

Comments of Commercial Connect, LLC

Commercial Connect, LLC hereby submits its comments urging ICANN not to adopt the Proposed Review Mechanism to Address Perceived Inconsistent Expert Determinations on String Confusion Objections (“Proposed Review”). The Proposed Review, rather than addressing the core problem which has directly caused the inconsistent String Confusion Objections (“SCO”) Determinations, exacerbates the problem by artificially constraining the review to purposely avoid recognizing the extent of the inconsistent SCO Determinations and its impact on the participants.

I. The core problem is that ICANN failed to provide sufficient written procedures in the AGB to allow the string similarity objection process to be conducted in a fair and equitable manner, resulting in inconsistent SCO determinations.

Article I of the ICANN Bylaws contains ICANN’s core values, which include, *inter alia*, “[m]aking decisions by applying documented policies neutrally and objectively, with integrity and fairness.” Similarly, Article II, § 3 declares that “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.” These concepts are incorporated into the Applicant Guidebook (“AGB”), which recognizes that the gTLD process should be operated “[i]n the interests of fairness and equivalent treatment for all,” and that ICANN must “act in an open and transparent manner, and to provide equitable treatment among registry operators.”

The inconsistent SCO Determinations have resulted because ICANN has failed to comply with its Bylaws. Specifically, ICANN has not established sufficient written procedures in the AGB to allow the string similarity objection process to be conducted in a consistent, neutral,

objective, and equitable manner. To the contrary, ICANN has directed the SCO panels to “refer to and base its findings upon the statements and documents submitted and **any rules or principles that it determines to be applicable.**” Art 20, Attachment to Module 3 of the AGB, emphasis supplied. By allowing the SCO panels to use “any rules or principles that it determines to be applicable” ICANN has abdicated its responsibility to ensure that the string similarity objection process be conducted in a fair and equitable manner. For example, some panels have concluded that trademark principles apply while other panels have said trademark principles do not apply. Some panels have held that similar meanings do not apply to foreign IDNs while other panels have sustained objections to foreign IDNs based on similar meaning alone. The failure of ICANN to identify what rules and principles apply has resulted in the issuance of insolubly inconsistent decisions of the panels when addressing identical facts or legal issues.

One such example of panels applying different legal standards concerns Commercial Connect’s application for .SHOP. Commercial Connect (“CC”) filed a string similarity objection to the IDN filed by Applicant Top Level Domain Holdings Limited which consisted of the simplified Chinese characters for “shop”, asserting that the IDN should have been placed in the same contention set as CC’s application for the .SHOP gTLD in ICDR Case No. 50 504 258 13 (“Decision 258”). The Panel dismissed the objection on the basis that identical meaning alone was not a sufficient legal basis to find the two strings confusingly similar:

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.]

Thus, the Panel rendering Decision 258 applying the AGB determined that it was not ICANN's intention to sustain a string similarity objection based on meaning alone.

However, this decision is directly contrary to the decision and reasoning of the Panel deciding CC's string similarity objection in ICDR Case No. 50 504 261 13 ("Decision 261"). In Decision 261, CC filed a string similarity objection to the IDN filed by Applicant Amazon EU S.a.r.l which consisted of the simplified Japanese characters for "online shopping", asserting that the IDN should have been placed in the same contention set as CC's application for the .SHOP gTLD.

In Decision 261, the Panel sustained CC's objection on the basis that similar meaning alone could be the legal basis for find two strings confusingly similar:

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, ICANN's direction to the panels to utilize "any rules or principles that it determines to be applicable" does not provide sufficient guidance to ensure that the string similarity objection process is carried out with integrity and fairness.

The failure to establish procedures for consistent treatment of applications for identical strings contradicts ICANN's commitment to apply its standards "neutrally and objectively, with integrity and fairness" and to provide "equivalent treatment for all." A "fair" and "equitable" process could not result in disparate treatment of identical objections. Importantly, nothing in the SCO determinations of the respective Panels for Decision 258 and Decision 261 provides substantial and reasonable cause for their disparate conclusions. Although the procedures

followed by the Panels may have complied with the literal requirements of the AGB, the Panels' actions cannot be reconciled with the core principles overriding ICANN's gTLD policy.

The question of whether a panel should consider the meaning of an IDN gTLD is not the sole issue that has resulted in panels issuing inconsistent decisions. Some panels applying "principles that it determines to be applicable" have determined that the same roots in both singular and plural form are confusingly similar, while other panels have determined the exact opposite -- that single and plural versions of the same root string are not confusingly similar. The Proposed Review only addresses the most egregious example of the disparate treatment of singular/plural forms of the same root, but all of the inconsistent SCO Determinations related to singular/plural forms of a common root share the same fundamental problem, i.e., the failure of ICANN to provide the specific principles to be applied when addressing the singular/plural issue.

As demonstrated by the foregoing, ICANN has set in place a flawed process where individual panels may apply **any rules or principles that it determines to be applicable**, the natural byproduct of which are disputes and inconsistent panel determinations that undermine the integrity and fairness of the process that ICANN is tasked to ensure as a core value.

The Proposed Review does not address this core problem, and thus any panel assembled to review the inconsistent SCO Determinations will be left to decide on its own what rules or principles it should apply without necessary guidance from ICANN.

Compounding the problem, ICANN put no mechanisms in place to ensure "experts" were selected as SCO Panelists for the initial SCO Determinations. The "experts" brought to the table their own experiences and, as instructed, they applied **any rules or principles that they determined to be applicable** without regard to whether they had any expertise in trademark law, domain name disputes, the new gTLD process etc. The Proposed Review does not address this

issue and provides no guidelines for selecting appropriate panelist for the ominously named “Panel of Last Resort” virtually guaranteeing that deficiencies plaguing the SCO Determinations will be repeated.

II. The limited nature of the Proposed Review does not treat similarly situated registrants equitably.

All of the inconsistent SCO Determinations have been caused by ICANN’s failure to provide the applicable legal principles to be used by the panels. The Proposed Review’s statement that “SCO Expert Determinations regarding singular and plural versions of the same string are not inconsistent Expert Determinations, as they are not Determinations on the same strings with different results” is circular and fails to acknowledge that the panels are using different legal principles which is causing inconsistent results without regard to whether the inconsistent determinations involve the same string. Likewise, panels that differ on whether meaning alone is sufficient to find likely confusion will issue inconsistent determinations not having anything to do with the singular/plural issue. All Applicants that have received SCO Determinations that contain identical legal issues that have been treated inconsistently by various panels should be afforded the opportunity to participate in a review process to remedy the basis for the inconsistent treatment. By only offering the review process to a small subset of Applicants that received inconsistent SCO Determinations, ICANN is failing to satisfy a core principal of providing “fairness and equivalent treatment for all.”

III. The fact that ICANN and Applicants have already acted in reliance on SCO Determinations and prior NGPC resolution is not a sufficient reason for ignoring a flawed process.

ICANN justifies the limited nature of the Proposed Review on the fact that Applicants and ICANN have already acted in reliance on SCO Determinations. However, this is nonsensical if the SCO Determinations themselves are flawed. Moreover, this is a self-inflicted

wound as ICANN was aware of the inconsistencies but did nothing to halt the process and investigate the inconsistencies. The Proposed Review reflects ICANN's unacceptable position that separately filed objections necessitate independent, yet potentially inconsistent determinations. ICANN Vice President of gTLD Operations, Christine Willett, has recognized "consistency issues" in the string confusion objection process, but seems to accept them as unavoidable, as ICANN has seemingly done nothing to address the inconsistency issues other than to propose the current flawed Proposed Review. The inconsistency issue is serious and notorious enough that Jonathan Robison, Chair of ICANN GNSO Council, sent a letter dated 18 September 2013 to the ICANN Board reiterating the recommendations that the GNSO had previously provided to ICANN regarding string similarity and expressing concern at the inconsistent determinations being issued by panels:

The Council is aware of and has discussed the inconsistencies in the current output of the string similarity review process such that, when tested against the above recommendations, the output is apparently not consistent with the above policy recommendations of the GNSO.

The "consistency issues" acknowledged by senior ICANN staff and the GNSO are a direct and unfortunate result of this failure to install the necessary safeguards to ensure equity and fairness in the string confusion objection process.

The only equitable solution is to amend the AGB to set forth the legal principles that are to be applied including, without limitation, (a) trademark principles, (b) domain name dispute principles, (c) cases of singular/plural forms of the same root, and (d) English and foreign equivalents of the same root. SCO Panelists must then be selected who have real expertise in the identified legal principles. Applicants must then be given the opportunity to challenge any gTLDs using the new legal principles set forth in the AGB, and the SCO panels must apply these

new principles consistently. Only then can ICANN claim to have fulfilled its mission of “[m]aking decisions by applying documented policies neutrally and objectively, with integrity and fairness.