crowell▐moring

Our ref :   fpe/mne/107725.0000026   Flip Petillion
Your ref :   Advocaat
                                                                +32 (0)2 282 40 82

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,

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 <u>sufficient</u> 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