

EXPERT DETERMINATION LEGAL RIGHTS OBJECTION

TLDDOT GmbH v. InterNetWire Web-Development GmbH
Case No. LRO2013-0052

1. The Parties

The Objector/Complainant is TLDDOT GmbH, Germany, represented internally.

The Applicant/Respondent is InterNetWire Web-Development GmbH, represented internally.

2. The applied-for gTLD string

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

3. Procedural History

The Legal Rights Objection (“LRO”) was filed with the WIPO Arbitration and Mediation Center (the “WIPO Center”) on March 13, 2013 pursuant to the New gTLD Dispute Resolution Procedure (the “Procedure”).

In accordance with Article 9 of the Procedure, the WIPO Center completed the review of the Objection on March 22, 2013 and 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”).

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 18, 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 19, 2013.

The WIPO Center appointed Brigitte Joppich as the Panel in this matter on June 11, 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.

On June 20, 2013, the Center received a request from the Objector asking for “a brief window (perhaps three days) in which to prepare a short reply to the arguments and evidence raised in the Response”. On June 21,

2013 the Panel issued Panel Order No. 1 granting the Objector permission to submit an additional submission by June 26, 2013 and giving the Applicant permission to submit a reply within 5 days after the date of receipt of the additional submission. The Panel stated that it will remain at its discretion whether to rely on these submissions when drafting its Expert Determination. The Center received the Objector's supplemental submission on June 26, 2013 and the Applicant's reply on July 2, 2013.

4. Factual Background

The Objector is a German "Gesellschaft mit beschränkter Haftung" ("GmbH"), *i.e.* a limited liability company, having its principal place of business in Berlin.

The Objector is registered owner of Community trademark No. 008416778 .GMBH (the "Mark"), applied for on July 9, 2009 and registered on June 18, 2010 in connection with services in classes 35, 38, 42 and 45, mainly relating to domain names and domain extensions.

The Objector has itself applied for the gTLD string <.gmbh> (Application ID 1-1273-63351). In Section 18(a) of its application, it describes the main purpose of its proposed gTLD in a nutshell as providing a dedicated namespace that is intended to be used by GmbHs in Germany, Austria, Switzerland and Liechtenstein.

The Applicant also is a German "Gesellschaft mit beschränkter Haftung" ("GmbH"), *i.e.* a limited liability company, having its principal place of business in Munich.

The Applicant filed a request to cancel the Objector's Community trademark No. 008416778 .GMBH, arguing that the Mark was registered in breach of Art. 7 clause 4 lit b, c and d of Council Regulation (EC) No. 207/2009 on the Community trade mark ("CTMR"). The actual status of the Mark is therefore "registration cancellation pending".

The Applicant describes the main purpose of its proposed gTLD in Section 18(a) of its application as establishing a trusted namespace for GmbHs with validated registrants and to provide unique content and/or added value information about GmbHs or relevant to GmbHs via domain names operated by validated registrants.

Both applications have received Governmental Advisory Committee (GAC) Early Warnings with regard to potential sensitivities regarding the namespace corresponding to the denomination of an official legal form.

5. Parties' Contentions

A. Objector

With regard to the LRO Elements as defined in Section 3.5.2 of the ICANN Applicant Guidebook (version 2012-06-04) (the "Guidebook") and Art. 8(a)(iii)(bb) of the Procedure, the Objector contends the following.

The Objector argues that the term ".GMBH" is not a standard term within the domain name industry and has no inherent connection to the Internet space in general or to the registration or license of domain names or additional services reasonably offered by potential registry operators in connection with the management of a TLD space in particular. It is therefore supposed to be arbitrary in relation to Internet domain name services and not generic.

The Objector further argues that the Mark has been registered in connection with precisely the goods and services necessary for the operation of a top-level domain registry. Many TLD operators use the textual string of their (not yet accredited) TLD spaces as trademarks and have registered those marks with relevant national trademark offices or through the Office of Harmonization for the Internal Market ("OHIM").

According to the Objector, it is therefore clear that top-level domain name spaces have a source-identifying function in relation to registry-related management and technical services and are capable of use in a trademark sense. Apart from the specific services it is registered for, the Mark does not affect the use of the term "GMBH" in its generic sense.

The Objector claims to have taken significant steps to build its .GMBH brand *bona fide* by developing its concept of use since 2006 and advertising its services under this brand since 2009, by building customer relationships, and by securing protection through the filing of the Mark in July 2009 (first use having occurred in 2008), all well ahead of ICANN's New gTLD launch.

The Objector states that the Applicant does not own any rights in the term "GMBH", has made no active or demonstrable use of the term "GMBH" other than in connection with its application for the TLD space, and has never been commonly known by a sign corresponding to the gTLD. The Applicant appears to operate a website at "www.internetwire.de" since May of 2012 on which it advertises its recent application for the <.gmbh> space, offering general WhoIs services, while not serving as an ICANN-accredited registrar. The Applicant was at the time of its application for the gTLD fully aware of the Objector's trademark, thus acting in bad faith with the intent to appropriate the Objector's registered mark for its own use and to take unfair advantage of the distinctive character and the reputation of the Objector's mark and services.

According to the Objector, the Applicant intends to use the TLD for an open gTLD space, utilizing a business model highly similar to if not identical with that of the Objector. The Applicant's proposed use of the space in connection with certain second level domain names (in particular comprising generic terms logically related to the provision of registry services) for exactly the services targeted by the Objector would entail a non-descriptive and non-generic use of the TLD <.gmbh> as a trademark and constitute a violation of the Objector's trademark rights. The Objector notes that the Applicant cannot rely on the generic definition of "GMBH" as ".GMBH" is a valid trademark, registered and owned by the Objector, which the Applicant intends to use in connection with services identical with those for which the mark is registered. Such behavior would cause substantial harm to the distinctive character of the Mark. If the Applicant were permitted to use the <.gmbh> space, Internet users would be misled as to the actual owner of the Mark, and the source of the services provided via the TLD <.gmbh>. Thus, the Applicant's application is supposed to take unfair advantage of the distinctive character of the Mark, which would no longer serve as an identifier of the Objector's services.

With regard to the GAC Early Warnings that both parties have received, the Objector claims to be the only applicant to have received permission from relevant governmental authorities and that the string <.gmbh> is protected by applicable national laws in Austria, Germany, Liechtenstein and Switzerland.

The Objector requests the Panel to issue a statement that the Applicant's intended use of the <.gmbh> space would constitute an infringement of the Objector's trademark rights.

B. Applicant

With regard to the LRO Elements as defined in Art. 3.5.2 of the Guidebook and Art. 8(a)(iii)(bb) of the Procedure, the Applicant contends the following.

The Applicant argues that the expression "GMBH" is a dictionary or generic term, common in Germany, Austria, Switzerland and Liechtenstein, where companies founded and registered under the respective GmbH Acts are obliged to carry the acronym "GmbH" (for "Gesellschaft mit beschränkter Haftung") in their names. As the Objector's use of its .GMBH mark is directly related to the products and services protected by the Mark, the trademark on which the Objection is based cannot provide a source identifying function in Germany, Austria, Switzerland and Liechtenstein. The Objector's trademark is supposed to be devoid of all distinctiveness, and the Applicant is not able to impair such distinctive character and/or to create a likelihood of confusion with the Mark.

In the Applicant's view, if the Objector was right, the Objector would be able to hold nearly every domain name registrar in Germany liable for trademark infringement, because they provide goods and services in classes 35, 38, 42 and 45 and are obliged to carry the acronym "GMBH" in their name. Moreover, all registrants registering names under the <.gmbh> top-level domain would ultimately be committing trademark infringements due to the fact that the name space is open to members of the GMBH community only.

According to the Applicant, for lack of distinctiveness, the dot (".") preceding the term GMBH does not have any source identifying function either, as a punctuation sign has no distinctive character.

The Applicant points out that the Objector is via its .GMBH trademark trying to get a "quasi-monopoly" on a dictionary or generic term.

According to the Objector, it is not relevant whether the Applicant knew about the Objector's trademark before applying for the TLD <.gmbh>, as such trademark is generic and has a dictionary meaning in German. The Applicant adds that under German law trademarks corresponding to a TLD string are devoid of all distinctiveness and cannot be registered as marks because the relevant sectors will never identify a specific company (and its respective goods and services) under such marks. TLDs are just "organizational assignment criteria".

In the opinion of the Applicant, the Objector filed its trademark application in July of 2009 on a speculative basis in bad faith, and the Applicant accuses the Objector of so-called "front-running". Furthermore, the Applicant states that the Objector registered the Mark with OHIM rather than with the German Patent and Trademark Office, which in all likelihood would have refused registration of a trademark ".GMBH", and, for this reason as well, in bad faith.

The Applicant notes that while the Objector states that its application is supported by various community members and that it is the only applicant to have received permission from the relevant governmental bodies, the Objector fails to support these facts by evidence.

6. Discussion and Findings

A. Introduction

The Objection was filed on the basis of Section 3.2.2.2 of the Guidebook. Being one of four rights protection mechanisms enabling third parties to formally object to the assignment of an applied-for gTLD, the LRO enables trademark owners to object to the assignment of an applied-for gTLD based on identical or similar trademark rights. Under Article 2(e)(ii) of the Procedure, an objector must establish that, on the balance of probabilities, the string composing the applied-for gTLD infringes such rights.

Under Section 3.5.2 of the Guidebook, the panel of experts presiding over a legal rights objection will thus 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 registered or unregistered trademark or service mark ("mark"), or
- (ii) unjustifiably impairs the distinctive character or the reputation of the objector's mark, or
- (iii) otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the objector's mark.

The Guidebook then goes on to provide that where the objection is based on trade mark rights, the panel will consider eight listed non-exclusive factors.

B. Cancellation proceeding

The first point to be dealt with is the question of whether the present objection proceedings must be suspended because of the cancellation proceedings pending with regard to the trademark on which the Objection is based. Such proceedings aim at a finding that the Mark was registered in breach of Art. 7 clause 4 lit b, c, and d CTMR (absolute grounds for refusal of a trademark application), which read as follows:

“The following shall not be registered:

[...]

- (b) trade marks which are devoid of any distinctive character;
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade.”

In the view of the Panel, the Objector’s trademark .GMBH is not necessarily merely descriptive with respect to the registered services, as the string <.gmbh> does not describe any such services. However, this question is not for the Panel to decide, and the Panel must not come to a decision on whether to suspend the present proceedings, as the Objection will ultimately fail regardless of whether the Objector enjoys rights in its trademark .GMBH on the grounds set out in Sections D and E below.

C. Supplemental Submissions

The second point to be dealt with is the admissibility of the parties’ supplemental submissions.

The Procedure does not allow the parties to file supplemental submissions on their own volition. Art. 17 of the Procedure provides that a panel may in its sole discretion decide whether the parties shall submit any written statements in addition to the Objection and the Response:

“Article 17. Additional Written Submissions

- (a) The Panel may decide whether the parties shall submit any written statements in addition to the Objection and the Response, and it shall fix time limits for such submissions.
- (b) The time limits fixed by the Panel for additional written submissions shall not exceed thirty (30) days, unless the Panel, having consulted the DRSP, determines that exceptional circumstances justify a longer time limit.”

Thus, no party has the right to insist upon the admission of additional arguments or evidence. The Panel finds it appropriate to rely on decisions under the Uniform Domain Name Dispute Resolution Policy (“UDRP”) in this regard, as the UDRP Rules likewise do not allow the parties to file supplemental submissions on their own volition, and a UDRP panel may in its sole discretion request further statements or documents from either of the parties.

Under the UDRP, grounds justifying new submissions are generally those regarding the existence of new pertinent facts that did not arise until after the complaint was filed. In particular, if the respondent raises objections that reasonably could not have been anticipated when the complaint was filed, a panel can give the complainant a right to reply to the submission or may accept the complainant’s unsolicited additional submission (*cf. Universal City Studios, Inc. v. G.A.B. Enterprises*, WIPO Case No. D2000-0416; *QNX Software Systems Ltd. v. Future Media Architects, Inc. and Thunayan K AL-Ghanim*, WIPO Case No. D2003-0921; *Goldline International, Inc. v. Gold Line*, WIPO Case No. D2000-1151).

In the present proceedings, the Objector does not rely on any exceptional circumstances necessitating further submissions, nor does its supplemental submission itself disclose any new facts or legal authority not available at the time the Objection was submitted. Instead, the supplemental filing merely addresses legal issues (such as the question of whether the Objector’s trademark is generic and of whether domain names

are capable of trademark registration under German law) and replies to factual contentions of the Applicant. The Objector appears to have filed the supplemental submission solely to rebut the assertions contained in the Response. Such a reply is not justified under the Procedure. Furthermore, the Panel is able to decide this case on the facts submitted. As a result, the Panel elects not to accept the Objector's supplemental submission and has not relied on it in reaching this decision. Consequently, the Panel has not accepted or relied on the Applicant's reply to the Objector's supplemental submission either.

D. Trademark Infringement

The parties to the present proceedings, presumably like the other four applicants which applied for the gTLD string <.gmbh>, intend to use such string to provide a namespace for companies registered under the legal form of a "GmbH" and therefore in a generic way. According to the Applicant's application, the Applicant intends to "establish a trusted namespace for GmbHs with validated registrants", while the Objector wishes to "provide a dedicated namespace that is intended to be used by GmbHs".

The Objector's trademark is registered in the European Community. Therefore, the rights on which the Objector can rely in these proceedings stem from the CTMR.

The concept of use in connection with the infringement of a Community trademark is set out in Art. 5(1) through (3) CTMR. The European Court of Justice has repeatedly decided that it is necessary that a third party's use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods (*cf.* Judgment of the Court of November 12, 2002, Case C-206/01 - *Arsenal Football Club v. Reed*; Judgment of the Court of June 12, 2008, Case C-533/06 – *O²*). It is well established under Community trademark law, that the proprietor of a certain trademark may not prohibit the use of a sign identical to the trade mark for goods identical to those for which the mark is registered if that use cannot affect his own interests as proprietor of the mark, having regard to its functions. Thus certain types of use for purely descriptive purposes are excluded from the scope of Article 5(1) CTMR because they do not affect any of the interests that such provision aims to protect, and do not therefore fall within the concept of use within the meaning of that provision (see, with respect to a use for purely descriptive purposes in relation to the characteristics of the product offered, Judgment of the Court of May 14, 2002 - *Michael Hölterhoff v. Ulrich Freiesleben*, Case C-2/00 - *Hölterhoff*).

In the present case, the Applicant intends to provide companies registered under the legal form of "GmbH" with domain names under a TLD corresponding to their legal form. The potential use of the applied-for gTLD by the Applicant appears to be in respect of goods or services which are identical with, or similar to, those for which the Objector's mark is registered. However, for the Applicant, "GMBH" serves in fact only as an identifier of a common form of companies with limited liability (incorporated in Austria, Germany, Liechtenstein or Switzerland) and aims at designating the envisaged clientele and the purpose of the services offered by the Applicant exclusively to companies registered in the legal form of a "GmbH". As a result, under Article 5(1) CTMR, the Applicant's use of the gTLD identifier <.gmbh> will not necessarily be seen as use in a non-descriptive connection with certain goods or services and therefore is not to be regarded as use in a trademark sense within the meaning of that article.

Even if the Applicant's use of the applied-for string would be regarded as use in a trademark sense within the meaning Article 5(1) CTMR, such use would not result in a trademark infringement.

There is a wide range of second-level domain names that might be used in association with the applied-for gTLD string and that would not give rise to a likelihood of confusion with the Objector's trademark, *i.e.* where company names corresponding to their respective owner's names are registered as second-level domain names under the applied-for gTLD. The Panel is aware that there might be scope for an infringement of the Objector's trade mark at the second-level with regard to certain services (which might occur under special circumstances *e.g.* the Applicant's use of domain names such as <whois.gmbh> in connection with its registry services). However, the extent of such potential abuse is a matter of speculation and the Panel is primarily concerned with the top-level domain in this expert determination.

Furthermore, a Community trademark owner cannot rely on an exclusive right where a third party, in the course of commercial negotiations, reveals the origin of goods which he has produced himself and uses the sign in question solely to denote the particular characteristics of the goods he is offering for sale so that there can be no question of the trade mark use being perceived as a sign indicative of the undertaking of origin (Judgment of the Court of May 14, 2002 - *Michael Höfner v. Elter*, Case C-2/00 - *Höfner*; Judgment of the Court of November 12, 2002, Case C-206/01 - *Arsenal Football Club v. Reed*). In particular, Article 6(1)(b) of the Directive seeks to ensure that all economic operators have the opportunity to use descriptive indications (Judgment of the Court of April 10, 2008, Case C-102/07 – *adidas and adidas Benelux*). Such assessment must apply especially in cases where the use of a sign corresponds to a statutory naming requirement.

Having examined the parties' applications to ICANN for the gTLD <.gmbh> and their planned types of use of the gTLD string, the Panel is satisfied that, to the Internet community at large, the use of the gTLD <.gmbh> will in all likelihood be seen as "an indication concerning the kind, quality, ... intended purpose ... of rendering of the service, or other characteristics of the ... service" (*I-REGISTRY Ltd v. Vipospace Enterprises LLC*, WIPO Case No. LRO2013-0014 (<.vip>)) and not as such result in an infringement of the Objector's mark.

E. LRO Grounds

As a result of the above considerations, the Panel finds that the Objector has not met its burden of proof in satisfying the Panel that the use of the string composing the applied-for gTLD infringes its trademark rights. The Objection must therefore ultimately fail. The Panel reaches this conclusion against the background of the following analysis of the eight non-exclusive factors listed in Section 3.5.2 of the Guidebook in connection with the applicable LRO standard.

i. Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the objector's existing mark.

The applied-for gTLD string is <.gmbh>. Domain names are composed of strings on different levels, separated by a dot in each case. In the present case, the applied-for string to be used by the Applicant is <.gmbh>, which will be separated from the second-level domain names to be registered under such TLD by a ".". The Panel finds the Objector's trademark and the Applicant's applied-for gTLD similar in appearance, sound and meaning.

ii. Whether the objector's acquisition and use of rights in the mark has been *bona fide*.

The Panel finds that the Applicant has not provided sufficient evidence to determine that the Objector's acquisition and use of rights in the Mark occurred in bad faith. This Panel finds the mere fact that a new gTLD applicant files a trademark application corresponding to its applied-for string and that such application is filed with the trademark office which will most likely register the trademark as such, not sufficient to find in favor of the Applicant in this regard. Furthermore, the Applicant mainly argues with regard to the scope of rights conferred by the Objector's .GMBH trademark, and the extent to which they may be used to prevent third-party usage. The Panel determines that Objector acquired and has used its mark in good faith.

iii. Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the objector, of the applicant or of a third party.

Based on the evidence provided by the parties in the case file, neither of them has received a noteworthy recognition in the relevant sector of the public of the string <.gmbh>, neither as trademark nor in any other way. The Objector's website at "www.gmbhtld.de" and its promotion activities are not sufficient for a finding in this regard. The record does not substantially address any specific third-party rights.

iv. Applicant's intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector's mark, or could not have reasonably been unaware of that mark, and including whether the applicant has engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others.

The Panel finds that the question of whether the Applicant was aware of the Objector's trademark at the time of the application for the gTLD <.gmbh> is not relevant for the decision in this proceeding. Such awareness, by itself, does not automatically equate to bad faith or some other mischievous motive for purposes of this proceeding. Rather, the core question is whether the Applicant's intentions here were *bona fide* (cf. *Limited Stores, LLC v. Big Fest LLC*, WIPO Case No. LRO2013-0049 (<.limited>)). The Applicant applied for the gTLD <.gmbh> to use it in a descriptive way as a namespace for companies registered in the legal form of a GmbH in Germany, Austria, Switzerland or Liechtenstein. Such use is not infringing the Objector's rights in its Community trademark (see Section D above). Furthermore, the Applicant has not engaged in a pattern of conduct in applying to operate TLDs or registrations in TLDs which are identical with or confusingly similar to the marks of others.

v. Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a *bona fide* offering of goods or services or a *bona fide* provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights.

The Applicant itself cannot rely on any rights of its own in GMBH. It intends to offer domain name registrations under the gTLD <.gmbh> to companies of a certain type. As already confirmed in *Express, LLC v. Sea Sunset, LLC* (WIPO Case No. LRO2013-0022), it seems reasonably clear that the Applicant's operation of registry services for the applied-for gTLD <.gmbh> using the string <.gmbh> would constitute provision of a service to domain name registrants, and that the Applicant's efforts to establish the technical and administrative infrastructure necessary to operate the registry constitute preparations to use the <.gmbh> string. The key question, however, is whether the Applicant's proposed operation of that service (*i.e.* providing opportunity to Internet users to register domain names using the gTLD <.gmbh>) will "interfere with the legitimate exercise by the [O]bjector of its mark rights".

As already stated above, in the view of the Panel, the Applicant's proposed use of the string <.gmbh> does not constitute an infringement of the Objector's rights in its .GMBH Mark. Therefore, the proposed use does not interfere with the legitimate exercise by the Objector of its trademark rights. The Applicant's current preparations to use the <.gmbh> string are *bona fide*.

vi. Whether the applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been *bona fide*, and whether the purported or likely use of the gTLD by the applicant is consistent with such acquisition or use.

The Applicant has not asserted any trademark or other intellectual property rights in the string <.gmbh>. The Panel therefore assumes that the Applicant has no trademarks or other intellectual property rights in GMBH.

vii. Whether and to what extent the applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and *bona fide*.

The Applicant has not even argued that it has been commonly known by a sign corresponding to the <.gmbh> string. The Panel therefore assumes that the Responded has not been commonly known by this string.

viii. Whether the applicant's intended use of the gTLD would create a likelihood of confusion with the objector's mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.

The Applicant intends to offer second-level domain names under the gTLD <.gmbh> to companies registered in the legal form of a "GmbH". As already discussed above, the Panel assumes that such use of the <.gmbh> string is not necessarily to be seen as non-descriptive use in a trademark sense or must at least be seen as use of a generic string permitted as such. Such use does not create a likelihood of confusion with the Objector's mark as to the source, sponsorship, affiliation, or endorsement of the applied-for gTLD, as Internet users will not see the string <.gmbh> as an identifier with regard to the origin of the goods or services. The Panel does not believe that confusion with the Objector's mark is likely.

In summary, the Panel finds that the eight factors predominantly weigh in favor of the Applicant.

7. Decision

For the above reasons, the Objection is rejected.

[signed]

Brigitte Joppich
Sole Panel Expert
Date: July 22, 2013