

Tencent 腾讯

腾讯控股有限公司

Tencent Holdings Limited

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October 9, 2013

ICANN Board Governance Committee

RE: Tencent's Response to September 27, 2013 correspondence from Hogan Lovells on behalf of Sina Corporation

Dear Members of the Board Governance Committee:

This letter addresses clear errors in the September 27, 2013 response from Hogan Lovells sent on behalf of Objector Sina Corporation ("Sina") ("Response") to the ICANN Board Governance Committee ("BGC") regarding Response to the Reconsideration Request ("Request 13-12") submitted by Tencent Holdings Limited ("Tencent"). . Tencent hereby respectfully submits the following additional information to supplement or clarify Request 13-12.

- 1. Reconsideration Request 13-12 complies with ICANN Rules; the Objection must be dismissed because Sina lacked standing under the AGB's criteria for bringing an objection.**

Contrary to Sina's contention in its Response, Tencent's Reconsideration Request complies with ICANN's rules. A critical point is that Sina lacks standing to bring the Legal Rights Objections against Tencent's applications. The failure of ICANN, the dispute resolution service provider ("DRSP") and the Panel to dismiss the Objections for this reason is a critical flaw that warrants reconsideration.

Sections 1.1.2.6 and 3.2.2 of the Applicant Guide Book, Version 2012-06-04 ("AGB") provide that "objections to applications can be filed on any of four enumerated grounds, by **parties with standing to object**", and "**Objectors must satisfy standing requirements to have their objections considered.**"¹ (Emphasis added). For a Legal Rights Objection ("LRO"), a

¹ Article 8(a)(ii) of the new gTLD dispute resolution procedure ("Procedure") in the AGB

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“rightsholder has standing to file.” AGB § 3.2.2.2. The AGB requires that “[t]he 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.**” (AGB § 3.2.2.2, emphasis added).

Here, the Objector listed in LRO2013-0040 and LRO2013-0041 (“Objections”) is “Sina Corporation”. (Request 13-2, Ex. A at p. 2). In the Objections, Sina references the following trademarks as its basis for standing to bring the LROs under the Procedure:

- Chinese Trademark Registration No. 7649615.
- Chinese Trademark Registration No. 9337631.
- Chinese Trademark Registration No. 9340422.
- Chinese Trademark Registration No. 7651204.
- Chinese Trademark Registration No. 7651205.
- Chinese Trademark Registration No. 9290756.

(Attachment A - ANNEXES - Sina's LRO against IDN, Annex 10 and Request 13-2, Ex. A at p. 9).

Sina, however, is not the owner of those Chinese trademark registrations. **According to documents submitted by Sina**, those registrations are registered to, and owned by, Sina.com Technology (China) Co. Ltd. (“Sina.com”) or Sina.com Online. (Attachment. A, Annexes 9 and 10). Sina.com and Sina.com Online are wholly-owned subsidiaries of Sina. (Attachment A, Annex 9). A parent corporation cannot assert rights in trademark registrations owned by its subsidiary. *See Hertz Corp. v. Knickerbocker*, 206 F. Supp. 305, 306 (S.D.N.Y. 1962). The lack of standing to assert the Legal Rights Objection is a fatal flaw. In *Old Republic Home Protection Co., Inc. v. Direct Privacy ID 7F9AB*, D2012-2366 (WIPO Jan 11, 2013), the WIPO panelist dismissed a Uniform Domain Name Dispute Resolution Policy (“UDRP”) complaint as “moot... [b]ecause the Complainant has failed to prove on the provided record in these proceedings that it owns [the trademark]... , or that the owner of the [trademark] has consented to its use of the mark.” *See also*

provides that “[t]he Objection shall contain *inter alia*... A statement of the Objector’s basis for standing.”

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Cyro Industries v. Contemporary Design, D2000-0336 (WIPO June 19, 2000) (the Panel found that the Claimant had supplied insufficient proof of its rights to the trademarks at issue, because the Claimant had not submitted “no affidavit, no copy of any underlying assignment(s) of the trademarks, nor any other evidence proving Complainant’s rights in the trademarks”).

Here, Sina similarly failed to provide documentary proof that it owned the trademarks on which the Objections were based. Sina.com and Sina.com Online, the record owners of those trademark registrations were not listed as the Objectors in these Objections. Nor did they file the Objections. Sina therefore did not have standing to bring the Objections. WIPO, the DRSP, failed to verify that the Objector had standing during the administrative review of the Objections. The panelists ruling on the Objections also failed to verify that Sina had met its standing requirements under the AGB and Article 8 of the Procedure. Those failures warrant granting of Applicant’s Request for Reconsideration, as standing to bring an objection is a fundamental requirement.

2. The Panel violated the Procedure by failing to apply generally recognized principles of law.

The Objector’s Response incorrectly urges the BGC to overlook the Panel’s failure to apply “generally accepted and internationally recognized principles of law.” That failure warrants granting Tencent’s Request for Reconsideration.

Article 2(e)(ii) of the Procedure provides that an LRO is an “objection that the string comprising the potential new gTLD infringes the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law.” (Emphasis added). In the Decisions, the panel majority (“Majority”) failed to follow this Procedure when they erroneously applied Chinese trademark law (as discussed in Request 13-12), and when they evaluated Tencent’s potential use of 微博 or .weibo.

A. The Decisions Violate Fundamental Principles of Free Speech.

The Majority noted that their conclusion that Tencent’s potential use of the gTLDs would unjustifiably impair Sina’s trademark’s “distinctive character” came “primarily from the Applicant’s new gTLD Application.” (Request 13-12, Attachment 1 at p. 4). The Majority did not

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cite or allude to any recognized trademark principles or ICANN procedure as a basis for their assessment that Tencent's planned use of the gTLDs for its own services means that “微博” or “weibo” would be used in a non-descriptive, trademark sense, and further would harm the alleged distinctiveness of Sina's purported trademarks. (Request 13-12, Attachment 1 at p.5).

That assessment is contrary to generally recognized legal principles set forth in the GNSO Implementation Guidelines² and elsewhere, such as other new gTLD dispute resolution procedures³. Those legal principles recognize rights to free expression. Principle G of the GNSO Implementation Guidelines thus states: “The string evaluation process must not infringe the applicant's freedom of expression rights that are protected under internationally recognized principles of law.” Free expression includes the right to use terms in their descriptive or generic senses, which is Tencent's intent in seeking these gTLDs. As recognized by that GNSO principle, Tencent has an internationally protected right of freedom of expression that would be infringed if it were prohibited from using the 微博 or weibo in their common or generic sense. The Panel Majority's violation of that principle is especially egregious in view of its acknowledgement that gTLD applicants “ha[ve] the freedom to choose [their] business model.” *Id.* Although the Panel Majority appeared to give significant consideration to that principle (Request 13-12, Attachment 1 at p.5), the Panel's decisions violated these key and recognized international principles of law, contrary to Article 2(e)(ii) of the Procedure.

B. The Panel violated fundamental principles of due process by failing to provide the parties with the opportunity to submit clarifying evidence.

The Majority failed to issue a procedural order to permit the parties to clarify substantive issues. Such clarification might have resulted in decisions based upon generally accepted and internationally recognized principles of law. As the dissent noted, much of the evidence regarding the key issue of the descriptiveness or distinctiveness of the “微博” and “weibo” terms was

² Available at <http://gnso.icann.org/issues/new-glds/summary-principles-recommendations-implementation-guidelines-22oct08.doc.pdf> (last accessed Oct. 4, 2013).

³ *See Also*

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inconclusive. (Request 13-12, Attachment 1 at p.10). The Majority also failed to address inquiries into the origin of “微博,” and issues bearing on the descriptive (or distinctive) nature of the terms. (*Id.* at 10–11).

“A more appropriate approach,” the dissent stated, “would have been to have put these points to the [p]arties for further comment in a procedural order.” *Id.* at 11. ICANN procedures give panels several options for obtaining additional information from parties in such circumstances. Relevant sections of Article 17, 18 and 19 of the Procedure provide that the panel: (i) “may decide whether the parties shall submit any written statements in addition to the [o]bjection and [r]esponse;” (ii) “[i]n exceptional cases, the [p]anel may require a party to provide additional evidence;” and (iii) a hearing may be held in “extraordinary circumstances.” The fact that at least one panelist was unfamiliar with the Chinese trademark law — erroneously applied by the Majority — created an “exceptional circumstance” that should have required additional submissions from the parties. (Request 13-12, Attachment 1 at p. 9). The Majority’s erroneous decisions to issue their decisions without invoking these procedural measures deprived Applicant Tencent of due process and fairness, principles which are the foundation of the Procedure. While the permissive language of the relevant articles confers discretion upon the panelists, in this case it was an abuse of discretion not to seek available information to resolve these important issues, and, therefore, a violation of the Procedure.

2. ICANN’s Bylaws Require Rejection of the Panel Determinations

Sina’s Response also mischaracterizes ICANN’s review authority. Article I §2.7 of ICANN’s bylaws provide that ICANN’s decisions and actions should employ “open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice....” In this case, as the dissent pointed out, the expert advice is itself not well informed. It therefore would violate ICANN’s core values and bylaws for ICANN merely to adopt the Expert Panel determinations in these Decisions. To avoid such a result, ICANN should grant Tencent’s Request for Reconsideration and allow Tencent’s “微博” and “weibo” applied for TLD strings to proceed with string contention. Or in the alternative, the BGC should remand the Objections to a qualified

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panel with instructions to comply with the Procedure, including obtaining additional evidence and information as required.

GNSO Implementation Guidelines provide ICANN with the authority to reject a panel's expert advice, where appropriate. Thus, Guideline F states that in string contention contexts, the ICANN Board may be used to make a final decision, using advice from staff and expert panels." Similar procedures should apply to legal rights objections. Such a result would be consistent with the structure and purpose of Module 3.4.6, which applies to both string confusion objections and LROs.

3. Sina's Analogy to UDRP Proceedings is erroneous

In its Response, Sina's posits that "it would be would be absurd for the losing Respondent in a UDRP case to file a Reconsideration Request just because the UDRP was created by ICANN." This completely misses the point of Tencent's Request. Although both the UDRP and new gTLD dispute resolution procedures were created by ICANN as procedures "which gives rights to expert determinations from several DRSPs," the UDRP has multiple safeguards to protect an applicant from erroneous decisions by DRSP panelists. For example, the UDRP provides an applicant with 10 days to appeal an erroneous decision by a Panel before it becomes binding.⁴ As such, a party that has suffered an erroneous decision in a UDRP has multiple avenues to challenge deficiencies in the panelist(s) adherence to the procedures, including a Request for Reconsideration. In contrast, a party in the new gTLD dispute resolution procedure that has suffered a failure of a DRSP or

⁴ The UDRP provide for a party that is the subject of an erroneous WIPO determination to submit the "dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded. If an Administrative Panel decides that your domain name registration should be canceled or transferred, we will wait ten (10) business days (as observed in the location of our principal office) after we are informed by the applicable Provider of the Administrative Panel's decision before implementing that decision. We will then implement the decision unless we have received from you during that ten (10) business day period official documentation (such as a copy of a complaint, file-stamped by the clerk of the court) that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under Paragraph 3(b)(xiii) of the Rules of Procedure." See <http://www.icann.org/en/help/dndr/udrp/policy>.

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DRSP panelists to adhere to the AGB or Procedure only has the ICANN accountability procedures, such as a Request for Reconsideration as a remedy. This lack of any clear court appeal in this gTLD process makes the need for BGC review even more critical. Additionally, in UDRP proceedings, disputes are over domain names, not the Top Level Domain itself. Far more is at stake in these objections proceedings. It therefore makes it even more important that ICANN ensure that the objections proceedings are fair and operate according to due process and other recognized principles of law. For the reasons set forth in Tencent's Request for Reconsideration, these LRO proceedings were so flawed and unfair that ICANN staff should reject the Majority Decisions as an expert advice.

Further, Sina's Response intentionally misconstrues Tencent's statements in its Application concerning Applicant's intended use of these TLDs. Tencent vehemently denies that it has misled the BGC or misstated any facts in any way. Tencent intends to provide its micro-bloggers with the opportunity to have their own domain names in the TLD, and to provide advertising to those customers. Those services fall within Nice International Classification 38, and are not within the Class 35 services covered by the Chinese registrations. Tencent has not misled the BGC in any way.

4. Conclusion

Tencent respectfully submits that for the above reasons and other reasons stated in Reconsideration Request 13-12, Reconsideration Request 13-12 complies with ICANN Procedures and should be granted by the BGC.

Yours faithfully,

Zhou Ligu

