

## **EXPERT DETERMINATION LEGAL RIGHTS OBJECTION**

### **AC Webconnecting Holding B.V. v. United TLD Holdco Ltd**

### **Case No. LRO2013-0006**

#### **1. The Parties**

The Objector/Complainant is AC Webconnecting Holding B.V. of Rotterdam, The Netherlands, represented by Merk-Echt B.V., The Netherlands.

The Applicant/Respondent is United TLD Holdco Ltd, of George Town, Cayman Islands, Overseas Territory of the United Kingdom of Great Britain and Northern Ireland represented by Greenberg Traurig, LLP of United States of America.

#### **2. The applied-for gTLD string**

The applied-for gTLD string is <.cam>.

#### **3. Procedural History**

The Legal Rights Objection (“LRO”) was filed with the WIPO Arbitration and Mediation Center (the “WIPO Center”) on March 12, 2013 pursuant to the New gTLD Dispute Resolution Procedure (the “Procedure”).

In accordance with Article 9 of the Procedure, the WIPO Center has completed the review of the Objection on March 25, 2013, and has determined that the Objection complies with the requirements of the Procedure and the World Intellectual Property Organization Rules for New gTLD Dispute Resolution for Existing Legal Rights Objections (the “WIPO Rules for New gTLD Dispute Resolution”).

The WIPO Center has received on April 23, 2013 a proposal from Famous Four Media to consolidate the LRO Objections LRO2013-0006 and LRO2013-0007. The Objector has indicated opposition to aspects of the consolidation proposal. In accordance with Article 12 of Procedure and Paragraph 7(d) of the WIPO Rules for New gTLD Dispute Resolution, the WIPO Center has not made a decision to consolidate LRO2013-0006 and LRO2013-0007 for purposes of Article 12(b) of the Procedure.

In accordance with Article 11(a) of the Procedure, the WIPO Center formally notified the Applicant of the Objection, and the proceedings commenced on April 16, 2013. In accordance with Article 11(b) and relevant communication provisions of the Procedure, the Response was timely filed with the WIPO Center on May 16, 2013.

The WIPO Center appointed Andrew F. Christie as the Panel in this matter on June 12, 2013. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the WIPO Center to ensure compliance with Article 13(c) of the Procedure and Paragraph 9 of WIPO Rules for New gTLD Dispute Resolution.

#### **4. Factual Background**

The Objector is a private limited liability company based in The Netherlands. It is the owner of Community trademark registration No. 010483501, dated December 6, 2012, for .CAM (word), and Community trademark registration No. 010483618, dated December 7, 2012, for .CAM (figurative) shown below.



Both trademark registrations have a filing date of December 12, 2011, and are registered in respect of services in classes 35, 38, 42 and 45.

The Objector asserts that it is the controlling shareholder of AC Webconnecting B.V., who is the owner of a Community trademark registration No. 005506241, dated October 17, 2007, and trademark registrations in other countries, for XLOVECAM in respect of services in class 38. The Objector also asserts that it is the controlling shareholder of CC Media SARL, who is the owner of French trademark registration No. 3369260, dated July 7, 2005, for BOYCAM in respect of services in class 41. The Objector further asserts that it and unspecified affiliated companies have extensively and widely used hundreds of domain names containing the characters “cam”, examples of which are <camdirect.fr>, <xlovecam.com>, <livecam.mobi>, <camsearch.biz>, and <xgaycam.info>.

The Objector is an applicant for the gTLD <.cam>. In the public portion of its application, the Objector states that it “intends for .CAM names to be registered and used by persons and entities with an interest in providing entertainment, information and services related to cameras, photography, broadcasting and/or film-making to interested consumers. Any person or entity will be able to register a .CAM domain name, provided that they represent that they will use the domain name for legitimate purposes involving and/or related to cameras, photography, and/or film-making”.

The Applicant is a Cayman Islands corporation, with its principal place of business in Ireland. In the public portion of its application for the gTLD <.cam>, the Applicant states: “The term “cam” is a generic and broadly used word that holds particular affinity for people and organizations with interests in anything that a live feed from a web camera (cam) can be used to project, and more. Global in scope, today a passionate group of millions of individuals and organizations identify with this word and the value conveyed by web cams. The mission and purpose of the .cam TLD is to establish an easily recognized and accessible namespace for this large and dynamic group.”

#### **5. Parties’ Contentions**

##### **A. Objector**

The Objector contends that the potential use of the applied-for gTLD string <.cam> by the Applicant unjustifiably impairs the distinctive character or the reputation of the Objector’s .CAM trademarks, and creates an impermissible likelihood of confusion between the applied-for gTLD <.cam> and the Objector’s older trademarks. Such confusion is virtually a certainty as the marks are identical and the intended services are identical and/or highly related.

The Objector contends that the applied-for gTLD string <.cam> is identical to the Objector’s registered Community trademark .CAM (word) from a visual, phonetic and conceptual point of view, and is highly similar

to the Objector's registered Community trademark .CAM (figurative) and registered trademarks XLOVECAM and BOYCAM. The acquisition and use of rights in these trademarks have been *bona fide* and in accordance with European Union law and the laws of the European Union member states, as well as the Paris Convention on protection of trademarks.

The Objector contends that its registered domain names are visited by an estimated 1 million viewers and/or users per day, and as a result there is a high level of recognition of these domain names on the part of the relevant public.

The Objector contends that it is not aware of any intellectual property rights of the Applicant with regard to CAM or any similar sign, or of any *bona fide* offering by the Applicant of goods or services in connection with the applied-for gTLD string <.cam>. Any intentions or preparations for an offering of such goods or services cannot be *bona fide* because the use of the applied-for gTLD string <.cam> by the Applicant would create a likelihood of confusion with the Objector's previously registered trademarks.

The Objector contends that the Applicant was on constructive notice of the Objector's trademark rights prior to the filing date of the application for the gTLD <.cam>, as the registration records were publicly available in OHIM's database. Thus the Applicant could not have reasonably been unaware of such rights. Furthermore, the Applicant has engaged in a pattern and practice of registering second-level domain names that are identical or confusingly similar to the marks of others, as documented by Mr. Jeffrey Stoler of the McCarter & English law firm in a letter dated July 28, 2012.

The Objector contends that the Applicant's application is for an identical string, proposed to be used in the same manner described in the Objector's trademark registrations. Not only is there a likelihood of confusion, but an absolute certainty of consumer confusion. Therefore, the Legal Rights Objection must be sustained, and the Applicant's TLD application must be rejected.

## **B. Applicant**

The Applicant contends that the Objector does not have standing to assert this objection. The Objector relies on unrelated registered trademark rights in .CAM, on registrations for XLOVECAM and BOYCAM that the applied-for gTLD string <.cam> does not infringe, and on its own uses of the term "cam" generally in relation to videochat via webcams, which is a generic use of the term and does not give rise to any trademark rights. The Objector's cited Community trademark registrations for .CAM are in connection with advertising and business, telecommunications, scientific and technological services, and personal and social services in classes 35, 38, 42, and 45, none of which include cameras or cam-related websites. Even if the Objector has rights in .CAM in connection with the goods or services listed in its registration, those rights do not extend to the generic use of the term in connection with operating a gTLD relating to websites for cameras and web cams. The Objector's affiliated companies' trademark registrations for XLOVECAM and BOYCAM are not infringed by the applied-for gTLD <.cam> because ".cam" is not confusingly similar to them. The Objector's registration of domain names that contain the string ".cam" does not confer trademark rights, and the Objector has not provided evidence that it uses these domain names to identify and distinguish the source of goods or services, and so it is doubtful any of these domain names serve the function of a trademark. Even if the Objector could establish it has some trademark rights in those domain names, those rights do not entitle the Objector to monopolize the element ".cam" since that is a generic reference to webcams or cameras.

The Applicant contends that even if the Objector had standing to object, it has failed to meet any of the three grounds for a Legal Rights Objection. The Objector has not established that the applied-for gTLD string <.cam> even implicates any of the Objector's trademark rights. Rather, the Applicant's proposed operation of the applied-for gTLD <.cam> is a generic use over which the Objector simply cannot claim rights.

The Applicant contends that even if the Objector has valid trademark rights, there is no likelihood of confusion between its asserted trademarks and the use of the generic term ".cam" in connection with operating a gTLD that signifies a relation to cameras or webcams. The Objector has failed to submit any

evidence showing that any of the eight factors taken into account weigh in favor of a finding of likelihood of confusion. Five of these factors weigh in favor of a finding that there is no likelihood of confusion. The trademarks XLOVECAM and BOYCAM are not similar in appearance, sound, or meaning to the applied-for gTLD string <.cam>. Not only are the first letters different, but these trademarks are significantly longer and contain a full additional word. While the trademark .CAM is identical in appearance and sound to the applied-for gTLD string <.cam>, the Objector's rights in that trademark are for the services listed in the registration, which do not have the same meaning as the applied-for gTLD string <.cam>. The Objector applied for its Community trademark registrations for .CAM just weeks before it filed its own application for the gTLD <.cam>, and these trademarks were not registered until after the application process had closed, indicating that its acquisition and use of these trademarks has not been *bona fide*. The Objector provides no evidence that consumers associate the term "cam" with it or its purported products and services. Indeed, it is unlikely that any consumers associate this term with a single source at all, because the term is generic and generic terms are not source identifiers. Furthermore, the websites located at the Objector's "cam" domain names bare little similarity to one another and do not identify the Objector as the common source. The Objector has not submitted any evidence that the Applicant has applied for the gTLD <.cam> to trade off the Objector's asserted rights; indeed, the evidence that the applied-for gTLD string <.cam> is a generic term for camera points to precisely the opposite conclusion. The Applicant's application for the gTLD <.cam> clearly states that it intends to operate an open TLD that will appeal to registrants that seek to incorporate webcam technology into their websites, or use their websites for camera-related discussions, goods or services. The Applicant does not intend for the gTLD <.cam> to serve any source identifying function, since it is a generic term referring to camera and webcams.

The Applicant contends that the Objector should not be permitted to assert a legal rights objection where it has failed to prove standing and where its legal rights claims are suspect and laid merely to eliminate competition for its own application for the same gTLD <.cam>. ICANN did not intend to allow one company to assert legal rights in a generic term that is ubiquitously employed on the Internet and elsewhere merely by filing an application for a Community trademark weeks before the gTLD application process began.

## **6. Discussion and Findings**

### **A. Principles of LRO**

Section 3.2.1 of the ICANN gTLD Applicant Guidebook (v. 2012-0604) Module 3 (the "Guidebook") provides that one ground on which an objection to an applied-for gTLD string may be based is that the applied-for gTLD string "infringes the existing legal rights of the objector". It is clear, therefore, that the primary issue for determination in a LRO is whether the "existing legal rights of the objector" would be "infringed" by the proposed use of the gTLD string by the applicant. This raises two initial matters for consideration: (i) what constitutes the "existing legal rights" of the objector; and (ii) what amounts to those rights being "infringed".

The issue of what constitutes the "existing legal rights" of the objector is dealt with in Section 3.2.2.2 of the Guidebook. That section provides that two types of entity are entitled to file an LRO: (i) a "rightsholder"; and (ii) an "intergovernmental organization (IGO)", if it meets the criteria for registration of a .INT domain name. For a rightsholder, the legal rights on which an objection can be based "include either registered or unregistered trademarks".

The issue of what amounts to existing legal rights being "infringed" is dealt with in Section 3.5.2 of the Guidebook. That section provides that the panel presiding over a LRO must "determine whether the potential use of the applied-for gTLD by the applicant": (i) "takes unfair advantage of the distinctive character or the reputation" of the objector's "mark" (defined as a registered or unregistered trademark or service mark) or IGO name or acronym; or (ii) "unjustifiably impairs the distinctive character or the reputation" of the objector's mark or IGO name or acronym; or (iii) "otherwise creates an impermissible likelihood of confusion" between the applied-for gTLD and the objector's mark or IGO name or acronym.

In the Panel's opinion, the clear intended and actual effect of Section 3.5.2 of the Guidebook is to define when an applied-for gTLD string "infringes the existing legal rights of the objector". Two things are to be noted from this definition. First, Section 3.5.2 makes no mention of legal rights of a non-IGO objector other than a registered or unregistered trademark or service mark. Thus, it would seem that the only existing legal rights of a non-IGO rightsholder that can found an LRO are a "registered or unregistered trademark or service mark". Secondly, the issue of infringement is to be judged in respect of the applicant's "potential use" of the applied-for gTLD string. It would appear that an applicant's "potential use" is to be determined by considering both any use that is actually proposed by the applicant in its application and any other use by the applicant that appears to be reasonably likely.

Article 20(c) of the Procedure provides that the objector bears the burden of proving that its objection should be sustained in accordance with the applicable standards. Article 20(a) of the Procedure requires that the panel making a determination on an objection shall apply the standards that have been defined by ICANN. The standards defined by ICANN as applicable to a legal rights objection are set out in Section 3.5.2 of the Guidebook. Those standards provide that in the case of an objection based on trademark rights the Panel will consider eight non-exclusive factors.

The following is a summary of the Panel's understanding of the LRO process. A panel is required to determine whether the existing legal rights of the objector are infringed. The rights that constitute existing legal rights of the objector are registered and unregistered trademarks or service marks, and IGO names and acronyms. Infringement of those rights occurs when the applicant's potential use of the applied-for gTLD string takes unfair advantage or unjustifiably impairs the distinctive character of, or creates impermissible confusion with, the mark, name or acronym. The applicant's potential use includes both actual proposed use and reasonably likely use. Eight non-exclusive factors must be considered in determining if there is infringement. The objector bears the burden of proving that there is infringement.

## **B. Infringement of rights for purposes of LRO**

It is noteworthy that the first two of the three matters for determination under Section 3.5.2 of the Guidebook – "takes unfair advantage of the distinctive character or the reputation" of a mark, and "unjustifiably impairs the distinctive character or the reputation" of a mark – adopt language found in Articles 3(1)(e)(ii) and 4(2)(ii) of the *Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet*, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization, September 24 to October 3, 2001. These articles set out circumstances that are relevant for determining whether the use of a sign on the Internet "has a commercial effect" (Article 3(1)(e)(ii)), and is "used in bad faith" (Article 4(2)(ii)).

It is also noteworthy that the first two of the matters for determination under Section 3.5.2 of the Guidebook use language that is similar to the language found in Articles 4(1)(b)(ii) and (iii) of the *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization, September 20 to 29, 1999. These articles apply when one mark is in conflict with a well-known mark. The Explanatory Notes to Article 4(1)(b)(iii) explains that to "take unfair advantage" of the distinctive character of a well-known trademark is to take "a free ride on the goodwill" of the trademark. The Explanatory Notes to Article 4(1)(b)(ii) explains that to "impair in an unfair manner" the distinctive character of a well-known trademark includes using the trademark on goods or services which are "of an inferior quality or of an immoral or obscene nature", in a manner that is "contrary to honest commercial practice".

The Panel considers that the two WIPO *Joint Recommendations* provide assistance in understanding the general nature of the first two types of infringement of rights that can found a successful LRO. Both of the *Joint Recommendations* are intended to reflect fundamental principles that are applicable across jurisdictions – making them particularly appropriate for use in determining legal rights objections to applied-for gTLD strings which, by nature, transcend national jurisdictions. Given the meaning of the concepts of "unfair

advantage” and “unjustifiable impairment” in the *Joint Recommendations*, the Panel considers that the first two types of infringement on which a successful LRO can be founded are to be understood as concerning acts that have a commercial effect on a trademark which are undertaken in bad faith. This general understanding appears to be largely consistent with the view expressed by the panel in *Right At Home v. Johnson Shareholdings, Inc.*, WIPO Case No. LRO2013-0030 (<.rightathome>), July 3, 2013.

It is noteworthy that the third matter for determination under Section 3.5.2 of the Guidebook – “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 LRO can be founded. Only a likelihood of confusion that is impermissible – in the sense that it cannot be justified – will suffice.

### **C. Factors for consideration**

In making its determination on the standards discussed in sections E-H below, the Panel has considered each of the eight non-exclusive factors set out in Section 3.5.2 of the Guidebook. Below is a summary of the substance of each of these factors as they apply in this case.

#### **(i) Similarity of string to trademark**

The Applicant’s applied-for string <.cam> is identical in appearance and sound, and substantially similar in meaning, to the Objector’s registered Community .CAM (word) trademark; and it is similar in appearance, identical in sound, and substantially identical in meaning, to the Objector’s registered Community .CAM (figurative) trademark.

#### **(ii) *Bona fides* of IP rights**

The Objector’s applications for its registered Community trademarks were filed just prior to its own application for the gTLD string <.cam>. While its trademark applications were no doubt motivated by its impending gTLD application, there is no reason to conclude here that the Objector’s acquisition of registered Community trademarks as such was not *bona fide*.

#### **(iii) Recognition of reputation in string**

There is no evidence before the Panel on which a finding can be made about whether, and to what extent, the relevant sector of the public recognizes the sign corresponding to the applied-for gTLD string <.cam> as being the mark of the Objector, of the Applicant, or of a third party.

#### **(iv) *Bona fides* of Applicant’s application**

Given that the Objector filed its trademark registrations just prior to filing its own application for the gTLD string <.cam>, and given that the trademark applications resulted in registrations after the new gTLD application process closed, there is no basis for concluding that the Applicant had knowledge of the Objector’s pending trademark rights at the time it filed its application for the gTLD string <.cam>. Although the Objector asserted that the Applicant “has engaged in a pattern and practice of registering second-level domain names which are identical or confusingly similar to the marks of others”, its evidence did not support a finding to that effect.

#### **(v) Applicant’s use of string and preparations for use**

No evidence was provided establishing that the Applicant has used the applied-for gTLD string <.cam> in connection with an offering of goods or services.

**(vi) Applicant's IP rights in the string**

No evidence was provided establishing that the Applicant has any trademarks or other intellectual property rights in the sign corresponding to the applied-for gTLD string <.cam>.

**(vii) Applicant's reputation in string**

No evidence was provided establishing that the Applicant has been commonly known by the sign corresponding to the applied-for gTLD string <.cam>.

**(viii) Applicant's intended use of string**

The Applicant's proposed use of the applied-for gTLD <.cam> is for its descriptive meaning – *i.e.* for matters pertaining to cameras and webcams.

**D. Objector's standing**

The Applicant has contended that the Objector does not have standing to assert this objection, on the grounds that the trademark rights on which the Objector relies would not be infringed by the Applicant's use of the applied-for gTLD string <.cam>.

The Applicant's contention is without foundation. Section 3.2.2.2 of the Guidebook provides that standing to file an objection may be based on registered and unregistered trademarks. With respect to the issue of standing, the Guidebook is silent on the need for the trademark rights of the objector to be infringed by the applied-for gTLD string. The reason for this silence seems obvious: it is not a requirement for standing that the objector's trademark rights be infringed. The issue of whether the objector's trademark rights would be infringed by the use of the applied-for gTLD string is relevant to whether the substance of the objection is made out, not to whether the objector has standing to bring the objection. For the objector to have standing to bring the objection, it is sufficient that the objector have trademark rights (whether they be registered or unregistered).

The Objection is founded on three different types of trademark rights: (i) the registered Community trademarks .CAM (word) and .CAM (figurative) owned by the Objector; (ii) the registered trademarks XLOVECAM and BOYCAM owned by entities of which the Objector claims to be the controlling shareholder; and (iii) unregistered trademark rights in various domain names containing the string "cam" of which the Objector claims to be either the user or an affiliate of the user.

The Objector provided no evidence in support of its assertion that it is the controlling shareholder of the owner of the registered trademarks XLOVECAM and BOYCAM. In the absence of evidence establishing that these trademarks are under the control of, or are in some other substantial way legally associated with, the Objector, the Panel declines, for the purpose of this Objection, to consider these trademarks as giving rise to legal rights of the Objector.

The Objector provided no evidence in support of its assertion that it is the user, or is affiliated with the user, of various domain names containing the string "cam". In the absence of evidence establishing that these domain names are under the control of, or are in some other substantial way legally associated with, the Objector, the Panel declines, for the purpose of this Objection, to consider these domain names as giving rise to legal rights of the Objector. (In any event, the Panel has serious doubts about whether the asserted use of these domain names is such as would give rise to unregistered trademark rights in them.)

The Objector has provided evidence establishing that it is the owner of two registered Community trademarks, one for .CAM (word) and the other for .CAM (figurative). These registered trademarks are sufficient to satisfy the standing requirement for a legal rights objection.

Accordingly, the Panel finds that the Objector has standing to bring this Objection.

## **E. Distinctive character and reputation of Objector's trademarks**

A determination of whether the potential use of the applied-for gTLD by the applicant takes unfair advantage of, or unjustifiably impairs, the distinctive character or the reputation of the objector's trademark requires, as a first step, an assessment of what is the "distinctive character" and what is the "reputation" of the objector's trademark. For the reasons explained in section 6D, above, the Panel considers that the Objector has established the existence of legal rights sufficient to provide it with standing to bring this Objection only in relation to the Community trademark registrations for .CAM (word) and .CAM (figurative). It follows that this assessment need be undertaken only on these two trademarks.

The distinctive character of the .CAM (figurative) trademark is its figurative elements – namely, a green dot partially overlapping dark text in which the characters "cam" are written in a distinctive font. The distinctive character of the .CAM (word) trademark is its textual elements – namely, the combination of the punctuation mark "." with the alphabet characters "cam".

The Objector has provided no evidence about the extent to which a reputation exists in either of the two registered trademarks. The Panel notes that both trademarks have a filing date of December 2011 and a registration date of December 2012. Given the relatively short existence of these trademarks, it is unlikely that either has developed a reputation. In the absence of any evidence establishing that a reputation exists, the Panel declines, for the purpose of this Objection, to consider that a reputation exists in either of these trademarks.

## **F. Unfair advantage-taking**

In the Panel's opinion, the potential use of the Applicant's applied-for gTLD string <.cam> does not take "advantage", let alone take "unfair" advantage, of the distinctive character of the Objector's .CAM (figurative) trademark. It does not take advantage of the .CAM (figurative) trademark for the simple reason that it does not contain any of that trademark's distinctive character (being the figurative elements of the green dot partially overlapping dark text in which the characters "cam" are written in a distinctive font).

The issue is slightly less straightforward with respect to the Objector's .CAM (word) trademark. It is clear that the applied-for gTLD string <.cam> replicates the distinctive character of that trademark (being the textual elements of a combination of the punctuation mark "." with the alphabet characters "cam"). It is not so clear, however, that mere replication of these elements of the trademark amounts to taking "unfair" advantage of it. In the Panel's opinion, replication of a trademark does not, of itself, amount to taking unfair advantage of the trademark – something more is required. As explained in the discussion of the general nature of infringement for the purposes of an LRO in section 6B, above, the Panel considers that this something more in the present context needs to be along the lines of an act that has a commercial effect on a trademark which is undertaken in bad faith – such as free riding on the goodwill of the trademark, for commercial benefit, in a manner that is contrary to honest commercial practices.

The Panel considers that the potential use of the Applicant's applied-for gTLD string <.cam> does not take a free ride on the goodwill of the Objector's trademark .CAM (word) trademark in a manner that is contrary to honest commercial practices, for two reasons. First, there is no evidence that the Objector has developed a reputation in the trademark, and hence there is no evidence that the trademark has any goodwill on which a free ride could be taken. Secondly, the trademark is descriptive – namely to describe matters pertaining to cameras and webcams – and it is this descriptive function that the potential use of the applied-for gTLD string <.cam> takes. A taking of the descriptive function of a trademark cannot be said to be contrary to honest commercial practices, at least where it has not been established that the trademark has a reputation and hence goodwill. Thus, use of an applied-for gTLD string in the string's descriptive sense does not take unfair advantage of a descriptive trademark lacking reputation. It follows that replication of the Objector's .CAM (word) trademark in the Applicant's applied-for gTLD string <.cam> cannot be said to be unfair.

Accordingly, the Panel finds that the Objector has not discharged its burden of proving that the Applicant's potential use of the applied-for gTLD string <.cam> takes unfair advantage of the Objector's trademarks.



## **G. Unjustifiable impairment**

In the Panel's opinion, the Applicant's potential use of the applied-for gTLD string <.cam> does not "impair", let alone "unjustifiably" impair, the distinctive character of the Objector's .CAM (figurative) trademark. As with the issue of unfair advantage-taking, the reason for this is that the applied-for string does not contain any of that trademark's distinctive character (being the figurative elements of the green dot partially overlapping dark text in which the characters "cam" are written in a distinctive font).

The potential use of the Applicant's applied-for string <.cam> does not unjustifiably impair the distinctive character of the Objector's .CAM (word) trademark either. As explained in the discussion of the general nature of infringement for the purposes of an LRO in section 6B, above, the Panel considers that unjustifiable impairment requires an act that has a commercial effect on a trademark which is undertaken in bad faith – such as using the string in relation to inferior, or obscene or immoral, goods or services. According to the public portion of the Applicant's gTLD string application, the Applicant proposes to use the gTLD in relation to goods and services concerning cameras and webcams. There is nothing on the surface of this proposal that could be said to impair the distinctive character of the Objector's .CAM (word) trademark. As explained in section 6F, above, the Objector's .CAM (word) trademark has a descriptive function (describing matters pertaining to cameras and webcams), and the Applicant's proposed use of the applied-for string gTLD <.cam> is consistent with this descriptive function. It follows that the Applicant's proposed use of the applied-for string gTLD <.cam> does not impair any distinctive character of the Objector's .CAM (word) trademark.

Furthermore, there is no evidence suggesting that any other reasonably likely use of the applied-for gTLD string <.cam> by the Applicant would be obscene or immoral, or would in some other way impair any of the distinctive character of the Objector's trademark. The Objector asserted that the Applicant "has engaged in a pattern and practice of registering second-level domain names which are identical or confusingly similar to the marks of others", and submitted in support of this assertion a letter by a Mr. Stoler documenting these practices. However, the submitted letter referred to entities other than the Applicant, and the Objector did not provide any adequate explanation of how, if at all, those other entities were connected to the Applicant. In the absence of cogent evidence, the Panel declines to make any finding about the *bona fides* of any past activities of the Applicant. Thus, there is no basis in the case record to found a conclusion that any reasonably likely potential use by the Applicant of the applied-for gTLD string <.cam> would be in bad faith.

Accordingly, the Panel finds that the Objector has not discharged its burden of proving that the Applicant's potential use of the applied-for gTLD string <.cam> unjustifiably impairs the Objector's trademarks.

## **H. Impermissible confusion**

The Applicant's applied-for gTLD string <.cam> is identical in appearance and sound, and substantially similar in meaning to the Objector's registered Community .CAM (word) trademark; and it is similar in appearance, identical in sound, and substantially identical in meaning, to the Objector's registered Community .CAM (figurative) trademark.

Given the degree of similarity between the Applicant's applied-for string and the Objector's .CAM (word) trademark, the Panel is willing to assume (although, ultimately, it does not need to decide) that there is a likelihood of confusion between the two. However, the Panel is satisfied that any likelihood of confusion between the applied-for string and the trademark is not "impermissible" confusion.

The reasons for this conclusion are two-fold. First, there is no evidence that the Objector has developed a reputation in its trademark. Thus, any confusion between the applied-for string and the trademark is due only to the objective similarities between them, and not to some degree of public recognition of the trademark as a distinctive badge of origin. Secondly, as previously discussed, the Objector's trademark is descriptive; and, because there is no evidence of reputation in the trademark, it must be this descriptive character of the trademark that is the basis of the objective similarity, and hence the potential for any confusion, between the applied-for gTLD string and the trademark. Any confusion that arises due to the

descriptive character of the trademark is not impermissible, because trademark rights do not entitle the trademark owner to prevent descriptive uses of the trademark. Put another way, the Applicant's potential use of the applied-for gTLD string <.cam> in the string's descriptive sense would not be an infringement of the Objector's descriptive trademark – and so any confusion that arises between the two is permissible.

The case for impermissible confusion in relation to the Objector's .CAM (figurative) trademark is no stronger than it is in relation to the Objector's .CAM (word) trademark. This is because any confusion that arises between the string and the .CAM (figurative) trademark is due to the similarity between the string's and the trademark's text characters (as distinct from figurative elements) alone. As with the .CAM (word) trademark, the .CAM (figurative) trademark's text characters are descriptive – and so any likelihood of confusion between the potential use of the applied-for string and the trademark is permissible.

Accordingly, the Panel finds that the Objector has not discharged its burden of proving that the Applicant's potential use of the applied-for gTLD string <.cam> creates an impermissible likelihood of confusion between the applied-for string and the Objector's trademarks.

### **I. Summary of findings**

The potential use of the applied-for gTLD sting <.cam> by the Applicant does not infringe the existing legal rights of the Objector, as that concept is defined in Section 3.5.2 of the Guidebook, because it does not:

- (i) take unfair advantage of the distinctive character or the reputation of the Objector's registered or unregistered trademark or service mark ("mark"); or
- (ii) unjustifiably impair the distinctive character or the reputation of the Objector's mark; or
- (iii) otherwise create an impermissible likelihood of confusion between the applied-for gTLD string <.cam> and the Objector's mark.

### **7. Decision**

For the foregoing reasons, the Objection is rejected.

[signed]

**Andrew F. Christie**  
Sole Panel Expert  
Date: July 22, 2013