

International Centre for Dispute Resolution

New gTLD String Confusion Panel

Re: 50 504 T 00224 13

VeriSign, Inc.

OBJECTOR

and

AC Webconnecting Holding B.V.

APPLICANT

String: <.CAM >

EXPERT DETERMINATION

The Parties

The Objector is VeriSign, Inc. – 12061 Bluemont Way, Reston, VA 20190 and is represented by Thomas Indelicarto.

The Applicant is AC Webconnecting Holding B.V. – Beursplein 37, Rotterdam 3011AA, Netherlands and is represented by Mike Rodenbaugh – Rodenbaugh Law, 548 Market Street, San Francisco, CA 94104.

The New gTLD String Objected To

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

Prevailing Party

The Applicant has prevailed and the Objection is dismissed.

The New gTLD String Confusion Process

Module 3 of the ICANN gTLD Applicant 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.

As expressed in the Guidebook, and the Procedure, there are four (4) grounds to object to the registration of new gTLDs. One of these grounds expressed String Confusion, as described in DRP Article 2(e)(i): **“(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.”**

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

Procedural History of this Case

The Internet Corporation for Assigned Names and Numbers (ICANN) is responsible for coordination of the Internet's system of identifiers including management of Top-Level Domain Names. A program has been implemented for the introduction of new generic Top-Level Domain Names (“gTLDs”). Applicants may apply for new gTLDs subject to a right of other parties to object.

The Applicant\Respondent AC Webconnecting Holding B.V. applies for registration of the new gTLD “.cam”.

The objection brought is a String Confusion Objection. The position of the Objector is that the string comprising the potential gTLD is confusingly similar to an existing top-level domain. The Objector argues that the .cam application must be rejected based on string similarity confusion because the new gTLD it will more than probably confuse the average, reasonable Internet user into believing it is the .com string, devastate the market for the .com string, and cause serious economic, operational, and security problems in the domain space.

In accordance with the ICANN protocol for new gTLD applications AC Webconnecting Holding B.V. posted its application for the .cam string. In accordance with the prescribed Dispute Resolution Procedure, VeriSign, Inc. filed its objection dated March 13, 2013. The AC Webconnecting Holding B.V. response to the objection was sent to the Objector and ICANN on May 24, 2013.

The International Centre for Dispute Resolution (ICDR) of the American Arbitration Association is the Dispute Resolution Service Provider under the prescribed ICANN Dispute Resolution

Procedure. VeriSign, Inc. submitted an online Demand for arbitration that was received on March 13, 2013. On June 25, 2013 I was appointed the Expert by the ICDR to decide the Objection.

Basis for Objector's Standing to Object based on String Confusion

The Objector, VeriSign, Inc. is the existing TLD operator of .com. The .com TLD was established in 1985, has over 100,000,000 registered names and is the best known TLD in the world. The label .com is shorthand for commercial. VeriSign, Inc. was chosen to serve as the exclusive registry operator for the .com TLD by the National Science Foundation and has been subject to the terms of a cooperation agreement between VeriSign, Inc. and the National Science Foundation since 1993. VeriSign, Inc. has operated the .com registry for more than 20 years.

Parties' Contentions

Position of the Objector VeriSign, Inc.

VeriSign, Inc. ("VeriSign") argues that the .cam extension so nearly resembles the well-established .com string in appearance, sound, and meaning that it is likely to deceive or cause confusion in the mind of the average, reasonable Internet user if both were allowed as Top-Level Domains. The VeriSign objection is based on the fact that the strings are visually similar because both include just three letters and each begins with a C and ends with an M, that the extensions are phonetically similar because they include just three letters beginning and ending with the same letter with a middle vowel that can be pronounced by ordinary English speakers in a similar way. VeriSign also notes that there is no obvious difference in meaning between the two strings since .cam possesses no meaning.

VeriSign refers to the ICANN evaluation tool for string similarity, an algorithm called the String Similarity Assessment Tool ("SWORD"). This algorithm is intended to provide an approximation of similarity between names. The similarity score for .cam and .com is 63% using SWORD. This visual similarity must be considered in combination with the aural and phonetic similarities when examining the potential for confusion.

VeriSign relies upon the Declaration of James T. Walsh who has more than 30 years of experience in evaluating confusing similarity in trademark and related matters. He was an Administrative Trademark Judge at the Trademark Trial and Appeal Board of the United States Patent and Trademark Office and has been a teacher for examiners in that organization. In the opinion of Mr. Walsh the similarity of .cam and .com is material and likely to cause confusion. He draws a comparison between the standards adopted in the ICANN procedures and long-established standards governing likelihood of confusion developed under US trademark law and trademark law generally. The ICANN standard refers explicitly to the trademark concept of "likelihood of confusion". It is not enough that one string merely brings to mind another. There must be a probability of confusion. Mr. Walsh takes into consideration the same elements under the ICANN process as are considered in trademark cases including visual and aural similarity as well as similarity of meaning. On his analysis he finds significant similarities between .cam and .com in appearance, sound and meaning. Each includes just three letters beginning with "c" and ending with an "m" which results in striking similarity in appearance and sound. The one letter

difference between the two strings is in his opinion virtually imperceptible. Since .cam possesses no meaning which would serve to distinguish the two strings there is a serious concern for confusion. When considering the striking similarities in appearance, sound and meaning he finds a strong probability of confusion. Mr. Walsh concludes that .cam and .com are confusingly similar.

VeriSign also relies upon a survey conducted by Hal L. Poret who found there to be a 39% level of confusion attributable to the similarity between .cam and .com. This is a high rate of confusion suggesting probable and indeed a substantial likelihood of confusion among Internet users. Mr. Poret has designed, supervised and implemented more than 450 consumer surveys concerning consumer perception, opinion and behaviour. He has been accepted as an expert on numerous occasions by US courts and trademark regulators. He holds a Masters degree in mathematics and a JD from Harvard Law School. The survey he conducted was extensive and sophisticated.

VeriSign tenders the affidavit of Gail Stygall as an expert linguist in support of the objection to the .cam string. She is a Professor of English language and an adjunct Professor of linguistics at the University of Washington in Seattle. Ms. Stygall has a PhD in English language and has conducted research on how ordinary people understand complex language such as that employed in the legal or financial communities. Ms. Stygall conducted an analysis to determine whether or not on grounds of visual aural and semantic similarities the proposed .cam string would likely prove confusing to consumers. She took into account the same considerations as Mr. Walsh involving the .cam and .com strings having three letters with the first and last letters exactly the same. Ms. Stygall focuses on the similarity of sound and the way that the two terms would be pronounced. She concludes that the opportunity for confusion among consumers is significant. Likewise the shapes of the letter “a” and the letter “o” are similar and could be easily confused. Based on these linguistic similarities Ms. Stygall concludes that it is probable, not merely possible, that Internet users who encounter .cam are likely to be confused with the domain name .com.

In addition VeriSign argues that the commercial strength and popularity of the .com TLD, combined with potential overlapping marketing channels of .com and .cam are further factors that established a likelihood of confusion. VeriSign acknowledges the Applicant’s intention to make the .cam string available to any persons intending to use a domain name for purposes related to cameras, photography or filmmaking. Accordingly the .cam string will be a broad use TLD generally available to all registrants thus leading to overlapping marketing channels. There is a danger that the overlap in marketing channels will become even broader in the future because marketing methods are subject to change. Internet users might reasonably mistake .cam for VeriSign's well-known .com TLD.

VeriSign argues that the confusion involving .cam and .com will result in harm to Internet users generally as well as to VeriSign particularly. Users looking for a domain registered in the .com TLD may instead find a domain registered in the .cam TLD. This will result in harm to users who reach an unintended website. If a user signs up for the .cam domain name unintentionally, that user will be harmed by not receiving what is expected. Rather than obtaining a large TLD

with superior performance, security, stability users will obtain a start-up TLD without any of those attributes.

VeriSign states that it will suffer economic harm when users are diverted from its registry services. VeriSign relies upon the declaration of Joseph Waldron, Director of Product Management at VeriSign. Mr. Waldron chronicles the history of VeriSign having been chosen to serve as the exclusive registry operator of the .com TLD by the National Science Foundation. The operation of the registry has been subject to the terms of a Cooperative Agreement between VeriSign and the National Science Foundation or its successor, the Department of Commerce, since 1993. He notes the fact that the .com TLD has had a unique record of 100% resolution uptime for more than 15 years. No other registry has a comparable record of security and stability. The .com registry is based on a specially designed, purpose built proprietary system. The .com TLD was among the first to introduce services such as malware scanning products, a Registry Lock Service, Two Factor Authentication and botnet check automation services. Users of the .com registry derive significant benefit from these services. No other registries have a comparable level of security or reliability of service. Mr. Waldron believes that VeriSign will suffer economic harm if users are diverted away from its registry services due to confusing similarity with the applied for .cam TLD. The VeriSign brand will further suffer harm as a result of users having a negative experience, believing the .cam TLD is affiliated with, associated with or endorsed by .com.

In conclusion VeriSign argues that visual similarity, phonetic similarity, an absence of distinctive meanings and similarity based on context and overall impressions leads to a significant probability of confusion between the .com string and the applied for .cam string. Similar methodologies adopted in trademark cases demonstrate that where two marks are confusingly similar based on overall impression and the context in which they are found an objection should be sustained. The commercial strength of the .com mark is one of the factors that militates against the .cam gTLD being allowed. Casual Internet users are unlikely to exercise a high degree of care when exposed to new TLDs.

Position of the Applicant AC Webconnecting Holding B.V.

In the Response to the Objection, AC Webconnecting Holding B.V. (“AC Web”) argues that there is no material confusion between the two strings. Internet users and consumers would not likely be confused. AC Web argues that approval of the .cam string would not cause economic harm to Verisign.

AC Web applies for the .cam TLD for the benefit of Internet users wishing to provide websites and services related to cameras, photography and film making. AC web is an established Internet services business providing services to 1 million users per day. There are many uses for cameras in combination with Internet services including WebCams, video calling and videoconferencing. The .cam TLD will allow anyone to have their own domain name to offer their own information and services combining photography and the Internet. AC web has registered its .cam trademark in the European Union for a broad array of services including software development and registration of domain names.

AC Web disputes the competence of the VeriSign evidence supporting the objection to the use of the .cam TLD. AC web relies upon its own expert evidence gleaned from a scientific user survey that proves that confusion is not probable. The .com and .cam TLDs can co-exist without any concern for user confusion.

AC Web argues that it is not probable that confusion will arise in the mind of the average, reasonable Internet user. AC web tenders the opinion of Dr. James Wright to rebut the opinion of Dr. Poret. Dr. Wright surveyed 1000 Internet users and concludes that Internet users are highly unlikely to be confused by the coexistence of the .cam and .com TLDs. The representative multinational survey of Internet users found no probable confusion between the two strings. AC web disputes the usefulness of the Poret survey that canvassed only 200 US citizens compared to the Wright survey that canvassed 1000 respondents from several countries. Dr. Wright concluded that only one percent of respondents thought that .cam and .com had the same meaning. The great majority of Internet users are careful regarding domain names when making an online purchase. Very few users believed that aural confusion would be probable between .cam and .com and a relatively small number of users believed that visual confusion would be probable.

Users of the .cam TLD will be required to affirm its use solely to promote WebCam and photography/film related websites. The .com TLD on the other hand is open to any registrant to register any available domain name for any purpose.

The suffix cam is commonly used to denote products and services relating to cameras and photography. Examples cited include WebCam and NETCAM. The term cam is a shortened form of the word camera. Use of the term cam would be considered by users of Internet services such as those using services related to computer games to be a reference to a camera. There has historically been a lengthy and extensive use of the term cam in association with the .com domain name for websites related to photographic and WebCam services such as cam.com. There is no evidence of any consumer confusion in respect of such use.

AC web disputes the suggestion that there would be a probability of aural confusion on the basis that the .cam niche TLD will be used only in the context of referring to WebCam or photographic websites. AC Web relies upon the expert opinion of Mr. Miholovich to support this position. The absence of any probability of confusion is confirmed by Dr. Golovina who opines that the bulk of Internet users would recognize the aural difference between .com and .cam.

AC Web argues that the proposed new gTLD will not result in material confusion as to the visual appearance of the .cam and .com. Global Internet users are very familiar with the .com TLD and are accustomed to the difference between .com and other extensions such as .ca and .co. There are many second-level domains such as cam.com that have not caused confusion. VeriSign provides no evidence of any confusion between .com and other TLD or second-level domains that are as similar to .com as is .cam.

AC Web disputes the value of the Stygall opinion tendered by VeriSign. Ms. Stygall is in English language linguist with no experience in judging consumer perceptions. While she may

be qualified to offer an opinion that .cam and .com may sound alike, there are many English words that have similar sounds with no evidence of resultant consumer confusion. Dr. Golovina's expert opinion is tendered in rebuttal. She is fluent in English as well as Japanese and Russian and has specific real world experience consulting with global brands regarding online consumer perceptions. The opinion of Dr. Golovina is to be preferred. Internet users will recognize the .cam TLD as commonly used across different languages in referring to camera or photography related websites. Whereas the .cam TLD will be recognized as a niche website, the .com TLD will be recognized as the ubiquitous, limitless TLD that is indeed the most popular TLD in the world.

AC Web relies upon statements by judges in trademark cases to show the increasing level of consumer sophistication in searching for products online. Marketplace realities have evolved. At the same time, AC Web disputes the value of the trademark case authorities relied upon by VeriSign in arguing the proposition that .cam and .com are too similar. Many other case authorities are more apposite including cases dealing with radio call signs and other commercial applications. AC Web makes the point that VeriSign does not own any trademark rights in respect of .com.

In respect of the potential for harm, AC Web relies upon Dr. Golovina's opinion that Internet users who encounter a .cam website by mistake would not be harmed. The consumer would quickly realize that it is a photography or camera related website and move on. Not only would there not be a probability of confusion, it is extremely unlikely that the average reasonable Internet user would be confused. The evidence tendered by VeriSign as to economic harm is insufficient. The conclusory declaration by Mr. Waldron, the VeriSign executive, fails to recognize the long coexistence of some 47,000 cam.com websites and offers no evidence as to how VeriSign might be harmed economically. AC Web argues that a string confusion dispute should not involve any notion of protection for existing TLD franchises. To the contrary the new gTLD program is meant to provide for innovative use of new TLDs and specifically niche TLDs such as .cam.

In conclusion AC Web states that VeriSign has failed to prove any valid basis for objection to the .cam string.

Discussion and Findings

The test for deciding a string confusion objection is whether or not the new gTLD is confusingly similar to an existing top-level domain name. The party filing an objection must establish on a balance of probabilities that an average, reasonable Internet user will be confused by the similarity in the proposed and existing domain names.

The .com TLD is the most widely recognized string in the Internet world. No reasonable Internet user would fail to recognize the ubiquitous .com TLD. The very reputation of the .com name serves to limit the potential for an average Internet user to be confused by the proposed .cam TLD. It is indeed unlikely that an online consumer would confuse a .com website with a .cam website.

The visual similarity of the two strings does not allow a conclusion that confusion would result. The ICANN evaluation tool for string similarity, the String Similarity Assessment Tool (“SWORD”) algorithm shows a high degree of similarity but such similarity must be considered in context. The opinion of James Walsh is entitled to considerable weight in so far as he finds significant visual and aural similarity between .cam and .com. Mr. Walsh’s credentials are impressive. Indeed it would be surprising to conclude otherwise than that the strings .cam and .com contain considerable similarities. However, the test is not to decide whether the proposed domain name bears similarities to an existing domain name but rather to determine whether or not an average Internet user would be confused by those similarities.

Hal Poret has similarly impressive credentials and his survey indeed does reveal a level of confusion that raises some concern but I prefer the survey conducted by Dr. Wright which is more pertinent to the question at hand and belies the danger raised in the report of Mr. Poret in the context of a global Internet. The Wright survey was broader both in terms of respondents and in terms of countries surveyed. His conclusion that only one percent of users would consider that .cam and .com have the same meaning is more compelling in answering the question at hand and comports with what one would expect in modern Internet usage.

There is also some similarity in the sounds that the terms .com and .cam would produce when pronounced by users from different regions in the world. A New England accent might cause to the listener to hear the term .cam in a way that is similar to the term .com but an Internet user from New England is not likely to be so confused by a New England accent while an Internet user from another region who might hear the term .cam pronounced the same as .com would not continue to be confused once seeing the terms juxtaposed in print, as would be the case for most Internet applications. For this reason I am not persuaded by the evidence of Gail Stygall that the similarity of sound of the two terms would lead to confusion amongst consumers. The applicant AC web has urged that I prefer the opinion of Dr. Golovina who is an expert in consumer experience and perceptions online. I agree that the opinion of Dr. Golovina is to be preferred.

Likewise I accept the view of Dr. Golovina that there is no basis to believe that Internet users would suffer harm in the event the .cam string is allowed as a new gTLD. I agree that a consumer would quickly realize that a .cam website is likely associated with photography or camera use and is different than a .com website in use generally by a myriad of commercial entities. Neither am I satisfied that VeriSign will suffer any significant economic harm if the .cam string application is allowed. The .com name is a powerful market force that is unlikely to be displaced in any measurable way by niche websites that adopt the .cam extension for websites devoted to cameras, photography or filmmaking.

I have considered the similarities between the proposed .cam string and the existing .com string on all of the levels raised by the Objector. While there is visual similarity and aural similarity and no dictionary distinction in meaning there is not, on the whole, in the context of modern Internet usage, any rational basis upon which to conclude that an average reasonable Internet user would probably be confused in distinguishing between the two. I find that there is no probability of confusion in the mind of the average, reasonable Internet user.

Determination

For these reasons the Applicant has prevailed and the Objection is dismissed.

Dated this 13th day of August 2013

A handwritten signature in black ink, appearing to read 'Murray Lorne Smith', with a horizontal line at the end.

Murray Lorne Smith

Sole Expert Panelist