
WIPO and the legal rights objection – first-round gTLD lessons

As the next round of applications for generic top-level domain hoves into view, it is worth examining the legal rights objection which can be levelled against applied-for domains and analyse how this has been administered by the World Intellectual Property Organisation

The Internet Corporation for Assigned Names and Numbers (ICANN) is responsible for introducing new top-level domains (TLDs) into the domain name system (DNS). It held two limited application rounds in 2000 and 2003, during which there was no formal dispute resolution process for third parties to challenge generic TLD (gTLD) applications. Following this, the Generic Names Supporting Organisation (GNSO) – the main policy-making body for ICANN in connection with the DNS – began a two-year policy development process to consider the addition of a potentially unlimited number of new gTLDs to the 20 or so gTLDs in existence at the time. After considering the lessons learned in the 2000 and 2003 rounds, the GNSO issued its *Final Report on the Introduction of New Generic Top Level Domains* in 2007. This made 19 specific policy recommendations for implementing the new gTLD programme, including Recommendation 3, which stated that “[s]trings must not infringe the existing legal rights of others”, and Recommendation 12, which stated that “[d]ispute resolution and challenge processes must be established prior to the start of the process”.

In line with these recommendations, ICANN sought expressions of interest from potential dispute resolution service providers for the new gTLD programme, which contained no procedural or substantive guidelines as to how the new legal rights objection would proceed. In line with its work processing over 27,000 Uniform Domain Name Dispute Resolution Policy (UDRP) cases, the World Intellectual Property Organisation (WIPO) expressed its interest in developing a trademark-based dispute resolution procedure for new gTLDs. WIPO and ICANN then collaborated to develop substantive criteria and procedural rules for the legal rights objection. According to WIPO, these criteria are based on the principles established in the WIPO Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet. The joint recommendation was adopted by WIPO and the Paris Union for the Protection of Intellectual Property, with the aim of providing a clear legal framework for rights holders which wish to use their marks on the Internet and to facilitate

the application of existing laws relating to such use. However, it is not binding and the determination of the applicable law itself is not addressed by the present provisions, but left to the laws of individual member states.

The legal rights objection

The legal rights objection – as published in the original *Applicant Guidebook* and left mostly unchanged in later versions – is divided into three parts: the grounds, the standing and the standards. Intergovernmental and some UN entities were eventually given standing in later versions of the guidebook to challenge alleged infringements of their names and acronyms. The Cooperation Council for the Arab States of the Gulf was the only such entity to file a legal rights objection, but this was terminated for unknown reasons before a decision could be reached.

The grounds for a legal rights objection essentially repeat GNSO Recommendation 3: “The applied-for gTLD string infringes the existing legal rights of the objector.”

Standing requires simply that the objector be a rights holder, with the caveat that the “source and documentation of the existing legal rights... must be included in the filing”. It was never clear what other rights beyond trademark or intergovernmental /UN naming rights a third party could assert. Clearly, the legal rights objection standards were geared towards trademark rights. No third party has filed a legal rights objection without relying on purported trademark rights, except for the Gulf Cooperation Council, as noted above.

The standards consist first of a preamble with instructions for the panel of experts to determine whether the potential use of the applied-for gTLD would cause one of three types of infringement: “whether the potential use of the TLD takes unfair advantage of the distinctive character or the reputation of the objector’s registered or unregistered trademark or service mark (“mark”) . . . , or unjustifiably impairs the distinctive character or the reputation of the objector’s mark . . . , or otherwise creates an impermissible likelihood of confusion between the applied-for gTLD.”

The standards then state that the panel should consider eight non-exclusive factors in order to determine the scope of the objector’s and applicant’s trademark rights in the applied-for string, the objector’s intent in bringing the legal rights objection, the applicant’s intent in applying for the TLD and whether the TLD will be likely to cause confusion. As one panel noted, the joint recommendations provide assistance in understanding the general nature of the first two types of infringement, in that the concepts of ‘unfair advantage’ and ‘unjustifiable impairment’ refer to the



Despite WIPO's trademark-friendly UDRP record, its panels have generally taken a different view of new gTLD applications

commercial effects on a trademark undertaken in bad faith (*AC Webconnecting Holding BV v United TLD Holdco Ltd*, Case LRO2013-0006).

Moreover, the same panellist shared the insight that it “is noteworthy that the third matter for determination... – ‘impermissible likelihood of confusion’ – contains the qualifier ‘impermissible’. This makes clear that the likelihood of confusion simpliciter is not sufficient to constitute an infringement of rights on which a successful legal rights objection can be founded. Only a likelihood of confusion that is impermissible – in the sense that it cannot be justified – will suffice.”

Accordingly, the test is analysed differently from the typical likelihood of confusion test, and is applied more like the UDRP test with its legitimate interest and bad-faith elements.

Below we provide an overview and analysis of how panellists have treated the different elements of the legal rights objection test.

Standing

The procedure is silent regarding the relevant date on which the objector must have acquired existing rights for establishing standing. While several panels have considered this issue, no consensus has yet been reached. Some found that the filing date of the objection was the relevant date, while others found that it was the objected-to TLD application date.

Regardless, in most cases, objectors were easily able to demonstrate trademark rights in a term by attaching trademark registrations pre-existing both dates, regardless of jurisdiction. As one panellist stated: “This Panel takes the view that the entry bar should be set low for the purposes of establishing standing, as is the case for considering complainant rights under paragraph 4.a.i of the UDRP” (*AC Webconnecting Holding BV v Dot Agency Limited*). Panellists were asked to decide several other standing issues, including whether a certification mark could form the basis for a legal rights objection, whether a licensee could bring a legal rights objection and whether the owner of a US registration could proceed without demonstrating use.

In line with the low bar noted above, the panellist in each of these cases found standing. In several cases, the objector did not provide a proper chain of title for the asserted marks and some panels even found that the objector lacked standing. However, the panellist in each of these cases proceeded to consider the merits of the case anyway.

Factor 1 – TLD's similarity to mark

The panellists first compared the applied-for TLD string to the asserted mark(s) in sight, sound and meaning. Under this factor, panellists routinely found that the sight and sound of a string were similar to the mark, even when considering the dot before the string and where the mark contained a graphical element.

The panellists were split in how they weighed the fact that in most cases the meaning of the string (usually a dictionary term) and mark (which referred to the objector) were different. Many ignored this issue, while others found that this meant the string and mark were no longer identical, but merely similar overall. Accordingly, most panellists weighed this factor in favour of the objector, to varying degrees. In one outlier case, the panellist found that even though the applied-for TLD string was identical to the objector's mark except for the dot, the string's descriptive meaning was sufficiently different from the meaning of the objector's trademark to cause this factor to be weighed in favour of the applicant (*Motorola Trademark Holdings LLC v United TLD Holdco Ltd*, Case LRO2013-0054).

Factor 2 – objector's bona fides

It is not enough merely to assert trademark rights; panels must also weigh whether the acquisition and use of the rights are *bona fide*. In most cases, the objector can demonstrate its *bona fide* rights in the asserted mark through long use before the new TLD application window.

However, there have been several cases where the objector's trademark rights were challenged due to the timing and circumstances surrounding their acquisition – namely, where competing TLD applicants obtained trademark registrations for marks consisting of the TLD right before the TLD application window. Panellists were split on how to deal with these. In many cases, the panellist often weighed this factor in favour of the applicant or gave it very little weight. As one of these panellists stated: “the Panel is inclined to accept that the conduct of [objector] actually shows an attempt to secure for itself exclusive rights in relation to domain name registration services to the... gTLD... In the Panel's view, such use of rights would not be legitimate” (*Regtime Ltd v Verisign Sarl*, Case LRO 2013-0066). Accordingly, the panellist strongly weighed this factor for the applicant, finding that the objector acquired the marks “primarily to bolster its application for the applied-for string” (*id*).



Image courtesy of WIPO

Other panellists found that even if the objector's trademark registrations were acquired as "part of a strategy to support its application", the panel had "no basis to conclude that such acquisition was not *bona fide*" (eg, *I-REGISTRY v VIP Registry Pte Ltd*, Case LRO2013-00016).

Factor 3 – recognition of gTLD

This factor requires the panel to consider whether there was any recognition in the string as a mark of the objector, applicants or third parties, and not just in the objector's mark, as is standard in trademark infringement and UDRP cases. This proved to be a crucial factor for objectors. As the panel stated in *Defender Security Company v Baxter Pike LLC* (Case LRO2013-0031), "unless an objector can demonstrate strong recognition of its marks in an identifiable sector, its objection is likely to fail". Where the objector's and/or applicant's mark was identical to the applied-for string, this was straightforward. In cases involving competing brands – where both parties were able to demonstrate competing recognition – the panel usually did not weigh the factor for either party.

However, several prominent brands did have trouble establishing recognition in the TLD string because their marks were sufficiently different from the applied-for string. For example, while arguably well-known brand owners such as The Limited, Pinterest and the US Postal Service were able to demonstrate recognition in their marks THE LIMITED, PIN IT and U.S. MAIL, they were found to have failed to demonstrate any evidence that there was any recognition in the terms corresponding to the applied-for gTLDs, LIMITED, PIN and MAIL.

Panellists were also reluctant to find that an objector's mark was famous, which may have come in handy for the first two infringement types against descriptive strings, without specific recognition evidence (eg, strong surveys), despite some objectors submitting evidence of millions of dollars of sales having been made under the mark.

Accordingly, even where the objector could demonstrate some recognition in the string as its mark, but the applicant applied for a TLD string for its descriptive meaning and thus could not demonstrate recognition in the string as its mark, the factor was often weighed neutrally or even in favour of the applicant where the panel found that the internet public would most likely recognise the string in its descriptive sense, and not as mark.

Factor 4 – applicant's intent

The applicant's intent in applying for the TLD is generally one of the most important factors in determining who will win a legal rights objection. In general, if the applicant successfully convinces the panel that it is applying for a TLD merely to offer domain names to internet users based on the descriptive meaning of the TLD string, then it is likely to prevail. This is true even where the applicant likely knew about the objector's marks and applied for numerous descriptive TLDs that happened to be identical to third-party marks.

However, where the panellist questioned the applicant's intent in relation to the objector's trademark rights, the legal rights objection succeeded. For example, in *Del Monte Corp v Del Monte Int'l GmbH* (Case LRO2013-0001) a licensee's intent was found suspicious where it applied for the gTLD for its own purposes even though use of the mark as TLD was clearly not contemplated by the licence agreement. In *The DirecTV Group Inc v Dish DBS Corp* (Case LRO2013-0005) the panel questioned applicant Dish's intent in allegedly applying for the gTLD 'direct' in its allegedly descriptive sense, as Dish was a direct competitor of the objector, the objector had well-known rights in its DIRECTV mark, Dish had no rights in and had never used the term 'direct' as a mark, and Dish had stated in its application its plans to unify its products under "one brand umbrella" with the TLD. The panel eventually concluded that Dish had applied for the string as part of an ongoing battle for market share at the objector's expense and labelled this factor "of paramount importance" (*id*).

Factor 5 – applicant's use of TLD

Similar to Factor 4, most applicants of descriptive or dictionary term TLDs argued that their applications demonstrated that they were preparing to use the TLD in a way that would not interfere with the objector's legitimate rights because they would be using the term in a merely descriptive, generic or functional way that would not be seen by internet users as source identifying. However, panels were split over whether this factor should weigh in favour of the applicant because the applicant's intended use was a *bona fide* preparation to use the TLD, or whether it should be weighed neutrally because the intended use was not yet sufficiently public.

Similar to Factor 4 – where the panel found that competing brand owners were planning either to use the underlying string as a brand outside their authorised rights (eg, *Del Monte*) or to use a competitor's brand to offer their own competing goods and services (eg, *DiracTV*), – this factor was weighed in favour of the objector.

Legal rights objections: the story so far

Proposed string to which objection is directed	Objector	Applicant	Grounds for objection	Date of WIPO Centre's receipt of objection	Determination
'.delmonte'	Del Monte Corporation	Del Monte International GmbH	Legal rights objection	March 2, 2013	Objection upheld with dissenting opinion
'.coach'	Coach, Inc	Koko Island, LLC aka Dozen Donuts, LLC aka Donuts, Inc	Legal rights objection	March 8, 2013	Objection rejected
'.academy'	Academy, Ltd, d/b/a Academy Sports + Outdoors	Half Oaks, LLC	Legal rights objection	March 11, 2013	Objection rejected
'.blue'	Blue Cross and Blue Shield Association ("BCBSA")	Afilias Limited	Legal rights objection	March 12 2013	Objection rejected
'.direct'	The DirecTV Group Inc	Dish DBS Corporation	Legal rights objection	March 12 2013	Objection upheld
'.mls'	The Canadian Real Estate Association (CREA)	Afilias Limited	Legal rights objection	March 12 2013	Objection rejected
'.merck'	Merck KGaA	Merck Registry Holdings, Inc	Legal rights objection	March 12 2013	Objection rejected
'.merck'	Merck KGaA	Merck Registry Holdings, Inc	Legal rights objection	March 12 2013	Objection rejected
'.merckmsd'	Merck KGaA	MSD Registry Holdings, Inc	Legal rights objection	March 13 2013	Objection rejected
'.goo'	NTT Resonant Inc	Charleston Road Registry Inc	Legal rights objection	March 13 2013	Terminated
'.yellowpages'	Hibu (UK) Limited	Telstra Corporation Limited	Legal rights objection	March 13 2013	Objection rejected
'.vip'	I-Registry Ltd	VipSpace Enterprises LLC	Legal rights objection	March 13 2013	Objection rejected
'.vip'	I-Registry Ltd	John Corner, LLC	Legal rights objection	March 13 2013	Objection rejected
'.vip'	I-Registry Ltd	VIP Registry Pte. Ltd	Legal rights objection	March 13 2013	Objection rejected
'.vip'	I-Registry Ltd	Charleston Road Registry Inc	Legal rights objection	March 13 2013	Objection rejected
'.vip'	I-Registry Ltd	Top Level Domain Holdings Limited	Legal rights objection	March 13 2013	Objection rejected
'.diy'	Scripps Networks, LLC	Charleston Road Registry Inc	Legal rights objection	March 13 2013	Objection rejected
'.food'	Scripps Networks Interactive, Inc	Dot Food, LLC	Legal rights objection	March 13 2013	Objection rejected
'.food'	Scripps Networks Interactive, Inc	Wild Orchard, LLC	Legal rights objection	March 13 2013	Objection rejected
'.express'	Express, LLC	Sea Sunset, LLC	Legal rights objection	March 13 2013	Objection rejected
'.zone'	AutoZone Parts, Inc	Outer Falls, LLC	Legal rights objection	March 13 2013	Terminated
'.gcc'	The Cooperation Council for the Arab States of the Gulf also known as the Gulf Cooperation Council or GCC	GCCIX WLL	Legal rights objection	March 13 2013	Terminated
'.now'	Starbucks (HK) Limited	Grand Turn, LLC	Legal rights objection	March 13 2013	Objection rejected
'.now'	Starbucks (HK) Limited	Global Top Level ApS	Legal rights objection	March 13 2013	Objection rejected
'.now'	Starbucks (HK) Limited	Amazon EU Sarl	Legal rights objection	March 13 2013	Objection rejected
'.now'	Starbucks (HK) Limited	One.com A/S	Legal rights objection	March 13 2013	Objection rejected
'.now'	Starbucks (HK) Limited	XYZ.COM LLC	Legal rights objection	March 13 2013	Objection rejected
'.rightathome'	Right At Home, Inc	Johnson Shareholdings, Inc	Legal rights objection	March 13 2013	Objection rejected
'.gmbh'	TLDDOT GmbH	InterNetWire Web-Development GmbH	Legal rights objection	March 13 2013	Objection rejected
'.music'	DotMusic Limited	Amazon EU Sarl	Legal rights objection	March 13 2013	Objection rejected
'.music'	DotMusic Limited	Charleston Road Registry Inc	Legal rights objection	March 13 2013	Objection rejected
'.music'	DotMusic Limited	dot Music Limited	Legal rights objection	March 13 2013	Objection rejected
'.music'	DotMusic Limited	DotMusic Inc	Legal rights objection	March 13 2013	Objection rejected
'.music'	DotMusic Limited	Entertainment Names Inc	Legal rights objection	March 13 2013	Objection rejected
'.music'	DotMusic Limited	Victor Cross	Legal rights objection	March 13 2013	Objection rejected
'.music'	DotMusic Limited	.music LLC	Legal rights objection	March 13 2013	Objection rejected

Proposed string to which objection is directed	Objector	Applicant	Grounds for objection	Date of WIPO Centre's receipt of objection	Determination
'.song'	DotSong Limited	Amazon EU Sàrl	Legal rights objection	March 13 2013	Objection rejected
'.tunes'	DotTunes Limited	Amazon EU Sàrl	Legal rights objection	March 13 2013	Objection rejected
'.eco'	planet.ECO, LLC	Top Level Domain Holdings Limited	Legal rights objection	March 13 2013	Objection rejected
'.kom'	Regtime Ltd; Legato Ltd	VeriSign Sarl	Legal rights objection	March 13 2013	Objection rejected
'.opr'	Regtime Ltd; Legato Ltd	Public Interest Registry	Legal rights objection	March 13 2013	Objection rejected
'.cam'	AC Webconnecting Holding BV	United TLD Holdco Ltd	Legal rights objection	March 12 2013	Objection rejected
'.cam'	AC Webconnecting Holding BV	Dot Agency Limited	Legal rights objection	March 12 2013	Objection rejected
'.limited'	Limited Stores, LLC	Big Fest, LLC	Legal rights objection	March 13 2013	Objection rejected
'.pin'	Pinterest, Inc	Amazon EU Sàrl	Legal rights objection	March 13 2013	Objection rejected
'.axis'	Axis Communications AB/ Axis AB	Saudi Telecom Company	Legal rights objection	March 13 2013	DRSP Communication
'.tube'	Latin American Telecom, LLC	Charleston Road Registry, Inc	Legal rights objection	March 13 2013	Objection rejected
'.bio'	Biotechnology Industry Organization	Starting Dot	Legal rights objection	March 13 2013	Objection rejected
'.微博'	Sina Corporation	Tencent Holdings Limited	Legal rights objection	March 13 2013	Objection upheld with Dissenting Opinion
'.weibo'	Sina Corporation	Tencent Holdings Limited	Legal rights objection	March 13 2013	Objection upheld with Dissenting Opinion
'.mail'	United States Postal Service	1&1 Mail & Media GmbH	Legal rights objection	March 13 2013	Terminated
'.mail'	United States Postal Service	Afilias Domains No 2 Limited	Legal rights objection	March 13 2013	Terminated
'.mail'	United States Postal Service	Amazon EU Sàrl	Legal rights objection	March 13 2013	Objection rejected
'.mail'	United States Postal Service	Charleston Road Registry Inc	Legal rights objection	March 13 2013	Objection rejected
'.mail'	United States Postal Service	GMO Registry, Inc	Legal rights objection	March 13 2013	Objection rejected
'.mail'	United States Postal Service	Victor Dale, LLC	Legal rights objection	March 13 2013	Objection rejected
'.mail'	United States Postal Service	WhitePages TLD LLC	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	Baxter Pike LLC	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	Charleston Road Registry Inc	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	Dot Home LLC	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	DotHome Inc	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	Lifestyle Domain Holdings, Inc	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	Merchant Law Group LLP	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	Top Level Domain Holdings Limited	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	Uniregistry, Corp	Legal rights objection	March 13 2013	Objection rejected
'.home'	Defender Security Company	.Home Registry Inc	Legal rights objection	March 13 2013	Objection rejected
'.emerck'	Merck & Co, Inc	Merck KGaA	Legal rights objection	March 13 2013	Objection rejected
'.merck'	Merck & Co, Inc	Merck KGaA	Legal rights objection	March 13 2013	Objection rejected
'.moto'	Motorola Trademark Holdings LLC	United TLD Holdco Ltd	Legal rights objection	March 13 2013	Objection rejected

Source: The WIPO Arbitration and Mediation Center

Factors 6 and 7 – applicant’s prior rights in and use of TLD string

These factors – whether the applicant could demonstrate prior rights or use in the TLD string, or whether it was commonly known as the TLD string – really came into play only where the applicant alleged competing trademark rights in the string. In these competing brand cases, the panels closely scrutinised the alleged rights of the applicant and whether the respondent was currently and would in the future be making an authorised and *bona fide* use of the mark as a TLD. Similar to the analysis under Factor 5 – where a licence did not explicitly confer on the respondent the right to use the mark as a TLD (eg, *Del Monte*) or where the respondent applied for a competing brand without rights of its own in the term (eg, *DirectTV*) – panels weighed these factors against the applicant.

On the other hand, where the parties both had legitimate and full rights in the TLD string as a mark (ie, it coexisted in different jurisdictions, but not under a licence), panels found that these factors weighed in favour of the respondent (eg, *Hibu (UK) Limited v Telstra Corporation Limited*, Case LRO2013-0013; *Merck KGaA v Merck Registry Holdings, Inc*, Case LRO2013-0009; *Merck KGaA v Merck Registry Holdings, Inc*, Case LRO2013-0010; *Merck KGaA MSD Registry Holdings, Inc*, Case LRO2013-0011; *Merck & Co, Inc v Merck KGaA*, Case LRO2013-0068; *Merck & Co, Inc v Merck KGaA*, Case LRO2013-0069). In these cases, the panels found that both parties had rights in the mark and thus there was nothing untoward in the respondent applying for the gTLD string, or that use would not interfere with the objector’s rights. Even if it did, the panel noted in the *Merck* cases that the objector would be “free to take appropriate legal measures”.

In most cases, the applicant applied for a descriptive string in which it had no rights, which it had never used and with it had never

been commonly known as. Panellists in these cases varied greatly in how they weighed these factors – sometimes weighing one or both in the objector’s favour because the applicant could not demonstrate these facts; sometimes in the applicant’s favour because the lack of trademark registrations was in line with its purported descriptive or generic use of the string. Other panellists weighed these factors neutrally or merely mentioned the relevant facts in passing. Regardless, these factors appeared to play a minor role.

Factor 8 – likelihood of confusion

In weighing the likelihood of confusion in cases where applicants applied for the TLD for use in its descriptive sense, the panels varied widely in how they came to their findings, but generally held that such use did not cause a likelihood of confusion. For example, in several instances the panels found that the descriptive nature was unlikely to cause confusion with the objector’s marks. As one panellist stated: “Given the generic nature of the [applied-for TLD] and its manifold and diverse meanings not only in English but in other languages, proof of the likelihood of confusion is very difficult to establish” (*Biotechnology Industry Organization v Starting Dot*, Case LRO2013-0056). Other panels focused on the weakness of the objector’s trademark rights. Still others conflated the likelihood of confusion with the overall “impermissible likelihood of confusion” cause of action, and sometimes noted that even though there was some likelihood of confusion, it was permissible (eg, *Academy, LTD, d/b/a Academy Sports + Outdoors v Half Oaks, LLC*, Case LRO2013-0003). One panellist found that confusion was likely in Canada where the objector held its mark, but noted that it could not fashion a remedy to exclude Canada. It therefore dismissed the objection, based on the applicant’s *bona fide* intent (*The Canadian*



ICANN 48 gets underway in Buenos Aires

Pic courtesy of ICANN

Real Estate Association v Afiliars Limited, Case LRO2013-0008). Finally, some found that there was not enough evidence to find a likelihood of confusion and weighed the factor neutrally (*Coach, Inc v Koko Island, LLC*, Case LRO2013-0002 – “On balance, the Panel cannot conclude that, given the many definitions of ‘coach’, an appreciable number of Internet users will confuse the proposed string with the Objector’s mark... Considering the relevant evidence, however, the Panel finds that it is unclear whether the intended use of the opposed string would create a likelihood of confusion”). Accordingly, while the panels differed considerably in dealing with descriptive use, the end result was largely the same in that this factor was largely not weighed against the applicant.

In competing brand cases, this factor again turned on whether the applicant had legitimate trademark rights to apply for the TLD. Where the applicant’s rights were limited and accrued to the benefit of the objector – such as the applicant in *Del Monte* – and were going to be used for competing goods and services, the panel found that this use was likely to cause confusion with the objector’s marks. Similarly, where the applicant applied for a TLD string similar to a competitor’s mark to be used for competing goods and services – such as the applicants in *DirecTV* and *Weibo* – the panels found these proposed uses were likely to cause confusion with the objector’s marks. On the other hand, where – as in *Merck* and *Yellow Pages* – the parties each had full rights in the underlying mark in different jurisdictions, the panel found that the likelihood of confusion would be no greater than under the existing coexistence agreement and was thus not impermissible.

Infringement

In most cases, the panellists were content to conclude summarily, after weighing the legal rights objection factors, that the objector had proven none of the three types of infringement.

In cases where the three types of infringement were actually discussed, panellists often followed the reasoning of the panellist in *Right at Home v Johnson Shareholderings, Inc* (Case LRO2013-0030), who stated: “The use of the terms ‘unfair’, ‘unjustifiably’, and ‘impermissible’ as modifiers, respectively, of ‘advantage’, ‘impairs’, and ‘likelihood of confusion’ in Section 3.5.2 suggests that there must be something more than mere advantage gained, or mere impairment, or mere likelihood of confusion for an Objection to succeed under the Procedure. It seems, rather, that there must be something untoward – even if not to the level of bad faith – in the conduct or motives of Respondent, or something intolerable in the state of affairs which would obtain if the Respondent were permitted to keep the String in dispute.” Accordingly, most panellists have held that the mere likelihood of some advantage gained, or impairment or confusion caused, is not enough to sustain an objection (eg, *Coach*, at 10-12). Because most legal rights objection applicants applied for a TLD string for its descriptive properties under the auspices of the new gTLD programme with no intention of providing competing goods and services, nothing untoward was found.

However, in cases where something untoward was found regarding the applicant’s application for the gTLD – for example, where the applicant was applying for the use of a term beyond its known rights or for a competitor’s mark – the objector succeeded in proving infringement (see *Del Monte*, *DirecTV* and *Sina*). In these cases, the applicant knew about the objector’s rights and decided to operate the TLD for its competing goods and services regardless.

Interestingly, panellists routinely reject the theory that rampant second-level infringement would cause infringement. Indeed, several panellists agreed with the panellist in *Baxter Pike* “that the possibility of infringement caused by second level domains

employing the string, by itself, will not suffice”, and noted that they were weighing the actions of the registry operator at the top level and not the actions of registrants at the second level. Moreover, it was routinely noted that it is the domain name registrants and not registries operating in a *bona fide* manner that are legally responsible for the registration of domain names that create a likelihood of confusion with respect to existing trademarks (*Express, LLC v Sea Sunset, LLC*, Case LRO2013-0022). In addition, several panellists noted that objectors whose marks consisted of descriptive terms faced some risk at the second level “because [they] adopted a common word in the English language for its trademark” (*id*). Indeed, it was noted several times that sufficient rights protection mechanisms are already available to prevent this type of cybersquatting (eg, the sunrise period, the Uniform Rapid Suspension System, the UDRP and the Trademark Post-delegation Dispute Resolution Procedure). Accordingly, in the absence of evidence that the potential for such second-level name registrations was likely to result in systemic abuse, the panels did not find that the mere possibility of such a risk demonstrated impermissible likelihood of confusion between the applied-for gTLD string and the objector’s marks.

Procedural and evidentiary issues

As is made clear in the New gTLD Dispute Resolution Procedure, it was “designed with an eye toward timely and efficient dispute resolution”. Accordingly, rules were established to limit the size of pleadings and to reduce extra filings. These limit the substantive portion of the objection and response to 5,000 words or 20 pages, whichever is less, excluding attachments. Legal rights objection complaints and responses are in line with UDRP complaints and responses, which are limited to 15 pages – although because these can be single-spaced, they are often contain around 5,000 words. Legal rights objection panels can achieve timely and efficient resolutions by exercising their discretion under the procedure to refuse additional written statements and rejecting all hearings. As a result, WIPO panellists deliver their decisions within an average of 44.6 days without supplemental filings, and on average 56.1 days with supplemental filings. Although there are no official figures, this is far faster than the International Chamber of Commerce (ICC) and International Centre for Dispute Resolution (ICDR) deliver their decisions. Indeed, while all of the legal rights objection decisions have been delivered, some ICC and ICDR decisions are still pending.

WIPO also aided complainants and respondents by providing a model complaint, like the model UDRP complaints, with the relevant contact information and enumerated factors. This helped to ensure that complaints and responses were organised much more consistently than other objection types, thus making it easier to respond to arguments made in the complaint.

With regard to costs, the legal rights objection is inexpensive in relation to the other objection types. Each party under the WIPO Rules must pay a filing fee of \$2,000 for a single-panel expert (\$3,000 for a three-expert panel) and then \$8,000 for the panel fee for a single-panel expert (\$20,000 for a three-expert panel). Similarly, the ICDR charges a \$2,750 filing fee and \$6,000 for the panel fee for its string confusion objections. However, these fees are in stark contrast to those charged by the ICC for the limited public interest and community objections, where the filing fee is €5,000 (~\$7,500 USD) and panel fees accrue by the hour, amounting in some cases to over \$100,000. It is not entirely clear why WIPO panel fees are significantly higher than the \$1,500 fee to file a UDRP – however, they are reasonable in light of those charged by the ICC.

Regarding deadlines, while there were some reports that dispute

Arguments against standing or the speculative argument that a descriptive TLD with an open registration policy will cause rampant second-level infringement will not prevail

resolution providers accepted late objection filings, none was proven as coming from WIPO. One respondent filed its response one business day late, but its response was rejected in default and the objection was successful. (In this case the applicant explained in its response that its late filing was due to the miscalculation of business days as the Arabic weekend falls on different days. Despite the ICANN Ombudsman and the board asking WIPO to reconsider the default in light of this, WIPO declined to accept the response (see *Axis Communications AB/ Axis AB v Saudi Telecom Company*, LRO2013-0051)).

It is also supposed to be clear in the *New gTLD Applicant Guidebook* that the findings of the dispute resolution panels will be considered “an expert determination and advice that ICANN will accept”, and the New gTLD Dispute Resolution Procedure provides for no appeal mechanism. However, that did not stop losing parties from trying. For example, Tencent Holdings Limited and Dish DBS Corporation sought requests for reconsideration of the ICANN Board’s acceptance of their decisions, both substantively and procedurally. In both cases ICANN’s New gTLD Programme Committee rejected the requests, finding that the panels had applied the legal rights obligation factors properly and that it was the board’s mandate to accept expert determinations per the guidebook. As the committee stated in its rejection of Dish’s request, “the Reconsideration process is not intended to reexamine the established dispute resolution process”. The losing *Del Monte* applicant took its grievance to the US District Court for the Central District of California, where the judge dismissed its attempt to have the decision overturned, finding that the applicant failed to plead an actionable cause under the Anti-cybersquatting Consumer Protection Act because its TLD application was never registered, transferred or used (*Del Monte International GmbH v Del Monte Corp.*, Case CV 13-5912 RSWL (MANx) (CD Cal Feb 4 2014)). The court, however, cautioned that its holding did not necessarily foreclose application of the act in the context of successful gTLD registrations.

Lessons learned

First, it is important to meet the timing deadlines imposed by any dispute resolution procedure handed down by ICANN. Failure to meet a filing deadline, even by one day, can result in a default and lost application.

Second, rights holders will have difficulty winning legal rights objections, even against TLD strings that are identical to their mark, if the applicant can demonstrate that it is going to use the TLD to sell domain names to registrants that will be interested in the descriptive sense of the applied-for TLD.

Third, where both parties have rights in the applied-for TLD, the case will likely come down to the applicant’s intent and the

underlying rights of the parties. If the use of the TLD string is *bona fide* under the applicant’s proven trademark rights, it will likely prevail. If, on the other hand, the applicant is exceeding its trademark rights in using the applied-for string or is applying for a competitor’s mark to offer competing goods and services, it will likely lose.

Finally, arguments against standing or the speculative argument that a descriptive TLD with an open registration policy will cause rampant second-level infringement, including of the objector’s marks, will not prevail.

Conclusion

Despite WIPO’s trademark-friendly UDRP record – WIPO recently noted that in 2012 its panels found evidence of cybersquatting in 91% of all decided cases – its panels have generally taken a different view to new gTLD applications, giving much more weight to arguments regarding potential descriptive or generic uses of terms for new registries. WIPO has proved an affordable and efficient administrator of the legal rights objection. Although the panels are not always entirely consistent in how they weigh factors or consider the specified types of infringement, they ultimately deliver consistent final decisions in a timely manner, which can be relied upon for the principles stated above. But it would be difficult for WIPO to publish something like the *WIPO Overview of WIPO Panel Views on Selected UDRP Questions* for many of the legal rights objection factors.

However, it is likely, based on the final decisions, that if the legal rights objection is maintained as is, rights holders will be hesitant to file legal rights objections with WIPO (in stark contrast to UDRPs), unless a third party applies for a TLD to offer competing goods and services under the mark of its competitor where it has insufficient current trademark rights in that term. Accordingly, as few brand owners or licensees are unlikely to apply for a brand outside their authorised scope, and brand owners are unlikely to prevail against descriptive TLDs with open registration policies, it is unlikely that as many legal rights objections will be filed in the next round.

One panellist summed the issue up thus: “String-similarity or identicalness between applied-for gTLDs and common dictionary or generic terms was certainly foreseeable – it was, as a practical matter, inevitable. That being the case, ICANN might have prescribed a rule that common dictionary or generic terms are automatically entitled to serve as gTLDs notwithstanding the presence of an identical trademark term, and that any misuse of the trademark term by a third party with a second-level domain needs to be addressed in ex post dispute settlement proceedings. Alternatively, ICANN could have decided that a trademark owner with rights in a common dictionary or generic term (e.g., based on arbitrary usage) was automatically entitled to block third-party adoption of the common term as a gTLD... ICANN chose neither of these categorical options, instead placing assessments of disputes between owners of trademarks making use of common dictionary or generic terms and new gTLD applicants asserting legitimate interests in use of those terms in the hands of panels such as this one” (*Scripps Networks Interactive, Inc v Dot Food, LLC*, Case LRO2013-0020). In the end, WIPO panels have essentially prescribed the first option.

It remains to be seen whether ICANN will do likewise or keep the legal rights objection in place for the next TLD application round. [WTR](#)

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