



## The Internet Corporation for Assigned Names and Numbers

4 April 2014

Governmental Advisory Committee  
Via, Ms. Heather Dryden  
Chair, Governmental Advisory Committee

Dear Heather,

I am pleased to inform you that the ICANN Board New gTLD Program Committee (NGPC) took action today to address advice from the GAC issued in the Singapore Communiqué concerning the applications for .WINE and .VIN. In the Singapore Communiqué, the GAC noted that “there appears to be at least one process violation and procedural error, including in relation to ByLaws Article XI-A, Section 1 subsection 6” in the ICANN Board’s final deliberation of [Resolution 2014.03.22.NG01](#) concerning .WINE and .VIN and advised that the ICANN Board reconsider the matter before delegating these strings. The GAC further advised the ICANN Board that “concerned GAC members believe the applicants and interested parties should be encouraged to continue their negotiations with a view to reach an agreement on the matter.”

The NGPC recognizes that some GAC members remain concerned about the .WINE and .VIN applications, and recognizes that this is a matter of great importance to these GAC members, as well as to the interested applicants for these top level domains. In its [action](#) today, the NGPC:

- accepted the GAC advice identified in the Singapore Communiqué as it relates to the applications for .WINE and .VIN;
- considered whether there may have been a process violation or procedural error, and concluded that there has been no process violation or procedural error under the Bylaws; and
- directed the President and CEO to not commence the contracting process for the applications for .WINE and .VIN for 60 days (from the date the resolutions are posted) in order to provide additional time for the relevant impacted parties to negotiate, which they are encouraged to do.



As noted in the rationale to the resolutions, attached is a copy of the Independent Legal Analysis concerning .WINE and .VIN. The NGPC will continue its work to address the remaining open items of GAC advice in the Singapore Communiqué. We will also provide updates on the NGPC's progress in considering the outstanding GAC advice items from Beijing, Durban and Buenos Aires.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen D. Crocker".

Stephen D. Crocker  
Chair, ICANN Board of Directors

*Jérôme Passa*

Contact Information Redacted

I, the undersigned Jérôme Passa, *agrégé* in law, professor at the Université Panthéon-Assas (Paris II, France), have been requested by ICANN to provide an opinion on the well-foundedness of various objections raised against the reservation, for commercial companies, of the new gTLDs '.wine' and '.vin'. This legal opinion is set out below.

1. In 2011, the Internet Corporation for Assigned Names and Numbers (ICANN), which is responsible for the worldwide administration of the Domain Name System (DNS), launched a new domain name system offering operators the possibility of reserving new gTLDs (generic Top Level Domains) designed to provide suffixes for new domain names.

Under this system, a company can reserve its own name or that of its trade mark or one of its trade marks, such as '.vuitton' or '.ipad', for example, as a new gTLD. Geographical names and purely generic product or service names can also be reserved in this way.

The system and, in particular, the conditions for assigning these new gTLDs are set out in a lengthy document entitled the Applicant Guidebook.

When, after an in-depth evaluation process, ICANN decides to assign a new gTLD to an applicant, the parties enter into an agreement known as a 'registry agreement' under which ICANN delegates the management of the new suffix to the beneficiary; the beneficiary thus becoming the registry operator for the new gTLD.

The beneficiary to whom the new gTLD is reserved is the only one permitted to exploit, or to authorise others to exploit, worldwide the domain names associated with the suffix consisting of this gTLD.

As the registry operator of the new suffix, the beneficiary of a new gTLD reservation may decide to open its gTLD and allow interested third parties to reserve domain names associated with this suffix (second-level registrations in this gTLD). It then becomes the registrar of these third-party domain names and, as such, draws up its own naming conventions, laying down the conditions under which third parties can reserve these domain names.

Some new gTLDs, namely those consisting of a generic product or service name, are by their nature open, while those consisting of the name of a business or a brand are not necessarily open.

2. Reservation of a new gTLD may infringe prior third-party rights or, more generally, interests.

ICANN is clearly well aware of this issue since a certain number of provisions in the Applicant Guidebook are aimed at preventing this type of infringement.

The beneficiary of a prior right or interest, for example, can object to the assignment of a gTLD (Applicant Guidebook, 3.2.1).

In addition, on issues affecting its member states, ICANN's Governmental Advisory Committee (GAC), an inter-governmental committee made up of representatives of national governments and intergovernmental organisations, can issue advice to ICANN's board on applications for new gTLDs (Applicant Guidebook, section 3.1).

The advice of the GAC, which may suggest that ICANN refuse to reserve a given gTLD is sent to the applicant which has a right of reply.

3. So as to ensure that third-party prior rights and interests are not infringed, ICANN has considered the legitimacy and opportuneness of assigning the new gTLDs '.wine' and '.vin' to their applicant.

The undersigned has been consulted on the specific issue of whether, on strictly legal grounds in the field of intellectual property law relating, in particular, to the rules of international law or fundamental principles, ICANN would be **bound**:

- to assign the new gTLDs in question to the applicant, or, to the contrary,
- to refuse to assign them in order to protect prior rights as mentioned above.

In essence, the answer lies in whether or not a prior right actually exists and, where this is the case, in the nature and function of the right and the scope of protection conferred upon it by the rules of law.

Consequently, the undersigned will limit his opinion to the provisions of applicable international **intellectual property** agreements, to the fundamental principles governing this area of law and, where applicable, to the rules of supranational law constituted by the provisions of the applicable European Union legislation in the field of intellectual property.

With a few individual exceptions, there will be no reference to the provisions of the various regulations adopted by ICANN, the legal nature of which is likely to give rise to some debate.

Given the wording of ICANN's questions to the undersigned, this opinion will concentrate exclusively on the reasons why ICANN might be led to assign or refuse to assign the new gTLDs in question, in other words on the disputes which have arisen during the evaluation stage of the applications. It will not examine as its main focus questions and disputes likely to arise in the subsequent stage, following assignment of these new gTLDs, during which the second-level domains open in the gTLDs will be exploited.

The examination will deal with the application for assignment of the new gTLDs '.wine' and '.vin'.

## THE APPLICATION FOR ASSIGNMENT OF THE NEW GTLDS '.WINE' AND '.VIN'

4. The Donuts company has filed an application with ICANN for assignment of the new gTLDs '.wine' and '.vin'.

If attributed, these new gTLDs, which consist of generic product names in English and French, would be likely to be open.

The beneficiary of the reservation, as the registrar of the new gTLD as delegated by ICANN, would be accredited to authorise third parties to reserve second-level domain names, that is domain names using the suffix comprising the new gTLD such as abcy.wine or margaux.vin, and would thus be the registrar of these third-party domain names.

5. The difficulty arises in this case because:

- i). wine is a product for which there are various geographical indications around the world, particularly but not exclusively in Europe,
- ii). the domain names reserved by the third parties in the registry of the new gTLD '.wine' or '.vin' may contain an element identical or similar to the name of a geographical indication for wine,
- iii). a party reserving such a domain name does not necessarily have the right to use the geographical indication in question for wines or for products or another type which it sells on the website identified under the domain name in question.

6. Is ICANN obliged to refuse to assign the gTLDs '.vin' and '.wine' to the applicant for this last reason alone?

In my view, the answer is no.

Indeed, at the point at which it would be required to make its decision, ICANN would not yet be dealing directly with the protection of geographical indications or with any real risk of an infringement against such a protection regime.

7. **Firstly**, apart from the fact that a wine does not necessarily have a geographical indication, the common nouns 'vin' and 'wine' and the gTLDs '.vin' and '.wine' clearly do not refer to a specific geographical indication. The situation would be similar if one applicant were to apply for the ".cheese" or ".fromage" gTLDs.

However, the international, regional and national rules on the protection of geographical indications can clearly only be taken into consideration and implemented in respect of a **given** geographical indication or indications.

Only a geographical name which constitutes a **geographical indication within the meaning of intellectual property law could be protected**.

But this is not the case here.

Indeed, the geographical name of a place can constitute a geographical indication and be recognised and protected as such under intellectual property law only if there exists in the public mind a link between the place in question and particular qualities or a reputation for specific products of that place because these qualities or this reputation are attributed to this geographical origin.

Thus, Article 22(1) of the TRIPS Agreement, which forms Annex I C of the Agreement establishing the World Trade Organisation and is binding on a great number of states, provides that “geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”

Both European Union law and certain international conventions draw a distinction between such geographical indications based on the strength of the link between the geographical origin and the characteristics and qualities of the product in question. For example, the various European regulations on geographical indications draw a distinction between appellations of origin and geographical indications in the strict sense of the term.

**Appellations of origin** are the geographical names with the closest link between geographical origin and product characteristics or qualities. For example, Article 5(1) of Regulation (EU) N° 1151/2012 of 21 November 2012 on quality schemes for agricultural products and foodstuffs<sup>1</sup> provides that “‘designation of origin’ is a name which identifies a product: (a) originating in a specific place, region or, in exceptional cases, a country; (b) whose quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors; and (c) the production steps of which all take place in the defined geographical area.”

This definition is based closely on that given in Article 2(1) of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of October 31, 1958, an international convention which came into effect in 1966 and which defines the term ‘appellation of origin’ as “the geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment including natural and human factors.”

An appellation of origin is thus characterised by the fact that the particular quality or characteristics of products which represent their interest to the consumer are the result of local natural factors and local expertise.

**Geographical indications in the strict sense of the term** differ from appellations of origin in that the link between the qualities or character of a product and its locality of origin is more tenuous. Indeed, Article 5(2) of the aforementioned EU Regulation provides that “‘geographical indication’ is a name which identifies a product: (a) originating in a specific

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<sup>1</sup> Please note that such Regulation excludes wine and spirits which are regulated by specific Regulations, *i.e.* Regulation (EU) n°1308/2013 of 17 December 2013 establishing a common organization of the markets in agricultural products (for wines) and Regulation (EC) n°110/2008 of 15 January 2008 on the definition, description, presentation, labeling and the protection of geographical indications of spirit drinks; both Regulations provide for similar provisions as Regulation (EU) n°1151/2012.

place, region or country; (b) whose given quality, reputation or other characteristics is essentially attributable to its geographical origin; and (c) at least one of the production steps of which take place in the defined geographical area.” The effect of geographical provenance on product characteristics is thus required, but not specified, and may therefore relate to both natural or human factors.

**8. Secondly**, a geographical indication, supposing it is given, does not enjoy absolute or automatic protection, that is to say protection against any use of an identical or similar name by a third party.

**On one hand**, indeed, Article 22 of the TRIPS Agreement provides only for protection against use as an indication of the geographical provenance of a product where this use misleads the public as to the geographical origin of the product.

On this point, “in respect of geographical indications” Article 22 2(a) requires parties to the Agreement to provide the legal means for interested parties to prevent “the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good.”.

**On the other hand**, unlike the TRIPS Agreement, some legal systems do not limit the protection of geographical indications to cases in which an identical or similar name is used by a third party to indicate the geographical provenance of a product.

Thus, in the case of appellations of origin, Article 3 of the aforementioned Lisbon Agreement provides that “protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as “kind”, “type”, “make”, “imitation” or the like”.

Even though the Agreement does not specify what such “usurpation or imitation” consists of, its general nature and wording suggest that the protection extends beyond cases in which a third party uses an identical or similar sign to indicate the geographical provenance of a product. Given the broad language used in this provision, it is difficult however to know exactly what the conditions and terms of this protection are.

The provisions of the above mentioned European regulations protecting geographical indications of agricultural and food products, wines and spirits are, however, more specific on this point.

This is the case, in particular, of Article 13(1) of the aforementioned Regulation (EC) N° 1151/2012 on quality schemes for agricultural products and foodstuffs, according to which<sup>2</sup>:

“Registered names shall be protected against:

- a). any direct or indirect commercial use of a registered name in respect of products not covered by the registration where those products are comparable to the products registered under that name or where using the name exploits the reputation of the protected name, including when those products are used as an ingredient;
- b). any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such

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<sup>2</sup> Please note that similar provisions are provided for in (EU) Regulation n° 1308/2013 (for wines) and (EC) Regulation n° 110/2008 (for spirits).

as 'style', 'type', 'method', 'as produced in', 'imitation' or similar, including when those products are used as an ingredient;

- c). any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
- d). any other practice liable to mislead the consumer as to the true origin of the product.”

A joint reading of sub-sections a) and b) of this provision reveals that geographical names registered under the Regulation are protected against any direct or indirect commercial use of a sign identical or similar (imitation or evocation) to the protected name for products comparable to those covered by the registration or for an product or service where this use takes advantage of the reputation of the protected name.

Though, where not otherwise stipulated, protection extends to uses which do not indicate a geographical provenance, a number of conditions must nevertheless be fulfilled. Either the sign in dispute must be used for products comparable to those covered by the registration or – unlike for a comparable product – the use in dispute must take advantage of the reputation of the protected name.

9. Consequently, a geographical indication is protected only against certain acts of use the illegality of which depends on various factors and, in particular, the identity of the author of the act, the products for which he uses the name in dispute and the background against which the acts are carried out.

For example, the domain name in dispute may be reserved and used by a person who is not a producer entitled to use the geographical indication. But if, though not a producer, this person sells on his website products entitled to the geographical indication, there can be no infringement of it. Conversely, the domain name in dispute may be reserved and exploited by a producer who is entitled to the geographical indication for his products. If, however, he also sells, on his website, products which do not benefit from this geographical indication, it is likely that such sales may constitute an infringement of the geographical indication.

To summarize, infringement of a geographical indication can only be evaluated on a case by case basis: *i*) by reference to a given geographical indication, which would allow to identify the international, regional – notably European – or national rules governing it and which are therefore applicable; *ii*) and by reference to specific acts.

When it is required to rule on an application for a new gTLD consisting of one of the very many generic product names likely by their nature to be covered by geographical indications in force – such as wine, but also cheese, beer, ham, poultry, etc. – ICANN is clearly not in a position to make such an evaluation and thus to ascertain whether acts of exploitation carried out by third parties later in the process in respect of domain names contained in the registry of the new gTLD, may infringe any given geographical indication.

Moreover, such an infringement may be attributable to one or more third parties exploiting the domain names in this registry and not to the beneficiary of the new gTLD himself.

**There is, therefore, nothing from the point of view of geographical indications which obliges ICANN to refuse the Donuts company's application for the reservation of the new gTLDs 'vin' and 'wine'.**



**10.** It is only if, on the basis of sufficiently precise indications gathered in its application evaluation procedure, ICANN had serious reasons for believing that the registry of the new gTLD '.wine' or '.vin' would assign domain names to third parties without taking account the protection of wine-related geographic indications, i.e. without taking precautions designed to prevent infringements of these geographical indications in its relations with its contacting parties, that it would then be able to reject the application for the new gTLD.

However, such a refusal would not be directly and technically based on the law of geographical indications. It would be based on a simple precautionary measure designed to prevent what are deemed to be sufficiently serious risks of an infringement of the geographical indications.

**11.** Naturally, pursuant to the rules laid down by ICANN, the registry agreement – an agreement concluded between ICANN and the owner of the new gTLD – may inform this owner of the need to ensure that its co-contracting parties respect third-party rights and, in particular, geographical indications.

However, if this agreement did not make express provision for it, no fault could be attributed to ICANN for it is the registry of the new gTLD in its capacity as a professional to automatically take precautions designed to avoid domain names users, its partners, from infringing third-party rights.

In my view, the protection of geographical indications is governed on one hand by the naming conventions which the registrar of '.vin' or '.wine' is required to establish and apply in its relations with the beneficiaries of the domain names and, on the other, and indeed most importantly, the relationships – in certain cases legal relationships – between the organisation defending the geographical indication in question and the party exploiting the domain name which is claimed to have been infringing this geographical indication.

## **CONCLUSION**

**As regards the applications for the assignment of the new gTLDs '.vin' and '.wine' filed by the Donuts company, there is no rule of the law of geographical indications, nor any general principle which obliges ICANN to reject the applications or accept the applications under certain specific conditions.**

Jérôme Passa

