*, 508 F.3d 641, 651 (11th Cir. 2007) (“recovery under the Lanham Act requires, at a minimum, that confusion, mistake, or deception be likely, not merely possible”) (internal quotations omitted), attached hereto as **Annex K**; *Hero Nutritionals, LLC v. Nutraceutical Corp.*, 2013 WL 4480674, at *3 (C.D. Cal. Aug. 16, 2013) (noting plaintiff’s burden “to demonstrate that confusion by an appreciable number of consumers is probable, not merely possible”) (internal quotations omitted), attached hereto as **Annex L**.

³⁸ *Peoples Fed. Sav. Bank v. Peoples United Bank*, 672 F.3d 1, 12 (1st Cir. 2012) (emphasis in original), attached hereto as **Annex M**.

arise in the mind of the average, reasonable Internet user.³⁹ Rather than focus on the average, reasonable Internet *user* (i.e., persons who use the Internet),⁴⁰ the expert determination runs far afield and first considers “the perspective of a user who applies to register a domain name” and only “thereafter the perspective of an online user who may seek to access that domain.”⁴¹ While DERCars does not dispute that some Internet users also are domain name registrants, there is no basis to assume that registrants constitute “average, reasonable Internet users” and the overwhelming evidence indicates that they are not.⁴² Thus, the .CARS II Expert Determination’s focus on “a person seeking to register a second level domain” provides another independent basis for reconsideration.⁴³

³⁹ AGB § 3.5.1 (emphasis added).

⁴⁰ It is axiomatic, based on common English usage, that the term “Internet user” refers to a person who accesses the Internet, not a person who registers domains. See, e.g., Pew Internet & American Life Project, *Who’s Online: Internet User Demographics*, [http://pewinternet.org/Trend-Data-\(Adults\)/Whos-Online.aspx](http://pewinternet.org/Trend-Data-(Adults)/Whos-Online.aspx), attached hereto as **Annex N**; Internet Society, *Global Internet User Survey Summary Report*, <https://www.internetsociety.org/sites/default/files/rep-GIUS2012global-201211-en.pdf>, attached hereto as **Annex O**; International Telecommunication Union, *The World in 2013: ICT Facts and Figures*, <http://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2013.pdf>, attached hereto as **Annex P**.

⁴¹ .CARS II Expert Determination at 27.

⁴² According to Internet World Stats, as of June 30, 2012, there were 2.4 billion Internet users. See Internet World Stats, *World Internet Users*, <http://www.internetworldstats.com/stats.htm> (last visited Oct. 14, 2013), attached hereto as **Annex Q**. Meanwhile, as of October 2012, there were 246 million domain name registrations across all TLDs. See Verisign, *The Domain Name Industry Brief* (Dec. 2012), available at <http://www.verisigninc.com/assets/domain-name-brief-dec2012.pdf>, attached hereto as **Annex R**. Put another way, there are approximately ten Internet users for every registered domain name. It is unfathomable, then, that a domain name registrant constitutes an “average, reasonable Internet user.”

⁴³ Even if it were proper to consider “a person seeking to register a second level domain,” the .CARS II Expert Determination again fails to apply the proper standard for confusion. Whether or not a domain name registrant knowing two

Finally, the .CARS II Expert Determination places an arbitrarily large emphasis on the sight, sound, and meaning factors to determine a likelihood of confusion, to the exclusion of other relevant factors.⁴⁴ The expert's focus on these factors apparently comes not from Module 3 of the AGB, which pertains to objections, but instead from Module 2 of the AGB, which pertains to evaluation procedures and notes by comparison that the objection process includes "any type of similarity" including visual, aural, or similarity of meaning.⁴⁵ Nothing in the AGB, however, limits the analysis in a string confusion objection proceeding to these three factors. To the contrary, the court cases upon which both the objector and the applicant relied focus on a number of additional factors, including the strength of the terms and the context in which they will appear. Other expert determinations properly have considered the effect of these other factors.⁴⁶ The .CARS II Expert Determination simply ignores the evidence in the objection proceeding that consumers are more discerning with regard to generic

gTLDs were available "would be concerned about registering under one alone and leaving the other for someone else to be able to register" involves several business decisions, including competition concerns, not merely an analysis of confusion. At best, these concerns are indicative of a *possibility* that a likelihood of confusion will occur.

⁴⁴ Although the .CARS I Expert Determination applied the same improperly narrow standard, numerous other expert panels have considered other contextual factors. See Letter from Johannes Lenz-Hawliczek, Managing Director, dothotel, to ICANN BGC at 11 (26 Sept. 2013), *available at* <http://www.icann.org/en/groups/board/governance/reconsideration/lenz-hawliczek-to-bgc-26sep13-en.pdf>, attached hereto as **Annex S**.

⁴⁵ AGB at 2.2.1.1.3.

⁴⁶ See, e.g., *Commercial Connect, LLC v. Top Level Domain Holdings Ltd.*, ICDR Case No. 50 504 258 13, at 7 (Aug. 8, 2013), *available at* http://images.go.adr.org/Web/AmericanArbitrationAssociation/%7B772b1de3-e337-4643-b310-f87daa172a2e%7D_50_504_T_00258_13_determination.pdf, attached hereto as **Annex T** (considering overlap between the likely markets for the strings)

terms, such as .CAR and .CARS, than with terms that are comprised of trademarks. As a result, the .CARS II likelihood of confusion analysis is fundamentally flawed. Additionally, the .CARS II Expert Determination does not account for the fact that all TLDs will appear in the context of second level domain names. Thus, by departing from the ICANN policy regarding the breadth of the likelihood of confusion analysis, the .CARS II Expert Determination greatly overstates the possibility of confusion.

3. Adoption of the .CARS Determinations Would Violate ICANN Policy.

For the reasons stated above, should ICANN staff inexplicably accept the .CARS Expert Determinations, it would violate ICANN's policies regarding equality, fairness, and non-disparate treatment as well as the ICANN policies and procedures for new gTLD objections. While expert panelists certainly must maintain some discretion, an applicant's fate should be based on the strength of its application and the proper application of ICANN policies to that application, not sheer chance based on which expert panelist the DRSP assigns to the proceeding. The fact that three panelists considering identical objections reached conflicting conclusions reflects the failed application of ICANN policies and procedures in a manner that is neither fair nor equitable. If the Board permits this result to stand, it will result in the disparate treatment of a single applicant in the absence of substantial and reasonable cause.

Conclusion

DERCars recognizes that the BGC rarely has granted requests for reconsideration, but respectfully asserts that the circumstances highlighted in the

instant request uniquely satisfy the criteria for reconsideration. The multiple failures identified herein reflect failures of process, not substance. Despite the probability of disparate treatment, the ICDR failed to implement any procedures to ensure fair and equal treatment of similarly-situated applicants, which directly contributed to the conflicting outcomes in the .CARS Expert Determinations. Additionally, unlike other instances where expert panels followed ICANN's dispute resolution procedures yet reached different results, here the .CARS II expert panel repeatedly departed from the dispute resolution procedures, and such departures directly attributed to the inconsistent results.

ICANN now faces the prospect of operating one contention resolution procedure for DERCars and a separate contention resolution procedure for all other .CARS applicants. Such unequal application of process is the *sine qua non* of disparate treatment and should not be tolerated by the BGC. To ensure the fair and equal application of ICANN's policies and procedures now and in the future, the BGC and the ICANN Board, acting through the New gTLD Program Committee, should grant the instant request for reconsideration, refuse to accept the .CARS II Expert Determination, or alternatively reconcile the conflicting expert determinations so that they do not result in the disparate treatment of similarly-situated applicants. For the benefit of the community, DERCars also respectfully requests that ICANN clarify the standards that should be applied by string confusion panelists and the protocols that should be followed by the ICDR so as to avoid further conflicting decisions.

11. Are you bringing this Reconsideration Request on behalf of multiple persons or entities? (Check one)

Yes

No

Do you have any documents you want to provide to ICANN?

Yes, DERCars provides the following Annexes in support of this request for reconsideration:

Annex	Description
A	<i>Charleston Road Registry Inc. v. Koko Castle, LLC</i> , ICDR Case No. 50 504 233 13 (7 Aug. 2013)
B	<i>Charleston Road Registry Inc. v. DERCars, LLC</i> , ICDR Case No. 50 504 234 13 (27 Aug. 2013)
C	<i>Charleston Road Registry Inc. v. Uniregistry, Corp.</i> , ICDR Case No. 50 504 238 13 (10 Oct. 2013)
D	Recommendation of the Board Governance Committee, Reconsideration Request 13-9, at 10-11 (10 Oct. 13)
E	Domain Incite, <i>Interview: Attalah On New gTLD Objection Losers</i> (Aug. 16, 2013)
F	Letter from Jonathan Robinson, Chair, ICANN GNSO Council, to Dr. Steve Crocker, Chair, ICANN Board and Mr. Cherine Chalaby, Chair, ICANN Board NGPC (18 Sept. 2013)
G	Recommendation of the Board Governance Committee, Reconsideration Request 13-7, at 4 (25 Sept. 2013)
H	Recommendation of the Board Governance Committee, Reconsideration Request 13-10, at 11 (10 Oct. 2013)
I	Table of Arguments in .CARS Expert Determinations
J	Case C-251/95, <i>Sabel v. Puma</i> , 1997 ECR I-6191
K	<i>Custom Mfg. and Eng'g, Inc. v. Midway Servs., Inc.</i> , 508 F.3d 641, 651 (11th Cir. 2007)
L	<i>Hero Nutritionals, LLC v. Nutraceutical Corp.</i> , 2013 WL 4480674, at *3 (C.D. Cal. Aug. 16, 2013)
M	<i>Peoples Fed. Sav. Bank v. Peoples United Bank</i> , 672 F.3d 1, 12 (1st Cir. 2012)
N	Pew Internet & American Life Project, <i>Who's Online: Internet User Demographics</i> , http://pewinternet.org/Trend-Data-(Adults)/Whos-Online.aspx
O	Internet Society, <i>Global Internet User Survey Summary Report</i> , https://www.internetsociety.org/sites/default/files/rep-GIUS2012global-201211-en.pdf

Annex	Description
P	International Telecommunication Union, The World in 2013: ICT Facts and Figures, http://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2013.pdf
Q	Internet World Stats, <i>World Internet Users</i> , http://www.internetworldstats.com/stats.htm
R	Verisign, <i>The Domain Name Industry Brief</i> (Dec. 2012)
S	Letter from Johannes Lenz-Hawliczek, Managing Director, dothotel, to ICANN BGC at 11 (26 Sept. 2013)
T	Commercial Connect, LLC v. Top Level Domain Holdings Ltd., ICDR Case No. 50 504 258 13, at 7 (Aug. 8, 2013)

Terms and Conditions for Submission of Reconsideration Requests

The Board Governance Committee has the ability to consolidate the consideration of Reconsideration Requests if the issues stated within are sufficiently similar.

The Board Governance Committee may dismiss Reconsideration Requests that are querulous or vexatious.

Hearings are not required in the Reconsideration Process, however Requestors may request a hearing. The BGC retains the absolute discretion to determine whether a hearing is appropriate, and to call people before it for a hearing.

The BGC may take a decision on reconsideration of requests relating to staff action/inaction without reference to the full ICANN Board. Whether recommendations will issue to the ICANN Board is within the discretion of the BGC.

The ICANN Board of Director's decision on the BGC's reconsideration recommendation is final and not subject to a reconsideration request.

/s/ David E. Weslow

Signature

Attorney for DERCars, LLC

October 21, 2013

Date