

ICANN Board Governance Committee
Delivered by email to reconsider@icann.org

Brussels, 19 September 2013

Dear Members of the Board Governance Committee,

Letter of support to Reconsideration Request 13-6 filed by Hotel Top Level Domain S.a.r.l.

On 8 August 2013, the Expert appointed by the International Centre for Dispute Resolution (ICDR) in String Confusion Objection proceedings 50 504 T 00237 13 relating to the strings .HOTEL and .HOTELS (HOTEL Top-Level-Domain S.a.r.l (Objector) v. BOOKING.COM B.V. (Applicant)) dismissed the Objection and decided that there is "no likelihood of string confusion" between the strings .HOTEL and .HOTELS.

The Objector filed a Request for Reconsideration on 23 August 2013 for the case to be re-examined on a *de novo* basis.

We would like to formally express our full support to Reconsideration Request 13-6 and respectfully request that this letter of support be given consideration by the Board Governance Committee of ICANN, for the reasons set out below.

According to ICANN Bylaws (Article IV, Section 2):

"Any person or entity may submit a request for reconsideration or review of an ICANN action or inaction ("Reconsideration Request") 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); or

b. one or more actions or inactions of the ICANN Board that have been taken or refused to be taken without consideration of material information, except where the party submitting the request could have submitted, but did not submit, the information for the Board's consideration at the time of action or refusal to act; or

c. one or more actions or inactions of the ICANN Board that are taken as a result of the Board's reliance on false or inaccurate material information."

We strongly support the Objector in its Request for Reconsideration as the Expert Determination issued on the basis of ICANN processes and policies as set out in the New gTLD Applicant Guidebook, will inevitably lead to user confusion which in turn will adversely affect the Objector as well as the community and interests we represent. Indeed, any detriment suffered by consumers from being misled by the coexistence of the strings .HOTELS and .HOTEL would result in detriment to the Objector and to the regulated hotel / hotels sector. Thus the detriment to the Objector and to the sector we represent and the detriment to consumers are intrinsically intertwined.

1. The String Confusion Objection process was wholly and exclusively designed by ICANN – action of ICANN ex-ante and inaction of ICANN ex-post

We hereby respectfully submit that the Determination of the Expert in proceedings 50 504 T 00237 has its source in an action and an omission of the ICANN Board and Staff.

The Determination of the Expert in proceedings 50 504 T 00237 is the result of a mandate given by ICANN to the ICDR to resolve on its behalf cases of String Confusion Objection.

The String Confusion Objection process and rules for determination have been designed and adopted by ICANN.

The Applicant Guidebook recognises this in many instances, for instance:

Article 20 of Attachment to Module 3 New gTLD Dispute Resolution Procedure states that: (a) For each category of Objection identified in Article 2(e), the Panel shall apply the standards that have been defined by ICANN.

In addition, the grounds upon which an objection to a new gTLD may be filed are set out in full in Module 3 of the Applicant Guidebook (...) and are based upon the Final Report on the Introduction of New Generic Top-Level Domains, dated 7 August 2007, issued by the ICANN Generic Names Supporting Organization (GNSO).

Only ICANN can modify the String Confusion Objection procedure according to its Bylaws and only ICANN has authority to reject a determination when the expert has not applied the standards defined by ICANN.

It is thus abundantly clear that ICANN alone has designed and adopted the String Confusion Objection process and that the acceptance by ICANN of expert determinations issued in the course of the implementation of said process result from an action of the ICANN Board.

In addition, the Expert Determination was communicated to and accepted by ICANN who alone was in a position to accept it or not accept it. By its inaction and by failing to reject the Expert Determination at its meeting of 22 August 2013, the ICANN Board has validated ex-post the Expert Determination in proceedings 50 504 T 00237 and thus the Request for Reconsideration of the Expert Determination is fully justified.

2. Failure by ICANN to address discrimination between applicants as a result of the severe contradictions in String Confusion Objection expert determinations

ICANN has omitted to take any action to rectify or clarify what can only be described as indisputable inconsistencies in the various determinations issued by the respective experts appointed for String Confusion Objections.

There has been extensive media coverage and widespread criticism of the fact that the various expert determinations issued under the String Confusion Objection process have resulted in complete contradictions and, as a result, discrimination between applicants.

It is particularly telling to see that String Confusion Objection cases involving the singular and plural forms of the same term have resulted in completely opposite determinations. For instance, .PET and .PETS were considered as being confusing similar whilst .HOTEL and .HOTELS were not. This is interesting, especially when the SWORD algorithm, heavily relied on by certain expert panels, calculates visual similarity between .PET and .PETS at a level of 72% whilst it calculates the similarity level between .HOTEL and .HOTELS to be a lot higher, at 81%.

Even in cases involving the same strings (.COM and .CAM, .COM and .ECOM) the respective expert issued determinations in complete contradiction with each other.

Stating that the delegation of the TLDs .HOTEL and .HOTELS would not result in a likelihood of confusion is nonsensical and the fact that the expert determination came to that conclusion is incomprehensible. The aural, conceptual and visual confusing similarities between the terms HOTEL and HOTELS cannot conceivably be disputed. In fact, these terms are conceptually identical, highly similar visually and aurally and in certain major languages like the French language these terms are aurally identical since the "S" at the end is silent. Thus we respectfully submit that it is hard not to question the conclusion of the expert in proceedings 50 504 T 00237.

These contradictions and the fact that the same issues were decided in completely opposite manners will inevitably result in a completely arbitrary discrimination between applicants and raises serious concerns about the credibility, reliability and integrity of the String Confusion Objection process.

This blatant and undisputable contradiction and lack of consistency in decisions rendered by the various experts appointed by the ICDR is clearly against ICANN Bylaws principle of Non-Discriminatory Treatment (Article II Section 3 of ICANN Bylaws) which states that "ICANN shall not apply its standards, procedures, or practices inequitably".

3. Risk of user confusion and adverse effect on the Objector

The String Confusion Objection mechanism was implemented for a reason, namely the avoidance of string confusion and loss of confidence in the DNS. The avoidance of user confusion and loss of confidence in the DNS resulting from the delegation of similar strings is at the core of ICANN's new gTLD Program and cannot be simply dismissed.

The *rationale* of the mechanism known as String Confusion Objection is thus to ensure that such confusion and such loss of confidence do not arise. If confusion arises then there would clearly be a detriment to users, registries and the DNS.

Any actions that the Applicant for .HOTELS takes under the TLD that fail to meet the hotel regulated industry standards would have a negative impact on public perception of the hotel industry and would cause serious detriment to the reputation of the hotel industry, as well as to consumers themselves. This would thus adversely affect the Objector as well as us.

Thus we fully support Request for Reconsideration 13-6 and respectfully submit that the Expert Determination in proceedings 50 504 T 00237 13 relating to the strings .HOTEL and .HOTELS should be cancelled and subject to a *de novo* examination.

4. Actions of the ICANN Board taken as a result of the Board's reliance on false or inaccurate material information

The actions of ICANN ex-ante and ex-post are the result of the Board's reliance on false material information. By accepting the Expert Determination in proceedings 50 504 T 00237 13, ICANN has relied on inaccurate information and has omitted to take into consideration authoritative information which makes it abundantly clear that the likelihood of confusion between the singular and plural of the same word is not merely possible but, at a minimum, highly likely. This was widely echoed, *inter alia*, by the Governmental Advisory Committee.

Given the fact that the String Confusion Objection process has been set up as an *ad hoc* mechanism by ICANN in the context of its new gTLD Program, there were no precedents. In light of the absence of precedents, it was necessary to draw a parallel with existing and comprehensive sets of rules where such an assessment of confusing similarity exists, namely trade mark law. Given that the assessment of similarity between TLDs is inherently global and international, as is the Internet, pertinent precedents could have been used from a number of jurisdictions, including the European Union and the United States and other jurisdictions.

The principle according to which the singular and plural forms of the same word are **visually** confusingly similar or almost identical is a well-established principle in many jurisdictions, including but not limited to, the United States and the European Union (see for instance "*the marks are similar to the extent that they both share the expression "eTool". They differ in the additional "s" of the contested sign and also as regards the colours depicted. They are, nevertheless, regarded as highly similar.*" (OHIM, *Hoffmann GmbH Qualitätswerkzeuge v. eTOOLS s.r.o* (Case No. B 1 671 935, 19 April 2011)) and "*The only difference between the trade marks is the extra letter "S" in the CTM applied for. This additional letter, which is placed*

at the end of the word, is clearly insufficient to make the signs look or sound dissimilar. The Office concludes that the signs are visually and phonetically very similar." (OHIM, *Pauline M. Kroese v. Lip-Ink International*, Case No. 105/2004, 27 January 2004). See also in the UK, "Visually on a side by side analysis of the two trade marks I have no hesitation in finding that there are clear similarities between the two trade marks. The opponents' and applicants' trade marks contain the same first five letters. The applicants' trade mark is contained within the opponents' trade mark and differs only in that it does not end with the letter S. **The opponents' trade mark is the English word digits, the applicants' trade mark is the singular form of that word. (...) As such, I find that there is a clear visual similarity between the two trade marks.**" (UKIPO, *IDG Communications Limited v. Deutsche Telekom AG*, Application No. 2 160 132, 29 June 2001).

The principle according to which the singular and plural forms of the same word are **aurally** confusingly similar or almost identical is a well-established principle in many jurisdictions, including but not limited to, the United States and the European Union. (See for instance "*the marks [ETOOL / ETOOLS] will be pronounced almost identically in the different languages of the relevant territory, the only difference being the final letter 'S' of the application. This difference is considered a minor difference. The marks are aurally highly similar.*" (OHIM, *Hoffmann GmbH Qualitätswerkzeuge v. eTOOLS s.r.o.*, Case No. B 1 671 935, 19 April 2011)).

The principle according to which the singular and plural forms of the same word are **conceptually** confusingly similar or even identical is also a well-established principle including but not limited to, the United States and the European Union (see for instance, "*the addition of the letter 'S', which is in the earlier mark, will most likely be perceived as the plural form of the word PIRATE; thus the conceptual meaning of the two trade marks is identical*" (OHIM, *Major League Baseball Properties, Inc v. Merteks Tekstil Sanayi*, Case No. 1538/2000, 6 July 2000). See also for the U.S. "*it is difficult to conceive of any reason to distinguish*" between trademarks that, among other things, "*are merely the singular and plural forms of the same word*" (439 U.S. 1116, 99 S.Ct. 1022, 59 L.Ed.2d 75 (1979) and "*As for the marks except for the pluralization of applicant's mark which is almost totally insignificant in terms of the likelihood of confusion of purchasers, the marks are essentially identical in sound, appearance and commercial impression.*" United States Patent and Trademark Office Trademark Trial and Appeal Board (*Newport v. Newports*, 225 U.S.P.Q. 691, 15 March 1985).

Likewise, under the UDRP, the singular and plural forms of the same word are invariably considered as being confusingly similar ("*it is trite law and basic common sense that the mere change from singular to plural or vice versa is not sufficient to avoid confusion for trade mark purposes or passing off purposes.*" (WIPO Arbitration and Mediation Center, *i2 Technologies Inc v. Richard Alexander Smith*, Case No. D2001-0164, 4 June 2001).

These principles were thankfully applied by some of the experts appointed by the ICDR for String Confusion Objections but they were disregarded by others, such as in proceedings 50 504 T 00237 13, leading to wholly contradictory decisions and discrimination between applicants. ICANN alone was in a position not to accept decisions that were in complete contradiction with

existing, authoritative, publicly available and universally recognised sets of principles, but it did not. ICANN should have rejected the Expert Determination in proceedings 50 504 T 00237 13 relating to the strings .HOTEL and .HOTELS as it failed to apply the standards defined by ICANN.

For all the aforementioned reasons, we respectfully support the Objector's Request for Reconsideration.

Yours faithfully,



Christoph Klenner
Secretary General
ETTSA