

EXPERT DETERMINATION LEGAL RIGHTS OBJECTION

DotMusic Limited v. dot Music Limited

Case No. LRO2013-0059

1. The Parties

The Objector is DotMusic Limited of Lemesos, Cyprus, represented by Constantinos Roussos, United States of America.

The Respondent is dot Music Limited of Gibraltar, represented by Famous Four Media Limited of Gibraltar, Overseas Territory of the United Kingdom of Great Britain and Northern Ireland.

2. The applied-for gTLD string

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

3. Procedural History

The Objection was filed with the WIPO Arbitration and Mediation Center (the “WIPO Center”) on March 14, 2013 (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 its review of the Objection on March 22, 2013 and determined that the Objection complied with the requirements of the Procedure and the World Intellectual Property Organization Rules for New gTLD Dispute Resolution for Existing Legal Rights Objections (the “Rules”).

On April 25, 2013, the WIPO Center received a proposal from Respondent to consolidate the Objections LRO2013-0057, LRO2013-0058, LRO2013-0059, LRO2013-0060, LRO2013-0061, LRO2013-0062, and LRO2013-0063, all of which were filed by the Objector in connection with <.music>. The Objector indicated support for the Respondent’s consolidation proposal, which in turn was opposed by the Respondents in other Objections involving the <.music> gTLD string. In accordance with Article 12 of Procedure and Paragraph 7(d) of the Rules, the WIPO Center did not make a decision to consolidate the Objections for purposes of Article 12(b) of the Procedure.

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 19, 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 17, 2013.

The WIPO Center appointed Reynaldo Uriaga as Sole Panelist in this matter on June 17, 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 the Rules.

On July 10, 2013 the WIPO Center received an email from Mr. Jason Schaeffer of ESQwire.com P.C. seeking “to clarify, and avoid confusion that appears in some recent communications, for the .MUSIC, .SONG and .TUNES LRO proceedings. Please note that Objector is still represented by the original filer of the Objections, Constantinos Roussos and [Constantinos Roussos] should remain the representative and primary point of contact.” The Panel noted that this message followed a message previously received by the WIPO Center on April 26, 2013 from the Objector’s Mr. Roussos, copied to Mr. Schaeffer, requesting that Mr. Schaeffer be copied on all correspondence related to the case as Mr. Schaeffer “will be assisting DotMusic Limited in these 9 Legal Rights Objection cases with WIPO.” The Panel further noted that Mr. Schaeffer had been copied on all case communications from April 26, 2013 to July 10, 2013 as requested, and that Mr. Schaeffer’s email of July 10, 2013 failed to copy the Applicant. The Panel determined that Mr. Schaeffer would no longer be copied on any communications related to this case.

On July 15, 2013, the Objector filed an unsolicited written submission in connection with two Expert determinations recently posted on the WIPO Center’s website in *Right at Home v. Johnson Shareholdings*, WIPO Case No. LRO2013-0030, and *DotTunes Limited v. Amazon EU S.à.r.l.* WIPO Case No. LRO2013-0065.

On July 17, 2013, the Panel invited the Respondent to reply in writing to the Objector’s additional submission by July 22, 2013, without prejudice to the Panel’s intention to rule in its Expert Determination on the admissibility of the Objector’s additional submission.

On July 18, 2013, the Respondent requested an extension of the July 22 deadline to August 1, 2013, to provide a full response to the substance of the Objector’s additional submission.

On July 19, 2013, the WIPO Center notified the Panel’s Order No. 1, granting Respondent a short extension of the original deadline through July 25, 2013, in view of the nature, scope, and length of the Objector’s additional submission, and communicating to the parties that no further pleadings were warranted.

On July 24, 2013, the Respondent filed its reply contesting the admission and merits of the Objector’s additional submission.

4. Factual Background

The Objector’s corporate purpose includes domain name registry services, technical and legal research relating to Internet domain names, among other activities.

The Objector owns European Community Trade Marks (“CTMs”) Nos. 008139792 for .MUSIC (and design), filed on March 5, 2009, and registered on November 3, 2009; and No. 008139834 for DOTMUSIC (and design), filed on March 5, 2009, and registered on November 11, 2009 (the “Marks”). The Marks are registered in international classes 35, 42, and 45, in connection with “domain name reservation, registration, domain name registry services, namely coordinating the assignment of domain names and address space, technical and legal research relating to Internet domain names”, among other services.

The Respondent’s applied-for gTLD is the subject of ICANN pending application No. 1-1175-68062 posted on ICANN’s website on June 13, 2012.

5. Parties' Contentions

A. Objector

The Objector's factual and legal contentions can be summarized as follows:

- i. As of its incorporation in 2005, the Objector's business has generated millions of dollars in activities such as affiliate marketing, domain name resale, Internet branding, and e-commerce.
- ii. Prior to the introduction of the New gTLD Program, the Objector has been using its DOTMUSIC and .MUSIC Marks in commerce by offering domain registrations and merchandising relating to those marks.
- iii. The Objector has spent millions of dollars acquiring, developing, and monetizing ".MUSIC" domain names in the classes 35, 42, and 45 relating to the .MUSIC and DOTMUSIC Marks.
- iv. Since 2008, the Objector has spent in excess of USD 1,500,000 to develop its brand equity, to target relevant audiences, and in recognition strategies of the .MUSIC and DOTMUSIC Marks for domain name-related services.
- v. The applied-for <.music> gTLD is identical to the Objector's .MUSIC mark in sight, sound, and connotation, which would create a strong likelihood of confusion should the Respondent be granted the applied-for gTLD, especially given the average music consumer's propensity to normally retain a general impression of the Objector's Marks.
- vi. The Objector's acquisition and use of its .MUSIC and DOTMUSIC Marks has been *bona fide* and essential to its ongoing and future business activities.
- vii. Besides their substantial presence online, the .MUSIC and DOTMUSIC Marks have also been featured at major events globally to expand those brands' awareness and recognition amongst consumers in the domain name and music sectors.
- viii. Any use or demonstrable preparation by the Respondent to use the sign .MUSIC corresponding to the gTLD in connection with a *bona fide* offering of goods and services will materially interfere with the Objector's prior trade mark rights and create significant economic and reputational harm to the Objector.
- ix. The Respondent's intended use of the applied-for gTLD would create a strong likelihood of confusion with the Objector's Marks as to the source, sponsorship, affiliation and endorsement of the <.music> gTLD, especially since the Respondent is targeting the same public as the Objector.
- x. The Objector is commonly known and recognized globally with the .MUSIC and DOTMUSIC Marks by mainstream media, trade publications, the press, and consumers in the domain name and music sectors.
- xi. There is an inescapable risk that the public will mistakenly believe that the domain registry services for the applied-for gTLD come from the Objector and not the Respondent.
- xii. Undoubtedly millions of targeted consumers in the relevant markets have already identified the <.music> gTLD with the Objector as a result of the latter's marketing and outreach efforts with the .MUSIC and DOTMUSIC Marks.
- xiii. Allowing Respondent's application for the <.music> gTLD will result in material harm and abrogation of the Objector's existing legal rights and the Respondent will receive an unjustifiable advantage of piggybacking Objector's substantial goodwill built up in the relevant sectors.

- xiv. In sum, the Panel should find that the identical nature of the Objector's .MUSIC and DOTMUSIC Marks *vis-à-vis* the applied-for gTLD string, coupled with the fact that the Respondent intends to use the gTLD through relevant channels, and with the same goods and services for which the Objector has preexisting trade mark rights, necessitates a finding in favor of the Objector.

B. Respondent

The Respondent's defenses and counter-arguments are essentially the following:

- i. The right to use terms in their common everyday generic sense falls within the principle of free expression recognized by international treaties, and the Respondent intends to use the <.music> gTLD string in its generic sense, namely to offer ".music" domain names to website owners wishing to convey immediately to Internet users that their information, goods, or services relate to music.
- ii. The Objector is not the appropriate party to bring the objection as the asserted CTMs are registered in the name of Constantinos Roussos, not the Objector.
- iii. There is a wealth of European and United States precedent holding that top-level domains are generic and cannot serve any trade mark purpose because they are perceived as part of an Internet address having no source indicating significance.
- iv. The Objector was refused registration in the US for its purported trademarks "DotMusic" and "MUSIC.US" on the grounds of descriptiveness, and "MUSIC & Design" was rejected because the Objector failed to comply with the examining attorney's request to disclaim "MUSIC", demonstrating that this element is not distinctive and thus non-protectable.
- v. The CTM registrations at issue were taken out in bad faith by the Objector simply to gain advantage in its bid with ICANN for the operation of <.music>.
- vi. The applied-for gTLD is not identical or even similar to the distinctive design elements of the Objector's registered trademarks.
- vii. Although ICANN formally approved the New gTLD Program on June 20, 2011, GNSO recommendations for the program were approved as early as August 2007, that is well before the Objector made a failed application for trade mark registration of .MUSIC (and design), and DOTMUSIC in the United States, and therefore the acquisition of the Objector's CTMs was clearly not *bona fide*.
- viii. The Objector fails to adduce any significant independent evidence of the millions of dollars allegedly spent since 2005, namely audited accounts, which should have been easy to produce for such a substantial business.
- ix. A study commissioned by the Respondent on the Objector's websites since 2005 shows no significant coherent business, nor any relevant content to speak of, just parking pages and references to other sites; moreover, the terms ".music" and "dotmusic" have always been used descriptively on those websites.
- x. The business as presented by the Objector is a sham designed simply to garner support for its application for <.music> and gain a competitive advantage in the ICANN new gTLD application process.
- xi. The Objector's token use of its .MUSIC and DOTMUSIC Marks, for the sole purpose to preserve the rights conferred by the CTM registrations, is not to be considered *bona fide* or genuine under European and United States trade mark law.

- xii. Business names cannot be relied on to claim rights in a gTLD, as they are generally used to identify the user of a business name rather than protect its use.
- xiii. The Objector submitted no generally-accepted evidence to establish reputation in MUSIC such as surveys, sales figures, affidavits, market share, or geographical extent of reputation.
- xiv. The Respondent had no knowledge of the Objector or its registered trademarks at the time of filing the <.music> gTLD application, nor did it have any duty to search for marks similar to the applied-for gTLD as the Respondent assumed that “music” was a generic term that could not be registered as a trade mark because it is totally descriptive of the domain registration services that the Respondent intends to offer as a registry operator of <.music>.
- xv. In order to operate the <.music> gTLD, the registry operator must use the word “music” or “.music”, which affords a defense under Article 12 of the CTM Regulation as the Respondent intends to use the applied-for gTLD functionally or descriptively to describe the offering of domain names within the registry.
- xvi. In sum, the Objector does not have any *bona fide* rights in the term “.music” which is generic and descriptive, and neither can the Objector show use of its CTMs in connection with domain name registration services until such time that it is delegated <.music> by ICANN, which is far from certain.

6. Discussion and Findings

Preliminary Issues

A. Objector’s legal standing

The Respondent contests the Objector’s *locus standi* in this proceeding by noting that the CTM registrations on which the Objector relies are in the name of Constantinos Roussos, not the Objector.

Section 3.2.2 of the gTLD Applicant Guidebook (“the Guidebook”) approved by ICANN on June 6, 2012, recognizes standing to bring a legal rights objection to “rightsholders”, a term which is not defined therein. Subsection 3.2.2.2 of the Guidebook provides in turn that a rightsholder can rely on a registered or unregistered trade mark, among other unidentified sources, to ground its objection. To that effect, the same provision requires that proof of the legal rights asserted be filed with the Objection. The Objector complied with this requirement by filing CTM registration certificates proving the trade mark rights on which the objection is based.

The Objector claims to have incorporated in Cyprus in 2005. However, official records publicly accessible indicate March 26, 2012 as the Objector’s date of registration on the Cyprus Companies Register. In spite of this inconsistency, the Panel notes that the Objector’s own application for <.music> was filed in conjunction with CGR E-Commerce Limited, and that Constantinos Roussos is shown as the managing director for both companies. Likewise, the evidence on record mentions Mr. Roussos in every document from business names’ filings to web pages.

It is therefore assumed, without this constituting a finding of fact, that Constantinos Roussos controls a group of companies involved in the objection at issue, and for the purposes of this proceeding, the Panel deems Mr. Roussos and the Objector as one and the same entity.

Accordingly, the Panel finds for the purposes of this proceeding, that the Objector has standing to pursue its objection.

B. Admissibility of Objector’s Additional Submission

The Objector filed an unsolicited additional submission referred to in section 3 above.

Pursuant to Article 17 of the Procedure, the Panel may decide whether the parties shall submit any written statements in addition to the Objection and the Response.

It ensues that, in principle, submissions other than the objection and the response are inadmissible unless expressly requested by the panel in its sole discretion.

The Objector's additional submission was triggered by the issuing of two Legal Rights Objection ("LRO") Expert Determinations which purportedly strengthen the Objector's position in this case. The Respondent contests the relevance of the two rulings at issue, and alternatively requests the Panel to dismiss the Objection as the panelists in those cases ultimately did.

The Panel notes, with two caveats, that the issuing of LRO Determinations is a supervening fact beyond the parties' control which may prove to be supportive of a party's case. The first caveat is that LRO Determinations are posted on the WIPO Center's website, and consequently the Panel can take notice of them without being necessary for the parties to submit further submissions on newly rendered decisions. Otherwise, numerous additional submissions could be expected in any given case, which runs counter to the drafters' intention to provide for a speedy resolution of the dispute, as stated in the Procedure's preamble. The second caveat relates to the circumstance that neither the Guidebook nor the Procedure compels a Panel to consider, let alone follow, a ruling made by a prior LRO Panel.

Therefore, the Panel finds that natural justice considerations call for the admission of the Objector's additional submission, however only to the extent that it focuses on the relevance to the present dispute, and the admission of the Respondent's reply, which is equally limited in impact.

The merits of the parties' respective supplementary submission will be assessed further below, if considered meaningful to the Panel's analysis.

General

According to section 3.5.2 of the Guidebook, in order to succeed with its Objection the Objector must prove that the Respondent's potential use of the applied-for gTLD:

- (i) takes unfair advantage of the distinctive character or the reputation of the Objector's registered 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.

Where the objection is based on trade mark rights, as is the case here, the provision in point calls for the Panel to consider the following non-exclusive factors¹:

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

The Panel notes that the <.music> gTLD would be identical to the Objector's .MUSIC figurative mark, if it were not for the mark's graphic elements, namely a reversed treble clef symbol resembling an "s", and a

¹ As noted in *Scripps Networks Interactive, Inc. v. Dot Food, LLC*, WIPO Case No. LRO2013-0020, the Procedure does not require that a panel give equal weight to each factor; rather, the Procedure only requires that a panel "consider" these factors.

² In contrast to the word mark, a 'figurative mark' is a trade mark for which the applicant claims a special graphic representation or

green/gray star with five points.

Taking into account the appearance, sound, and connotation of the applied-for gTLD string as compared to the literal and design features of the Objector's .MUSIC composite mark, the Panel finds that the applied-for gTLD is similar to the Objector's .MUSIC (word and device) registered service mark. Accordingly, this factor favors the Objector.

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

The Objector filed for registration of its .MUSIC and DOTMUSIC figurative Marks² in the European Union on March 5, 2009.

Respondent has brought to the Panel's attention that prior to the filing of the CTM applications, Mr. Constantinos Roussos had been refused trade mark registration in the United States for "DOTMUSIC", "MUSIC.US", and ".MUSIC and Design" filed on December 19, 2007, March 3, 2009, and December 31, 2010, respectively.

"DOTMUSIC" and "MUSIC.US" were refused for being merely descriptive, and the latter was essentially characterized as a domain name rather than a trade mark.

The mark ".MUSIC and Design" was refused for lack of use in commerce as of the filing date of the application, and also because of the applicant's failure to comply with the examining attorney's requirement to disclaim ".MUSIC" apart from the mark as shown, as it was considered that the term ".MUSIC" merely described an ingredient, quality, characteristic, function, feature, purpose or use of the applicant's services.

It bears noting that the very same ".MUSIC and Design" mark having been refused registration in the United States, became the subject of the Objector's CTM registration No. 008139792.

Considering that ICANN's New gTLD Program had been widely reported by the time the Objector's representative filed for trade mark registration in the United States; that the CTMs were applied for only after being refused registration in the United States where the Objector's operations seem to be based; and that the Objector's CTMs have not been put to use within the European Union after registration, the Panel infers that the Objector acquired trade mark rights in ".MUSIC" for the primary purpose of bolstering its bid with ICANN to operate the <.music> gTLD. Altogether, in this Panel's opinion these circumstances show that the Objector's acquisition and use of its CTMs has not been *bona fide*.

Accordingly, this factor favors the Respondent.

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 respondent, or of a third party.

The Objector claims that its Marks are globally recognized in the music Internet services and domain name registry services sectors by mainstream media, trade publications, music organizations, the press, consumers, and thousands of Facebook fans and Twitter followers.

The Respondent counters by submitting a survey of 124 United States-based Internet users, none of which identified the Objector's Marks, nor did they associate the Objector as the source of any particular service connected with the term "music".

The Respondent also submits that the Objector failed to adduce generally-accepted evidence to establish

² In contrast to the word mark, a 'figurative mark' is a trade mark for which the applicant claims a special graphic representation or colour. In OHIM terminology, the term 'figurative mark' comprises stylised word marks or word/figurative marks.

reputation in its Marks such as surveys, sales figures, affidavits, market share, or geographical extent of reputation.

The Respondent further alleges that the business as presented by the Objector is a sham designed simply to garner support for its <.music> gTLD application. The Respondent finally contends that Facebook fans and Twitter followers can be purchased in bulk, relatively cheaply, and that neither Google results which can be manipulated, nor website visitor numbers are relevant to establish user recognition of “.MUSIC” as the Objector.

Having reviewed the evidence proffered by both parties, the Panel is unconvinced that the Objector is associated in the marketplace of any particular country or sector as the source of any of the services for which the Marks were registered.

What the photographs, the sponsoring agreement with ICANN, the website pages, and the fairly recent press articles submitted by the Objector show is the Objector’s efforts to publicize and promote its business name, its websites, and most of all its pending application for <.music>, rather than consumer recognition of the Objector’s Marks as an indication of trade origin. This is because the rendering of registration services for <.music> domains has not started as yet.

It has been submitted that a domain name can become a trade mark if it is used as a trade mark, and not merely as a domain name. See *McCarthy on Trademarks and Unfair Competition*, 4th ed, § 7.17.50, West Group, USA, 2013.

The key is whether the designation claimed as a protectable mark has been used to make such a visual impression that the viewer would see it as a symbol of origin separate and apart from anything else (*Ibid*). The Panel finds that the Objector has not demonstrated that it uses the Marks in commerce as a badge of origin separate and apart from the <.music> gTLD itself.

For one thing, the homepage of “www.music.us” includes the tagline “The New Web Address for Music” next to the .MUSIC Mark. The latter is also shown on some T-Shirts, in close proximity to the phrase “Yourname.music” and the “www.music.us” address. Further, the ® symbol is nowhere to be found in the specimens of use filed by the Objector, and the ™ symbol appears only once on the “www.music.us” website.

The Panel consequently finds that the Marks have been mostly used to identify a gTLD and not the Objector as a particular undertaking providing <.music> domain registration services to the music community worldwide. See *McCarthy*, op. cit. noting that the average Internet user is aware of the standard format for domain names and knows that gTLDs are part of every Internet domain name and identifier.

For its part, the European Court of Justice has held that, in assessing whether a mark has come to identify the products or services concerned, the following items may be taken into consideration: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (judgment in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraphs 49 and 51). The evidence submitted by the Objector falls short of establishing these elements, and the Respondent’s evidence and contentions rebut those very elements.

In brief, while there seems to be some public awareness of the Objector’s eagerness to operate the <.music> domain name extension, no recognition of the Objector’s marks in a trade mark sense has been demonstrated to the satisfaction of this Panel.

Additionally, no evidence has been provided which demonstrates recognition of the sign corresponding to

the <.music> gTLD as the mark of the Respondent or of a third party.

4. Respondent's intent in applying for the gTLD, including whether the 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 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 Respondent alleges that it had no specific knowledge of the Objector or its CTMs at the time of filing the <.music> gTLD application. However, the Respondent's CEO, Mr. Geir Rassmussen, admits in his affidavit to have been aware that the Objector's figurative marks were registered at the Office of Harmonization for the Internal Market (OHIM) prior to the Respondent's filing of the <.music> gTLD application.

Mr. Rassmussen was also aware that the Objector's Marks were refused registration in the United States. Further, Mr. Rassmussen asserts that the existence of the Objector's CTMs did not preclude the Respondent from applying to the <.music> gTLD since the term "music" is generic and the Respondent intends to use the applied-for string only to offer domain name registration services.

The Panel holds that the Respondent was entitled to make its own assessment of the Objector's CTMs, and to characterize the term "music" corresponding to the applied-for string as generic.

On its face, the Panel finds the term "music" is plainly generic as it serves to designate an art form encompassing numerous genres, but also a business, an industry, and a wide range of products and services in the fields of culture and entertainment.

The addition of a gTLD indicator like "dot" (.) to an otherwise generic term (such as "music") does not generally result in a protectable mark since the trade mark holder would be granted greater rights than the domain name itself. See the US Ninth Circuit's decision (August 3, 2010) in *Advertise.com, Inc. v. AOL Advertising, Inc.*, finding the "ADVERTISING.COM" mark to be generic and not merely descriptive, along with prior US federal circuit precedents holding that the marks "HOTELS.COM", "MATRESS.COM", and "LAWYERS.COM" were also generic.

Similarly, the Panel notes that OHIM has consistently refused registration of word marks containing the term "music" as being devoid of any distinctive character. See Second Board of Appeal's decision of September 6, 2007, in Case R527/2007-2 ("Clearly and indisputably the individual words 'hear' and 'music' are as banal and non-distinctive in respect to anything musically related as it is possible to dream up ... [and accordingly] it is difficult to detect even the faint beat of a trade mark pulse in ['HEAR MUSIC']"); also First Board of Appeal's decision of September 14, 2007, in Case R 431/2007-1 (noting that the proposed mark "MUSIC EVERYWHERE" was composed of two extremely common terms in the English language which would be perceived by the relevant public as an indication of the intended purpose of the services, namely services enabling the reception and listening to music everywhere).

With this context in mind, the Panel holds that the Respondent's application to operate a generic top-level-domain such as <.music> comports with the generic nature of the "music" term because the applied-for string is intended to be used as the genus or class of which the registrants' music-related websites will be species³.

In sum, this factor militates against the Objector.

5. Whether and to what extent the 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

³ According to the Respondent's application, the aim of <.music> is to create a blank canvas for the online music sector within a secure environment, where there will be a ready marketplace specifically for music-related enterprises to provide their goods and services.

the objector of its mark rights.

The Respondent pledges to use the applied-for gTLD only in its generic sense where necessary to list or describe the offering of <.music> domain names within the registry.

In support of the legitimacy of its motives, the Respondent cites article 12(c) of the Council Regulation No. 40/94 providing:

“A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts, provided he uses them in accordance with honest practices in industrial or commercial matters.”

In the Panel’s view, this proviso is inapposite here because the Respondent would not be using the figurative marks registered by the Objector but simply the indicator <.music> as a domain extension. This purported use of the applied-for string would fall instead under paragraph (b) of the article in point, referring to:

“(b) indications concerning the kind, quality, quantity, *intended purpose*, value, geographical origin, the time of production of the goods or of the rendering of the service, or other characteristics of the goods or service;”

Because the operation of the applied-for gTLD calls for <.music> to be used in a functional and descriptive fashion to indicate the operator’s condition, policies, and terms of service *vis-à-vis* the registrants, the Panel holds that Respondent’s intended use of the applied-for string, as stated in its Response and its pending application with ICANN, is legitimate, fair, and in accordance with honest practices in the domain name registration industry.

Accordingly, this factor weighs in favor of the Respondent.

6. Whether the 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 respondent is consistent with such acquisition or use.

The Respondent submits that its lack of trade mark registrations for “.MUSIC” or “.DOTMUSIC” is consistent with its purported generic use of <.music>.

The Panel agrees for the reasons set forth above in connection with the fourth and fifth factors, and also determines that no adverse inference is to be drawn from the Respondent’s absence of trade mark registrations corresponding to the applied-for gTLD.

This factor favors the Respondent.

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

The Respondent makes the same submission as that set out in the preceding factor. The Panels hereby incorporates *mutatis mutandis* its conclusions reached in connection with the sixth factor.

This factor favors the Respondent.

8. Whether the 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.

In light of the genericness of the applied-for string; the descriptive use defense potentially available to the Respondent pursuant to article 12(b) of the Council Regulation; the figurative nature of the Objector's trademarks; and the lack of use of Respondent's marks in a trade mark sense, the Panel concludes that the Respondent's intended use of the gTLD would not create a likelihood of confusion with the Objector's mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.

In support of its conclusion, the Panel refers to *United States Postal Service v. Amazon EU S.à.r.l.*, WIPO Case No. LRO2013-0044 ("a trademark owner that incorporates a generic term into its trademark must bear the risk of confusion resulting from the use of the term in its generic sense, even by potential competitors") (rejecting objection for <.mail>); and *Defender Security Company v. Charleston Road Registry Inc.*, WIPO Case No. LRO2013-0032 ("Respondent's intended use of the new gTLD <.home> would not create a likelihood of confusion with Objector's asserted mark as to the source, sponsorship, affiliation, or endorsement of the gTLD, since Respondent intends to use the sign corresponding to the new gTLD in its generic sense").

This factor favors the Respondent.

In summation, the Panel determines that the Respondent's potential use of the applied-for gTLD does *not*:

- (i) take unfair advantage of the distinctive character or the reputation of the Objector's marks; or
- (ii) unjustifiably impair the distinctive character or the reputation of the Objector's marks; or
- (iii) create an impermissible likelihood of confusion between the applied-for gTLD and the Objector's marks.

7. Decision

For all the foregoing reasons, the Panel rejects the Objection.

[signed]

Reynaldo Uriaga
Sole Panel Expert
Date: August 15, 2013