

## **EXPERT DETERMINATION LEGAL RIGHTS OBJECTION**

Regtime Ltd. and Legato Ltd. v. VeriSign Sarl

Case No. LRO2013-0066

### **1. The Parties**

The Objectors are Regtime Ltd. and Legato Ltd., Russian Federation, represented by Winston & Strawn LLP, United States of America.

The Respondent/Applicant is VeriSign Sarl, Switzerland, represented by Thomas C. Indelicarto, VeriSign Inc., United States of America.

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

The applied-for gTLD string is <.KOM> [xn--j1aef].

### **3. Procedural History**

The Objection was filed with the WIPO Arbitration and Mediation Center (the "WIPO Center") on March 13, 2013 (UTC), 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 Respondent of the Objection, and the proceedings commenced on April 22, 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 22, 2013.

The WIPO Center appointed Assen Alexiev as the Panel in this matter on June 13, 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 July 8, 2013 the Objectors filed a supplemental submission. On the same date, the Respondent objected to the acceptability of the supplemental submission, and on July 11, 2013, it filed a response to it. On

July 17, 2013, the Objectors filed a second supplemental submission, which was followed by a request for its acceptance by the Panel, filed by the Objectors on July 22, 2013. All these submissions of the Parties were made without a prior invitation by the Panel, as required under Article 17 of the Procedure. The Panel reviewed the supplemental submissions of the Parties and decided to accept them and take them into account in its Expert Determination, as they dealt with certain issues that were to some extent relevant to the dispute, and their acceptance provided the Parties with an additional opportunity to present their case and to address issues that they considered relevant.

In view of the supplemental submissions of the Parties, on July 18, 2013, the Panel extended the deadline for the issuance of its Expert Determination until August 12, 2013. On August 6, 2013, the Panel further extended the deadline until August 23, 2013.

There is a dispute between the Parties as to whether the Objectors have complied with the requirement under Article 7(b) of the Procedure to submit copies of the Objection and its annexes to the Respondent. The Parties have exchanged numerous messages between themselves and the WIPO Center on this issue.

The Objection was filed by email with the WIPO Center on March 13, 2013 (UTC). Said email, attaching the Objection, included on carbon copy the email addresses of the Respondent as identified in the publicly accessible <.kom> application. On March 15, 2013 the WIPO Center acknowledged receipt of the Objection to both Parties, and further on March 22, 2013, informed the Parties that the Objection complies with the requirements of the Procedure. At no time immediately following the filing of the Objection or the subsequent two WIPO Center communications did the Respondent inform the WIPO Center that it was not in receipt of the Objection nor did the Objector indicate to the WIPO Center that its Objection filing failed to be delivered to the Respondent. Subsequently, upon receipt of the Dispute Announcement by ICANN, the WIPO Center sent notice to the Respondent of the received Objection in accordance with Article 11(a) of the Procedure which additionally included a copy of said Objection.

The Objectors assert that they have complied with the requirements of the Procedure in respect of the submission of the Objection and that they have sent it and its Annexes to the Respondent several times. The Objectors further submit that if the Respondent has not timely received these documents, this was not due to reasons for which the Objectors are responsible.

The Panel notes that on March 22, 2013 the WIPO Center confirmed that the Objection complies with the applicable administrative requirements. The Respondent does not dispute that the Objectors have correctly filed the Objection with the WIPO Center itself. The WIPO Center has not informed the Objectors that they have not complied with any of the requirements of Articles 5-8 of the Procedure and have not invited them to correct any administrative deficiency of the Objection.

Although the Respondent alleges to have had a limited opportunity to assess and prepare a complete response in this proceeding, the Respondent has not requested the WIPO Center or the Panel permission to file additional statements or evidence to complement its Response. The Respondent has also chosen to file a supplemental submission in response to the Objectors' supplemental submission of July 8, 2013. In the Panel's view, if the Respondent had any additional arguments or evidence in support of the Response which it could not attach to the Response due to time constraints, it could (or indeed likely would) have either requested permission to file them separately or would have filed them with its supplemental submission. As the Respondent has not done so, the Panel is satisfied that the Respondent has not been limited in its opportunity to defend its position in this proceeding.

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

The Objector Regtime Ltd. ("Regtime") and the Objector Legato Ltd. ("Legato") are companies registered in the Russian Federation. Regtime has functioned as an ICANN-accredited registrar since 2007. Regtime was the original owner of the word trademark KOM, registered in the Russian Federation on August 4, 2009 with registration number 385,701 (the "KOM trademark"). The KOM trademark is registered for services in

International Class 35, listed in the Russian language in the following way: “абонирование телекоммуникационных услуг для третьих лиц; анализ себестоимости; аудит; бюро по найму; ведение бухгалтерских книг; выписка счетов; запись сообщений; изучение общественного мнения; изучение рынка; комплектование штага сотрудников; консультации по вопросам штата сотрудников; менеджмент в области творческого бизнеса; обзоры печати; обработка текста; обслуживание секретарское; обслуживание стенографическое; организация подписки на газеты [для третьих лиц]; оценка коммерческой деятельности; оценка леса на корню; оценка шерсти; подготовка платежных документов; поиск поручителей; прогнозирование экономическое; продажа аукционная; прокат офисного оборудования и аппаратов; прокат торговых автоматов; прокат фотокопировального оборудования; работы машинописные; репродуцирование документов; составление налоговых деклараций; составление отчетов о счетах; тестирование психологическое при найме на работу; услуги в области общественных отношений; услуги по переезду предприятий; услуги по сравнению цен; услуги телефонных ответчиков [для отсутствующих абонентов]; фотокопирование; экспертиза деловая.”

On December 13, 2010, Regtime transferred the KOM trademark to Legato.

The Respondent is a company registered in Switzerland. It is an affiliate of VeriSign, Inc.

The Respondent’s <.ком> application was originally posted on June 13, 2012 under Application ID: 1-1254-23113. The Respondent stated that the mission/purpose of the <.ком> is: “[...] to improve the user experience by offering a fully internationalized domain name (IDN) that includes a transliteration of .com. [...] For the first time in the history of the Domain Name System (DNS), internationalized generic top-level domains (gTLDs) create the capability for speakers of non-Latin-based languages to access the DNS entirely in their native script. Offering CYRILLIC\_TRANSLITERATION\_OF\_.COM represents a critical step toward implementing that functionality. Verisign’s vision is to improve usability of domain names for users of major scripts around the world. Registrants and Internet users will be able to use their native script, if desired, to take advantage of their domain name’s functionality, ubiquity, and stability.” The Respondent described the benefits of the proposed gTLD in the following terms: “As of this writing, more than 800,000 internationalized second-level domain names are registered in .com, including more than 30,000 in Cyrillic. The CYRILLIC\_TRANSLITERATION\_OF\_.COM gTLD, along with the other proposed IDN transliterations of .com, provide an immediate benefit to registrants of those names by giving them the opportunity to register IDN second-level domain names as “IDN.IDN” domain names. That is, registrants can use their preferred script in both the second-level domain name and the gTLD name. Doing so improves these domain names’ functionality and accessibility to speakers of non-Latin based languages. We anticipate that the availability of the CYRILLIC\_TRANSLITERATION\_OF\_.COM will greatly increase the appeal and value of internationalized addresses in Russia and Eastern Europe. Expanding the accessibility and functionality of these domain names to users worldwide is the primary benefit of all internationalized transliterations of .com. Finally, we anticipate that CYRILLIC\_TRANSLITERATION\_OF\_.COM will increase choice and competition in Russia, Eastern Europe, and elsewhere by giving local users the option of registering their domain name with an established, trusted gTLD in their own language.”

## **5. Parties’ Contentions**

### **A. Objectors**

The Objector Regtime submits that it was established in 2000. It became an ICANN-accredited domain name registrar as of March 28, 2007. Regtime is the second Russian ICANN-accredited domain name registrar and the third oldest accredited registrar for the .ru country code top level domain (ccTLD). The Objector Legato was also established in 2000. The two Objectors claim that they are under common ownership and control, and that Legato is the intellectual property holding company in their group of companies.

Regtime alleges that, after the transfer of the KOM trademark to Legato, it has continued to use the

trademark under the control of Legato. According to the Objectors, the KOM trademark is registered for, among other things, "telecommunications service subscription for third parties", which allegedly includes and covers registration of domain names and services for insuring Internet access to online Internet resources in a wide range, including through subscription (the right of usage for a certain period of time) of second level domain names in the <.KOM> first level root domain.

The Objectors submit that the Applicant is a subsidiary of VeriSign Switzerland SA, which in turn is a subsidiary or affiliate of VeriSign, Inc., the registry operator of the .com and .net registries. The Applicant and VeriSign are separate legal entities, but obviously have some connection based upon Applicant's reference to activities and experience of VeriSign, Inc., such as Applicant's reference to itself as "Having successfully operated TLDs for more than 16 years." According to the Objectors, the Applicant is a shell company designated as the legal entity applying for the <.KOM> gTLD to insulate VeriSign from liability and legal obligations with regard to the same gTLD. VeriSign, Inc. has acted as registry operator for the <.com> gTLD since 2000, when it acquired Network Solutions, Inc. ("NSI") which operated the <.com>, <.net> and <.org> gTLDs under agreements with the Internet Corporation for Assigned Names and Numbers ("ICANN") and the United States Department of Commerce.

The Objectors further submit that in 2000, only ASCII domain names were available for registration in the Russian Federation. This created difficulties for Internet users in the Russian Federation and other Russian-speaking countries, as their languages utilize the Cyrillic alphabet. Many such Internet users did not understand English and had difficulty operating in a Latin alphabet environment, instead of the Cyrillic one that they were used to. There was no way to register brand names or generic words containing Cyrillic characters as ASCII domain names, which constrained development of the Internet in the Russian Federation. As a result, there was a strong demand in the Russian Federation and other Russian-speaking countries for IDNs utilizing the Cyrillic character set. In order to capitalize on the demand for Cyrillic domain names, the Respondent's affiliate VeriSign, Inc. through NSI, entered into an agreement with i-DNS.net International Pte. Ltd. (i-dns.net"), a company that developed technology to implement Cyrillic IDNs. However, VeriSign, Inc. did not utilize i-dns.net's technology to implement fully Cyrillic IDNs, where both the TLD and second level were in Cyrillic. Instead, VeriSign, Inc. implemented only second level Cyrillic IDNs under its <.com> and <.net> ASCII gTLDs, which is still the only way it registers IDNs today.

The Objectors state that Regtime recognized that VeriSign, Inc.'s solution, which required Internet users to switch character sets in order to type in a single IDN, did not fully meet the needs of Russian speaking Internet users, who wanted fully Cyrillic domain names. Regtime licensed i-dns.net's technology in order to provide a privately offered fully Cyrillic product with both the second level and the top-level sections in Cyrillic, described by the Objectors as the "KOM Cyrillic IDN Product". Because Regtime was not an ICANN-accredited registry operator like VeriSign, Inc., it could not create a Cyrillic version of an existing TLD, so its product would not be in the ICANN root and would only resolve if the Internet user downloaded a browser plug-in (known as "i-client") that enabled the browser to resolve Regtime's KOM Cyrillic product, or the Internet user's ISP applied a patch to its system which would enable the Internet user's browser to resolve Regtime's products. VeriSign, Inc. was an investor in i-dns.net, so it was fully aware of Regtime's activities with regard to its KOM Cyrillic product.

According to the Objectors, Regtime launched its KOM Cyrillic product in March 2001 and issued press releases announcing the availability of its fully Cyrillic products through a number of channels including PRNewswire, Yahoo, and Techweb. On May 22, 2001, Regtime commenced a large public relations campaign to publicize its KOM Cyrillic product in partnership with Interfax, the leading Russian International Information Group, which included a press conference with the leading Russian IT journalists and major television stations, as well as television ads on the major Russian National channels. The total expenditure by Regtime for this campaign was approximately USD 60,000. As a result, Regtime's KOM Cyrillic product received significant subsequent media attention, including by the BBC.

The Objectors state that Regtime continued to advertise and sell its KOM Cyrillic product directly through its Regtime.net and Webname.ru websites and through a large reseller network in all major cities of the Russian Federation. The resellers were actively involved in distributing the i-client plug-ins and patching their own

DNS servers so that Regtime's KOM Cyrillic products would resolve. The reseller agreements required that resellers identify on their websites and in their user agreements with purchasers of Regtime's KOM Cyrillic products that these products were not domain names that operated in the ICANN root, but rather were products created by Regtime and that purchasers needed to download plug-in software for these Cyrillic products to work.

According to the Objectors, Regtime has since 2001 sold its KOM Cyrillic products to approximately 30,000 unique customers, including many prominent companies inside and outside of the Russian Federation, such as Amazon.com. As a result, Regtime's KOM Cyrillic products continued to enjoy significant media coverage including from prominent sources such as PCWeek and Computer World. This coverage publicized Regtime's KOM Cyrillic products and the fact that they were private commercial products offered by Regtime, and that Regtime was the exclusive source of the KOM Cyrillic products. Regtime also developed strategic partnerships to ensure distribution of its plugin software and resolution of its KOM Cyrillic product. Regtime partnered with the largest Internet café chain in the Russian Federation, the Café Max, to ensure that its KOM Cyrillic products resolved on all computers in this chain. Regtime also partnered with numerous ISPs such as Samara Internet who patched their servers to ensure that Regtime's KOM Cyrillic products resolved for all of their customers. As a result of these activities, over 200,000 of Regtime's plug-ins were downloaded.

## **B. Respondent**

The Respondent submits that VeriSign, Inc. (and its predecessor) has served as the exclusive operator of the <.com> gTLD registry since 1991. Verisign, Inc. has exclusive rights to operate the <.com> registry under its 2012 <.com> Registry Agreement with ICANN, and has rights to future renewal of the <.com> Registry Agreement in 2018 and thereafter.

The Respondent submits that the <.kom> gTLD is a Cyrillic transliteration of the <.com> gTLD. A <.kom> registry will create important benefits potentially for millions of registrants and other Internet users throughout the world. Potential registrants will be able to register their domain names in their own language in a TLD that is in the ICANN authoritative root server, and Internet users throughout the world will be able to access those websites and communicate over the Internet in their own language. None of these benefits are possible through the Objectors' product nor would be possible if the Objectors were allowed to block the Respondent's application for the <.kom> gTLD. If the Objection is sustained, this would represent an endorsement of a registrar operating an alternative root zone, contrary to ICANN policy, over a leading registry that is operating within ICANN's processes and according to DNS architectural standards.

The Respondent contends that it is not a "shell" company, but a foreign operating subsidiary of Verisign, Inc., and that the Respondent is a party to Registry-Registrar Agreements ("RRA") between Verisign and all registrars for the <.com> registry. The Respondent is the signatory to RRAs with registrars located outside the United States of America, and the Objector Regtime is a party to multiple RRAs with the Respondent. The Respondent applied for the <.kom> registry at the earliest possible date. Under the Registry Agreement, Verisign is contractually precluded from operating a service like that of the Objectors.

According to the Respondent, the Objectors provide a very limited service that is contrary to accepted DNS architecture. The Objectors have never been a qualified registry operator, and have not applied to operate a <.kom> registry under the new gTLD program. The Objectors' Cyrillic product does not provide the services of a registry; it operates outside the proper architectural design of the DNS, and in circumvention of ICANN standards for a uniform root, a governing principle for the DNS. The Objectors' Cyrillic product seeks functionally to offer an alternative root outside this hierarchical architectural design. Sustaining this Objection would undermine ICANN by permitting a partially functioning and unauthorized root. The ICANN's mandate to preserve stability of the DNS requires that it avoid encouraging the proliferation of alternate roots that could cause conflicts and instability. Verisign did not use the i-dns.net technology in part because of its commitment to ICANN to support a single authoritative root.

The Respondent further submits that the acceptance of Regtime's Cyrillic product by approximately 30,000 unique customers is *de minimis* compared to the number of potential users and benefits of true Cyrillic domain name registrations. Russian is the native or second language of more than 230,000,000 people and at present, there are approximately 60,000,000 Russian-speaking Internet users. By contrast to Regtime's Cyrillic product, the Respondent's <.ком> registry would offer all Cyrillic language-speaking Internet users an official and sanctioned <.ком> TLD. The public, from anywhere in the world, could register or access websites with <.ком> domain names without having to acquire plug-in software or ISP patches, as is true with all authorized TLDs comprising the authoritative DNS.

The Respondent states that the scope of legal rights objections is to protect existing purported trademark rights against infringement, so only an applied-for gTLD that would infringe the Objectors' trademark would support the Objection. Therefore, this proceeding must determine whether the use of the applied-for gTLD would infringe a trademark owned by the Objectors.

The Respondent maintains that the Objectors have expressly disclaimed any trademark or other rights under the Registrar Accreditation Agreement ("RAA") executed between Regtime and ICANN as a condition to Regtime becoming an ICANN-accredited registrar. Regtime could not possess trademark rights in the use of "KOM" for the registration of Internet domain names or DNS addressing on the grounds that such rights were expressly disclaimed by Regtime in the RAA. The RAA explicitly provides that "Registrar disclaims all rights to exclusive ownership or use" of any elements of the domain names it registers. These provisions of the RAA are consistent with the important functional nature of domain names and the potential conflicts between registrants and registrars that would result if the registrar could claim trademark rights in elements of the domain names it registers. The registered names serve as electronic addresses necessary to the resolution of DNS queries. Furthermore, according to Objectors, "ком" is part of the registered name of 30,000 third-party registrants, including serving as an address for websites owned by those third parties, and undoubtedly is used in advertising and as part of trade names of those registrants.

The Respondent has submitted a legal opinion by a Russian attorney-at-law. According to this legal opinion, the Objection contains an inaccurate English translation of the service "абонирование телекоммуникационных услуг для третьих лиц", and the proper English translation of this service is "arranging subscriptions to telecommunication services", which is not a true telecommunication service, but rather a service that can be attributed to a broker or agent whose goal is to connect the providers and customers of telecommunication services. For this reason, the KOM trademark does not include domain name registration services in its scope of protection, so the operation of the <.ком> gTLD by the Respondent would not infringe the KOM trademark. The same legal opinion also points out that Regtime has applied for several trademarks on one and the same date and has later assigned all of them to Legato. These trademarks include KOM, HET, OPG, BIZ and PRO, which represent Cyrillic transliterations of COM, NET, ORG, BIZ and PRO. The legal opinion contains as attachments copies of the trademark certificates for these trademarks.

## 6. Discussion and Findings

The Response is valid and should be upheld for the following reasons:

The potential use of the applied-for gTLD by the Applicant/Respondent does not:

- (i) take unfair advantage of the distinctive character or the reputation of the Objector's KOM trademark; and
- (ii) does not unjustifiably impair the distinctive character or the reputation of the Objector's KOM trademark, and
- (iii) does not otherwise create an impermissible likelihood of confusion between the applied-for gTLD and the Objector's KOM trademark.

The Panel's detailed findings are described below.

### **The Objectors' rights in the KOM trademark**

Due to the fact that the present Objection is based on trademark rights, the first issue that the Panel has to discuss and make a determination on is the nature and scope of the Objectors' rights in the KOM trademark.

Under Article 2(e)(ii) of the Procedure, an existing legal rights objection is based on the contention that the string comprising the potential new gTLD infringes the existing legal rights of the objector that are recognized or enforceable under generally accepted and internationally recognized principles of law. Under Section 3.2.2.2 of Module 3 of the ICANN's gTLD Applicant Guidebook ("Guidebook"), "A rightsholder has standing to file a legal rights objection. The source and documentation of the existing legal rights the objector is claiming (which may include either registered or unregistered trademarks) are infringed by the applied-for gTLD must be included in the filing."

The KOM trademark is registered for the territory of the Russian Federation, so it is governed by the laws of this jurisdiction. Under Article 1477(1) of the Civil Code of the Russian Federation<sup>1</sup>, "An exclusive right certified by a trademark certificate (Article 1481) shall be recognized to a trademark, *i.e.*, to a sign capable of individualizing of goods of legal entities or individual entrepreneurs." Under Article 1480 of the same Code, "Official registration of a trademark shall be effected by the federal executive authority for intellectual property in the State Register of Trademarks and Service Marks of the Russian Federation (State Register of Trademarks) by the procedure provided by Articles 1503 and 1505 of the present Code." Article 1481 of the same Code specifies that "A trademark certificate shall be issued for a trademark registered in the State Register of Trademarks." Under Article 1490(1) of the Civil Code of the Russian Federation, "A contract for the alienation of the exclusive right to a trademark, a license contract, and also other contracts by means of which disposition of the exclusive right to a trademark is exercised shall be made in a written form and are subject to official registration by the federal executive authority for intellectual property."

Thus, the Objectors bear the burden of proof that they have trademark rights in the KOM trademark that support the Objection, and this burden of proof may be met through the submission of official documents for the registration of the trademark or for the registration of other exclusive rights in the same trademark, issued by the competent authorities of the Russian Federation.

The Objectors have provided information that the owner of the KOM trademark at the time of filing of the Objection is the Objector Legato. The trademark rights of Legato are supported by the evidence submitted with the Objection. The Objector Regtime alleges that it uses the KOM trademark under the control of Legato, and does not provide written evidence that it has ownership rights in the same trademark. The official certificate for registration of the KOM trademark, submitted by the Objectors, does not certify any rights of Regtime in the same trademark, be it as a licensee or otherwise. The Objectors have not submitted any other written evidence which establishes any right of the Objector Regtime in the KOM trademark. The allegation that Regtime uses the KOM trademark under the control of Legato is not supported by any written evidence either, and neither do the Objectors allege the existence of a written agreement between them in this regard. In the absence of such evidence, the Panel is not satisfied on the present record that the co-objector Regtime has trademark rights in the KOM trademark.

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<sup>1</sup> An unofficial translation of Part IV of the Russian Civil Code is provided on the official website of the Russian Federal Service for Intellectual Property (ROSPATENT)<sup>1</sup> at <http://www.rupto.ru/rupto/portal/883567fd-fbd2-11e0-e807-8e000200001f?lang=en>. As specified there, "The English translation of the Part IV of the Civil Code of the Russian Federation, prepared by the specialists of Rospatent, is an unofficial one intended to inform the international community, in particular, multilateral organizations, foreign IP offices, and also professionals dealing with the issues of protection and enforcement of IP rights both in the country and abroad."

The Objector and the Respondent are in disagreement as to the proper translation of the list of services for which the KOM trademark is registered, and each of them has separately provided a translation of this list. They disagree in relation to the English translation of the service “абонирование телекоммуникационных услуг для третьих лиц”. According to the Objector, this service should be translated as “telecommunications service subscription for third parties”, while the Respondent submits that the proper translation should be “arranging subscriptions to telecommunications services for others”. The dispute is essentially whether the word “arranging” is part of the description of the service or not. To reach a decision on this issue, the Panel has consulted publicly available sources of official information on the issue. The Panel has reviewed the 9<sup>th</sup> edition of the Nice Classification (which entered into force on January 1, 2007 and was valid for the territory of the Russian Federation when the KOM trademark was applied for and registered), as available in both English and Russian languages on the official website of the Russian Federal Institute of Industrial Property.<sup>2</sup> According to this source of information, the service “абонирование телекоммуникационных услуг для третьих лиц” with Basic No.350094, is equivalent to “arranging subscriptions to telecommunication services for others”. At the same time, the service “arranging subscriptions to telecommunication services for others” is described with identical words in the official version of the 9<sup>th</sup> edition of the Nice Classification<sup>3</sup>. Taking this into account, the Panel finds that the proper English translation of the service “абонирование телекоммуникационных услуг для третьих лиц”, for which the KOM trademark is registered, is “arranging subscriptions to telecommunication services for others”.

According to the Objectors, the registration of the KOM trademark covers registration of domain names and services for ensuring Internet access to online Internet resources in a wide range, including through subscription (the right of usage for a certain period of time) of second level domain names in the KOM first level root domain. This argument is based on the English translation of the service “абонирование телекоммуникационных услуг для третьих лиц” as “telecommunications service subscription for third parties”. On this basis, the Objectors allege that by virtue of the KOM trademark, under Russian law only the trademark registration owner has the right to provide these and other similar services in connection with the KOM trademark.

The allegation of the Objectors is denied by the Respondent, who submits that the services for which the KOM trademark is registered do not include the registration of domain names as registry service. According to the Respondent, the service “arranging subscriptions to telecommunication services for others” is not a true telecommunications service, and can be attributed to a broker or agent whose goal is to connect the providers and customers of telecommunication services.

In the end the Panel finds that this case does not turn on this question. Merely for the purpose of the further analysis of the case, the Panel will deem any trademark protection from which the Objectors may benefit to encompass domain-related services.

### **Is the registration and operation of the <.ком> gTLD an activity that infringes the trademark rights of the Objectors in the KOM trademark?**

The Objectors maintain that the Respondent cannot operate the <.ком> gTLD without infringing the KOM trademark.

According to the Objectors, the applied-for gTLD is identical to the KOM trademark. The only difference between them is the dot, which is purely functional in nature. WIPO Uniform Domain Name Dispute Resolution Policy (UDRP) Panels have consistently found that the presence or absence of dots in a domain name is typically irrelevant to the consideration of confusing similarity between a trademark and a domain

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<sup>2</sup> As described on its official website at [http://www1.fips.ru/wps/wcm/connect/content\\_en/en/about\\_fips/](http://www1.fips.ru/wps/wcm/connect/content_en/en/about_fips/), the Russian Federal Institute of Industrial Property (FIPS) is a nonprofit research organization in a form of a federal government budgetary institution. The Nice Classification is available on the same website at [http://www1.fips.ru/wps/portal/IPC/MKTU9\\_RTF/](http://www1.fips.ru/wps/portal/IPC/MKTU9_RTF/).

<sup>3</sup> Available on the official website of WIPO at <http://www.wipo.int/classifications/nivilo/nice9/index.htm?lang=EN>



name. They submit that it is unlikely that ICANN intended that only trademarks beginning with a “.” would be considered identical to an applied-for string. Even if the “.” is considered part of the applied-for string, the applied-for string is still similar to the KOM trademark, in that both consist of the Cyrillic letters KOM and the “.” at the beginning of the applied for string is the only difference. Accordingly, the KOM trademark and the applied for string are virtually identical in appearance, sound and meaning, in the sense that “KOM” has no meaning in Russian, other than the source origin meaning which has developed for Regtime’s services due to the Objectors’ efforts over the last 11 years. The Objectors also allege that the operation of the <.kom> gTLD is included in the scope of protection of the KOM trademark because it covers the registration of domain names.

According to the Objectors, the Applicant’s intended use of the <.kom> gTLD would create a likelihood of confusion with the Objector’s KOM trademark as to the source, sponsorship, affiliation, or endorsement of the gTLD. Regtime has been the exclusive provider of its KOM Cyrillic products which incorporate the KOM trademark for over 11 years. In this period, all fully Cyrillic KOM products were purchased from Regtime. According to the Objectors, if the Respondent were allowed to operate the <.kom> gTLD, and offer fully Cyrillic domain names ending in “.kom”, this would create a likelihood of confusion with the Objectors’ KOM trademark as to source, sponsorship, affiliation or endorsement of the gTLD, because it would be likely that domain name registrants would be confused as to whether they were purchasing the Objector’s KOM Cyrillic product or a second level domain in the Respondent’s <.kom> gTLD, especially if both were offered by the same reseller or registrar.

According to the Respondent, the registration and use of the <.kom> gTLD does not infringe the Objectors’ rights in the KOM trademark for the following reasons:

The <.kom> gTLD is not identical to the KOM trademark because it includes a dot, which entirely changes the appearance and meaning of KOM. As the Objection acknowledges, the inclusion of the dot is functional, and denotes a top level domain. Thus, the dot provides a critical transformative function in both the appearance and meaning of KOM.

The KOM trademark does not cover registration of domain names, while a domain name registry only registers domain names, without being an intermediary service that arranges a subscription.

The use of <.kom> as a top level domain registry address is functional and generic and does not constitute a trademark use. As used by the Respondent, <.kom> will constitute an address for an electronic database that will resolve DNS queries, which is a critical functional role in DNS architecture. Such use is not a source identifying use and thus has no trademark significance. This is suggested by the reference to “gTLD” or “generic” top level domain itself. Trademark law does not provide protection for features, words or designs that have a functional use or are generic.

The Objectors explain how all of their users are informed of the nature of their registration, including that it is not in a <.kom> TLD. Users must accompany their registration with a download of separate software to translate the registrants’ domain name. By contrast, <.kom> will be a TLD in the ICANN root. In addition, <.kom> is a transliteration of <.com>, the most well known gTLD in the world, known by virtually every Internet user.

Under Article 1484(3) of the Civil Code of the Russian Federation, “No one has the right to use, without the permission of the rightholder, signs similar to his trademark with respect to the goods for the individualization of which the trademark has been registered or similar goods if such use would result in a likelihood of confusion.” Under Article 1477 (2) of the same Code, “The provisions of the present Code related to trademarks shall be applied correspondingly to service marks, *i.e.*, to signs capable of individualizing work performed or services rendered by legal entities or individual entrepreneurs.” Taking these provisions into account, the Panel is of the opinion that the criteria used in Article 1484(3) of the Civil Code should be applied here in order to reach a conclusion whether the operation of the <.kom> gTLD would infringe the KOM trademark.

The Panel will first consider whether the <.kom> gTLD is *per se* identical or similar to the KOM trademark. The KOM trademark is a word trademark and consists only of the element “kom”, written with Cyrillic letters. The <.kom> gTLD contains a dot and the word element “kom”, written in Cyrillic letters. In the Panel’s view, the difference between the gTLD and the trademark, which consists of the inclusion of the dot in the gTLD is not of such significance so as to render the gTLD and the trademark dissimilar. Rather, it is more likely that Internet users will regard them as similar.

The next issue to consider is whether the services for which the <.kom> gTLD is intended to be used are identical or similar to the services for which the KOM trademark is registered. The gTLD is intended to be used for the operation of a domain name registry for the <.kom> gTLD and for the offering of services for the registration of fully internationalized domain names that include a transliteration of <.com> in Cyrillic script.

The final issue to determine here is whether the use of the gTLD will result in a likelihood of confusion with the KOM trademark. Under the above cited Article 1484(3) of the Civil Code of the Russian Federation, the likelihood of confusion is a qualifying requirement that is assessed if the signs are identical or similar and are used for identical or similar goods or services. If the services in relation to which the <.kom> gTLD is used are not identical or similar to the KOM trademark, there can be no likelihood of confusion.

In order to reach a conclusion in these matters, the Panel now finds it useful to address the eight factors referred to under Section 3.5.2 of the Guidebook.

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

As discussed above, the Panel finds that the <.kom> gTLD is very similar in appearance and phonetic sound to the KOM trademark, the only difference between them being the addition of the dot in the gTLD.

Additionally, the <.kom> gTLD is also very similar to the <.com> gTLD, as “kom” is the Cyrillic transliteration of “com”. An exact transliteration of a sign in another script is very similar to the sign because they are phonetically identical and have an appearance of mutual exchangeability to users who use both scripts.

It is well known that the <.com> gTLD has been continuously used for many years by millions of users across the globe for the registration and use of domain names in connection to commercial websites. This widespread use has established the <.com> TLD as an indication of an online commercial activity, and has made it the most prominent example of a generic TLD.

As shown from the evidence provided by the Objectors themselves (see Annex 10 to the Objection), Regtime has advertised the launch of its KOM Cyrillic product with the following statement:

“On May 22, 2001 RegTime.net company starts registration and delegation of Russian names in the Internet in zones .KOM .HET and .OPF.

This revolutionary technology uses the International Domain Names System, developed by i-DNS.net International, supporting multilingual Internet addresses in more than 59 different languages. This innovation makes it possible for Internet users to register their addresses in the form of words using the Russian alphabet, ending with combinations .kom – for companies, .het – for Internet providers, .opr – for organizations.”

The last sentence of this statement shows that Regtime has advertised its KOM Cyrillic product as directed to companies, which coincides with the use of the <.com> gTLD, rather than distinguishing the two. The two strings being equivalents in different alphabets, such advertising should have actually contributed Internet users using the Cyrillic alphabet to regard Regtime’s product and <.com> as mutually interchangeable in meaning as well as in appearance and sound.

At the same time, there is no evidence in the case file in the form of consumer surveys that show that consumers recognize a trademark of the Objectors in the <.ком> gTLD, rather than a Cyrillic transliteration of <.com>.

Taking all the above into account, the Panel is of the opinion that the KOM trademark, to the extent it may be deemed to cover domain name registration services, would have been descriptive and non-distinctive for such services. As such, it forms a rather weak basis to support the present Objection.

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

The Objectors submit that their acquisition and use of rights in the KOM trademark has been *bona fide*, as Regtime has sold thousands of KOM Cyrillic products for over 12 years.

The Respondent asserts that the KOM trademark was not registered in good faith and that the Objectors have not made a *bona fide* use of KOM as a trademark for registration of domain names. The Respondent submits that in 2007 Regtime has simultaneously filed five trademark applications for the trademarks KOM, HET, ОПГ, БИЗ and ППО, which represent Cyrillic transliterations of COM, NET, ORG, BIZ and PRO. The Panel notes that it is well known that <.com>, <.net>, <.org>, <.biz> and <.pro>, and especially the first three of them, have established themselves as the most popular and widely used gTLDs around the world in the last two decades.

The Objectors filed two supplemental submissions after the filing of the Response, submitting that the Response raised issues to which they should be given an opportunity to respond, but did not address the registration of the trademarks KOM, HET, ОПГ, БИЗ and ППО in their supplemental submissions and did not provide any explanation for such simultaneous filing in 2007 – six years after the commencement of the offering of the KOM Cyrillic product by Regtime. As discussed under issue 1 above, with the introduction of Regtime's Cyrillic products to the public in 2001, Regtime announced that its KOM product was directed to companies, the HET product was directed to Internet providers, and the ОПГ product - to organizations. Regtime has thus introduced to the public Cyrillic equivalents of <.com>, <.net>, and <.org>, which are products that have become popular and attractive to the users through the efforts of others, including the Respondent and its affiliate Verisign, Inc. As submitted by the Objectors, Regtime's Cyrillic products are not domain names, and Regtime began acting as an ICANN-accredited registrar only in the same year 2007, so by that time it could not have had any contribution to the popularity of the <.com>, <.net> and <.org> gTLDs on the Russian market. At the same time, the Objectors claim in this proceeding that the KOM trademark covers domain name registration services.

Taking the above into account, the Panel is inclined to accept that the conduct of Regtime actually shows an attempt to secure for itself exclusive rights in relation to domain name registration services to the Cyrillic transliteration of the <.com> gTLD, the popularity of which domain has been established by others without the contribution of Regtime. In the Panel's view, such use of rights would not be legitimate.

## **3. 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 [respondent] or of a third party.**

The Objectors claim that the relevant sector of the public recognizes the sign corresponding to the gTLD as the trademark of the Objector, and that Regtime has enjoyed significant media coverage, which identified Regtime as the exclusive source of the KOM Cyrillic product.

The Respondent claims that there is no recognition of KOM as a trademark of the Objectors for domain name addressing and that the Objectors have not met their burden in demonstrating that their trademark is widely known in the Russian Federation. According to the Respondent, any recognition of KOM would most likely be as part of the registered name or website of the respective user of the Regtime KOM Cyrillic product, and not as a trademark owned by the Objectors.

The Objectors have not submitted evidence that the KOM trademark has become popular among consumers in relation to domain name registration services and that consumers recognize this trademark in the <.kom> gTLD. Given the widespread use of the <.com> gTLD around the world for many years, it can be accepted to be known to and popular among Internet users. Therefore, the Panel is not convinced that the average consumer using the Cyrillic alphabet would recognize the Objectors' KOM trademark in the <.kom> gTLD. Rather, it is much more likely that consumers would understand it as the Cyrillic transliteration of the <.com> gTLD.

**4. Applicant's [respondent's] intent in applying for the gTLD, including whether the applicant [respondent], 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 [respondent] 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 Objectors allege that the Respondent had bad-faith intent in applying for the <.kom> gTLD, and that the Respondent had knowledge of the KOM trademark at the time of its application for the gTLD. The Objectors submit that the Respondent should not be allowed to usurp their nationally-protected rights and destroy the results of their extensive efforts over the last 11 years.

The Respondent rejects the allegations of the Objectors of bad-faith intent in the application for the <.kom> gTLD. It submits that there are compelling reasons for it to operate a <.kom> registry, including to coordinate naming policies between it and the <.com> registry (for example, to protect owners of second level domain names in .com). The operation of a <.kom> registry was not possible prior to ICANN's announcement of the new gTLD program. The Respondent denies any knowledge of the use of the sign "KOM" by the Objectors as a trademark for registered domain names or addressing.

The Respondent has submitted evidence that its affiliate Verisign, Inc. has administered the <.com> registry for many years, and the Respondent has been a party to RRAs with third parties in relation to this gTLD. As a result of this use, the Respondent has become known as the provider of domain name registration services for this gTLD. In its application for the delegation of the <.kom> gTLD, the Respondent has clearly explained its intent to offer it to Internet users as a Cyrillic transliteration of <.com> gTLD, and the Panel accepts that there may be good reasons for the <.kom> and <.com> registries to be administered by one and the same entity for coordination and consistency purposes.

In light of the above and in the absence of evidence to the contrary, the Panel is of the opinion that the Respondent had a *bona fide* intent in applying for the <.kom> gTLD.

**5. Whether and to what extent the applicant [respondent] 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 Objectors submit that the Applicant has not used KOM and has not made demonstrable preparations to use KOM 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 Objectors of their rights in the KOM trademark. If the Respondent is granted the <.kom> gTLD and starts offering services under it, it is not clear what would happen to owners of Regtime's KOM Cyrillic IDN Products. If a domain name is registered in the <.kom> gTLD that is identical to a KOM Cyrillic product of Regtime, it is not certain which of them would resolve and resolve consistently. The Objectors claim that Regtime has had to stop selling new KOM Cyrillic products as of the day ICANN announced that the Respondent had applied for the <.kom> gTLD for fear that Regtime would not be able to provide the proposed services if the Respondent's application were to be approved.

The Respondent submits that it has made preparations to use <.kom> in a way that does not interfere with the Objectors' rights. The application for a new gTLD is a significant undertaking. An applicant for a new

gTLD is applying to create and operate a registry business supporting the Internet DNS, which involves a number of significant costs and responsibilities. The ICANN evaluation fee is USD 185,000. As part of the new gTLD application process, applicants need to demonstrate the operational, technical and financial capability to run a registry and comply with numerous specific requirements. The <.kom> registry is an important expansion of the root for Cyrillic users of <.com>, other potential registrants, and Internet users worldwide. These interests would be frustrated if a <.kom> registry were blocked.

The Respondent further refers to the allegation of the Objectors that they had to stop selling new KOM Cyrillic products because they feared they would not be able to provide their services if an authorized <.kom> TLD is established. According to the Respondent, these concerns stem not from any trademark infringement but from the fact that addressing is functional on the Internet (and thus not subject to ownership) and that the Objectors' product is contrary to ICANN policy and the architecture of the DNS. The standards of the Internet call for a lookup of a TLD to consult the root zone for the name server address of that TLD. If a Cyrillic <.kom> gTLD is placed in that root, the DNS query will go to that destination as opposed to what happens with the Objectors' alternate route in circumvention of this architectural scheme. Thus, any harm to the Objectors if the application is granted would take place because the Objectors have adopted a business model contrary to Internet standards. If the application is not accepted, millions of people would be denied the choice of using domain names with worldwide resolution capability (and without separate software downloads from Objectors or ISP patches). Legal rights objections are to protect against trademark injury, not poor technical or business decisions by Objectors.

The Panel is of the opinion that the Respondent has made demonstrable preparations to use the sign corresponding to the gTLD in connection with a *bona fide* offering of goods or services in a way that does not interfere with the exercise by the Objectors of their trademark rights.

As noted by the Respondent, the application for this gTLD includes the payment of a significant evaluation fee to ICANN and requires the availability of significant technical, operational and financial resources. The Respondent has applied for this gTLD as a Cyrillic transliteration of <.com> gTLD, and as found under item 4 above, the Respondent has made its application in good faith.

Whether the operation of the <.kom> gTLD would actually interfere with the operation by the Objector Regtime of its services is a technical issue that is beyond the scope of the present proceeding and for which the Objectors have submitted no evidence. Nevertheless, given that Regtime has adopted a business model that is alleged to deviate from the standards and policies of ICANN for a uniform root and has chosen not to apply for the <.kom> gTLD itself, the Panel does not find that the operation by the Respondent of the <.kom> gTLD in compliance with the standards of ICANN could represent an activity that could be regarded as illegitimate *vis-à-vis* Regtime.

**6. Whether the applicant [respondent] 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 [respondent] is consistent with such acquisition or use.**

The Objectors submit that the Applicant has no trademark or other intellectual property rights in KOM. As discussed above, the Respondent (or its affiliate VeriSign, Inc.) has not used KOM as a trademark. The Objectors are not aware of any trademark registrations that the Respondent or its affiliate VeriSign, Inc. have obtained for KOM.

According to the Respondent, it has *bona fide* contractual rights to <.com> gTLD and its proposed use of the <.kom> gTLD is consistent with those rights. The Respondent's longstanding contractual rights to operate the <.com> registry predate the KOM trademark. The introduction of new gTLDs may cause confusion in second level domain addressing if they are not managed by a single entity, putting the Respondent in the best position to offer the <.kom> gTLD to the public.

The Respondent has not claimed any trademark rights or other intellectual property rights in a sign corresponding to the gTLD.

**7. Whether and to what extent the applicant [respondent] 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 [respondent] is consistent therewith and *bona fide*.**

The Objectors submit that the Respondent has not been commonly known by “.kom”, because its affiliate VeriSign, Inc. has not offered fully Cyrillic IDNs, and because the two being separate entities, the Respondent cannot avail itself of the rights and privileges of Verisign, Inc., as this would render the eligibility requirements, obligations, and protections of the Guidebook and Registry Agreement meaningless. Accordingly, to the extent that VeriSign, Inc. may be commonly known as “.com”, the same does not hold true for the Respondent.

The Objectors further submit that “.com” is different from “KOM”. They allege that “.com” is an ASCII TLD which is commonly thought to stand for “commercial.” “KOM” is in Cyrillic as opposed to Latin, and has no meaning in the Russian language and is not commonly thought to stand for anything other than Regtime’s services. There is no evidence that any Internet user would assume that a <.kom> Cyrillic IDN is the same as a <.com> domain name or is even operated by the same registry operator.

According to the Objectors, if “kom” is a transliteration of “com”, it would fail the String Confusion Evaluation criteria as set forth in Section 2 of the Guidebook, as it would be likely to deceive or cause confusion and the <.kom> application would fail initial evaluation. ICANN has published its string similarity review on February 24, 2013, and <.kom> and <.com> were found not to be in contention, so the two are not equivalents of each other.

The Respondent submits that Verisign, Inc. is the registry operator of the <.com> TLD and the intended use by the Respondent of <.kom> is *bona fide*. The Respondent is a foreign operating subsidiary of Verisign, Inc. and a party to existing RRAs involving <.com> gTLD, including with Regtime. The Respondent further submits that the Objectors’ string confusion argument is irrelevant, because the Objectors make only a legal rights objection, and lack standing to bring a string confusion objection, which only Verisign, Inc., as the party with rights to <.com> gTLD, and not the Objectors, could bring. The Respondent also points out that its <.kom> application has passed ICANN’s initial evaluation, including in respect of the String Confusion Evaluation criteria.

The Panel takes into account that <.com> gTLD has been operated in good faith by the Respondent’s affiliate Verisign, Inc. for many years, and the Respondent has provided evidence that it is a party to RRAs with numerous parties in respect of this gTLD. In view of this, the Panel is of the opinion that the Respondent’s affiliate Verisign, Inc. has become commonly known as a service provider for the <.com> gTLD, and that the Respondent has certain rights and legitimate interests in respect of the <.com> gTLD. At the same time, “.com” is a sign that is very similar to and corresponds to “.kom”, as the only difference between them is that they are written in different alphabets and the latter is likely to be regarded as the Cyrillic transliteration of <.com>, as more fully discussed above.

In view of the above, the Panel is satisfied that the Respondent has been commonly known, as an affiliate of Verisign, Inc., by a sign corresponding to the <.kom> gTLD and that the purported use of the <.kom> gTLD is consistent therewith and *bona fide*.

**8. Whether the applicant’s [respondent’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.**

According to the Objectors, the Respondent’s intended use of the <.kom> gTLD would create a likelihood of confusion with the KOM trademark as to the source, sponsorship, affiliation, or endorsement of the gTLD, because it would be likely that domain name registrants would be confused as to whether they were

purchasing Regtime's KOM Cyrillic product or a second level domain in the Respondent's <.kom> gTLD, especially if both were offered by the same reseller or registrar. The Objectors also allege that the use of the <.kom> gTLD would create confusion in the marketplace with regard to all existing users of Objector's KOM Cyrillic product, as it would be possible that two separate entities could register the same Cyrillic string as Objector's KOM Cyrillic product and a second level domain in the Respondent's <.kom> gTLD. If that were to happen, it would not be clear whether Objector's KOM Cyrillic product or the identical second level domain name in the Respondent's <.kom> gTLD would resolve, which could create further confusion and harm the thousands of consumers who have already purchased Regtime's KOM Cyrillic product.

According to the Respondent, there is no evidence that the <.kom> gTLD would create confusion as to its source, sponsorship, affiliation, or endorsement. That the Cyrillic products ending in ".kom" were purchased from Regtime does not evidence that domain name registrants associate KOM with Regtime. It is far more likely that registrants associate the KOM designation in their domain name with their own registered domain name.

As discussed under item 1 above, even if domain name registration services had been within the scope of protection of the trademark, the Panel is of the opinion that the trademark would have been descriptive and non-distinctive in relation to them. Moreover, as previously observed, the consumer is likely to understand the Objectors' KOM trademark as the Cyrillic transliteration of the <.com> gTLD, an understanding for which the Objectors may need to bear the consequences.

## **7. Decision**

For the above reasons, the Objection is rejected.

[signed]

**Assen Alexiev**  
Sole Panel Expert  
Date: August 23, 2013