

ICANN 7 NOVEMBER 2014 NGPC MEETING

Reference Materials



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**GAC Advice (Los Angeles, London, Singapore, Buenos Aires, Durban, Beijing): Actions and Updates
(as of 29 October 2014)**

	GAC Register #	GAC Advice		Action/Update
New Items of GAC Advice (Los Angeles Communiqué)				
1. SAFEGUARDS (Whois)		<p>The GAC strongly advises the ICANN Board to focus its attention on the following:</p> <ul style="list-style-type: none"> i. Implementation of WHOIS Related-Safeguards <ul style="list-style-type: none"> 1. Provide the GAC with a comprehensive scorecard indicating steps and timelines regarding all streams of work related to the WHOIS accuracy safeguard; 2. Complete the Pilot study on WHOIS accuracy, including assessment of identity validation, and share the findings in a timely manner for review at the ICANN 52 meeting; 3. Initiate steps towards Phase 3 (identity verification) of WHOIS, including undertaking a cost-benefit analysis of implementation options; and 4. Commit to defining the process to address and resolve inaccurate WHOIS records and respond to non-compliance reports. 		
2. SAFEGUARDS (Security Risks)		<p>The GAC strongly advises the ICANN Board to focus its attention on the following:</p> <ul style="list-style-type: none"> ii. Security Risks <ul style="list-style-type: none"> 1. Inform the GAC and provide GAC members an opportunity to contribute inter-sessionally about the ongoing consultation on the framework for Registries to respond to security risks; 2. Inform the GAC of the findings of this consultation no later than three weeks before the ICANN 52 meeting; and 3. Ensure an interim mechanism is in place to effectively respond to security risks. 		

	GAC Register #	GAC Advice		Action/Update
3. SAFEGUARDS (PICDRP)		<p>The GAC strongly advises the ICANN Board to focus its attention on the following:</p> <ol style="list-style-type: none"> 1. Modify the dispute resolution process to ensure that non-compliance is effectively and promptly addressed, in particular for cases requiring urgent action. 		
4. SAFEGUARDS (Category 1)		<p>The GAC strongly advises the ICANN Board to focus its attention on the following:</p> <ol style="list-style-type: none"> iv. Verification and Validation of Credentials for Category 1 Strings Associated with Market Sectors with Clear and/or Regulated Entry Requirements <ol style="list-style-type: none"> 1. Reconsider the NGPC's determination not to require the verification and validation of credentials of registrants for the highly regulated Category 1 new gTLDs. The GAC believes that for the limited number of strings in highly regulated market sectors, the potential burdens are justified by the benefits to consumers; reconsider the requirement to consult with relevant authorities in case of doubt about the authenticity of credentials; and reconsider the requirement to conduct periodic post-registration checks to ensure that Registrants continue to possess valid credentials; and 2. Ensure the issues (verification/validation; post-registration checks; consultation with authorities) are addressed in the review process for any subsequent rounds of new gTLDs. 		

	GAC Register #	GAC Advice		Action/Update
5. SAFEGUARDS (Category 2.1 – Restricted Access)		The GAC strongly advises the ICANN Board to focus its attention on the following: v. Category 2 Safeguards: Ensuring Non-Discriminatory Registration Policies 1. Amend the PIC specification requirement for Category 2 new gTLDs to include a non-discriminatory requirement to provide registrants an avenue to seek redress for discriminatory policies.		
6. NEW GTLD REVIEWS		The GAC advises the ICANN Board that: i. The review processes should be conducted and finalised before policy for the further gTLD rounds is developed and should include community-wide engagement on the issues of communication to and access by developing countries and regions, and all aspects of the framework for community-based gTLDs. ii. Appropriate and realistic timeframes should be applied to the review processes to ensure that all lessons of the most recent round are captured, and to avoid further stressing the capacity of both ICANN and the community to do the necessary work.		
7. COMMUNITY PRIORITY EVALUATION		The GAC requests the ICANN Board: i. To look into [the matter of concerns about the consistency of the Community Evaluation Process, following the rejection of a number of applications] and urges the Board to examine the feasibility of implementing an appeal mechanism in the current round in case an applicant contests the decision of a community priority evaluation panel.		

	GAC Register #	GAC Advice		Action/Update
8. IGO PROTECTION S		<p>a. The GAC reaffirms its advice from the Toronto, Beijing, Durban, Buenos Aires, Singapore and London Communiqués regarding protection of IGO names and acronyms at the top and second levels, as implementation of such protection is in the public interest given that IGOs, as created by governments under international law, are objectively different right holders.</p> <p>b. The GAC advises the ICANN Board:</p> <p>i. That the UDRP should not be amended; welcomes the NGPC's continued assurance that interim protections remain in place pending the resolution of discussions concerning preventative protection of IGO names and acronyms; and supports continued dialogue between the GAC (including IGOs), the ICANN Board (NGPC) and the GNSO to develop concrete solutions to implement long-standing GAC advice.</p>		
9. RCRC		The GAC welcomes the decision of the New gTLD Program Committee (Resolution 2014.10.12.NG05) to provide temporary protections for the names of the International Committee of the Red Cross and International Federation of Red Cross and Red Crescent Societies, and the 189 National Red Cross and Red Crescent Societies. The GAC requests the ICANN Board and all relevant parties to work quickly to resolve the longer term issues still outstanding.		
Remaining Open Items of GAC Advice (Beijing, Durban, Buenos Aires, Singapore, London)				

	GAC Register #	GAC Advice		Action/Update
10. IGO PROTECTION S	2014-06-25 IGO Names and Acronyms; 2014-03-27-IGO	<p><u>London:</u> The GAC reaffirms its advice from the Toronto, Beijing, Durban, Buenos Aires and Singapore Communiqués regarding protection for IGO names and acronyms at the top and second levels, as implementation of such protection is in the public interest given that IGOs, as created by governments under international law, are objectively different rights holders; notes the NGPC's letter of 16 June 2014 to the GNSO concerning further steps under the GNSO Policy Development Process while expressing concerns that the process of implementing GAC advice has been so protracted; welcomes the NGPC's assurance that interim protections remain in place pending any such process; and confirms its willingness to work with the GNSO on outcomes that meet the GAC's concerns.</p> <p><u>Singapore:</u> The GAC recalls its previous public policy advice from the Toronto, Beijing, Durban and Buenos Aires Communiqués regarding protection for IGO names and acronyms at the top and second levels and awaits the Board's response regarding implementation of the GAC advice.</p>		<p>The NGPC is considering available options to reconcile the differences between the GAC advice and the GNSO policy recommendations concerning protections for IGO acronyms.</p> <p>On 16 June 2014, the NGPC sent a letter to the GNSO Council highlighting the previously noted concerns and providing an opportunity for the GNSO to consider modifying its policy recommendations at issue in accordance with Section 16 of the GNSO's PDP Manual. (Section 16 of the GNSO's PDP Manual permits modification to approved GNSO Council policies at any time prior to final approval by the Board.)</p> <p>On 7 October 2014, the GNSO responded to the NGPC's letter and requested additional information from the NGPC that would aid the GNSO's deliberations about considering modifications to its policy recommendations. The NGPC will continue to provide updates to the GAC, the GNSO, and the broader ICANN community about its progress to address this matter. The temporary protections afforded to IGOs remain in place while the parties continue discussions.</p>

	GAC Register #	GAC Advice	Action/Update
11. RCRC NAMES	2014-06-25 RCRC; 2014-03-27-RCRC	<p><u>London:</u> The GAC now advises that:</p> <p>I. the Red Cross and Red Crescent terms and names should not be equated with trademarks or trade names and that their protection could not therefore be adequately treated or addressed under ICANN's curative mechanisms for trademark protection;</p> <p>II. the protections due to the Red Cross and Red Crescent terms and names should not be subjected to, or conditioned upon, a policy development process;</p> <p>III. the permanent protection of these terms and names should be confirmed and implemented as a matter of priority, including in particular the names of the international and national Red Cross and Red Crescent organisations.</p> <p><u>Singapore:</u> Referring to the previous advice that the GAC gave to the board to permanently protect from unauthorised use the terms associated with the International Red Cross and Red Crescent Movement – terms that are protected in international legal instruments and, to a large extent, in legislation in countries throughout the world.</p> <p>The GAC advises that, for clarity, this should also include: (a) the 189 National Red Cross and Red Crescent Societies, in English and the official languages of their respective states of origin; and (b) the full names of the International Committee of the Red Cross and International Federation of the Red Cross and Red Crescent Societies in the six (6) United Nations Languages.</p>	<p>The NGPC is considering available options to reconcile the differences between the GAC advice and the GNSO policy recommendations concerning protections for the Red Cross and Red Crescent national society names. To note, the GNSO recommends that instead of reserving the RCRC society names as advised by the GAC, the names should be bulk added to the Trademark Clearinghouse for 90-days claims notification.</p> <p>On 16 June 2014, the NGPC sent a letter to the GNSO Council highlighting the previously noted concerns and providing an opportunity for the GNSO to consider modifying its policy recommendations at issue in accordance with Section 16 of the GNSO's PDP Manual. (Section 16 of the GNSO's PDP Manual permits modification to approved GNSO Council policies at any time prior to final approval by the Board.)</p> <p>On 7 October 2014, the GNSO responded to the NGPC's letter and requested additional information from the NGPC that would aid the GNSO's deliberations about considering modifications to its policy recommendations.</p> <p>The NGPC continues to deliberate on this matter and will provide updates to the GAC, the GNSO, and the broader ICANN community about its progress to address this matter.</p>

	GAC Register #	GAC Advice		Action/Update
12. RAM/ INDIANS	2014-03-27-ram-indians	<p>Further to its Durban Communiqué, the GAC advises the ICANN Board that:</p> <p>a.) The GAC recognizes that religious terms are sensitive issues. The application for .ram is a matter of extreme sensitivity for the Government of India on political and religious considerations. The GAC notes that the Government of India has requested that the application not be proceeded with; and</p> <p>b.) as noted in the Durban Communiqué, the Government of India has requested that the application for .indians not proceed.</p>		<p>In response to the GAC's advice in the Durban Communiqué concerning .RAM and .INDIANS, on 10 September 2013, the NGPC adopted an iteration of the Scorecard taking note of the concerns expressed in the GAC's advice.</p> <p>a) With respect to .RAM, in the 14 May 2014 iteration of the Scorecard, the NGPC took note of the concerns expressed in the GAC's Singapore advice that "the application for .ram is a matter of extreme sensitivity for the Government of India on political and religious considerations." The NGPC also noted the applicant response to the Board from Chrysler Group LLC ("Chrysler") concerning this advice, in which Chrysler indicated that it "remains hopeful that an accommodation can be reached that addresses the Government's concerns, yet allows Chrysler to register and operate .RAM as a restricted, exclusively-controlled gTLD. Chrysler representatives are willing to meet with the Government of India to discuss the resolution of this matter at any time that is convenient for the Government." At this time, the NGPC continues to deliberate on this item of GAC advice and encourages the impacted parties to continue the noted discussions.</p> <p>b) With respect to .INDIANS, the NGPC notes that on 26 August 2014, the applicant for .INDIANS notified ICANN that it was withdrawing its application from the New gTLD Program.</p>

	GAC Register #	GAC Advice	Action/Update
13. IOC/RC RC PROTECTION S	2013-07-18 – IOCRC (Durban Communiqué §5.a.i(sic))	The GAC advises the ICANN Board that the same complementary cost neutral mechanisms to be worked out for the protection of acronyms of IGOs be used to also protect the acronyms of the International Committee of the Red Cross (ICRC/CICR) and the International Federation of Red Cross and Red Crescent Societies (IFRC/FICR).	The NGPC accepts this advice. The mechanism to be developed to protect acronyms of IGOs will also be used to protect the acronyms of the International Committee of the Red Cross (ICRC/CICR) and the International Federation of Red Cross and Red Crescent Societies (IFRC/FICR).
14. CAT 2 SAFEGUARDS – EXCLUSIVE ACCESS	2013-04-11-Safeguards – Categories -2; 2013-11-20-Cat1-Cat2 (Beijing Communiqué Annex I, Category 2, Item 2; Buenos Aires Communiqué §1.e)	<p><u>Beijing:</u> For strings representing generic terms, exclusive registry access should serve a public interest goal. In the current round, the GAC has identified the following non-exhaustive list of strings that it considers to be generic terms, where the applicant is currently proposing to provide exclusive registry access: .antivirus, .app, .autoinsurance, .baby, .beauty, .blog, .book, .broker, .carinsurance, .cars, .cloud, .courses, .cpa, .cruise, .data, .dvr, .financialaid, .flowers, .food, .game, .grocery, .hair, .hotel, .hotels, .insurance, .jewelry, .mail, .makeup, .map, .mobile, .motorcycles, .movie, .music, .news, .phone, .salon, .search, .shop, .show, .skin, .song, .store, .tennis, .theater, .theatre, .tires, .tunes, .video, .watches, .weather, .yachts, .クラウド [cloud], .ストア [store], .セール [sale], .ファッション [fashion], .家電 [consumer electronics], .手表 [watches], .書籍 [book], .珠宝 [jewelry], .通販 [online shopping], .食品 [food]</p> <p><u>Buenos Aires:</u> The GAC welcomes the Board’s communication with applicants with regard to open and closed gTLDs, but seeks written clarification of how strings are identified as being generic.</p>	<p>The NGPC continues to deliberate on how to implement the GAC’s advice concerning exclusive registry access for strings representing generic terms. As previously noted, twelve applicants responded that the TLD would be operated as an exclusive access registry. These 9 applicants have applied for the following strings: .CRUISE, .DATA, .DVR, .GROCERY, .MOBILE, .PHONE, .STORE, .THEATER, and .THEATRE. In response to ICANN’s request, each of the 9 applicants have provided an explanation of how exclusive access registry for the applied-for TLD would serve a public interest goal.</p> <p>At its 12, 14 October 2014 meeting, the NGPC discussed possible next steps to consider the GAC’s advice, and considered whether it would be appropriate and beneficial to seek input from the GNSO on the matter. The Committee requested that staff provide additional briefing materials to explore the option of consulting with the GNSO on exclusive registry access for generic strings.</p> <p>The NGPC is actively working on this matter and anticipates further considering this matter during its meeting at ICANN 51 in Los Angeles.</p>

REFERENCE MATERIALS TO ICANN NGPC PAPER NO. 2014.11.07.1c

TITLE: **Reconsideration Request 13-9**

Summary Background

While the full background can be found in the documentation attached to these Reference Materials, Reconsideration Request 13-9 (“Request 13-9”) brought by Amazon EU S.a.r.l. (“Requester”) seeks reconsideration of the Expert Determination finding the Requester’s new gTLD application for the Japanese characters that translate into “online shopping” (“Amazon’s Applied-for String”) as being confusingly similar to Commercial Connect’s (“CC’s”) application for .SHOP (“CC’s Applied-for String”). The BGC evaluated Request 13-9 at its 10 October 2013 meeting and concluded that the Requester had not stated proper grounds for reconsideration. As detailed in the Recommendation and the documents attached to this Reference Materials, the BGC determined that there is no indication that either the ICDR or the Panel violated any policy or process in accepting and sustaining CC’s Objection. The BGC recommended that Request 13-9 be denied without further consideration.

Document/Background Links

The following attachments are relevant to the BGC’s recommendation regarding Reconsideration Request 13-9.

Attachment A is [Reconsideration Request 13-9](#), submitted on 4 September 2013.

Attachment B is the [Attachments to Request 13-9](#), submitted on 4 September 2013.

Attachment C is the [BGC’s Recommendation on Reconsideration Request 13-9](#), issued on 10 October 2013.

Attachment D is a [letter from Flip Petillion to the NGPC Members](#), dated 25 October 2013.

Submitted by: Amy A. Stathos
Position: Deputy General Counsel
Date Noted: 1 November 2014
Email: amy.stathos@icann.org

Reconsideration Request Form

Version of 11 April 2013

ICANN's Board Governance Committee is responsible for receiving requests for reconsideration from any person or entity that has been materially affected by any ICANN staff action or inaction if such affected person or entity believes the action contradicts established ICANN policies, or by actions or inactions of the Board that such affected person or entity believes has been taken without consideration of material information. Note: This is a brief summary of the relevant Bylaws provisions. For more information about ICANN's reconsideration process, please visit <http://www.icann.org/en/general/bylaws.htm#IV> and <http://www.icann.org/en/committees/board-governance/>.

This form is provided to assist a requester in submitting a Reconsideration Request, and identifies all required information needed for a complete Reconsideration Request. This template includes terms and conditions that shall be signed prior to submission of the Reconsideration Request.

Requesters may submit all facts necessary to demonstrate why the action/inaction should be reconsidered. However, argument shall be limited to 25 pages, double-spaced and in 12 point font.

For all fields in this template calling for a narrative discussion, the text field will wrap and will not be limited.

Please submit completed form to reconsideration@icann.org.

1. Requester Information

Name: Amazon EU S.à.r.l.
Address: 5 Rue Plaetis L-2338 Luxembourg
Email: lorna.gradden.am3@valideus.com

Phone Number (optional):

C/o:

Name: Flip Petillion, Crowell & Moring LLP
Address: 7, rue Joseph Stevens
Email: fpetillion@crowell.com

Phone Number (optional): +32(2)2142886

(Note: ICANN will post the Requester's name on the Reconsideration Request page at <http://www.icann.org/en/committees/board-governance/requests-for-reconsideration-en.htm>. Requestors address, email and phone number will be removed from the posting.)

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.

(Provide as much detail as available, such as date of Board meeting, reference to Board resolution, etc. You may provide documents. All documentation provided will be made part of the public record.)

Amazon EU S.à.r.l (hereinafter "Requester") seeks reconsideration of ICANN's acceptance of the Expert Determination of the New gTLD String Confusion Objection regarding the strings .SHOP (Application ID 1-1830-1672) and .通販 (Application ID 1-1318-15593) by the International Centre for Dispute Resolution in Case No. 50 504 T 00261 13, dated August 21, 2013 (hereinafter, the 'Decision'). The Decision is attached as **Annex 1**. This decision not only fails to follow ICANN process for instituting an action and for determining string confusion – finding .SHOP and .通販 (Japanese for "online shopping") to be confusingly similar strings – but also places Requester's .通販 application in contention with Requester's own .SHOP application.

4. Date of action/inaction:

(Note: If Board action, this is usually the first date that the Board posted its resolution and rationale for the resolution or for inaction, the date the Board considered an item at a meeting.)

August 21, 2013

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

(Provide the date you learned of the action/that action would not be taken. If more than fifteen days has passed from when the action was taken or not taken to when you learned of the action or inaction, please provide discussion of the gap of time.)

August 21, 2013

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

The Requester is one of nine applicants for *inter alia* the .SHOP gTLD (Application ID 1-1317-37897) and the only applicant for the .通販 gTLD. The Decision will impact the Requester because ICANN has made it clear in the Applicant Guidebook that it “*will not approve applications for proposed gTLD strings that are identical or that would result in user confusion, called contending strings*” (Applicant Guidebook, Module 4-2). ICANN refers to a group of applications for contending strings as a contention set. The Decision places .SHOP and .通販 in a non-exact match contention set, not only against the objector, Jeffrey S. Smith on behalf of Commercial Connect, LLC (“Commercial Connect”) and other third parties, but against the Requester itself. As a result, ICANN will not approve both the application for .SHOP and the application for .通販.

This directly impacts the Requester as follows:

- The Requester will not be allowed to operate a .SHOP gTLD in the event that the .通販 gTLD is recommended for delegation and *vice versa*;
- If the Requester wants to operate either the .SHOP gTLD or the .通販 gTLD, it will need to either negotiate with other Applicants for .SHOP or participate at an auction with a view to obtaining the delegation of either the .SHOP or the .通販

gTLD. This may require additional investments which are not justified, given the erroneous nature of the Decision and the discrimination resulting from it (*infra*); and

- The Requester must now choose which of its applications it wishes to proceed as Requester is now in contention with its own .SHOP application. The panelist's decision is forcing Requester to withdraw one of its applications, forgoing its significant investment in seeing the application through to date, even though other applications representing strings closer in meaning than Requester's own applications are being allowed through.

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

Various third parties are adversely affected by the Decision:

- Other applicants for .SHOP will be put in a contention set with .通販, meaning that Internet users will not be able to benefit from services under a .SHOP if the .通販 gTLD is delegated.
- Internet users will not be able to benefit from services under the .通販 gTLD if the .SHOP gTLD is delegated or they will not be able to benefit from services under the .SHOP gTLD if the .通販 is delegated.

As made clear by ICANN regarding the standard for objections, “[t]here is a presumption generally in favor of granting new gTLDs to applicants who can satisfy the requirements for obtaining a gTLD – and, hence, a corresponding burden upon a party that objects to the gTLD to show why that gTLD should not be granted to the applicant”

(New gTLD Draft Applicant Guidebook Version 3 – Public Comments Summary and Analysis, p. 67, available at <http://archive.icann.org/en/topics/new-gtlds/summary-analysis-agv3-15feb10-en.pdf>). The string similarity process was not intended to “*hobble competition or reserve a broad set of string for a first mover*” [sic]. As a result, the similarity test is a high bar, not to limit legitimate competition. (See New gTLD Draft Applicant Guidebook-Version 2: Analysis of Public Comment, p. 149, available at <http://archive.icann.org/en/topics/new-gtlds/agv2-analysis-public-comments-31may09-en.pdf>).

In the case at hand, accepting the Decision would unjustifiably (*infra*) limit choice for Internet users and limit legitimate competition. This is not in the interest of the Internet user.

Internet users are adversely affected as there may be less competition at a TLD level as well as fewer TLDs targeted at non-English speaking communities.

8. Detail of Board or Staff Action – Required Information

Staff Action: If your request is in regards to a staff action or inaction, please provide a detailed explanation of the facts as you understand they were provided to staff prior to the action/inaction presented to the staff and the reasons why the staff's action or inaction was inconsistent with established ICANN policy(ies). Please identify the policy(ies) with which the action/inaction was inconsistent. The policies that are eligible to serve as the basis for a Request for Reconsideration are those that are approved by the ICANN Board (after input from the community) that impact the community in some way. When reviewing staff action, the outcomes of prior Requests for Reconsideration challenging the same or substantially similar action/inaction as inconsistent with established ICANN policy(ies) shall be of precedential value.

Board action: If your request is in regards to a Board action or inaction, please provide a detailed explanation of the material information not considered by the Board. If that information was not presented to the Board, provide the reasons why you did not submit the material information to the Board before it acted or failed to act. “Material information” means facts that are material to the decision.

If your request is in regards to a Board action or inaction that you believe is based upon inaccurate, false, or misleading materials presented to the Board and those materials formed the basis for the Board action or inaction being challenged, provide a detailed explanation as to whether an opportunity existed to correct the material considered by the Board. If there was an opportunity to do so, provide the reasons that you did not provide submit corrections to the Board before it acted or failed to act.

Reconsideration requests are not meant for those who believe that the Board made the wrong decision when considering the information available. There has to be identification of material information that was in existence of the time of the decision and that was not considered by the Board in order to state a reconsideration request. Similarly, new information – information that was not yet in existence at the time of the Board decision – is also not a proper ground for reconsideration. Please keep this guidance in mind when submitting requests.

Provide the Required Detailed Explanation here:

Although the String Similarity Review was performed by a third party, ICANN has determined that the Reconsideration process can properly be invoked for challenges of the third party's decisions where it can be stated that either the vendor failed to follow its process in reaching the decision, or that ICANN staff failed to follow its process in accepting that decision (Recommendation of the Board Governance Committee (BGC) Reconsideration Request 13-5, August 1, 2013, page 4).

The new gTLD program included a dispute resolution procedure pursuant to which disputes between a person or entity who applies for a new gTLD and a person or entity who objects to that gTLD are resolved in accordance with the so-called New gTLD Dispute Resolution Procedure (Article 1(b), New gTLD Dispute Resolution Procedure (hereinafter, the 'Procedure'). Pursuant to Article 1(c) of the Procedure, Dispute resolution proceedings shall be administered by a Dispute Resolution Service Provider (DRSP) in accordance with the Procedure and the applicable DRSP Rules. In accordance with Article 20(a) the Panel appointed by the DRSP had to apply the standards that have been defined by ICANN.

In the present case, both the DRSP and the Panel have derogated from the Procedure and the Panel has failed to apply the standard defined by ICANN in reaching his Decision (*infra*). As a result, the policy for dealing with disputes has not been followed. Accepting the Decision as an expert determination and advice would thus be contrary ICANN's policy, as ICANN would accept an expert determination that was not made in accordance with ICANN's policy.

In any event, 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 (Article II(3), ICANN Bylaws). In the impossible event that ICANN considers that accepting the Decision is not contrary to its policies, accepting the Decision would create inequitable and disparate treatment without justified cause. ICANN could allow for a derogation to its policy, that is in line with the policy. Indeed, the Procedure provides that parties cannot derogate from the Procedure without the express approval of ICANN. *A contrario*, ICANN can (and must) give its express approval to derogate from the Procedure, if this permits ICANN to apply its standards, policies and procedures in a non-discriminatory manner.

9. What are you asking ICANN to do now?

(Describe the specific steps you are asking ICANN to take. For example, should the action be reversed, cancelled or modified? If modified, how should it be modified?)

The Requester asks ICANN to reject the advice set forth in the Decision, and instruct a panel to make an expert determination that applies the standards defined by ICANN. Should ICANN consider that there is a need to derogate from the Procedure in order to

comply with the process defined in the Applicant Guidebook, the Requester asks to make the necessary derogations allowing for a non-discriminatory application of ICANN's standards, policies and procedures.

10. Please state specifically the grounds under which you have the standing and the right to assert this Request for Reconsideration, and the grounds or justifications that support your request.

(Include in this discussion how the action or inaction complained of has resulted in material harm and adverse impact. To demonstrate material harm and adverse impact, the requester must be able to demonstrate well-known requirements: there must be a loss or injury suffered (financial or non-financial) that is a directly and causally connected to the Board or staff action or inaction that is the basis of the Request for Reconsideration. The requestor must be able to set out the loss or injury and the direct nature of that harm in specific and particular details. The relief requested from the BGC must be capable of reversing the harm alleged by the requester. Injury or harm caused by third parties as a result of acting in line with the Board's decision is not a sufficient ground for reconsideration. Similarly, injury or harm that is only of a sufficient magnitude because it was exacerbated by the actions of a third party is also not a sufficient ground for reconsideration.)

Both the DRSP and the appointed Panel accepted an objection that was filed incorrectly

On April 11, 2013, the ICDR informed Requester's primary contact for several of its new gTLD applications that it had conducted an administrative review of an objection filed by Commercial Connect (the 'Objection') and that it had noted that "after rectifying deficiencies previously set forth" the Objection "complies with Articles 5-8 of the *New gTLD Dispute Resolution Procedure* and the applicable ICDR (DRSP) Rules" and "shall be registered for processing" (**Annex 3**).

However:

1. The Requester had **not** received any formal objection, nor had it received any

copy of an objection in compliance with Article 7(b) of the *New gTLD Dispute Resolution Procedure*. Not copying the Applicant is a deficiency that cannot be rectified under the New gTLD Dispute Resolution Procedure;

2. In an email of March 18, 2013, the ICDR acknowledged receipt of the Objection by Commercial Connect with reference to Case number 50 504 T 00261 13. There is no reference to the string being objected to in this email. To wit: in its email of April 4, 2013, the ICDR specifically requested Commercial Connect to provide “proof or statement” that copies of the objection were sent to Requester.
3. Subsequently, the Requester has received the following documents from the Objector:
 - a copy of an application for .SHOP by Commercial Connect;
 - an ‘ONLINE FILING DEMAND FOR ARBITRATION/MEDIATION FORM’ that refers to the string ‘xn--gk3at1e Online Shopping’. (No objection against this string was published in either ICANN’s Dispute Announcement, nor in the ICDR’s list of filed objections.);
 - a ‘Dispute Resolution Objection’ with blank unfilled spaces where the string applicant and relevant string would otherwise appear;
 - a TLD Application for .mall, .shop, and .svc submitted by Commercial Connect (October 11, 2000);
 - a copy of a mail of April 5, 2013 to the ICDR in which Mr Smith writes “We

do hereby certify that copies of the complaint and attachments were sent via email to all respondents and to DRDiling@icann.org in particular...”.

On April 19, 2013 the Requester informed the ICDR that it had not received an objection on-time and that it did not know if an objection was filed on-time with the ICDR or not. The Requester also informed the ICDR that it had neither been informed of, nor received any information that allowed it to conclude that any previously set forth deficiencies in the Objection had been rectified timely. The Requester requested the ICDR to disregard and dismiss the Objection (**Annex 4**).

On April 24, 2013, the Requester reiterated this request (**Annex 5**).

On May 3, 2013, the ICDR informed the Requester that the matter would proceed to an Expert for determination and that the issues outlined in the Requester’s letters may be raised as part of the response (**Annex 6**).

Despite the clear violation of the Procedure by Commercial Connect, both the DRSP and the appointed Panel decided to proceed and to issue an expert determination in contravention of the Procedure.

The appointed Panel did not apply the standard, defined by ICANN

- The standard, defined by ICANN

As explained above, according to ICANN’s policy, panels appointed by the DRSP have the obligation to apply the standards that have been defined by ICANN. For a string confusion objection, the standard to be applied by the panel as defined by ICANN is defined in Section 3.5.1 of the Applicant Guidebook:

“A DRSP panel hearing a string confusion case objection will consider whether the applied-for gTLD string is likely to result in string confusion. String confusion exists where a string so nearly resembles another that it is likely to deceive or cause confusion. For the 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.”

ICANN has made it clear that this is a high standard, not intended to hobble competition or reserve a broad set of string for a first mover. Synonyms of TLDs do not automatically cause confusion:

“[T]he standard indicates that confusion must be probable, not merely possible, in order for this sort of harm to arise. Consumers also benefit from competition. For new gTLDs, the similarity test is a high bar, as indicated by the wording of the standard. A TLD string that is a dictionary word will not automatically exclude all synonyms of that word (and most TLD strings today are not dictionary words and have no real synonyms).

Therefore, while the objection and dispute resolution process is intended to address all types of similarity, the process is not intended to hobble competition or reserve a broad set of string for a first mover.” (New gTLD Draft Applicant Guidebook-Version 2: Analysis of Public Comment, p. 149, available at <http://archive.icann.org/en/topics/new-gtlds/agv2-analysis-public-comments-31may09-en.pdf>)

In addition, the translation of a word does not automatically generate confusing similarity. In this respect, ICANN stated:

“Leaving aside the issues whether all strings can be translated, whether translations would constitute grounds for findings of confusing similarity can be examined on a case-by-case basis through the objections and dispute resolution procedures that are in place.

[...]

The cases when a party states there might be confusion due to translation are better left for dispute resolution.”

In other words, the translation of a word does not necessarily create confusing similarity with the average Internet user. A case-by-case examination would not be necessary if the opposite were true.

It is indeed the case that no confusion can possibly exist with an average reasonable Internet user who understands different languages and/or scripts when there is no aural or visual similarity. This Internet user will immediately understand the difference between the two strings in the same way that he understands that both languages are different. The Internet user who does not understand both languages will not be able to compare both strings to each other and will not be confused between a string that has a meaning to him and a second string of which he does not understand the meaning.

It is in accordance with this high standard that panels had to rule on confusing similarity

between two strings.

- The application of a different standard in the decision

A different standard than the one defined by ICANN was applied in the Decision putting .SHOP and .通販 in a contention set. It is undisputed that there is no visual or aural link between .SHOP and .通販. The only link that could exist between these two strings is conceptual. Given the fact that a mere translation of a word would be insufficient to create confusing similarity in the mind of the average, reasonable Internet user, there cannot be confusing similarity according to the standard that the panel had to apply.

However, the panel used a different standard, considering that “*the use of essentially the same word in two different languages is sufficient to cause string confusion among the average, reasonable Internet user*” (**Annex 1**). This is in contradiction with ICANN’s standard stating that “*whether translations would constitute grounds for findings of confusing similarity can be examined on a case-by-case basis.*” If a translation was sufficient for a finding of confusing similarity, this would have been taken up in the standard and a case-by-case analysis would not be required. ICANN certainly did not consider that the mere translation of a string was in itself ‘sufficient’ ground for a finding of confusing similarity. Nevertheless, this is the standard that was applied in the Decision in contravention of ICANN’s policy.

In addition ‘通販’ is not even a translation of the word ‘shop’, since ‘通販’ means ‘online shopping’. So, even if ICANN considered that the use of essentially the same word in two different languages is sufficient to cause string confusion among the average, reasonable Internet user, *quod non*, ‘通販’ and ‘shop’ could not be found confusingly

similar, as they have clearly distinct meanings.

The fact that the appointed panel did not use the correct standard is also shown by the Expert Determination in another ICDR objection involving the strings .SHOP and .购物, which is the Chinese word for ‘shop’ (**Annex 2**). In that Expert Determination, the appointed panelist applied the standard, defined by ICANN and came to the conclusion that the strings .SHOP and .购物 are not confusingly similar. It is self-evident that the strings of that case have more in common than the .通販 and .SHOP strings, as the former are identical in meaning, whereas the meaning of the latter strings is clearly different. As a result, it is clear that different standards were applied by both panels. Indeed, if the same standard was applied, it would have been impossible that strings that are more similar to each other are not confusingly similar, while less similar strings are considered confusingly similar (and thus more similar). This constitutes a *contradictio in terminis*, showing that the panel ruling on the string confusion objection between .通販 and .SHOP applied a different standard.

The appointed Panel involved a third string in his determination

Finally, the panel did not limit his examination of string similarity to the similarity between the .通販 and the .SHOP strings, but involved a third string, namely ‘shopping’.

The panel considered:

“The concurrent use of ‘shopping’, the particle of the root word ‘shop’, in a gTLD string will result in probable confusion by the average, reasonable Internet user, because the two strings have virtually the same sound, meaning, look and feel.”

(Annex 1)

However, the word 'shopping' as such is not used and does not appear in either the .通販 or the .SHOP string. By comparing both the .通販 and the .SHOP string with the 'shopping' string, the panel actually made a finding that the .通販 and the .SHOP string are in 'indirect string contention'. This is beyond the scope of the task of the DRSP under ICANN's policy.

Also for this reason, the Decision is contrary to ICANN's policy.

Conclusion

ICANN's established policy was violated in many respects as 1) the DRSP and the appointed Panel proceeded with issuing an expert determination in a case that was not filed in accordance with the Procedure from which parties could not derogate without the express approval of ICANN, 2) the Panel did not apply the standard defined by ICANN, and 3) the Panel involved third strings in his expert determination, beyond the scope of the dispute resolution and interfering with ICANN's policy.

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

☐ Yes

☒ No

11a. If yes, Is the causal connection between the circumstances of the Reconsideration Request and the harm the same for all of the complaining parties? Explain.

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

If you do, please attach those documents to the email forwarding this request. Note that all documents provided, including this Request, will be publicly posted at <http://www.icann.org/en/committees/board-governance/requests-for-reconsideration-en.htm>.

1. Expert Determination in the matter before the ICDR with case number 50 504 T 00261 13
2. Expert Determination in the matter before the ICDR with case number 50 504 T 00258 13
3. Communication by the ICDR of April 11, 2013
4. Communication by the Requester of April 19, 2013
5. Communication by the Requester of April 24, 2013
6. Communication by the ICDR of May 3, 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.



Signature

September 4, 2013

Date

Annex 1.

International Centre for Dispute Resolution

New gTLD String Confusion Panel

RE: 50 504 T 00261 13

Commercial Connect LLC, OBJECTOR

vs

Amazon EU S.à r.l., APPLICANT

String: <.通販>

EXPERT DETERMINATION

The Parties:

The Objector is Commercial Connect LLC, 1418 South 3rd Street, Louisville, Kentucky 40208 USA and is represented by Jeffrey S. Smith.

The Applicant is Amazon EU S.à r.l., 5 Rue Plaetis L-2338 Luxembourg, and is represented by Flip Petillion, Crowell & Moring, rue Joseph Stevens 7, Brussels 1000 Belgium.

The New gTLD String Objected To:

The new gTLD string applied for and objected to is: <.通販>

Prevailing Party:

The Objector has prevailed and the Objection is sustained.

Background:

Module 3 of the ICANN gTLD Applicant Guidebook (“Guidebook”) contains Objection Procedures and the New gTLD Dispute Resolution Procedure (“the Procedure”).

Article 1(b) of the Procedure states that “The new gTLD program includes a dispute resolution procedure, pursuant to which disputes between a person or entity who applies for a new gTLD and a person or entity who objects to that gTLD are resolved in accordance with this New gTLD Dispute Resolution Procedure.”

Section 3.1 of the Guidebook provides: “The independent dispute resolution process is designed to protect certain limited interests and rights. The process provides a path for formal

objections during evaluation of the applications. It allows a party with standing to have its objection considered before a panel of qualified experts.”

Article 3(a) of the Procedure states that “String Confusion Objections shall be administered by the International Centre for Dispute Resolution”.

A formal objection initiates a dispute resolution proceeding. In filing an application for a gTLD, the applicant agrees to accept the applicability of the gTLD dispute resolution process. Similarly, an objector accepts the applicability of the gTLD dispute resolution process by filing its objection.

Article 4(b)(i) of the Procedure provides that the applicable Dispute Resolution Service Provider (“DRSP”) Rules are the ICDR Supplementary Procedures for ICANN’s New gTLD Program.

A formal objection can be filed on four enumerated grounds, only one of which is relevant here. Specifically, as expressed in the Guidebook, and the Procedure, one of the grounds expressed is “String Confusion.” Article 2(e)(i) of the Procedure provides: “(i) ‘String Confusion Objection’ refers to the objection that the string comprising the potential gTLD is confusingly similar to an existing top-level domain or another string applied for in the same round of applications.”

A panel hearing a string confusion objection will consider whether the applied-for gTLD string is likely to result in string confusion. 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. Guidebook, Section 3.4.1.

Standing and Other Procedural Matters:

Objectors must satisfy standing requirements to have their objections considered. Standing requirements for objections on the grounds of string confusion require that the Objector be existing TLD operators or TLD applicants in the current round.

An existing TLD operator may file a string confusion objection to assert string confusion between an applied-for gTLD and the TLD that the Objector currently operates.

Any gTLD applicant in the same application round may file a string confusion objection to assert string confusion between an applied-for gTLD and the gTLD for which it has applied, where string confusion between the two applicants has not already been found. That is, an applicant does not have standing to object to another application with which it is already in a contention set.

Here, Objector has applied for the gTLD string <.shop>. Applicant has applied for the gTLD string <.通販(Online Shopping)> aka <.xn--gk3at1e (Online Shopping)>. Accordingly, Objector has standing to file this string confusion objection.

In the case where an existing TLD operator successfully asserts string confusion with an applicant, the application will be rejected.

In the case where a gTLD applicant successfully asserts string confusion with another applicant, the only possible outcome is for both applicants to be placed in a contention set and to be referred to a contention resolution procedure (refer to Module 4, String Contention Procedures). If an objection by one gTLD applicant to another gTLD applicant is unsuccessful, the applicants may both move forward in the process without being considered in contention with one another.

Article 21(d) of the Procedure provides: “The Expert Determination shall be in writing, shall identify the prevailing party and shall state the reasons upon which it is based. The remedies available to an Applicant or an Objector pursuant to any proceeding before a Panel shall be limited to the success or dismissal of an Objection and to the refund by the DRSP to the prevailing party, as determined by the Panel in its Expert Determination, of its advance payment(s) of Costs pursuant to Article 14(e) of this Procedure and any relevant provisions of the applicable DRSP Rules.”

Applicant asks that the Objection be denied because Objector allegedly did not properly serve the objection on Applicant in accord with applicable rules set out in the Procedure. However, Applicant acknowledges that it previously has been provided with a copy of Objector’s application for the <.shop> gTLD string, the Objector’s Demand for Arbitration and other materials. Applicant’s able counsel also has submitted a detailed brief in support of its application, and the panel has reviewed and considered all of Applicant’s submissions, arguments and contentions. Thus, it appears that Applicant received actual notice of the Objection, and has been accorded a full and fair opportunity to be heard on its application. Applicant also has not shown that it was prejudiced by any alleged defects in the filing of the Objection. As the procedures for String Confusion Objections are relatively new, in the absence of a showing of actual prejudice to the applicant, the panel is of the view that the Objection should be evaluated on the merits. Consequently, Applicants procedural objections are denied.

Parties’ Contentions:

Objector asserts that confusing similarity exists because the Applicant’s proposed string has a similar meaning to the Objector’s string. The Object further asserts that visual or aural similarity is not required, if the two strings have the same meaning, even if in different languages using different characters.

Applicant responds by contending that the objection should be denied because its application will promote innovation and competition among domain name registries. Applicant asserts that such competition advances the program’s goals, to expand consumer choice in the gTLD space.

Applicant also asserts that the string it has applied for will not create confusion. Applicant argues that the strings have a different meaning, because the word “shop” means “commercial establishment” or “store” and is a noun, while “online shopping” refers either to an action of purchasing something online or to order something for delivery via mail.

Lastly, Applicant asserts that the likelihood of confusion is merely possible, not probable, because the two strings are in different languages and the characters used by the two languages for the two strings have no visual similarity.

Discussion and Findings:

Here, the issue is whether the string <.通販(Online Shopping)> aka <.xn--gk3at1e (Online Shopping)> comprising the potential gTLD is confusingly similar to <.shop>.

There are three distinct, but related issues to be determined. The first issue is whether the root of a word in a string should be accorded protection from usage of variations of the root word, including participles. For example, there are several variations of the root word “shop” in the English language, including the plural “shops,” (when used as a noun), the participle “shopping” and the past tense of the verb “shopped.”

The second issue is whether the addition of the word “online” before the word “shopping” makes the two strings sufficiently distinct as to avoid string confusion.

The third issue is whether the use of Japanese characters and language (or any other language) instead of the English alphabet and language for the same word avoids the possibility of confusion.

As noted above, the applicable standard of review is the following: “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.”

Generally speaking, “confusion” may include jumbled or disorganized thought. A person who is confused may have difficulty solving problems or tasks, especially those known to have been previously easy for the person, or the inability to recognize familiar objects or locations, and uncertainty about what is happening, intended, or required. Confusion may include the state of being unclear in one’s mind about something, or the mistaking of one person or thing for another, including the inability to differentiate between similar words. In the context of internet searches, confusion can arise if the user is unable to differentiate between top level domain names, and becomes unable to access information using a logical, organized thought process. A confused internet user will be unable to find his or her way around the domain in a definite or familiar manner.

Here, the word “shop” can be used either as a noun, designating a physical establishment where one can buy goods or services, or as a verb. The concurrent use of “shopping”, the

participle of the root word “shop”, in a gTLD string will result in probable confusion by the average, reasonable Internet user, because the two strings have virtually the same sound, meaning, look and feel. The average Internet user would not be able to differentiate between the two strings, and in the absence of some other external information (such as an index or guidebook) would have to guess which of the two strings contains the information the user is looking to view.

Likewise, the addition of the word “online” before “shopping” does not add sufficient uniqueness to the string. The meaning of the string arises from the use of the root word “shop”, not the modifier “online.” The meaning of the string remains the same if the word “online”, or some other similar modifier such as “internet,” “digital” or “virtual”, appears or not.

The adopters of the applicable standard of review for string confusion hypothetically could have allowed an unlimited number of top level domain names using the same root, and simply differentiate them by numbers, e.g., <.shop1>, <.shop2>, <.shop3>, etc., or other modifiers, including pluralization, or other similar variations of a root word, or other modifiers before or after the root word. While that might allow for increased competition, as argued by Applicant, it would only lead to a greater level of confusion and uncertainty among average, reasonable Internet users. Accordingly, the Applicant’s argument that the concurrent use of a root word and its participle version in a string increases competition is not persuasive in this context, and is rejected.

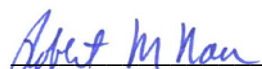
Finally, the Applicant has not persuaded the panel that simply using a foreign language or foreign characters in a gTLD string is a sufficient basis to differentiate two strings with essentially the same meaning when the string is translated from one language to the other. Many Internet users speak more than one language, including English. The use of essentially the same word in two different languages is sufficient to cause string confusion among the average, reasonable Internet user.

Accordingly, the Applicant’s arguments do not appear to be consistent with the applicable standard of review, the apparent purpose or goal of implementing gTLD’s, or the purpose or goal in allowing a string confusion objection.

Determination:

Therefore, the Objector has prevailed and the Objection is sustained.

DATED: August 21, 2013



ROBERT M. NAU,
Sole Expert Panelist

Annex 2.

International Centre for Dispute Resolution

New gTLD String Confusion Panel

In the Matter Between:

Re: 50 504 T 00258 13

Commercial Connect, LLC, OBJECTOR

and

Top Level Domain Holdings Limited, APPLICANT

String: <.购物>

EXPERT DETERMINATION

1. The Parties

The Objector is Commercial Connect, LLC (“Objector” or “Commercial Connect”), located at 1418 South 3rd Street, Louisville, Kentucky, United States of America.

The Applicant is Top Level Domain Holdings Limited (“Applicant” or “Top Level Domain Holdings”), located at Cragmuir Chambers Road Town, Tortola, 1110 VG, British Virgin Islands, and is represented by Reg Levy, United States of America.

2. The Opposed New gTLD String

The new gTLD string applied for and objected to is: <.购物>, which is an Internationalized Domain Name (“IDN”) consisting of the simplified Chinese characters for “shop” (“gòuwù” in the pinyin system of romanization).

3. Prevailing Party

The Applicant has prevailed and the Objection is dismissed.

4. The New gTLD String Confusion Process

This Expert Determination arises from a string confusion objection to an application for a new generic top-level domain (“gTLD”) as a part of the New gTLD Program (the “Program”) of the Internet Corporation for Assigned Names and Numbers (“ICANN”). To put this objection in context, an understanding of the overall procedures for the Program and for resolving string confusion objections is helpful.

The ICANN gTLD Applicant Guidebook (the “Guidebook”) established several phases for obtaining a new gTLD. The first phase is the application submission period, which opened on January 12, 2012 and closed on April 12, 2012, with no limit on the overall number of gTLD applications.

Second, after a gTLD application passes the Administrative Completeness Check, an Initial Evaluation of the application is conducted by independent evaluation panels in various categories, including string similarity and technical and operational capability. If the String Similarity Panel finds the applied-for gTLD string to be confusingly similar to the gTLD string in another application, the two strings will be placed in a contention set. Section 2.2.1.1.2 of the Guidebook states that, during this Initial Evaluation, “[s]tring confusion exists where a string so nearly resembles another visually that it is likely to deceive or cause confusion.”

Third, even if an application is not placed in a contention set during the Initial Evaluation, a third party may object to the application on several grounds, one of which is string confusion. Module 3 of the Guidebook contains Objection Procedures and the New gTLD Dispute Resolution Procedure (the “Procedure”). Article 1(b) of the Procedure states that “[t]he new gTLD program includes a dispute resolution procedure, pursuant to which disputes between a person or entity who applies for a new gTLD and a person or entity who objects to that gTLD are resolved in accordance with this New gTLD Dispute Resolution Procedure.”

Article 1(c) of the Procedure states that “[d]ispute resolution proceedings shall be administered by a Dispute Resolution Service Provider (‘DRSP’) in accordance with this Procedure and the applicable DRSP Rules that are identified in Article 4(b).” Pursuant to Article 3(a) of the Procedure, string confusion objections shall be administered by the International Centre for Dispute Resolution (“ICDR”). The ICDR has duly adopted “Supplementary Procedures for ICANN’s New gTLD Program” (“ICDR Supplementary Procedures”), which govern this proceeding pursuant to Article 4(b)(i) of the Procedure. The ruling on a string confusion objection is called an “Expert Determination,” pursuant to Articles 2(d) and 4(a) of the Procedure.

Pursuant to Section 3.2.2.1 of the Guidebook, if a gTLD applicant successfully asserts a string confusion objection against another applicant, the two applied-for strings will be considered to be in direct contention. Both applications will be placed in a contention set; the contention resolution procedure described in Module 4 of the Guidebook results in only one application from the contention set moving forward in the process. On the other hand, if a string confusion objection is rejected, both applications may move forward in the process without being considered in direct contention with one another.

5. Procedural History of this Case

The Objection was filed with the ICDR on March 13, 2013, in the form of a “Dispute Resolution Objection” (the “Objection”), and an “Online Filing Demand for Arbitration/Mediation Form” (“Online Filing Demand”). The ICDR notified the parties of its receipt of the Objection on March 18, 2013, and proceeded to conduct an administrative review of the Objection.

On April 4, 2013, ICDR notified the parties that the Objection did not comply with Articles 5-8 of the Procedure and the applicable DRSP Rules. ICDR requested that the Objector, within five days from the date of the notification, provide proof or statement that copies of the Objection had been sent to the Applicant.

On April 11, 2013, ICDR notified the parties that the deficiencies had been corrected, so the Objection now complied with Articles 5-8 of the Procedure and the applicable DRSP Rules, and should be registered for processing.

On April 17, 2013, ICDR notified the parties that ICANN had published its Dispute Announcement of all admissible objections filed. ICDR also informed the parties that, in accordance with Article 11 of the Procedure, the Applicant should file a Response to the Objection within 30 days.

The Applicant filed a Response with the ICDR dated May 17, 2013. On May 24, 2013, the ICDR notified the parties that the Response complied with Article 11 of the Procedure and the applicable DRSP Rules.

On June 17, 2013, ICDR notified the parties that Grant L. Kim had been appointed to serve as the Expert, and requested that the parties review the Expert's resume and submit any comments or challenges regarding the appointment by no later than June 20, 2013. The parties did not submit any comments or challenges within this period.

6. Basis for Objector's Standing to Object Based on String Confusion

Section 3.2.2.1 of the Guidebook states that "any gTLD applicant in this application round may file a string confusion objection to assert string confusion between an applied-for gTLD and the gTLD for which it has applied, where string confusion between the two applicants has not already been found in the Initial Evaluation."

The Objector meets these requirements. The Objector is a gTLD applicant in the current application round, having filed an application for the string ".shop". The Objector asserts string confusion between ".shop" and a string applied for by the Applicant, ".购物". Further, no string confusion between ".shop" and ".购物" was found in the Initial Evaluation. Accordingly, the Objector has standing to object based on string confusion.

7. Factual Background

The Objector Commercial Connect states that it is a company established in 2000. The Objector filed a gTLD application for the string ".shop" on January 13, 2012. As a result of the Initial Evaluation, the Objector's application for ".shop" has been placed into a string contention set with eight other gTLD applications for ".shop". The Initial Evaluation determined that the Objector's application is "Eligible for Extended Evaluation" because the application did not receive a passing score in the category of Technical & Operational Capability.

The Applicant Top Level Doman Holdings filed a gTLD application for the string ".购物" after the application window for the New gTLD Program opened on January 12, 2012. As a result of

the Initial Evaluation, Top Level Domain Holding's application received a passing score, and was not placed in a string contention set with any other application.

8. Parties' Contentions

8.1. Commercial Connect's Objection

The Objector Commercial Connect states that it was established in 2000 for the specific purpose of bringing the ".shop" gTLD to the Internet. The Objector alleges that, when ICANN opened an application round for new gTLDs in 2000, the Objector was the only applicant for the ".shop" gTLD that had made it completely through the approval process. The Objector further alleges that, although it did not receive delegation for the ".shop" gTLD in 2000, ICANN invited the Objector to resubmit its application and stated that ICANN would give preferential consideration to the application.

The Objector alleges that in 2004 ICANN opened another application round for new gTLDs, but made the requirement so strict by concentrating on sponsored domains that the Objector could not apply. The Objector alleges that, as a result, the Objector was instrumental in helping to establish eCWR, which was an eCommerce Trade Union that helped to open communication channels and educate potential new eCommerce merchants.

The Objector alleges that during ICANN's development of the Guidebook in 2008, it was discussed that the Objector should receive preferential treatment as the original applicant for the ".shop" gTLD. Objector maintains that since then it has been active in obtaining supporters for its cause to provide a safe and secure eCommerce experience, and that there are over currently 15,000 supporters for the Objector's application for the ".shop" gTLD.

The Objector proceeds in the Objection to discuss the rules in the Guidebook regarding string confusion, as well as the interpretation of these rules based on the drafting history of the Guidebook. The Objector concludes that "all similar string[s] including visually, aurally, and same meaning should be in the same contention set."

The "Dispute Resolution Objection" submitted by the Objector does not specify ".购物" as the string at issue or make specific arguments as to why ".购物" is confusingly similar to ".shop." Instead, the Objection states:

The gTLD filed by _____, so nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the _____ gTLD application is similar either visually, aurally, or has a similar meaning.

The blanks in this sentence are presumably intended to refer to Applicant Top Level Domain Holdings and ".购物," but the Objector did not fill in those blanks. The only place where the Objector mentioned the Applicant is its Online Filing Demand, which states that "[t]he gTLD filed by Top Level Domain Holdings, so nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the IDN for shopping gTLD application is similar either visually, aurally, or has a similar meaning."

8.2. Top Level Domain Holding's Response

The Applicant Top Level Domain Holdings contends that the Objection should be dismissed because “no part of either string is similar to the other.” The Applicant asserts that whether two strings are “so similar that they create a probability of user confusion” depends on visual similarity, citing Section 2.2.1.1 of the Guidebook. The Applicant notes that “.shop” and “.购物” have no visual similarity, since they are written in two different languages with completely different characters.

The Applicant further contends that the strings have no similar sounds, citing the International Phonetic Alphabet (“IPA”) for the two strings: kou u for 购物, and jap for shop.

The Applicant concedes that the strings may have comparable meanings, but notes that the strings are in different languages, so “.shop” would be meaningless to a person who does not know English, and “.购物” would be meaningless to a person who does not know Chinese. The Applicant asserts that a person who knows both English and Chinese would “be easily able to tell the difference” between the strings based on their visual and aural differences.

The Applicant further asserts that the two strings are aimed at distinct markets, as evidenced by the descriptions in the two applications. According to the Objector’s application, “.shop” will be marketed to “the global ecosystem of e-commerce,” with “a strict verification process where Commercial Connect researches the identity of that applicant and [the] business.” In contrast, “.购物” is directed to “Chinese-language vendors,” and requires no such pre-verification. The Applicant notes that these markets may overlap to some extent, but that one is global and restricted, while the other is language-specific and open.

The Applicant also notes that the String Similarity Panel found no similarity between “.购物” and “.shop” as it did not place them together in a string contention set. Additionally, the String Similarity Assessment Tool found a 0% similarity between “.购物” and “.shop.” Applicant notes that while this is not determinative, the Panel’s findings tend to show that there is no similarity between “.购物” and “.shop.” Applicant alleges that the String Similarity Assessment Tool found forty-eight (48) strings with a 30% to 50% similarity to Objector’s string.

Finally, Applicant states that the Objection is deficient because it does not provide concrete evidence that there is a likelihood of confusion between “.购物” and “.shop.”

9. Discussion and Findings

9.1. Jurisdiction

The Expert finds that he has been properly appointed pursuant to the Procedure and the ICDR Supplementary Procedures, and has jurisdiction to decide this dispute. The Applicant has accepted the applicability of the Procedure and the ICDR Supplementary Procedures by applying for a new gTLD pursuant to Article 1(d) of the Procedure. The Objector has likewise accepted the applicability of the Procedure and the ICDR Supplementary Procedures by filing an objection to a new gTLD pursuant to Article 1(d) of the Procedure.

9.2. Legal Standard for String Confusion

Article 2(e)(i) of the Procedure defines a string confusion objection as referring to an objection that “the string comprising the potential gTLD is confusingly similar to an existing top-level domain or another string applied for in the same round of applications.” Article 2(e) notes that the grounds for this objection are “set out in full” in Module 3 of the Guidebook.

Section 3.5.1 of the Guidebook explains the string confusion standard as follows:

A DRSP panel hearing a string confusion case objection will consider whether the applied-for gTLD string is likely to result in string confusion. 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.

As the Applicant has noted, Section 2.2.1.1 of the Guidebook refers to visual similarity. However, that provision explains that “[t]he visual similarity check that occurs during the Initial Evaluation is intended to augment the objection and dispute resolution process ... that addresses all types of similarity.” Similarly, Section 2.2.1.1.3 of the Guidebook clarifies that a third party string confusion objection “is not limited to visual similarity”; rather, confusion “may be based on any type of similarity (including visual, aural, or similarity of meaning).”

Section 3.5 of the Guidebook states that “[t]he objector has the burden of proof.” Section 3.5 further states that the panel “will use appropriate general principles (standards) to evaluate the merits of each objection” and “may also refer to other relevant rules of international law in connection with the standards.”

The plain language of Section 3.5.1 makes clear that string confusion is a high standard. In addition to requiring “a likelihood of confusion,” Section 3.5.1 emphasizes that “mere association” is insufficient, and that confusion must be “probable, not merely possible.” Section 3.5.1 also refers to “so nearly resembles,” indicating that the resemblance between the two strings should be quite close.

Imposing a high standard for string confusion is consistent with the purpose of the new gTLD program. As explained the Preamble of the Guidebook, “[t]he new gTLD program will open up the top level of the Internet’s namespace to foster diversity, encourage competition, and enhance the utility of the DNS” [Domain Name System]. While there are currently 22 gTLDs (as well as over 250 country code top-level domains), “[t]he new gTLD program will create a means for prospective registry operators to apply for new gTLDs, and create new options for consumers in the market.” To this end, ICANN did not limit the number of gTLDs applications in the current application round, because this would “severely limit the anticipated benefits of the Program: innovation, choice, and competition.” New gTLDs Applicant Guidebook April 2011 Discussion Draft Public Comment Summary and Analysis, page 5, <http://archive.icann.org/en/topics/new-gtlds/summary-analysis-agv6-30may11-en.pdf> (hereafter “Draft Summary and Analysis”).

The New gTLD Program expressly contemplates the establishment of new Internationalized Domain Names (“IDNs”) that are written in a script other than the standard ASCII Roman characters and Arabic numbers. The Preamble of the Guidebook states that “ICANN expects a diverse set of applications for new gTLDs, *including IDNs*, creating significant potential for new uses and benefit to Internet users across the globe” (emphasis added). Consistent with this expectation, Section 1.3 of the Guidebook sets forth special requirements for Internationalized Domain Name applications.

9.3. Findings

9.3.1. String Confusion

The Expert finds that the Objector has failed to meet its burden of proving that “.购物” so nearly resembles “.shop” as to cause probable confusion in the mind of the average, reasonable Internet user. The two strings indisputably have no visual or aural similarity. The two strings are in different languages, written in different scripts that look very different, and have different phonetic spellings and pronunciations.

The only sense in which “.shop” and “.购物” are similar is their meaning. However, this similarity in meaning is apparent only to individuals who read and understand both Chinese and English. Moreover, a person who can read both languages would understand that “.shop” is directed at English-speaking users, while “.购物” is directed at Chinese-speaking users. While there is some potential overlap between these two markets, they are largely distinct. Therefore, there is little likelihood that a bilingual user would be deceived or confused.

Furthermore, as noted above, the New gTLD Program expressly contemplated the creation of new Internationalized Domain Names written in non-Roman scripts. If similarity in meaning between gTLDs written in two different scripts were deemed sufficient, by itself, to result in confusing similarity, then all Internationalized Domain Name applications with the same meaning would need to be put in the same contention set with each other and with any Roman gTLD applications with the same meaning. This would mean that only one application in any script could be registered, which would conflict with the basic purpose of encouraging “a diverse set of applications for new gTLDs, including IDNs, creating significant potential for new uses and benefit to Internet users across the globe.” Preamble to the Guidebook.

For the above reasons, the Expert concludes that “.购物” and “.shop” are not confusingly similar to the average, reasonable Internet user under the standard set forth in the Procedure and the Guidebook. In view of this conclusion, the Expert finds that it is not necessary to address the Applicant’s arguments regarding the String Similarity Panel’s finding of no similarity or the Similarity Assessment Tool. The Expert notes, however, that the String Similarity Panel’s finding at the Initial Evaluation phase is not dispositive, since Section 2.2.1.1.2 of the Guidebook limited the String Similarity Panel’s review to visual similarity. In contrast, under Section 2.2.1.1.3 of the Guidebook, a third party string confusion objection “is not limited to visual similarity,” but “may be based on any type of similarity (including visual, aural, or similarity of meaning).”

9.3.2. Other Issues

As noted above, the Objector has alleged that ICANN agreed to give it preferential treatment as the initial applicant for the “.shop” gTLD. The Objector has not argued, however, that this alleged preference has any bearing on the merits of its Objection. In any event, the Expert finds that the Objector’s alleged discussions with ICANN are irrelevant to this case. Whether the Objection has merit depends on whether it meets the criteria set forth in the Procedure and the Guidebook. Moreover, ICANN has stated that “[t]here should be a level playing field for the introduction of new gTLDs, with no privileged treatment for potential applicants.” New gTLD Draft Applicant Guidebook Version 4 Public Comment Summary and Analysis, page 90, <http://archive.icann.org/en/topics/new-gtlds/summary-analysis-agv4-12nov10-en.pdf>.

Determination

For the following reasons, the Expert finds that the Applicant has prevailed and the Objection is dismissed.

Dated: August 8, 2013

A handwritten signature in black ink, appearing to read "Grant L. Kim", is written over a horizontal line.

Grant L. Kim

Sole Expert Panelist

Annex 3.



INTERNATIONAL CENTRE
FOR DISPUTE RESOLUTION®

Thomas Ventrone
Vice President

1633 Broadway, 10th Floor, New York, NY 10019
telephone: 212-484-4181 facsimile: 212-246-7274
internet: <http://www.adr.org/ICDR>

April 11, 2013

Via Email

Jeffrey S. Smith
Commercial Connect, LLC
1418 South 3rd Street
Louisville, KY 40208

Lorna Jean Gradden
5 Rue Plaetis
L-2338
Luxembourg

Re: 50 504 T 00261 13
Commercial Connect LLC
vs
Amazon EU S.à r.l.

Dear Objector,

We have conducted a further administrative review and note that your Objection, after rectifying deficiencies previously set forth, now complies with Articles 5-8 of the *New gTDL Dispute Resolution Procedure* and the applicable ICDR (DRSP) Rules. Therefore, your Objection shall be registered for processing.

Sincerely,

/s/

Tom Simotas
ICDR Supervisor
212 484 4077
SimotasAt@adr.org

Annex 4.

Our ref : fpe/mne/107725
Your ref : Case: 50 504 T 00261 13

Flip Petillion
Advocaat
+32 (0)2 282 40 82

19 April 2013

To the attention of Mr Tom Simotas
Supervisor
International Centre for Dispute Resolution
1633 Broadway 10th Floor
New York, NY 10019
By regular mail and by e-mail: simotasat@adr.org

Case: 50 504 T 00261 13
ICDR Objection regarding string: xn—gk3at1e Online Shopping

Dear Sir,

I am writing to you on behalf of Amazon EU S.à r.l. ('Amazon') in the matter referenced above.

In your letter of April 11, 2013, you have informed Amazon's primary contact for several of its new gTLD applications that you had conducted an administrative review of an objection filed by Mr Jeffrey S. Smith on behalf of Commercial Connect, LLC (the 'Objection') ('Commercial Connect') and that you had noted that "after rectifying deficiencies previously set forth" the Objection "complies with Articles 5-8 of the *New gTLD Dispute Resolution Procedure* and the applicable ICDR (DRSP) Rules" and "shall be registered for processing".

However, please note the following:

1. Amazon has **not** received any formal objection, nor has it received any copy of an objection in compliance with Article 7(b) of the *New gTLD Dispute Resolution Procedure*. Not copying the Applicant is a deficiency that cannot be rectified;
2. In your email of March 18, 2013 in which you acknowledged receipt of the Objection by Commercial Connect with reference to Case number 50 504 T 00261 13, there is no reference to the string being objected to. To wit: in your email of April 4, 2013, you have specifically requested Commercial Connect to:
 - provide "proof or statement" that copies of the objection were sent to Amazon. It is noted that your request is in line with Articles 6(b) and 7(b) of the *New gTLD Dispute Resolution Procedure* where it is stated respectively that the DRSP, Panel, Applicant, and Objector **shall** provide copies to one another of all correspondence regarding the proceedings and that a copy of the Objection **must** be sent to the Applicant;

3. Subsequently, Amazon has received the following documents from Commercial Connect:

- a copy of an application for .SHOP by Commercial Connect;
- an 'ONLINE FILING DEMAND FOR ARBITRATION/MEDIATION FORM' that refers to the string 'xn—gk3at1e Online Shopping'. I bring to your attention that no objection against this string was published in either ICANN's Dispute Announcement, nor in the ICDR's list of filed objections of April 17, 2013;
- a 'Dispute Resolution Objection' with blank unfilled spaces where the string applicant and relevant string would otherwise appear;
- a TLD Application for .mall, .shop, and .svc submitted by Commercial Connect (October 11, 2000)
- a copy of a mail of April 5, 2013 to you in which Mr Smith writes "We do hereby certify that copies of the complaint and attachments were sent via email to all respondents and to DRDiling@icann.org in particular...". I stress that Amazon has not received such copies.

In brief, Amazon has not received an objection on-time and Amazon does not know if an objection was filed on-time with you or not. Amazon has not been informed of nor has it received any information that allows it to conclude that any previously set forth deficiencies in Commercial Connect's Objection had been rectified timely. As Article 9(d) of the New gTLD Dispute Resolution Procedure instructs, if "the deficiencies in the Objection are not corrected within the period specified in Article 9(c), the DRSP shall dismiss the Objection and close the proceedings".

Therefore, I respectfully request the ICDR to disregard and dismiss this objection and deregister it for processing.

I kindly request the ICDR to acknowledge receipt of the present communication which is sent with all reserves and without prejudice.

Yours sincerely,



Flip Petillion
Crowell & Moring LLP
7, rue Joseph Stevens
B-1000 Brussels (Belgium)
fpetillion@crowell.com

cc: Mr Jeffrey S. Smith
ICANN

Annex 5.

Our ref : fpe/mne/107725
Amazon ref : Application ID 1-1318-15593
Your ref : Case: 50 504 T 00261 13

Flip Petition
Advocaat
+32 (0)2 282 40 82

24 April 2013

To the attention of Mr Tom Simotas
Supervisor
International Centre for Dispute Resolution
1633 Broadway 10th Floor
New York, NY 10019
By regular mail and by e-mail: simotasat@adr.org

Case: 50 504 T 00261 13
ICDR Objection regarding string: xn—gk3at1e Online Shopping

Dear Sir,

I refer to my letter of April 19, 2013.

In the meantime, Amazon has handed over to me your letter of April 17, 2013 in which you have indicated the 30 days period to file a response.

I hereby reiterate my request that I sent you on April 19, 2013 and I formally request the ICDR to disregard this objection and deregister it for processing.

I kindly request to acknowledge receipt of the present mail which is sent with all applicable rights reserved and without prejudice.

Yours sincerely,



Flip Petition
Crowell & Moring LLP
7, rue Joseph Stevens
B-1000 Brussels (Belgium)
fpetition@crowell.com

cc: Mr Jeffrey S. Smith
ICANN

Annex 6.

Nelissen, Mariet

From: Tom Simotas [SimotasAt@adr.org]
Sent: vendredi 3 mai 2013 23:08
To: Petillion, Flip
Cc: jsmith@dotshop.com; Tom Simotas
Subject: RE: ICDR Objection re string xn--gk3a1e Online Shopping (case 50 504 T 00261 13)

Dear Mr. Petillion:

Thank you for your communications.

We have confirmed receipt of an Objection in the above referenced case number and the matter will proceed to an Expert for determination on application #1-1318-15593 for string 通販 (Online Shopping).

You may raise the issued outlines in your letters to the Expert as part of your Response if you wish.

Thank you,

Tom Simotas



Tom Simotas
Supervisor

International Centre for Dispute Resolution
1633 Broadway, 10th Floor
New York, NY 10019
www.icdr.org
T: +1 212 484 4077
F: +1 212 246 7274

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From: Nelissen, Mariet [<mailto:MNelissen@crowell.com>] **On Behalf Of** Petillion, Flip
Sent: Wednesday, April 24, 2013 9:21 AM
To: Tom Simotas
Cc: jsmith@dotshop.com; newgtld@icann.org; Petillion, Flip
Subject: ICDR Objection re string xn--gk3a1e Online Shopping (case 50 504 T 00261 13)

Dear Sir,

Please find our letter attached to this mail.

Yours sincerely,

Flip PETILLION

RECOMMENDATION OF THE BOARD GOVERNANCE COMMITTEE (BGC)

RECONSIDERATION REQUEST 13-9

10 OCTOBER 2013

On 4 September 2013, Amazon EU S.a.r.l. (“Amazon”) submitted a reconsideration request (“Request”). The Request asked the Board to reconsider the 21 August 2013 Expert Determination from a dispute resolution Panel established by the International Centre for Dispute Resolution (“ICDR”) sustaining Commercial Connect LLC’s (“Commercial Connect”) objection to Amazon’s new gTLD application for the Japanese translation of “online shopping” (“Amazon’s Applied-for String”) as being confusingly similar to Commercial Connect’s application for .SHOP (“Commercial Connect’s Applied-for String”).

I. Relevant Bylaws

Article IV, Section 2.2 of ICANN’s Bylaws states in relevant part that any entity may submit a request for reconsideration or review of an ICANN action or inaction to the extent that it has 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.

Dismissal of a request for reconsideration is appropriate if the Board Governance Committee (“BGC”) recommends, and in this case the New gTLD Program Committee (“NGPC”) agrees, that the requesting party does not have standing because the party failed to

satisfy the criteria set forth in the Bylaws. These standing requirements are intended to protect the reconsideration process from abuse and to ensure that it is not used as a mechanism simply to challenge an action with which someone disagrees. The reconsideration process is for situations where the staff acted in contravention of established policies (when the Request is based on staff action or inaction).

The Request was received on 4 September 2013, which makes it timely under the Bylaws. Bylaws, Art. IV, § 2.5.

II. Background

A. The New gTLD Objection Procedure

The New gTLD Program includes an objection procedure pursuant to which objections to applications for new gTLDs are submitted to an independent dispute resolution service provider (“DRSP”). The objection procedures are set out in Module 3 of the Applicant Guidebook (“Guidebook”) (<http://newgtlds.icann.org/en/applicants/agb/objection-procedures-04jun12-en.pdf>) and the New gTLD Dispute Resolution Procedure (the “Procedure”) attached thereto.

As detailed in the Request, Commercial Connect filed a string confusion objection with the ICDR asserting that an “applied-for string is confusingly similar to an existing TLD or to another applied-for gTLD string in the same round of applications.” (Guidebook, Section 3.3.2.1; Procedure, Art. 2(e).)¹

To initiate a dispute resolution proceeding, an objection must comply with the procedures set out in Articles 5-8 of the Procedure. This includes the requirement that objections be filed with the appropriate DRSP with copies to the gTLD applicant against which the objection is

¹ Where a new gTLD applicant successfully asserts string confusion with another applicant, the two strings are placed in a “contention set” to be resolved per the String Contention Procedures in Module 4 of the Applicant Guidebook. (Guidebook, Section 3.2.2.1.)

being raised. (Procedure, Art. 7 (b).) Before an objection is registered for processing, the DRSP conducts an administrative review to verify compliance with Articles 5-8 of the Procedure and the applicable DRSP Rules, and informs the objector, the applicant and ICANN of the result of its administrative review. (Procedure, Art. 9(a).)

A Panel of appropriately qualified expert(s) appointed by the designated DRSP will consider an objection that has been registered for processing and for which a response has been submitted. (Guidebook, Section 3.4.4.) Each Panel will determine whether the objector has standing to object and will use appropriate general principles/standards to evaluate the merits of each objection. The Panel must apply the standards that have been defined in Section 3.5 of the Applicant Guidebook for each type of objection. (Guidebook, Section 3.5; Procedure, Art. 20.)

The Panel's final determination will include a summary of the dispute and findings, identify the prevailing party, and provide the reasoning upon which the expert determination is based. (Guidebook, Section 3.4.6; Procedure, Art. 21.) The findings of the Panel will be considered an expert determination and advice that ICANN will accept within the dispute resolution process. (Guidebook, Section 3.4.6.)

B. Commercial Connect's Objection to Amazon's Applied-for String

Amazon is an applicant for the Japanese translation of "online shopping." Commercial Connect objected to Amazon's Applied-for String, asserting that it was confusingly similar to Commercial Connect's Applied-for String ("Commercial Connect's Objection"); Amazon filed a response. The ICDR's appointed Panelist (the "Panel") rendered an "Expert Determination" on 21 August 2013. The Panel determined that Commercial Connect had standing to object as an applicant for .SHOP, and rejected claims by Amazon that Commercial Connect did not properly serve its objection on Amazon. (Expert Determination, Pg. 3.) Based on the evidence and the parties' submissions, the Panel sustained Commercial Connect's Objection on the grounds that

Commercial Connect's Applied-for String is confusingly similar to Amazon's Applied-for String (Expert Determination, Pgs. 4-5.)

Although Commercial Connect's Objection was determined by a third-party DRSP, ICANN has determined 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. See BGC Recommendation on Reconsideration Request 13-5 at <http://www.icann.org/en/groups/board/governance/reconsideration/recommendation-booking-01aug13-en.doc>.

III. Analysis of Amazon's Request for Reconsideration

Amazon seeks reconsideration of the Panel's decision sustaining Commercial Connect's Objection. More specifically, Amazon requests that ICANN disregard the Panel's Expert Determination, and either instruct a new Panel to review Commercial Connect's string confusion objection with the standards set forth in the Applicant Guidebook or make the necessary accommodations to allow for a "non-discriminatory application of ICANN standards, policies and procedures." (Request, Section 9.)

A. The ICDR and the Panel's Acceptance of Commercial Connect's Objection Does Not Demonstrate A Process Violation

In its Request, Amazon contends that the ICDR and the Panel failed to follow the established process for registering and/or accepting Commercial Connect's Objection. Specifically, Amazon claims that Commercial Connect failed to provide Amazon with a copy of the objection as required by Article 7(b) of the Procedure, and that this failure is a deficiency that cannot be rectified under the Procedure. (Request, Pgs. 8-10; Annex 4 to Request (19 April 2013

Letter from Amazon to the ICDR).) Pursuant to Article 9(d) of the Procedure, which provides for dismissal of objections that do not comply with Articles 5-8 of the Procedure and where deficiencies have not been cured in the specified timeframe, Amazon contends that the ICDR should have dismissed Commercial Connect's Objection and closed the proceedings. (Request, Pg. 10; Annex 4 to Request (19 April 2013 Letter from Amazon to the ICDR); Annex 5 to Request (24 April 2013 Letter from Amazon to the ICDR).)

The Procedure makes clear that the ICDR was required to perform an administrative review of Commercial Connect's Objection, and to inform the objector, applicant, and ICANN of the results of its administrative review. (Procedure, Art. 9(a).) The available record shows that the ICDR complied with its obligations in this regard.

Amazon claims it received an email from the ICDR acknowledging receipt of Commercial Connect's Objection on 18 March 2013 – though, according to Amazon, that email did not specifically identify the string that was the subject of Commercial Connect's Objection. (Request, Pg. 9.) Soon thereafter, on 4 April 2013, Amazon states that it also received an email from the ICDR requesting that Commercial Connect provide “proof or statement” that copies of the objection were sent to Amazon. (Request, Pg. 9.)

Contrary to Amazon's assertions, failure to provide an applicant with a copy of the objection as required by Article 7(b) is a deficiency that can be cured under the Procedure. Article 9(c) provides that if the DRSP finds that the objection does not comply with Articles 5-8 of the Procedure, the DRSP “shall have the discretion to request that any administrative deficiencies in the Objection be corrected within 5 days.” (Procedure, Art. 9(c).) Accordingly, the ICDR's 4 April 2013 email, requesting Commercial Connect to cure the stated deficiency,

was consistent with the process established in the Procedure for the administrative review of objections.

According to the Request, subsequent to the ICDR's 4 April 2013 correspondence to Commercial Connect requesting it to provide proof of service of the objection on Amazon, Amazon claims it received the following documents from Commercial Connect:

- (i) A copy of Commercial Connect's application for .SHOP;
- (ii) A "online filing demand for arbitration/mediation form" that refers to Amazon's Applied-for String;
- (iii) A "dispute resolution objection" with blank unfilled spaces where the string applicant and relevant string would otherwise appear;
- (iv) a copy of Commercial Connect's 11 October 2000 applications for .MALL, .SHOP, and .SVC; and
- (v) A copy of a 5 April 2013 correspondence to the ICDR in which Commercial Connect certifies that copies of the complaint and attachments were sent via email to all respondents and to ICANN.

(Request, Pgs. 9-10.) From the above, although particular entries may have been left blank, it appears that Amazon did in fact receive a copy of the objection. Based on the 5 April 2013 correspondence from Commercial Connect certifying that copies were provided to Amazon, ICDR concluded that Commercial Connect corrected the deficiency within one day of being notified, well within the five-day period allowed under the Procedure.

In its 11 April 2013 correspondence to the parties, the ICDR indicates that Commercial Connect's Objection would be registered for processing. The ICDR states that it conducted a further administrative review and noted that Commercial Connect's Objection, "after rectifying deficiencies previously set forth, now complies with Articles 5-8" of the Procedure. (Request, Pg. 8; Annex 3 to the Request (11 April 2013 Letter from the ICDR).) The ICDR thereafter sent a letter on 17 April 2013 providing Amazon with notification of its thirty-day period to file a

response to Commercial Connect's Objection. (See Annex 5 to Request (24 April 2013 Letter from Amazon to the ICDR.) Based on the above, Amazon lacks support for the claim that it did not receive notification that an objection had been filed against it and that Amazon was required to respond in order to avoid default.

Moreover, notwithstanding Amazon's own acknowledgment that it received a copy of the "dispute resolution objection" (albeit with certain entries left blank), the ICDR invited Amazon to raise the alleged procedural defects in Amazon's response to Commercial Connect's Objection. (Annex 6 to Request (3 May 2013 Email from ICDR to Amazon).) The Panel, having received and considered Amazon's claims of procedural deficiencies, rejected Amazon's claims indicating there was no actual prejudice to Amazon. The Panel noted:

[I]t appears that Applicant received actual notice of the Objection, and has been accorded a full and fair opportunity to be heard on its application. Applicant also has not shown that it was prejudiced by any alleged defects in the filing of the Objection. (Expert Determination, Pg. 3.)

In view of the above, the ICDR's acceptance of Commercial Connect's Objection for decision does not demonstrate a policy or process violation, and Amazon has not demonstrated otherwise.

B. Amazon's Claim That The Panel Applied The Wrong Standard Is Unsupported And Is Not A Basis For Reconsideration.

A separate ground of Amazon's Request is its contention that the Panel applied the wrong standard in evaluating Commercial Connect's Objection. Specifically, Amazon claims that the Panel applied a standard that considered "the use of essentially the same word in two different languages [as] sufficient to cause string confusion among the average, reasonable Internet user," and claims that such a standard would eliminate the need to evaluate translations of words on a case-by-case basis. (Response, Pg. 13.) Amazon further asserts that even if translations of essentially the same word were sufficient to cause string confusion, an English translation of

Amazon's Applied-for String is not the same as Commercial Connect's Applied-for String, and they have different meanings. (Request, Pg. 13.) Amazon relies on another ICDR Panel's determination, finding that Top Level Domain Holdings Limited's ("TLDH") application for the Chinese translation of "shop" ("TLDH's Applied-for String) is not confusingly similar to Commercial Connect's application for .SHOP,² as evidence that the Panel applied the wrong standard. (Request, Pg. 14; Annex 2 to Request.) Amazon concludes that "in the impossible event" that ICANN accepts the Panel's determination, the acceptance would "create inequitable and disparate treatment without justified cause" in violation of Article II, Section 3, of ICANN's Bylaws. (Request, Pg. 7)

In the context of the New gTLD Program, the Reconsideration process does not call for the BGC to perform a substantive review of DRSP Panel decisions; Reconsideration is for the consideration of process- or policy-related complaints. The Reconsideration process will not be used in this instance to evaluate the Panel's substantive conclusion that Commercial Connect's Applied-for String and Amazon's Applied-for String are confusingly similar. Rather, any review will be limited to whether the Panel violated any established policy or process, which Amazon claims was done by the Panel not applying the correct standard in reaching its determination.

The Panel referenced and correctly stated the applicable standard more than once in its evaluation of Commercial Connect's objection.³ (Expert Determination,

² *Commercial Connect, LLC v. Top Level Domain Holdings Ltd.*, Case No. 50 504 T 00258 13, available at http://images.go.adr.org/Web/AmericanArbitrationAssociation/%7B772b1de3-e337-4643-b310-f87daa172a2e%7D_50_504_T_00258_13_determination.pdf (hereinafter "TLDH Expert Determination".)

³ In what appears to be a typographical error, at one point, the Panel incorrectly cites to Section 3.4.1 of the Applicant Guidebook instead of Section 3.5.1, but the Panel nonetheless correctly quotes from the applicable standard.

Pgs. 2, 4.) The relevant standard for evaluating a string confusion objection is set out in Section 3.5.1 of the Applicant Guidebook:

A DRSP Panel hearing a string confusion objection will consider whether the applied-for gTLD string is likely to result in string confusion. String confusion exists where a string so nearly resembles another that it 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.

The Applicant Guidebook also makes clear that a string confusion objection is not limited to visual similarity, but rather, may be based on any type of similarity, including aural similarity or similarity in meaning. (Guidebook, Section 2.2.1.1.3.)

Based on the parties' contentions, it appears that the Panel concentrated on the meanings of the two strings. The Panel determined that there were three distinct, but related issues that needed to be examined in assessing Commercial Connect's Objection:

- (i) Whether the root of the word in a string should be accorded protection from usage of variations of the root word, including participles (*e.g.*, several variations for the root word "shop" in the English language)?
- (ii) Whether the addition of the word "online" before the word "shopping" makes the two strings distinct as to avoid string confusion?
- (iii) Whether the use of Japanese characters and languages for the same word avoids the possibility of confusion?

(Expert Determination, Pg. 4.)

In evaluating these three issues, the Panel found that the concurrent use of "shopping", the participle of the root word "shop," in a string will result in probable confusion by the average, reasonable Internet user, because the two strings have virtually the same sound, meaning, look

and feel.⁴ (Expert Determination, Pgs. 4-5.) The Panel likewise found that the addition of the word “online” before “shopping” does not add sufficient uniqueness to the string because the meaning of the strings arises from the use of the root word “shop” and not the modifier “online.” (Expert Determination, Pg. 5.) The Panel was also not persuaded that simply using a foreign language or foreign characters avoided the possibility of confusion. The Panel determined that many Internet users speak more than one language, including English, and that the use of essentially the same word in two different languages is sufficient to cause string confusion among the average, reasonable Internet user. (Expert Determination, Pg. 5.)

The Panel’s focus on the meanings of the strings is consistent with the standard for evaluating string confusion objections. A likelihood of confusion can be established with any type of similarity, including similarity of meaning. (Guidebook, Section 2.2.1.1.3.) To challenge this proposition, Amazon relies on the analysis of the public comment to version 2 of the Applicant Guidebook. (Request, Pg. 11.) Amazon asserts that the public comment makes clear that the standard for establishing string confusion is a “high standard, not intended to hobble competition.” (Request, Pg. 11.) In response to these public comments, which included the suggestion that string confusion objections not be allowed for cases of similar meaning, ICANN specifically addressed and clarified the proper scope of objections:

The new gTLD implementation follows the GNSO recommendation that implies that string confusion should be tested in all ways: visual, meaning and aural confusion. After all, if harm to consumers would result due to the introduction of

⁴ Amazon claims that the word “shopping” is not used and does not appear in either of the strings at issue, and therefore, the Panel improperly compared Amazon’s Applied-for String with the “shopping” string. (Request, Pg. 14-15.) Amazon’s argument lacks credibility in that Amazon’s proposed string is the Japanese translation for “online shopping”; thus, “shopping” is contained within the challenged string. Further, the Panel is permitted under the Procedure to “refer to and base its findings upon the statements and documents submitted and any rules or principles that it determines to be applicable.” (Procedure, Art. 20(b).)

two TLDs into the root zone because they sounded but did not look alike, then both TLDs should not be delegated.

(New gTLD Draft Applicant Guidebook-Version 2: Analysis of Public Comment, Pg. 149 available at <https://archive.icann.org/.../agv2-analysis-public-comments-31may09-en.pdf>.) Any claim by Amazon that the Panel must limit itself to a standard of aural or visual similarity is not supported by available documentation, and does not support a finding that the Panel violated any established policy or procedure.

Moreover, the Panel did not automatically conclude that there was a likelihood of confusion between Commercial Connect's Applied-for String and Amazon's Applied-for String as Amazon contends. To the contrary, it appears that the Panel conducted a detailed and comprehensive analysis of the issues before reaching its determination.

Amazon further relies on another ICDR Panel's determination, finding that TLDH's Applied-for String is not confusingly similar to Commercial Connect's Applied-for String, as evidence that the Panel applied the wrong standard.⁵ (Request, Pg. 14.) The fact that these two ICDR Panels evaluated potentially similar objections yet came to different conclusions does not mean that one Panel applied the wrong standard. On a procedural level, each expert Panel generally rests its determination on the materials presented to it by the parties to that particular objection, and the objector bears the burden of proof. Two Panels confronting nearly identical issues could rightfully reach different determinations, based on the strength of the materials

⁵ On 5 September 2013, Commercial Connect separately sought reconsideration of ICANN staff's acceptance of the TLDH Expert Determination. (Request 13-10, available at <http://www.icann.org/en/groups/board/governance/reconsideration/request-commercial-connect->.) Request 13-10 is based primarily on a claim that the Panel dismissing Commercial Connect's objection to TLDH's Applied-for String and the Panel sustaining Commercial Connect's objection to Amazon's Applied-for String inconsistently applied the standard for evaluating string confusion objections. For the same reasons as stated herein, Commercial Connect's claims are unsupported and do not support Reconsideration.

presented. While Commercial Connect was the objector in both proceedings cited by Amazon, the objections were rebutted by different applicants. Thus, the Panels reached different determinations at least in part because the materials submitted by each applicant (Amazon and TLDH) in defense of its proposed string were different.

For instance, in dismissing Commercial Connect's objection to TLDH's Applied-for String, the Panel determined that Commercial Connect failed to meet its burden of proof that the two strings (Commercial Connect's Applied-for String and TLDH's Applied-for String) would cause probable confusion in the mind of the average, reasonable Internet user. (TLDH Expert Determination, Pg. 7.) The Panel, on the other hand, in sustaining Commercial Connect's objection, found that Amazon's arguments:

[d]o not appear to be consistent with the applicable standard of review, the apparent purpose or goal of implementing gTLDs, or the purpose or goal in allowing a string confusion objection.

(Amazon Expert Determination, Pg. 5.) Overall, the Panel found that Amazon's arguments were "not persuasive." (Expert Determination, Pg. 5.)

Moreover, according to the TLDH Expert Determination, TLDH asserted that Commercial Connect's Applied-for String and TLDH's Applied-for String are aimed at distinct markets. TLDH claimed that Commercial Connect's Applied-for String will be marketed to "the global ecosystem of e-commerce" with a "strict verification process where Commercial Connect researches the identity of that applicant and [the] business." (TLDH Expert Determination, Pg. 5.) In contrast, TLDH's Applied-for String is directed to "Chinese-language vendors" and requires no such pre-verification. TLDH noted that these markets may overlap to some extent, but one is "global and restricted," while the other is "language-specific and open." (TLDH Expert Determination, Pg. 5.)

The Panel, dismissing Commercial Connect's objection to TLDH's Applied-for String, found that the similarity in meaning between the two strings is apparent only to individuals who read and understand both Chinese and English. Relying on the intended markets for the strings, the Panel determined:

While there is some potential for overlap between these two markets, they are largely distinct. Therefore, there is little likelihood that a bilingual user would be deceived or confused.

(TLDH Expert Determination, Pg. 7.) The Panel therefore dismissed Commercial Connect's objection not because it concluded that translations of essentially the same word are insufficient to cause string confusion – as Amazon suggests – but because TLDH presented convincing evidence that there was little likelihood of confusion between Commercial Connect's Applied-for String and TLDH's Applied-for String.

Further, the standard guiding the Panels involves some degree of subjectivity. While Amazon may disagree with the Panel's finding, Reconsideration is not available as a mechanism to re-try the substantive determination of the Panel. Amazon's claims that the Panel applied the wrong standard are unsupported and therefore, do not support Reconsideration.

IV. Recommendation and Conclusion

Based on the foregoing, the BGC concludes that Amazon has not stated proper grounds for reconsideration, and we therefore recommend that Amazon's Request be denied without further consideration.

As there is no indication that either the ICDR or the Panel violated any policy or process in accepting and sustaining Commercial Connect's Objection, this Request should not proceed. If Amazon thinks that it has somehow been treated unfairly in the process, and the Board (through the NGPC) adopts this Recommendation, Amazon is free to ask the Ombudsman to review this matter.

Though there are no grounds for reconsideration presented in this matter, following additional discussion of the matter the BGC recommended that staff provide a report to the NGPC, for delivery in 30 days, setting out options for dealing with the situation raised within this Request, namely the differing outcomes of the String Confusion Objection Dispute Resolution process in similar disputes involving Amazon's Applied-for String and TLDH's Applied-for String. In addition, the BGC suggested that the strings not proceed to contracting prior to staff's report being produced and considered by the NGPC.



Our ref : fpe/mne/107725.0000026
Your ref :

Flip Petillion
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25 October 2013

To the attention of:

Mr. Cherine Chalaby
Chair, New gTLD Program Committee

Mr. Fadi Chehade, Mr. Chis Disspain, Mr. Bill Graham, Ms. Olga Madruga-Forti, Ms. Erika Mann, Mr. Gonzalo Navarro, Mr. Raymond A. Plzak, Mr. George Sadowsky, Mr. Mike Silber, Mr. Kuo-Wei Wu, Ms. Heather Dryden, Mr. Francisco da Silva, Mr. Jonne Soininen
Members, New gTLD Program Committee

12025 Waterfront Drive, Suite 300
Los Angeles, CA 90094-2536
USA

By regular mail, fax +1 310 823 8649 and by e-mail: reconsideration@icann.org

Re: BGC Recommendation of 10 October 2013 on Reconsideration Request 13-9

Dear Members of the New gTLD Program Committee,

Yours sincerely,

A handwritten signature in black ink that reads "Flip Petillion".

Flip Petillion
Crowell & Moring LLP
7, rue Joseph Stevens
B-1000 Brussels (Belgium)
fpetillion@crowell.com

Dear Members of the New gTLD Program Committee,

I write you on behalf of Amazon EU S.à.r.l. (Amazon). Reference is made to the Recommendation of 10 October 2013 by the Board Governance Committee (BGC) on Reconsideration Request 13-9 (the ‘BGC Recommendation’) regarding the International Centre for Dispute Resolution’s (ICDR) decision finding Amazon’s new gTLD application for .通販 as being confusingly similar to Commercial Connect’s application for .SHOP.

On 10 October 2013, the BGC recommended that Amazon’s Reconsideration Request 13-9 be denied without further consideration. We wish to draw your attention to the fact that the BGC Recommendation was made on incorrect grounds and that accepting the BGC Recommendation would be in violation of ICANN’s Bylaws.

I. The BGC erroneously considered that the application of the wrong standard by the ICDR Panel is not a basis for reconsideration

A. The Application of the wrong standard is a basis for reconsideration

In its recommendation, the BGC considers that:

“In the context of the New gTLD Program, the Reconsideration process does not call for the BGC to perform a substantive review of DRSP Panel decisions; Reconsideration is for the consideration of process – or policy-related complaints. The Reconsideration process will not be used in this instance to evaluate the [ICDR] Panel’s substantive conclusion that Commercial Connect’s Applied-for String and Amazon’s Applied-for String are confusingly similar. Rather, any review will be limited to whether the [ICDR] Panel violated any established policy or process, which Amazon claims was done by the Panel not applying the correct standard in reaching its determination.

The Panel referenced and correctly stated the applicable standard more than once in its evaluation of Commercial Connect’s objection.”

Amazon wishes to draw your attention to the fact that applying the correct standard is part of the established policy or process established by ICANN for dealing with string confusion objections. Merely stating the applicable standard (more than once) does not mean that the applicable standard is actually applied. Applying the correct standard is part of the policy or process established by ICANN, and the failure to apply the standard should therefore be a basis for reconsideration.

B. Amazon has shown that the ICDR Panel did not apply the correct standard

In the case at hand, the ICDR Panel did not make a correct application of the string similarity standard. As explained in Amazon’s Reconsideration Request, the similarity test to be applied by ICDR Panels is “a high bar, as indicated by the wording of the standard. A TLD string that is a dictionary word will not automatically exclude all synonyms of that word (and most TLD strings today are not dictionary words and have no real synonyms). Therefore, while the objection and dispute resolution process is intended to address all types of similarity, the process is not intended to hobble competition or reserve a broad set of string for a first mover.” Contrary to what the BGC asserts, Amazon has never challenged the fact that a likelihood of confusion can be established with any type of similarity, including similarity of meaning. However, similarity in meaning or the (exact) translation of a word, do not necessarily or automatically create confusing similarity with the average Internet user.

In the case between Commercial Connect and Amazon on the application for the .通販 string (the ‘Amazon Case’), the ICDR Panel used a different standard, considering that “*the use of essentially the same word in two different languages is sufficient to cause string confusion among the average, reasonable Internet user*”. This low standard is not in line with the test that ICDR Panels had to apply.

This is not rebutted by the observation of the BGC that the ICDR Panel is permitted under the Procedure to “*refer to and base i[t]s findings upon the statements and documents submitted and any rules or principles that it determines to be applicable*” (BGC Recommendation, p. 10):

1. First, the possibility for a panel to base its findings upon any rules or principles that it determines to be applicable, does not imply that a panel may therefore disregard the standard imposed by ICANN’s policy or replace this standard by applying another standard that contradicts the string similarity standard as set forth in ICANN’s policy.
2. Second, the ICDR Panel did not refer to any rule or principle that it determined to be applicable. The ICDR Panel merely considered that “*the use of essentially the same word in two different languages is sufficient to cause string confusion among the average, reasonable Internet user*”. The ICDR Panel did not invoke any rule or principle in support of this consideration. Even if such rule or principle existed – *quod non* – it would not apply here. ICANN already indicated in the applicable policy that such consideration would not be sufficient to cause string confusion.

II. The ICDR Panel made an incorrect application of the burden of proof

As recognized by the BGC (BGC Recommendation, p. 11), the objector in a string confusion objection bears the burden of proof.

The BGC adds to this that “*two panels confronting nearly identical issues could rightfully reach different determinations, based on the strength of the materials presented*”.

The BGC brought this argument in response to Amazon’s observation about another ICDR panel that had ruled on a string confusion objection by Commercial Connect that was also based on its application for .SHOP. This ICDR panel considered .SHOP not to be confusingly similar to the application for .购物 (which means ‘shop’ in Chinese) by a third party (TLDH; we refer to this case as the ‘TLDH Case’). The application by Amazon for .通販 (which is less similar to .SHOP than .购物) was considered confusingly similar by the ICDR panel in the Amazon Case. Both objections by Commercial Connect were based on the exact same string and on the exact same arguments.

The BGC considered that “*two panels confronting nearly identical issues could rightfully reach different determinations, based on the strength of the materials presented. While Commercial Connect was the objector in both proceedings cited by Amazon, the objections were rebutted by different applicants. Thus, the Panels reached different determinations at least in part because the materials submitted by each applicant (Amazon and TLDH) in defense of its proposed string were different*” (BGC Recommendation, p. 11-12).

However, the reasoning by the BGC in this respect is based on an incorrect application of the burden of proof and an incorrect reading of the expert determinations by the ICDR panels.

In the TLDH case, the ICDR Panel stated:

“The Expert finds that the Objector has failed to meet its burden of proving that “.购物” so nearly resembles “.shop” as to cause probable confusion in the mind of the average, reasonable Internet user.”

This ICDR Panel clearly considered that Commercial Connect failed to meet its burden of proof. This determination was not based on the materials submitted by TLDH in defense of its proposed string.

In the Amazon case, the ICDR Panel does not enter into discussions of the burden of proof and makes a determination based on arguments that Commercial Connect had not invoked. As a result, the ICDR Panel in the Amazon case did not apply the burden of proof requirement correctly.

Deciding otherwise would come down to the following:

- In one case, Commercial Connect fails to meet its burden of proof in showing that more similar strings are confusingly similar to each other; and
- In another case, Commercial Connect meets its burden of proof in showing that less similar strings are confusingly similar to each other, although it invoked the exact same arguments.

This is contradictory and shows that the ICDR Panel in the Amazon Case not only failed to apply the correct standard, but also failed to assess the burden of proof.

III. The BGC made a selective reading of the ICDR Expert Determinations

In its recommendation, the BGC tries to distinguish the Expert Determinations in the Amazon Case and the TLDH Case, respectively. The BGC notes that TLDH argued that its applied-for string had a different purpose and was directed to a different market from the one targeted by Commercial Connect. The BGC contends that *“relying on the intended markets for the strings, the Panel [in the TLDH Case] determined:*

While there is some potential overlap between these two markets, they are largely distinct. Therefore there is little likelihood that a bilingual user would be deceived or confused” (BGC Recommendation, p. 12-13).

However, this citation from the Expert Determination is misleading. The statement about *“these two markets”* in the Expert Determination has no relationship with the intended uses of the applied-for gTLD strings as one may assume when reading the BGC Recommendation. The *“two markets”* in the Expert Determination relate to markets based on language users and not to markets based on TLD-related products or services.

In the TLDH case, the Panel determined:

“The only sense in which “.shop” and “.购物” are similar is their meaning. However, this similarity in meaning is apparent only to individuals who read and understand both Chinese and English. Moreover, a person who can read both languages would understand that “.shop” is directed at English-speaking users, while “.购物” is directed at Chinese-speaking users. While there is some potential overlap between these two markets, they are largely distinct. Therefore,

there is little likelihood that a bilingual user would be deceived or confused.” (Expert Determination ICDR Case 50 504 T 00258 13, p. 7)

This demonstrates once more that consumer confusion between unrelated scripts is unlikely.

In addition, the Panel in the TLDH case decided the following:

“Furthermore, as noted above, the New gTLD Program expressly contemplated the creation of new Internationalized Domain Names written in non-Roman scripts. If similarity in meaning between gTLDs written in two different scripts were deemed sufficient, by itself, to result in confusing similarity, then all Internationalized Domain Name applications with the same meaning would need to be put in the same contention set with each other and with any Roman gTLD applications with the same meaning. This would mean that only one application in any script could be registered, which would conflict with the basic purpose of encouraging “a diverse set of applications for ne gTLDs, including IDNs, creating significant potential for new uses and benefit to Internet users across the globe” Preamble to the Guidebook” (Expert Determination, 50 504 T 00258 13, p. 7)

The Panel in the TLDH Case clearly decided, in line with ICANN’s policy, that translations are insufficient for a finding of confusing similarity.

The Panel in the Amazon Case decided, in contravention of ICANN’s policy, that translations were sufficient for a finding of confusing similarity. However, the BGC ignores the manifest difference in application of standards by ICDR Panelists – where the correct standard was applied in the TLDH Case and the wrong standard in the Amazon Case – and considers that Commercial Connect’s objection was dismissed because TLDH presented convincing evidence that there was little likelihood of confusion. This is a misrepresentation of the facts.

It must be noted that Amazon presented similar convincing evidence that there was no likelihood of confusion between .SHOP and .通販. In its response to Commercial Connect’s objection, Amazon *inter alia* drew the ICDR Panel’s attention to the different language communities to which both strings were addressed:

“The public to which the ‘通販’ is addressed is the Japanese language community, whereas ‘SHOP’ addresses the English language community. Most English language users will not understand the ‘通販’ string. Language users who do understand the ‘通販’ string will understand that it is different from the ‘SHOP’ string and will not be confused between both strings.”

This reasoning was also adopted by the Panel in the TLDH Case. In the Amazon Case, the Panel failed to even consider this argument.

IV. The ICDR Panel compared the wrong strings

As explained in more detail in Amazon’s Reconsideration Request, the ICDR Panel made a comparison between “.SHOPPING” and “.ONLINESHOPPING” instead of comparing “.SHOP” with “通販”.

In response to this, the BGC considers that “Amazon’s argument lacks credibility in that Amazon’s proposed string is the Japanese translation for “online shopping”; thus, “shopping” is contained within

the challenged string. Further, the Panel is permitted under the Procedure to “refer to and base i[t]s findings upon the statements and documents submitted and any rules or principles that it determines to be applicable.” (Procedure, Art. 20(b).)” (BGC Recommendation, p. 10).

However, the challenged string does not contain “shopping”. The challenged string or “通販” is a single word in Japanese that can be translated into English as ‘online shopping’. Another translation for “通販” could be ‘e-commerce’. By no means the word ‘shopping’ is contained in the challenged string. It is only present in one of several possible translations. The BGC’s reasoning comes down to arguing that the German word ‘Weltschmerz’ contains the word ‘weariness’.

In addition, the BGC is disregarding that:

1. the ‘.SHOP’ string does not contain the string ‘.SHOPPING’; and that
2. the Panelist was comparing ‘shopping’ with the challenged string instead of comparing ‘shop’ with the challenged string.

Finally, as to the ability of any rules or principles that a panel may apply, the Panel has made no reference to any such rules or principles, let alone to the sources of such rules or principles. In any event, there could be no such rule. The string similarity assessment must be done between the invoked string and the challenged string. The process does not allow for a comparison between two completely different strings that are unrelated to the objection. This cannot be seen simply as a “differing panelist’s opinion,” but rather an incorrect application of process.

V. Accepting the BGC Recommendation would create disparate treatment

Even if the Panel in the Amazon case had used the correct standard, *quod non*, this standard was implemented in a way that created inequitable and disparate treatment without justified cause. Indeed, ICANN would not allow for “通販” to coexist with “.SHOP”, but ICANN would allow coexistence between .SHOP and strings that are more similar to and more likely to create consumer confusion with “.SHOP”. Implementing the standard in such a way is in violation of Article II, Section 3 of ICANN’s Bylaws. Moreover, the divergent application of standards is not a fair application of a pre-established policy. This is also contrary to ICANN’s core values (Article I, Section 2, point 8 ICANN’s Bylaws: “Making decisions by applying documented policies neutrally and objectively, with integrity and fairness”).

*

In view of the above and in view of the reasons set forth in Amazon’s Reconsideration Request (*e.g.*, in relation to the ICDR’s violation of the procedural rules), we respectfully request the Board to reject the BGC Recommendation and to accept Amazon’s Reconsideration Request.

Sincerely yours,

Flip Petillion

REFERENCE MATERIALS TO ICANN NGPC PAPER NO. 2014.11.07.1d

TITLE: Reconsideration Request 13-10

Summary Background

While the full background can be found in the documentation attached to these Reference Materials, Reconsideration Request 13-10 (“Request 13-9”) brought by Commercial Connect, LLC (“Commercial Connect”) seeks reconsideration of ICANN staff’s acceptance of two allegedly inconsistent expert determinations from dispute resolution panels. Specifically, the Request challenges the staff’s acceptance of the 8 August 2013 Expert Determination dismissing Commercial Connect’s objection to Top Level Domain Holdings Limited’s new gTLD application for the Chinese translation of “shopping,” in light of the Expert Determination sustaining Commercial Connect’s objection to Amazon EU S.a.r.l.’s new gTLD application for the Japanese translation of “online shopping.”

The BGC considered Request 13-10 at its 10 October 2013 meeting and concluded that Commercial Connect has not stated proper grounds for reconsideration. As detailed in the Recommendation and the documents attached to these Reference Materials, the BGC determined that there is no indication that the Panel violated any policy or process in dismissing Commercial Connect’s objection, and there is similarly no indication that ICANN acted inconsistently with any established policy or procedure in accepting that Panel’s Determination. The BGC recommended that Reconsideration Request 13-10 be denied without further consideration.

Document/Background Links

The following attachments are relevant to the BGC’s recommendation regarding Reconsideration Request 13-10.

Attachment A is [Reconsideration Request 13-10](#), submitted on 5 September 2013.

Attachment B is the [Attachments to Request 13-10](#), submitted on 5 September 2013.

Attachment C is the [BGC's Recommendation on Reconsideration Request 13-10](#), issued on 10 October 2013.

Submitted by:	Amy A. Stathos
Position:	Deputy General Counsel
Date Noted:	1 November 2014
Email:	amy.stathos@icann.org

Reconsideration Request Form

Version of 11 April 2013

ICANN's Board Governance Committee is responsible for receiving requests for reconsideration from any person or entity that has been materially affected by any ICANN staff action or inaction if such affected person or entity believes the action contradicts established ICANN policies, or by actions or inactions of the Board that such affected person or entity believes has been taken without consideration of material information. Note: This is a brief summary of the relevant Bylaws provisions. For more information about ICANN's reconsideration process, please visit <http://www.icann.org/en/general/bylaws.htm#IV> and <http://www.icann.org/en/committees/board-governance/>.

This form is provided to assist a requester in submitting a Reconsideration Request, and identifies all required information needed for a complete Reconsideration Request. This template includes terms and conditions that shall be signed prior to submission of the Reconsideration Request.

Requesters may submit all facts necessary to demonstrate why the action/inaction should be reconsidered. However, argument shall be limited to 25 pages, double-spaced and in 12 point font.

For all fields in this template calling for a narrative discussion, the text field will wrap and will not be limited.

Please submit completed form to reconsideration@icann.org.

1. Requester Information

Name: Commercial Connect, LLC ("Commercial Connect")

Address: Contact Information Redacted

Email: Contact Information Redacted

Phone Number (optional):

(Note: ICANN will post the Requester's name on the Reconsideration Request page at <http://www.icann.org/en/committees/board-governance/requests-for-reconsideration-en.htm>. Requestors address, email and phone number will be removed from the posting.)

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

☐ **Board action/inaction**

X **Staff action/inaction**

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

(Provide as much detail as available, such as date of Board meeting, reference to Board resolution, etc. You may provide documents. All documentation provided will be made part of the public record.)

Commercial Connect is seeking reconsideration of the staff's guidance and quality control provided during the String Confusion Objection process during the resolution of two of Commercial Connect's objections. Specifically, Commercial Connect seeks reconsiderations of the guidelines utilized during the String Confusion Process that resulted in ICANN's decision to accept the Panel's determination in 50 504 258 13 ("Decision 258") as an expert determination and advice pursuant to 3.4.6 of the Applicant Guide Book ("AGB") in view of ICANN's decision to accept the Panel's determination in 50 504 261 13 ("Decision 261") which used a completely different interpretation of the guidelines than those used in Decision 258, resulting in inconsistent decisions from the respective Panels. Commercial Connect seeks reconsideration of ICANN's inaction in providing clear and well-defined standard to the Panels, and failure of ICANN to ensure that the Panels comply with the guidelines.

4. Date of action/inaction:

(Note: If Board action, this is usually the first date that the Board posted its resolution and rationale for the resolution or for inaction, the date the Board considered an item at a meeting.)

Decision 258 issued on August 8, 2013.

Decision 261 issued on August 21, 2013.

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

(Provide the date you learned of the action/that action would not be taken. If more than fifteen days has passed from when the action was taken or not taken to when you learned of the action or inaction, please provide discussion of the gap of time.)

Commercial Connect learned of the inconsistent application of the guidelines upon the issuance of Decision 261, which addressed the same issue as Decision 258, but resulted in a contrary application of the guidelines. This request for reconsideration is being filed within 15 days of Decision 261. Although Decision 258 issued more than 15 days prior to the filing of this request, the inconsistent

application of the guidelines was not evident to Commercial Connect until the issuance of Decision 261.

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

The staff's failure to provide clear and well-defined guidance to the Panels, and failure to ensure that the Panels comply with the guidelines constitute a material failure of process resulting in inconsistent decisions by Panels applying the identical guidelines with respect to Decisions 258 and 261. As a result, the goal of the AGB in setting up a predictable and consistent process in resolving contention sets is perverted and negatively impacts Commercial Connect's business strategy premised on the consistent application of the AGB to minimize confusion in the domain name environment between domains having similar gTLDs.

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

Inconsistent application of the AGB by the Panels will invariably result in confusion in the domain name environment between domains having similar gTLDs. This inconsistency is already evident when the following Panel decisions during String Confusion Objection process are reviewed: .COM/.CAM; .PET/.PETS; .CAR/.CARS; .SPORT/.SPORTS; .HOTEL/.HOTELS.

8. Detail of Board or Staff Action – Required Information

Staff Action: If your request is in regards to a staff action or inaction, please provide a detailed explanation of the facts as you understand they were provided to staff prior to the action/inaction presented to the staff and the reasons why the staff's action or inaction was inconsistent with established ICANN policy(ies). Please identify the policy(ies) with which the action/inaction was inconsistent. The policies that are eligible to serve as the basis for a Request for Reconsideration are those that are approved by the ICANN Board (after input from the community) that impact the community in some way. When reviewing staff action, the outcomes of prior Requests for Reconsideration challenging the same or substantially similar action/inaction as inconsistent with established ICANN policy(ies) shall be of precedential value.

Board action: If your request is in regards to a Board action or inaction, please provide a detailed explanation of the material information not considered by the Board. If that information was not presented to the Board, provide the reasons why you did not submit the material information to the Board before it acted or failed to act. "Material information" means facts that are material to the decision.

If your request is in regards to a Board action or inaction that you believe is based upon inaccurate, false, or misleading materials presented to the Board and those materials formed the basis for the Board action or inaction being

challenged, provide a detailed explanation as to whether an opportunity existed to correct the material considered by the Board. If there was an opportunity to do so, provide the reasons that you did not provide submit corrections to the Board before it acted or failed to act.

Reconsideration requests are not meant for those who believe that the Board made the wrong decision when considering the information available. There has to be identification of material information that was in existence of the time of the decision and that was not considered by the Board in order to state a reconsideration request. Similarly, new information – information that was not yet in existence at the time of the Board decision – is also not a proper ground for reconsideration. Please keep this guidance in mind when submitting requests.

Provide the Required Detailed Explanation here:

(You may attach additional sheets as necessary.)

The Reconsideration process can properly be invoked for challenges of the third party's decisions where it can be stated that either the vendor failed to follow its process in reaching that decision, or that the ICANN staff failed to follow its process in accepting that decision. [Recommendation of the Board Governance Committee (BCG) Reconsideration Request 13-5, 1 August 2013.]

Here, in Decision 258 and 261, the respective panels failed to follow the appropriate process in evaluating the merits of the respective Objections by applying the AGB in an entirely inconsistent manner such that they should not have been accepted by the ICANN staff.

AGB 2.2.1.1.3 provides guidance for the dispute resolution process for string similarity:

An application that passes the String Similarity review is still subject to objection by an existing TLD operator or by another gTLD applicant in the current application round. That process requires that a string confusion objection be filed by an objector having the standing to make such an objection. Such category of objection is not limited to visual similarity. Rather, confusion based on any type of similarity (including visual, aural, or similarity of meaning) may be claimed by an objector. Refer to Module 3, Dispute Resolution Procedures, for more information about the objection process.

Decision 258 dealt with Commercial Connect's objection that the IDN for Top Level Domain Holdings Limited (Applicant) consisting of the simplified Chinese characters for "shop", should have been placed in the same contention set as .SHOP. In his decision, the panel stated that:

The only sense in which .SHOP and [IDN] are similar is their meaning. However this similarity in meaning is apparent only to

individuals who read and understand both Chinese and English. Moreover, a person who can read both languages would understand that .SHOP is directed at English-speaking users, while [IDN] is directed at Chinese-speaking users. While there is some potential overlap between the two markets, they are largely distinct. Therefore, there is little likelihood that a bilingual user would be deceived. [Decision 258, p. 7].

Moreover, the panelist for Decision 258 determined that, notwithstanding AGB's express provision allowing confusion to be found on any type of similarity including visual, aural, or similarity of meaning, when an IDN is involved, the guidelines do not permit confusion to be based on meaning alone:

Furthermore as noted above, the New gTLD Program expressly contemplated the creation of new Internationalized Domain Names written in non-Roman scripts. If similarity in meaning between gTLDs written in two different scripts were deemed sufficient, by itself, to result in confusing similarity, then all Internationalized Domain Name applications with the same meaning would need to be put in the same contention set with each other and with any Roman gTLD applications with the same meaning. This would mean that only one application in any script could be registered, which would conflict with the basic purpose of encouraging "a diverse set of applications for new gTLDs, including IDNs creating potential for new uses and benefit to Internet Users across the globe [Decision 258, p. 7.]

However, Decision 261 also addressed the similarity between .SHOP and an IDN filed by Amazon EU S.a r.l. (Applicant). In this case the IDN is the Japanese characters for "online shopping." The panelist here determined that:

Finally, the Applicant has not persuaded the panel that simply using a foreign language or foreign characters in a gTLD string is sufficient basis to differentiate two strings with essentially the same meaning when the string is translated from one language to the other. Many Internet users speak more than one language, including English. The use of essentially the same word in two different languages is sufficient to cause string confusion among the average, reasonable Internet User. [Decision 261, p. 5]

Thus, two different Panels, applying the same guidelines, resulted in inconsistent decisions as to whether a Roman root and a gTLD string of foreign characters having the same meaning should be placed in the same contention set. These inconsistent applications of the guidelines evidences the staff's failure to provide clear and well-defined guidance to the Panels, and failure to ensure that the Panels comply with the guidelines and therefore constitute a material failure of process that must be addressed by the BGC.

9. What are you asking ICANN to do now?

(Describe the specific steps you are asking ICANN to take. For example, should the action be reversed, cancelled or modified? If modified, how should it be modified?)

Commercial Connect requests that ICANN issue clear and well-defined guidance, for example, properly determined string confusion analyses from the String Similarity Panel and that ICANN ensure that the Panels comply with the guidelines, especially with respect to decisions regarding similarities when gTLDs for IDNs having foreign characters are involved. Once ICANN establishes well-defined guidance, it should return to the respective panels any decisions that do not comply with the guidance. Here, it appears Decision 258 is taking a position that is not consistent with AGB 2.2.1.1.3 and Decision 261 and thus review and return of Decision 261 to the panel would be appropriate.

10. Please state specifically the grounds under which you have the standing and the right to assert this Request for Reconsideration, and the grounds or justifications that support your request.

(Include in this discussion how the action or inaction complained of has resulted in material harm and adverse impact. To demonstrate material harm and adverse impact, the requester must be able to demonstrate well-known requirements: there must be a loss or injury suffered (financial or non-financial) that is a directly and causally connected to the Board or staff action or inaction that is the basis of the Request for Reconsideration. The requestor must be able to set out the loss or injury and the direct nature of that harm in specific and particular details. The relief requested from the BGC must be capable of reversing the harm alleged by the requester. Injury or harm caused by third parties as a result of acting in line with the Board's decision is not a sufficient ground for reconsideration. Similarly, injury or harm that is only of a sufficient magnitude because it was exacerbated by the actions of a third party is also not a sufficient ground for reconsideration.)

Over the last thirteen years, Commercial Connect has worked diligently with ICANN providing input and feedback in establishing ICANN's New gTLD program. Commercial Connect has invested substantial time, effort, and financial resources, all while complying with ICANN's rules expecting to participate in a process designed to minimize confusion in the domain name environment between domains having similar gTLDs.

Commercial Connect's participation in the String Similarity Objection process was predicated on its reliance upon the appointment of a panelist that would comply with clear and well-defined guidance provided by ICANN with the understanding that ICANN would only accept such Panel decisions that complied with its guidance. ICANN staff's failure to provide and ensure compliance with clear and well defined guidance has resulted in inconsistent results in identical fact patterns. The failure to include similar gTLDs in the same contention set will not meet ICANN's goals of minimizing confusion in the domain name

environment between domains having similar gTLDs and Commercial Connect and the community which it represents will be harmed if gTLDs similar to .SHOP are permitted to coexist.

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

☐ Yes

☒ No

11a. If yes, Is the causal connection between the circumstances of the Reconsideration Request and the harm the same for all of the complaining parties? Explain.

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

Decision 258

Decision 261

If you do, please attach those documents to the email forwarding this request. Note that all documents provided, including this Request, will be publicly posted at <http://www.icann.org/en/committees/board-governance/requests-for-reconsideration-en.htm>.

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.

A handwritten signature in black ink, appearing to read "Mark Conlon", written over a horizontal line.

Signature

A handwritten date "5 SEP 13" in black ink, written over a horizontal line.

Date

International Centre for Dispute Resolution

New gTLD String Confusion Panel

In the Matter Between:

Re: 50 504 T 00258 13

Commercial Connect, LLC, OBJECTOR

and

Top Level Domain Holdings Limited, APPLICANT

String: <.购物>

EXPERT DETERMINATION

1. The Parties

The Objector is Commercial Connect, LLC (“Objector” or “Commercial Connect”), located at 1418 South 3rd Street, Louisville, Kentucky, United States of America.

The Applicant is Top Level Domain Holdings Limited (“Applicant” or “Top Level Domain Holdings”), located at Cragmuir Chambers Road Town, Tortola, 1110 VG, British Virgin Islands, and is represented by Reg Levy, United States of America.

2. The Opposed New gTLD String

The new gTLD string applied for and objected to is: <.购物>, which is an Internationalized Domain Name (“IDN”) consisting of the simplified Chinese characters for “shop” (“gòuwù” in the pinyin system of romanization).

3. Prevailing Party

The Applicant has prevailed and the Objection is dismissed.

4. The New gTLD String Confusion Process

This Expert Determination arises from a string confusion objection to an application for a new generic top-level domain (“gTLD”) as a part of the New gTLD Program (the “Program”) of the Internet Corporation for Assigned Names and Numbers (“ICANN”). To put this objection in context, an understanding of the overall procedures for the Program and for resolving string confusion objections is helpful.

The ICANN gTLD Applicant Guidebook (the “Guidebook”) established several phases for obtaining a new gTLD. The first phase is the application submission period, which opened on January 12, 2012 and closed on April 12, 2012, with no limit on the overall number of gTLD applications.

Second, after a gTLD application passes the Administrative Completeness Check, an Initial Evaluation of the application is conducted by independent evaluation panels in various categories, including string similarity and technical and operational capability. If the String Similarity Panel finds the applied-for gTLD string to be confusingly similar to the gTLD string in another application, the two strings will be placed in a contention set. Section 2.2.1.1.2 of the Guidebook states that, during this Initial Evaluation, “[s]tring confusion exists where a string so nearly resembles another visually that it is likely to deceive or cause confusion.”

Third, even if an application is not placed in a contention set during the Initial Evaluation, a third party may object to the application on several grounds, one of which is string confusion. Module 3 of the Guidebook contains Objection Procedures and the New gTLD Dispute Resolution Procedure (the “Procedure”). Article 1(b) of the Procedure states that “[t]he new gTLD program includes a dispute resolution procedure, pursuant to which disputes between a person or entity who applies for a new gTLD and a person or entity who objects to that gTLD are resolved in accordance with this New gTLD Dispute Resolution Procedure.”

Article 1(c) of the Procedure states that “[d]ispute resolution proceedings shall be administered by a Dispute Resolution Service Provider (“DRSP”) in accordance with this Procedure and the applicable DRSP Rules that are identified in Article 4(b).” Pursuant to Article 3(a) of the Procedure, string confusion objections shall be administered by the International Centre for Dispute Resolution (“ICDR”). The ICDR has duly adopted “Supplementary Procedures for ICANN’s New gTLD Program” (“ICDR Supplementary Procedures”), which govern this proceeding pursuant to Article 4(b)(i) of the Procedure. The ruling on a string confusion objection is called an “Expert Determination,” pursuant to Articles 2(d) and 4(a) of the Procedure.

Pursuant to Section 3.2.2.1 of the Guidebook, if a gTLD applicant successfully asserts a string confusion objection against another applicant, the two applied-for strings will be considered to be in direct contention. Both applications will be placed in a contention set; the contention resolution procedure described in Module 4 of the Guidebook results in only one application from the contention set moving forward in the process. On the other hand, if a string confusion objection is rejected, both applications may move forward in the process without being considered in direct contention with one another.

5. Procedural History of this Case

The Objection was filed with the ICDR on March 13, 2013, in the form of a “Dispute Resolution Objection” (the “Objection”), and an “Online Filing Demand for Arbitration/Mediation Form” (“Online Filing Demand”). The ICDR notified the parties of its receipt of the Objection on March 18, 2013, and proceeded to conduct an administrative review of the Objection.

On April 4, 2013, ICDR notified the parties that the Objection did not comply with Articles 5-8 of the Procedure and the applicable DRSP Rules. ICDR requested that the Objector, within five days from the date of the notification, provide proof or statement that copies of the Objection had been sent to the Applicant.

On April 11, 2013, ICDR notified the parties that the deficiencies had been corrected, so the Objection now complied with Articles 5-8 of the Procedure and the applicable DRSP Rules, and should be registered for processing.

On April 17, 2013, ICDR notified the parties that ICANN had published its Dispute Announcement of all admissible objections filed. ICDR also informed the parties that, in accordance with Article 11 of the Procedure, the Applicant should file a Response to the Objection within 30 days.

The Applicant filed a Response with the ICDR dated May 17, 2013. On May 24, 2013, the ICDR notified the parties that the Response complied with Article 11 of the Procedure and the applicable DRSP Rules.

On June 17, 2013, ICDR notified the parties that Grant L. Kim had been appointed to serve as the Expert, and requested that the parties review the Expert's resume and submit any comments or challenges regarding the appointment by no later than June 20, 2013. The parties did not submit any comments or challenges within this period.

6. Basis for Objector's Standing to Object Based on String Confusion

Section 3.2.2.1 of the Guidebook states that "any gTLD applicant in this application round may file a string confusion objection to assert string confusion between an applied-for gTLD and the gTLD for which it has applied, where string confusion between the two applicants has not already been found in the Initial Evaluation."

The Objector meets these requirements. The Objector is a gTLD applicant in the current application round, having filed an application for the string ".shop". The Objector asserts string confusion between ".shop" and a string applied for by the Applicant, ".购物". Further, no string confusion between ".shop" and ".购物" was found in the Initial Evaluation. Accordingly, the Objector has standing to object based on string confusion.

7. Factual Background

The Objector Commercial Connect states that it is a company established in 2000. The Objector filed a gTLD application for the string ".shop" on January 13, 2012. As a result of the Initial Evaluation, the Objector's application for ".shop" has been placed into a string contention set with eight other gTLD applications for ".shop". The Initial Evaluation determined that the Objector's application is "Eligible for Extended Evaluation" because the application did not receive a passing score in the category of Technical & Operational Capability.

The Applicant Top Level Domain Holdings filed a gTLD application for the string ".购物" after the application window for the New gTLD Program opened on January 12, 2012. As a result of

the Initial Evaluation, Top Level Domain Holding's application received a passing score, and was not placed in a string contention set with any other application.

8. Parties' Contentions

8.1. Commercial Connect's Objection

The Objector Commercial Connect states that it was established in 2000 for the specific purpose of bringing the ".shop" gTLD to the Internet. The Objector alleges that, when ICANN opened an application round for new gTLDs in 2000, the Objector was the only applicant for the ".shop" gTLD that had made it completely through the approval process. The Objector further alleges that, although it did not receive delegation for the ".shop" gTLD in 2000, ICANN invited the Objector to resubmit its application and stated that ICANN would give preferential consideration to the application.

The Objector alleges that in 2004 ICANN opened another application round for new gTLDs, but made the requirement so strict by concentrating on sponsored domains that the Objector could not apply. The Objector alleges that, as a result, the Objector was instrumental in helping to establish eCWR, which was an eCommerce Trade Union that helped to open communication channels and educate potential new eCommerce merchants.

The Objector alleges that during ICANN's development of the Guidebook in 2008, it was discussed that the Objector should receive preferential treatment as the original applicant for the ".shop" gTLD. Objector maintains that since then it has been active in obtaining supporters for its cause to provide a safe and secure eCommerce experience, and that there are over currently 15,000 supporters for the Objector's application for the ".shop" gTLD.

The Objector proceeds in the Objection to discuss the rules in the Guidebook regarding string confusion, as well as the interpretation of these rules based on the drafting history of the Guidebook. The Objector concludes that "all similar string[s] including visually, aurally, and same meaning should be in the same contention set."

The "Dispute Resolution Objection" submitted by the Objector does not specify ".购物" as the string at issue or make specific arguments as to why ".购物" is confusingly similar to ".shop." Instead, the Objection states:

The gTLD filed by _____, so nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the _____ gTLD application is similar either visually, aurally, or has a similar meaning.

The blanks in this sentence are presumably intended to refer to Applicant Top Level Domain Holdings and ".购物," but the Objector did not fill in those blanks. The only place where the Objector mentioned the Applicant is its Online Filing Demand, which states that "[t]he gTLD filed by Top Level Domain Holdings, so nearly resembles the .shop TLD that it is probable that confusion will arise in the mind of the average, reasonable internet user because the IDN for shopping gTLD application is similar either visually, aurally, or has a similar meaning."

8.2. Top Level Domain Holding's Response

The Applicant Top Level Domain Holdings contends that the Objection should be dismissed because “no part of either string is similar to the other.” The Applicant asserts that whether two strings are “so similar that they create a probability of user confusion” depends on visual similarity, citing Section 2.2.1.1 of the Guidebook. The Applicant notes that “.shop” and “.购物” have no visual similarity, since they are written in two different languages with completely different characters.

The Applicant further contends that the strings have no similar sounds, citing the International Phonetic Alphabet (“IPA”) for the two strings: kou u for 购物, and ʃap for shop.

The Applicant concedes that the strings may have comparable meanings, but notes that the strings are in different languages, so “.shop” would be meaningless to a person who does not know English, and “.购物” would be meaningless to a person who does not know Chinese. The Applicant asserts that a person who knows both English and Chinese would “be easily able to tell the difference” between the strings based on their visual and aural differences.

The Applicant further asserts that the two strings are aimed at distinct markets, as evidenced by the descriptions in the two applications. According to the Objector’s application, “.shop” will be marketed to “the global ecosystem of e-commerce,” with “a strict verification process where Commercial Connect researches the identity of that applicant and [the] business.” In contrast, “.购物” is directed to “Chinese-language vendors,” and requires no such pre-verification. The Applicant notes that these markets may overlap to some extent, but that one is global and restricted, while the other is language-specific and open.

The Applicant also notes that the String Similarity Panel found no similarity between “.购物” and “.shop” as it did not place them together in a string contention set. Additionally, the String Similarity Assessment Tool found a 0% similarity between “.购物” and “.shop.” Applicant notes that while this is not determinative, the Panel’s findings tend to show that there is no similarity between “.购物” and “.shop.” Applicant alleges that the String Similarity Assessment Tool found forty-eight (48) strings with a 30% to 50% similarity to Objector’s string.

Finally, Applicant states that the Objection is deficient because it does not provide concrete evidence that there is a likelihood of confusion between “.购物” and “.shop.”

9. Discussion and Findings

9.1. Jurisdiction

The Expert finds that he has been properly appointed pursuant to the Procedure and the ICDR Supplementary Procedures, and has jurisdiction to decide this dispute. The Applicant has accepted the applicability of the Procedure and the ICDR Supplementary Procedures by applying for a new gTLD pursuant to Article 1(d) of the Procedure. The Objector has likewise accepted the applicability of the Procedure and the ICDR Supplementary Procedures by filing an objection to a new gTLD pursuant to Article 1(d) of the Procedure.

9.2. Legal Standard for String Confusion

Article 2(e)(i) of the Procedure defines a string confusion objection as referring to an objection that “the string comprising the potential gTLD is confusingly similar to an existing top-level domain or another string applied for in the same round of applications.” Article 2(e) notes that the grounds for this objection are “set out in full” in Module 3 of the Guidebook.

Section 3.5.1 of the Guidebook explains the string confusion standard as follows:

A DRSP panel hearing a string confusion case objection will consider whether the applied-for gTLD string is likely to result in string confusion. 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.

As the Applicant has noted, Section 2.2.1.1 of the Guidebook refers to visual similarity. However, that provision explains that “[t]he visual similarity check that occurs during the Initial Evaluation is intended to augment the objection and dispute resolution process ... that addresses all types of similarity.” Similarly, Section 2.2.1.1.3 of the Guidebook clarifies that a third party string confusion objection “is not limited to visual similarity”; rather, confusion “may be based on any type of similarity (including visual, aural, or similarity of meaning).”

Section 3.5 of the Guidebook states that “[t]he objector has the burden of proof.” Section 3.5 further states that the panel “will use appropriate general principles (standards) to evaluate the merits of each objection” and “may also refer to other relevant rules of international law in connection with the standards.”

The plain language of Section 3.5.1 makes clear that string confusion is a high standard. In addition to requiring “a likelihood of confusion,” Section 3.5.1 emphasizes that “mere association” is insufficient, and that confusion must be “probable, not merely possible.” Section 3.5.1 also refers to “so nearly resembles,” indicating that the resemblance between the two strings should be quite close.

Imposing a high standard for string confusion is consistent with the purpose of the new gTLD program. As explained the Preamble of the Guidebook, “[t]he new gTLD program will open up the top level of the Internet’s namespace to foster diversity, encourage competition, and enhance the utility of the DNS” [Domain Name System]. While there are currently 22 gTLDs (as well as over 250 country code top-level domains), “[t]he new gTLD program will create a means for prospective registry operators to apply for new gTLDs, and create new options for consumers in the market.” To this end, ICANN did not limit the number of gTLDs applications in the current application round, because this would “severely limit the anticipated benefits of the Program: innovation, choice, and competition.” New gTLDs Applicant Guidebook April 2011 Discussion Draft Public Comment Summary and Analysis, page 5, <http://archive.icann.org/en/topics/new-gtlds/summary-analysis-agv6-30may11-en.pdf> (hereafter “Draft Summary and Analysis”).

The New gTLD Program expressly contemplates the establishment of new Internationalized Domain Names (“IDNs”) that are written in a script other than the standard ASCII Roman characters and Arabic numbers. The Preamble of the Guidebook states that “ICANN expects a diverse set of applications for new gTLDs, *including IDNs*, creating significant potential for new uses and benefit to Internet users across the globe” (emphasis added). Consistent with this expectation, Section 1.3 of the Guidebook sets forth special requirements for Internationalized Domain Name applications.

9.3. Findings

9.3.1. String Confusion

The Expert finds that the Objector has failed to meet its burden of proving that “购物” so nearly resembles “.shop” as to cause probable confusion in the mind of the average, reasonable Internet user. The two strings indisputably have no visual or aural similarity. The two strings are in different languages, written in different scripts that look very different, and have different phonetic spellings and pronunciations.

The only sense in which “.shop” and “购物” are similar is their meaning. However, this similarity in meaning is apparent only to individuals who read and understand both Chinese and English. Moreover, a person who can read both languages would understand that “.shop” is directed at English-speaking users, while “购物” is directed at Chinese-speaking users. While there is some potential overlap between these two markets, they are largely distinct. Therefore, there is little likelihood that a bilingual user would be deceived or confused.

Furthermore, as noted above, the New gTLD Program expressly contemplated the creation of new Internationalized Domain Names written in non-Roman scripts. If similarity in meaning between gTLDs written in two different scripts were deemed sufficient, by itself, to result in confusing similarity, then all Internationalized Domain Name applications with the same meaning would need to be put in the same contention set with each other and with any Roman gTLD applications with the same meaning. This would mean that only one application in any script could be registered, which would conflict with the basic purpose of encouraging “a diverse set of applications for new gTLDs, including IDNs, creating significant potential for new uses and benefit to Internet users across the globe.” Preamble to the Guidebook.

For the above reasons, the Expert concludes that “购物” and “.shop” are not confusingly similar to the average, reasonable Internet user under the standard set forth in the Procedure and the Guidebook. In view of this conclusion, the Expert finds that it is not necessary to address the Applicant’s arguments regarding the String Similarity Panel’s finding of no similarity or the Similarity Assessment Tool. The Expert notes, however, that the String Similarity Panel’s finding at the Initial Evaluation phase is not dispositive, since Section 2.2.1.1.2 of the Guidebook limited the String Similarity Panel’s review to visual similarity. In contrast, under Section 2.2.1.1.3 of the Guidebook, a third party string confusion objection “is not limited to visual similarity,” but “may be based on any type of similarity (including visual, aural, or similarity of meaning).”


9.3.2. Other Issues

As noted above, the Objector has alleged that ICANN agreed to give it preferential treatment as the initial applicant for the “.shop” gTLD. The Objector has not argued, however, that this alleged preference has any bearing on the merits of its Objection. In any event, the Expert finds that the Objector’s alleged discussions with ICANN are irrelevant to this case. Whether the Objection has merit depends on whether it meets the criteria set forth in the Procedure and the Guidebook. Moreover, ICANN has stated that “[t]here should be a level playing field for the introduction of new gTLDs, with no privileged treatment for potential applicants.” New gTLD Draft Applicant Guidebook Version 4 Public Comment Summary and Analysis, page 90, <http://archive.icann.org/en/topics/new-gtlds/summary-analysis-agv4-12nov10-en.pdf>.

Determination

For the following reasons, the Expert finds that the Applicant has prevailed and the Objection is dismissed.

Dated: August 8, 2013

A handwritten signature in cursive script, appearing to read "Grant L. Kim", is written over a horizontal line.

Grant L. Kim

Sole Expert Panelist

International Centre for Dispute Resolution

New gTLD String Confusion Panel

RE: 50 504 T 00261 13

Commercial Connect LLC, OBJECTOR

vs

Amazon EU S.à r.l., APPLICANT

String: <.通販>

EXPERT DETERMINATION

The Parties:

The Objector is Commercial Connect LLC, 1418 South 3rd Street, Louisville, Kentucky 40208 USA and is represented by Jeffrey S. Smith.

The Applicant is Amazon EU S.à r.l., 5 Rue Plaetis L-2338 Luxembourg, and is represented by Flip Petillion, Crowell & Moring, rue Joseph Stevens 7, Brussels 1000 Belgium.

The New gTLD String Objected To:

The new gTLD string applied for and objected to is: <.通販>

Prevailing Party:

The Objector has prevailed and the Objection is sustained.

Background:

Module 3 of the ICANN gTLD Applicant Guidebook (“Guidebook”) contains Objection Procedures and the New gTLD Dispute Resolution Procedure (“the Procedure”).

Article 1(b) of the Procedure states that “The new gTLD program includes a dispute resolution procedure, pursuant to which disputes between a person or entity who applies for a new gTLD and a person or entity who objects to that gTLD are resolved in accordance with this New gTLD Dispute Resolution Procedure.”

Section 3.1 of the Guidebook provides: “The independent dispute resolution process is designed to protect certain limited interests and rights. The process provides a path for formal

objections during evaluation of the applications. It allows a party with standing to have its objection considered before a panel of qualified experts.”

Article 3(a) of the Procedure states that “String Confusion Objections shall be administered by the International Centre for Dispute Resolution”.

A formal objection initiates a dispute resolution proceeding. In filing an application for a gTLD, the applicant agrees to accept the applicability of the gTLD dispute resolution process. Similarly, an objector accepts the applicability of the gTLD dispute resolution process by filing its objection.

Article 4(b)(i) of the Procedure provides that the applicable Dispute Resolution Service Provider (“DRSP”) Rules are the ICDR Supplementary Procedures for ICANN’s New gTLD Program.

A formal objection can be filed on four enumerated grounds, only one of which is relevant here. Specifically, as expressed in the Guidebook, and the Procedure, one of the grounds expressed is “String Confusion.” Article 2(e)(i) of the Procedure provides: “(i) ‘String Confusion Objection’ refers to the objection that the string comprising the potential gTLD is confusingly similar to an existing top-level domain or another string applied for in the same round of applications.”

A panel hearing a string confusion objection will consider whether the applied-for gTLD string is likely to result in string confusion. 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. Guidebook, Section 3.4.1.

Standing and Other Procedural Matters:

Objectors must satisfy standing requirements to have their objections considered. Standing requirements for objections on the grounds of string confusion require that the Objector be existing TLD operators or TLD applicants in the current round.

An existing TLD operator may file a string confusion objection to assert string confusion between an applied-for gTLD and the TLD that the Objector currently operates.

Any gTLD applicant in the same application round may file a string confusion objection to assert string confusion between an applied-for gTLD and the gTLD for which it has applied, where string confusion between the two applicants has not already been found. That is, an applicant does not have standing to object to another application with which it is already in a contention set.

Here, Objector has applied for the gTLD string <.shop>. Applicant has applied for the gTLD string <.通販(Online Shopping)> aka <.xn--gk3at1e (Online Shopping)>. Accordingly, Objector has standing to file this string confusion objection.

In the case where an existing TLD operator successfully asserts string confusion with an applicant, the application will be rejected.

In the case where a gTLD applicant successfully asserts string confusion with another applicant, the only possible outcome is for both applicants to be placed in a contention set and to be referred to a contention resolution procedure (refer to Module 4, String Contention Procedures). If an objection by one gTLD applicant to another gTLD applicant is unsuccessful, the applicants may both move forward in the process without being considered in contention with one another.

Article 21(d) of the Procedure provides: “The Expert Determination shall be in writing, shall identify the prevailing party and shall state the reasons upon which it is based. The remedies available to an Applicant or an Objector pursuant to any proceeding before a Panel shall be limited to the success or dismissal of an Objection and to the refund by the DRSP to the prevailing party, as determined by the Panel in its Expert Determination, of its advance payment(s) of Costs pursuant to Article 14(e) of this Procedure and any relevant provisions of the applicable DRSP Rules.”

Applicant asks that the Objection be denied because Objector allegedly did not properly serve the objection on Applicant in accord with applicable rules set out in the Procedure. However, Applicant acknowledges that it previously has been provided with a copy of Objector’s application for the <.shop> gTLD string, the Objector’s Demand for Arbitration and other materials. Applicant’s able counsel also has submitted a detailed brief in support of its application, and the panel has reviewed and considered all of Applicant’s submissions, arguments and contentions. Thus, it appears that Applicant received actual notice of the Objection, and has been accorded a full and fair opportunity to be heard on its application. Applicant also has not shown that it was prejudiced by any alleged defects in the filing of the Objection. As the procedures for String Confusion Objections are relatively new, in the absence of a showing of actual prejudice to the applicant, the panel is of the view that the Objection should be evaluated on the merits. Consequently, Applicants procedural objections are denied.

Parties’ Contentions:

Objector asserts that confusing similarity exists because the Applicant’s proposed string has a similar meaning to the Objector’s string. The Object further asserts that visual or aural similarity is not required, if the two strings have the same meaning, even if in different languages using different characters.

Applicant responds by contending that the objection should be denied because its application will promote innovation and competition among domain name registries. Applicant asserts that such competition advances the program’s goals, to expand consumer choice in the gTLD space.

Applicant also asserts that the string it has applied for will not create confusion. Applicant argues that the strings have a different meaning, because the word “shop” means “commercial establishment” or “store” and is a noun, while “online shopping” refers either to an action of purchasing something online or to order something for delivery via mail.

Lastly, Applicant asserts that the likelihood of confusion is merely possible, not probable, because the two strings are in different languages and the characters used by the two languages for the two strings have no visual similarity.

Discussion and Findings:

Here, the issue is whether the string <.通販(Online Shopping)> aka <.xn--gk3at1e (Online Shopping)> comprising the potential gTLD is confusingly similar to <.shop>.

There are three distinct, but related issues to be determined. The first issue is whether the root of a word in a string should be accorded protection from usage of variations of the root word, including participles. For example, there are several variations of the root word “shop” in the English language, including the plural “shops,” (when used as a noun), the participle “shopping” and the past tense of the verb “shopped.”

The second issue is whether the addition of the word “online” before the word “shopping” makes the two strings sufficiently distinct as to avoid string confusion.

The third issue is whether the use of Japanese characters and language (or any other language) instead of the English alphabet and language for the same word avoids the possibility of confusion.

As noted above, the applicable standard of review is the following: “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.”

Generally speaking, “confusion” may include jumbled or disorganized thought. A person who is confused may have difficulty solving problems or tasks, especially those known to have been previously easy for the person, or the inability to recognize familiar objects or locations, and uncertainty about what is happening, intended, or required. Confusion may include the state of being unclear in one’s mind about something, or the mistaking of one person or thing for another, including the inability to differentiate between similar words. In the context of internet searches, confusion can arise if the user is unable to differentiate between top level domain names, and becomes unable to access information using a logical, organized thought process. A confused internet user will be unable to find his or her way around the domain in a definite or familiar manner.

Here, the word “shop” can be used either as a noun, designating a physical establishment where one can buy goods or services, or as a verb. The concurrent use of “shopping”, the

participle of the root word “shop”, in a gTLD string will result in probable confusion by the average, reasonable Internet user, because the two strings have virtually the same sound, meaning, look and feel. The average Internet user would not be able to differentiate between the two strings, and in the absence of some other external information (such as an index or guidebook) would have to guess which of the two strings contains the information the user is looking to view.

Likewise, the addition of the word “online” before “shopping” does not add sufficient uniqueness to the string. The meaning of the string arises from the use of the root word “shop”, not the modifier “online.” The meaning of the string remains the same if the word “online”, or some other similar modifier such as “internet,” “digital” or “virtual”, appears or not.

The adopters of the applicable standard of review for string confusion hypothetically could have allowed an unlimited number of top level domain names using the same root, and simply differentiate them by numbers, e.g., <.shop1>, <.shop2>, <.shop3>, etc., or other modifiers, including pluralization, or other similar variations of a root word, or other modifiers before or after the root word. While that might allow for increased competition, as argued by Applicant, it would only lead to a greater level of confusion and uncertainty among average, reasonable Internet users. Accordingly, the Applicant’s argument that the concurrent use of a root word and its participle version in a string increases competition is not persuasive in this context, and is rejected.

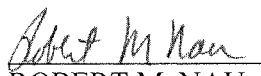
Finally, the Applicant has not persuaded the panel that simply using a foreign language or foreign characters in a gTLD string is a sufficient basis to differentiate two strings with essentially the same meaning when the string is translated from one language to the other. Many Internet users speak more than one language, including English. The use of essentially the same word in two different languages is sufficient to cause string confusion among the average, reasonable Internet user.

Accordingly, the Applicant’s arguments do not appear to be consistent with the applicable standard of review, the apparent purpose or goal of implementing gTLD’s, or the purpose or goal in allowing a string confusion objection.

Determination:

Therefore, the Objector has prevailed and the Objection is sustained.

DATED: August 21, 2013



ROBERT M. NAU,
Sole Expert Panelist

RECOMMENDATION OF THE BOARD GOVERNANCE COMMITTEE (BGC)

RECONSIDERATION REQUEST 13-10

10 OCTOBER 2013

On 5 September 2013, Commercial Connect, LLC (“Commercial Connect”) submitted a reconsideration request (“Request”). The Request asked the Board to reconsider ICANN staff’s acceptance of what Commercial Connect argues to be two inconsistent expert determinations from dispute resolution panels appointed by the International Centre for Dispute Resolution (“ICDR”). Specifically, the Request challenges the staff’s acceptance of the 8 August 2013 Expert Determination dismissing Commercial Connect LLC’s objection to Top Level Domain Holdings Limited’s (“TLDH”) new gTLD application for the Chinese translation of “shop” (“TLDH’s Applied-for String”) in light of the 21 August 2013 Expert Determination sustaining Commercial Connect’s objection to Amazon EU S.a.r.l.’s (“Amazon”) new gTLD application for the Japanese translation of “online shopping” (“Amazon’s Applied-for String”).

I. Relevant Bylaws

Article IV, Section 2.2 of ICANN’s Bylaws states in relevant part that any entity may submit a request for reconsideration or review of an ICANN action or inaction to the extent that it has 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.

Dismissal of a request for reconsideration is appropriate if the Board Governance Committee (“BGC”) recommends, and in this case the New gTLD Program Committee (“NGPC”) agrees, that the requesting party does not have standing because the party failed to satisfy the criteria set forth in the Bylaws. These standing requirements are intended to protect the reconsideration process from abuse and to ensure that it is not used as a mechanism simply to challenge an action with which someone disagrees. The reconsideration process is for situations where the staff acted in contravention of established policies (when the Request is based on staff action or inaction).

For reconsideration requests that challenge staff actions, requests must be submitted to the BGC within fifteen days after the date on which the party submitting the request became aware of, or reasonably should have become aware of, the challenged staff action. Bylaws, Art. IV, § 2.5.

The Request was received on 5 September 2013. Commercial Connect asserts that it did not become aware of the challenged staff action (the staff’s acceptance of two seemingly inconsistent expert determinations) until after the second expert determination was rendered on 21 August 2013. Because the Request was received within fifteen days of the second expert determination, Commercial Connect’s Request is deemed timely under the Bylaws.

II. Background

A. The New gTLD Objection Procedure

The New gTLD Program includes an objection procedure pursuant to which objections to applications for new gTLDs are submitted to an independent dispute resolution service provider (“DRSP”). The objection procedures are set out in Module 3 of the Applicant Guidebook (<http://newgtlds.icann.org/en/applicants/agb/objection-procedures-04jun12-en.pdf>) and the New gTLD Dispute Resolution Procedure (the “Procedure”) attached thereto.

As detailed in the Request, Commercial Connect filed two string confusion objections with the ICDR asserting that two applied-for strings are “confusingly similar to an existing TLD or to another applied-for gTLD string in the same round of applications.” (Guidebook, Section 3.3.2.1; Procedure, Art. 2(e).)¹

A panel of appropriately qualified expert(s) appointed by the ICDR is required to consider an objection that has been registered for processing and for which a response has been submitted. (Guidebook, Section 3.4.4.) Each panel will determine whether the objector has standing to object and will use appropriate general principles/standards to evaluate the merits of each objection. The panel must apply the standards that have been defined in Section 3.5 of the Applicant Guidebook for each type of objection. (Guidebook, Section 3.5; Procedure, Art. 20.)

The panel’s final determination will include a summary of the dispute and findings, identify the prevailing party, and provide the reasoning upon which the expert determination is based. (Guidebook, Section 3.4.6.; Procedure, Art. 21.) The findings of the panel will be

¹ With string confusion objections, where a new gTLD applicant successfully asserts string confusion with another applicant, the two applied-for strings will be placed in a “contention set” and be referred to the String Contention Procedures in Module 4 of the Applicant Guidebook. (Guidebook, Section 3.2.2.1.)

considered an expert determination and advice that ICANN will accept within the dispute resolution process. (Guidebook, Section 3.4.6.)

B. Commercial Connect's Objections to TLDH's Applied-for String and Amazon's Applied-for String

Commercial Connect is an applicant for the .SHOP string ("Commercial Connect's Applied-for String"). Commercial Connect objected to both TLDH's Applied-for String and Amazon's Applied-for String, asserting that both strings were confusingly similar to Commercial Connect's Applied-for String; TLDH and Amazon each filed responses in separate proceedings.

For Commercial Connect's objection to TLDH's Applied-for String, the ICDR's appointed panelist rendered an expert determination on 8 August 2013 ("TLDH Expert Determination"). Based on the evidence and the parties' submissions, the TLDH Panel dismissed Commercial Connect's objection on the grounds that the two-applied for strings are not confusingly similar to the average, reasonable Internet user under the standard set forth in the Procedure and the Applicant Guidebook. (TLDH Expert Determination, Pg. 7.)

Separately, for Commercial Connect's objection to Amazon's Applied-for String, a different panelist appointed by the ICDR rendered an expert determination on 21 August 2013 ("Amazon Expert Determination"). That Panelist ("Amazon Panel") determined that Commercial Connect had standing to object as an applicant for the .SHOP string. (Amazon Expert Determination, Pg. 3.) Based on the evidence and the parties' submissions, the Amazon Panel sustained Commercial Connect's objection on the grounds that the two-applied for strings are confusingly similar. (Amazon Expert Determination, Pgs. 4-5.)

Although Commercial Connect's objections were determined by a third-party DRSP, ICANN has determined 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. See BGC Recommendation on Reconsideration Request 13-5 at

<http://www.icann.org/en/groups/board/governance/reconsideration/recommendation-booking-01aug13-en.doc>.

III. Analysis of Commercial Connect’s Request for Reconsideration

Commercial Connect seeks reconsideration of the staff’s acceptance of the purportedly inconsistent TLDH Expert Determination and the Amazon Expert Determination. More specifically, Commercial Connect requests that ICANN “issue clear and well-defined guidance” to the expert panels and “ensure that the Panels comply with the guidelines” (especially for string similarity objections involving Internationalized Domain Names with foreign characters). Once ICANN establishes “well-defined guidance,” Commercial Connect requests that staff return to the expert panels any determinations that do not comply with the guidance, and Commercial Connect contends that the TLDH Expert Determination should be returned because it is inconsistent with the standards set forth in the Applicant Guidebook and the Amazon Expert Determination. (Request, Section 9.)

A. The Purported Inconsistencies Between Expert Determinations Do Not Demonstrate A Process Violation

Commercial Connect’s Request is based primarily on a claim that the TLDH Panel and the Amazon Panel inconsistently applied the standard for evaluating string confusion objections.²

² On 4 September 2013, Amazon separately sought reconsideration of the Amazon Expert Determination. (Request 13-9, available at <http://www.icann.org/en/groups/board/governance/reconsideration/request-commercial-connect-05sep13-en.pdf>.) Amazon’s reconsideration request is based in part on Amazon’s contention that the Amazon Panel applied the wrong standard in evaluating Commercial Connect’s objection. Amazon relies on the TLDH Expert Determination as evidence that the Amazon

To support this assertion, Commercial Connect relies on Section 2.2.1.1.3 of the Applicant Guidebook, which states that a string confusion objection may be based on any type of similarity, including visual, aural or similarity of meaning. (Request, Pg. 4.) Although both panels concentrated on the meanings of the applied-for strings (determining there was no visual or aural similarities between the objected-to strings and Commercial Connect’s application for .SHOP), Commercial Connect concludes that the two panels, applying the same standard, rendered inconsistent determinations “as to whether a Roman root and a gTLD string of foreign characters having the same meaning should be placed in the same contention set.” (Request, Pg. 5.) To support this conclusion, Commercial Connect contends that the TLDH Panel determined that “the guidelines do not permit confusion to be based on meaning alone” when evaluating an application for Internationalized Domain Names with foreign characters, while the Amazon Panel determined the “use of essentially the same word in two different languages is sufficient to cause string confusion.” (Request, Pg. 5.)

The fact that these two panels, evaluating similar objections, came to different conclusions does not mean that the panels inconsistently applied the standard for evaluating string confusion objections, nor does it establish a policy or process violation to support Reconsideration. On a procedural level, each expert panel generally rests its determination on the materials presented to it by the parties to that particular objection, and the objector bears the burden of proof. Two panels confronting nearly identical issues could rightfully reach different determinations, based on the strength of the materials presented. While Commercial Connect

(continued...)

Panel applied the wrong standard. For the same reasons as stated herein, Amazon’s claims are unsupported and do not support Reconsideration.

was the objector in each of these determinations, each objection was rebutted by a different applicant. Thus, the panels reached different decisions at least in part because the materials submitted by each applicant (TLDH and Amazon) in defense of its proposed string were different, and not because one panel violated any established policy or process in reaching its determination.

For instance, in dismissing Commercial Connect’s objection, the TLDH Panel determined that Commercial Connect failed to meet its burden of proof that the two strings (Commercial Connect’s Applied-for String and TLDH’s Applied-for String) would cause probable confusion in the mind of the average, reasonable Internet user. (TLDH Expert Determination, Pg. 7.) The Amazon Panel, on the other hand, in sustaining Commercial Connect’s objection, found that Amazon’s arguments:

[d]o not appear to be consistent with the applicable standard of review, the apparent purpose or goal of implementing gTLDs, or the purpose or goal in allowing a string confusion objection.

(Amazon Expert Determination, Pg. 5.) Overall, the Amazon Panel found that Amazon’s arguments were “not persuasive.” (Expert Determination, Pg. 5.)

Moreover, according to the TLDH Expert Determination, TLDH asserted that Commercial Connect’s Applied-for String and TLDH’s Applied-for String are aimed at distinct markets, as evidenced by the descriptions in the two applications. TLDH claimed that Commercial Connect’s Applied-for String will be marketed to “the global ecosystem of e-commerce” with a “strict verification process where Commercial Connect researches the identity of that applicant and [the] business.” (TLDH Expert Determination, Pg. 5.) In contrast, TLDH’s Applied-for String is directed to “Chinese-language vendors” and requires no such pre-verification. TLDH noted that these markets may overlap to some extent, but one is “global and

restricted,” while the other is “language-specific and open.” (TLDH Expert Determination, Pg. 5.)

The TLDH Panel found that the similarity in meaning between the two strings is apparent only to individuals who read and understand both Chinese and English. Relying on the intended markets for the strings, the TLDH Panel determined:

While there is some potential for overlap between these two markets, they are largely distinct. Therefore, there is little likelihood that a bilingual user would be deceived or confused.

(TLDH Expert Determination, Pg. 7.) The TLDH Panel therefore dismissed Commercial Connect’s objection not because it concluded that translations of essentially the same word are insufficient to cause string confusion – as Commercial Connect contends – but because TLDH presented convincing evidence that there was little likelihood of confusion between Commercial Connect’s Applied-for String and TLDH’s Applied-for String.

Ultimately, Commercial Connect has not been able to establish an actual policy or process that either panel failed to follow. The Request instead challenges the substantive determinations of the panels rather than the processes by which the panels reached their determinations. While Commercial Connect may disagree with the TLDH Panel’s findings, Reconsideration is not available as a mechanism to re-try the substantive determination of the TLDH Panel. Commercial Connect’s claims that the panels inconsistently applied the standards set out in the Applicant Guidebook are unsupported and do not support Reconsideration.

B. ICANN’s Alleged Failure To Provide Guidance To The Panels Does Not Support Reconsideration

In its Request, Commercial Connect contends that its participation in the dispute resolution process was predicated on its reliance that DRSP-appointed panels would comply with the clear and well-defined guidance provided by ICANN and that ICANN would only accept

determinations that complied with ICANN's guidance. Commercial Connect claims that ICANN's "failure to provide and ensure compliance with clear and well defined guidance has resulted in inconsistent results in identical fact patterns." (Request, Pg. 6.)

Commercial Connect does not contend that the dispute resolution procedures set out in Module 3 of the Applicant Guidebook, or the attached Procedures, were not followed. Instead, it appears that Commercial Connect is challenging an alleged inaction – *i.e.*, ICANN's purported failure to act to provide "clear and well-defined guidance" to dispute resolution panels and failure to "ensure compliance" with that guidance. (Request, Pg. 6.) But Commercial Connect does not identify any established policy or process that required ICANN to take action above the action it has already taken in implementing the New gTLD Program.

ICANN's decision to proceed with the New gTLD Program followed many years of discussion, debate and deliberation with the Internet community, including end users, business groups and governments. ICANN's work to implement the New gTLD Program – including the creation of an application and evaluation process for new gTLDs that is aligned with the policy recommendations and provides a clear roadmap for applicants to reach delegation – is reflected in the drafts of the applicant guidebook that were released for public comment, and in the explanatory papers giving insight into the rationale behind some of the conclusions reached on specific topics. Meaningful community input from participants around the globe has led to numerous and significant revisions of each the draft version of the applicant guidebook, resulting in the Applicant Guidebook that is used in the current application round.

The current Applicant Guidebook is publicly posted on an ICANN website dedicated to the New gTLD Program. See <http://newgtlds.icann.org/en/applicants/agb>. The standards for evaluating the merits of a string confusion objection are provided in the Applicant Guidebook,

and by filing an application for a new gTLD, each applicant agrees to accept the applicability of the gTLD dispute resolution process. (Guidebook, Section 3.5.1 & Section 3.3.2; Procedure, Art. 1(d).) Applicants are evaluated against transparent and predictable criteria, and the procedures are designed to ensure fairness.

Commercial Connect's disagreement as to whether the standards should have resulted in the TLDH Panel dismissing Commercial Connect's objection does not mean that ICANN violated any policy or process in accepting the decision (nor does it support a conclusion that either panel's decision was wrong). The Applicant Guidebook sets out the standards used to evaluate and resolve objections. The TLDH Expert Determination and the Amazon Expert Determination reflect that the panels followed the evaluation standards. As explained above, Commercial Connect has not been able to establish any policy or process that either panel failed to follow. ICANN's acceptance of the determinations as advice to ICANN is also in accordance with the established process. (Guidebook, Section 3.4.6.) Commercial Connect's attempt to claim here that the procedures set forth in the Applicant Guidebook for evaluating string confusion objections, which followed years of inclusive policy development and implementation planning, are somehow deficient because of allegedly inconsistent expert determinations is therefore not supported and should be rejected.

IV. Recommendation and Conclusion

Based on the foregoing, the BGC concludes that Commercial Connect has not stated proper grounds for reconsideration, and we therefore recommend that Commercial Connect's Request be denied without further consideration.

As there is no indication that the TLDH Panel violated any policy or process in dismissing Commercial Connect's objection, and there is similarly no indication that ICANN acted inconsistent with any established policy or procedure, this Request should not proceed. If

Commercial Connect thinks that it has somehow been treated unfairly in the process, and the Board (through the New gTLD Program Committee) adopts this Recommendation, Commercial Connect is free to ask the Ombudsman to review this matter.

Though there are no grounds for reconsideration presented in this matter, following additional discussion of the matter the BGC recommended that staff provide a report to the NGPC, for delivery in 30 days, setting out options for dealing with the situation raised within this Request, namely the differing outcomes of the String Confusion Objection Dispute Resolution process in similar disputes involving Amazon's Applied-for String and TLDH's Applied-for String. In addition, the BGC suggested that the strings not proceed to contracting prior to staff's report being produced and considered by the NGPC.