



Challenges for Geographical Indications in the context of the ICANN new generic Top-Level Domains

A Manual for GIs Groups to Navigate the New Environment

Challenges for Geographical Indications (GIs) in the context of the ICANN new generic Top-Level Domains (gTLDs)

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Organization for an International
Geographical Indications Network

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Layout

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Introduction

Over hundreds of years, Geographical Indications (GIs) have achieved commercial and economic prominence while benefitting producing countries and consumers alike, as indicators of a geographical origin and qualities, and a means for value-added marketing differentiation. The overarching public policy considerations of accurate source identification and consumer protection, which form the basis of the law of trademarks, are likewise applicable to GIs. GIs also serve other goals, e.g., the promotion of rural economic development, environment, food quality, food safety and traceability.

In this age of the Internet, increasing global commerce and consumer demand requires adequate protection for consumers and producers alike. While the protection of GIs in the domain names system has been traditionally a challenging task, the recent introduction of new domains has made the situation more problematic. Literally thousands of new domains are emerging at this time, with a corresponding increase in expense to GI owners and beneficiaries (as well as to trademark owners) which must monitor and enforce intellectual property rights against third parties filing top level as well as second level domains corresponding to the GIs they represent.

By describing the existing mechanisms to protect GIs in the Internet domain name system, this manual intends to provide practical information and guidance to GI groups, which need to navigate the new environment. Likewise, the manual briefly mentions the issues related to the delegation of two sensitive strings: “.wine” and “.vin”. While obtained through a private agreement, the process that led to the delegation of such strings represents an interesting precedent for GIs in the Internet domain name system.

Massimo Vittori, Managing Director, oriGIIn

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Background : ICANN, gTLDs and GIs

The ICANN

Founded in 1998, the Internet Corporation for Assigned Names and Numbers (ICANN) is an internationally organized nonprofit organization based in Los Angeles, California, United States that coordinates the Internet's global domain name system (DNS). ICANN is essentially responsible for the stable and secure operation of the Internet. This includes the allocation and assignment of domain names, particularly generic Top-Level Domain (gTLD) and country code (cc) TLD system management, in addition to internet protocol (IP) address space allocation, protocol identifier assignment, and root server system management functions.

The core values guiding ICANN's decisions include the enhancement of Internet stability and security; respect for creation, innovation and the flow of information; broad inclusion of and participation by affected entities in policy decisions; promoting competition through market mechanisms, including domain registration; transparency in policy development; neutrality, objectivity, integrity and fairness in decision making; rapid response to the needs of the Internet; accountability; and the due consideration of recommendations from government or public authorities.

Twenty-two gTLD have been in use until early 2014 (including the ubiquitous .com, .gov, .edu and .org, as well as the lesser known gTLDs, .net, .mobi and .info), in addition to over 250 country code TLDs (.fr, .br, .cn, etc.). The 22 gTLDs and over 250 country code TLDs have each a designated "registry operator" overseeing administration of the domain, and corresponding Registry Agreements between registry operators and ICANN. The registry operator oversees all aspects of technical operation of the TLD, including all of the second-level domains registered therein. Over 900 independent third party registrars service the gTLDs by interfacing with registry operators and by providing domain registration and related services to registrants.

GIs in gTLDs

While both GIs and trademarks are recognized in the World Trade Organization's Agreement on Trade Related Aspects of Intellectual Property (TRIPS)¹, applying today to the 160 Members of the World Trade Organization, GIs have not been accorded consistent protection commensurate to that of trademarks under the ICANN Uniform Domain Name Dispute Resolution Policy (UDRP), which regulates

¹ Respectively in article 22.1 and article 15.1.

the disputes that arise in gTLDs when a second level registration conflicts with an intellectual property right.

Uniform Domain-Name Dispute-Resolution Policy (UDRP) and GIs

All registrars in charge of the 22 gTLDs follow the Uniform Domain-Name Dispute-Resolution Policy (UDRP). Under the policy, most types of trademark-based domain-name disputes must be resolved by agreement, court action, or arbitration, before a registrar will cancel, suspend, or transfer a domain name. Disputes alleged to arise from abusive registrations of domain names (for example, cybersquatting) may be addressed by expedited administrative proceedings that the holder of trademark rights initiates by filing a complaint with an approved dispute-resolution service provider.

To invoke the policy, a trademark owner either files a complaint in a court of proper jurisdiction against the domain-name holder (or where appropriate an in-rem action concerning the domain name) or, in cases of abusive registration, submit a complaint to an approved dispute-resolution service provider.

Showing UDRP-relevant rights in a geographical term or identifier

The report of the Second World Intellectual Property Organization (WIPO) Internet Domain Name Process declined to recommend specifically extending protection to geographical terms (including GIs) under the UDRP. Some geographical terms, however, can be protected under the UDRP, if the complainant has shown that it has rights in the term and that the term is being used as a trademark for goods or services other than those that are described by or related to the geographical meaning of the term (secondary meaning). However, it is generally difficult for the GI beneficiaries or other legal entities in charge of a given GI, which has not otherwise obtained a relevant trademark registration to show unregistered trademark rights in that geographical term on the basis of secondary meaning.

While UDRP proceedings are generally viewed as somewhat inconsistent and unpredictable as to the application of law and the result, it has been stated in the context of domain disputes that the general rule is that GIs are not by themselves a valid legal title to claim protection under the UDRP. Under paragraph 4.a. of the UDRP, dispute resolution is only available based on earlier trademarks or service marks. As a result, country names, indications of source or GIs cannot be invoked in the UDRP without corresponding trademark protection, even though such domain

names can be easily registered and used in a deceptive manner.

GIs in particular have had some difficulties in achieving protection of domains under the UDRP, as illustrated in the case of *Comité Interprofessionnel du vin de Champagne (CIVC) v Steven Vickers* (WIPO Case No. DCO2011-0026), where CIVC's Complaint against the registrant for the domain champagne.co was denied due to the fact that CIVC could not establish trademark rights in the geographic indication "Champagne" for purposes of the UDRP. This was despite CIVC's showing that the term carried significant common law rights as an unregistered mark, recognition as a protected "designation of origin" under European Regulation (EC) No. 491/2009, as well as favorable French case law, UK case law granting protection to the term under the law of passing off, four (4) successful prior administrative domain transfer decisions, and evidence that it owned 128 domains incorporating the term.

In the CIVC v. Vickers case, the term "Champagne" was said to have an obvious descriptive meaning, namely a kind of sparkling wine (possibly emanating from France). The panel in Vickers reasoned that the public has even less reason to be aware of any legal rights than in the *parham.com* case, because CIVC did not rely on a registered trademark, and therefore the legal status of "Champagne" was said to be vague and esoteric. The Panel found fatal the fact that the CIVC's Complaint did not argue that Vickers was or should have been aware of the Complainant or the alleged legal status of "Champagne" at the time of registration of champagne.co, or that it was unreasonable for the Vickers to consider the term generic/descriptive. Thus, although CIVC was found to have rights to the GI Champagne, this was not enough to establish a trademark right for purposes of UDRP.

There have been successful UDRP outcomes for GIs, largely on basis of alleged trademark rights (registered or unregistered) which were sufficiently established under the UDRP Rules, but not any inherent right due solely to GI status.²

On the other hand, the dispute resolution policies for several ccTLDs (for instance the <.es>), define the requisite "prior rights" in a way that includes GIs.³

² In this context, it should be mentioned that, in March 18, 2014, the Delegations of the Czech Republic, Germany, Hungary, Italy, the Republic of Moldova and Switzerland issued a recommendation to WIPO's Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications to modify the UDRP so as to permit complaints to be made concerning registration and use of domain names in violation of the protection of GIs, as a result of their high commercial value as intellectual property assets to their respective countries and regions, and their particular vulnerability to misuse under the new gTLD program.

³ Reglamento del procedimiento de resolución extrajudicial de conflictos para nombres de dominio bajo el código de país correspondiente a España (".ES"), a variation of UDRP, available at: <http://www.dominios.es/dominios/sites/default/files/1197031617037.pdf>

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The new gTLD program

Background

In June 2011, ICANN concluded its policy development and began initial implementation of an application and evaluation process for the new gTLD program, which is giving way to a virtually limitless variety of domain name designations at the top level. As a result, almost any conceivable word, name, letter, number and character combination – in any script (e.g., .Онлайн) - can become the basis for a new top-level domain.

ICANN began the policy development process to consider the introduction of new gTLDs in 2005, after trial rounds in 2000 and 2003. This two-year process involved coordination with numerous ICANN constituencies, including governments and business stakeholders, as well as technological experts. This culminated with the adoption by the ICANN Board of nineteen (19) GNSO policy recommendations for implementation of the new gTLDs, including allocation criteria and contractual terms. ICANN got underway with its Applicant Guidebook in earnest upon approval of the policy in 2008, undertaking public consultations and review. In 2011, the ICANN Board approved the inaugural edition of the new gTLD Applicant Guidebook and authorized the launch of the new gTLD program.

The goals of the new gTLD program include the enhancement of competition, innovation and consumer choice through the introduction of new gTLDs, including new internationalized top-level domain names (IDNs).

The first application period of the new gTLD program opened on January 12, 2012. ICANN received 1,930 applications for new gTLD strings. On December 17, 2012, ICANN held a draw to prioritize applications for processing during the initial evaluation and subsequent phases. On March 22, 2013, ICANN released the initial evaluation results. Applications that passed the initial evaluation without objections or string contentions are eligible for contracting and subsequent delegation with ICANN.

The first new gTLD opened for general registration in 2014. ICANN plans to gradually roll out new domains over time to ensure the continued stability of the DNS. At the conclusion of the current phase, the final number of new gTLDs could be well over 1300 new strings.

There are several general types of new gTLDs, which can be characterized as “open” (“generic” or “standard”: e.g., .music and .blog), or “closed” – these include,

for example, “Community-based” gTLDs (e.g., .religion) “geographic” gTLDs (e.g., .amazon) and “brand” gTLDs (e.g., .nike).

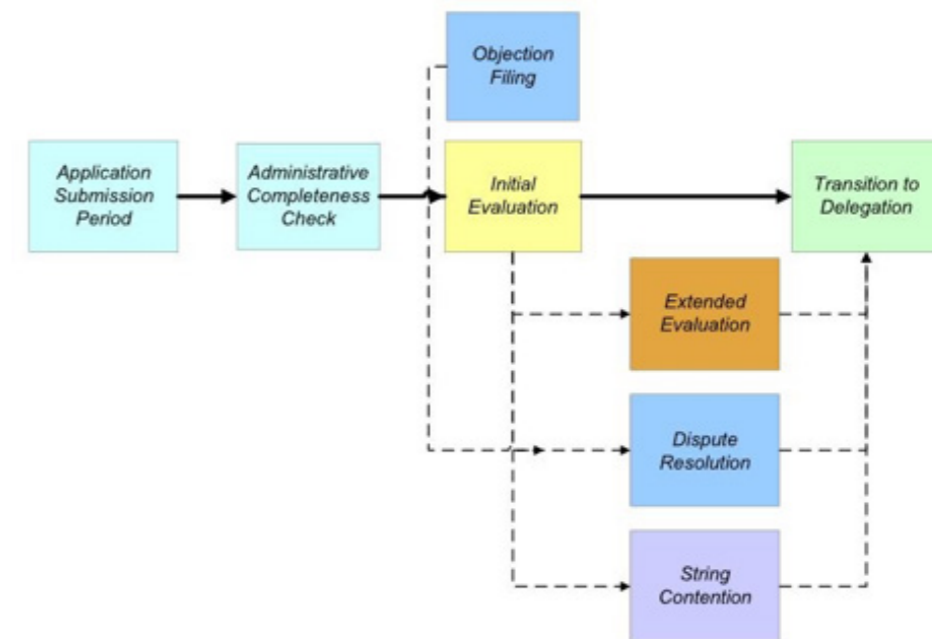
Table 1. New gTLD Application Categories

Type	Description	Examples
Standard or Generic TLD	Open for public registration. No restriction. Primarily generic terms.	.wine, .vin
Community TLD	Restricted to a specific community with a high degree of social awareness. The application must be supported by the community to which it is directed.	.gay, .religion
Geographical TLD	Represents a particular city or region. The application must be supported by the local government of the region.	.nyc, .tokyo
Brand TLD	Organizations can apply for domains incorporating their trademarks and brands.	.nike, .deloitte

The gTLD Expansion Process: Application Process and Fees

The first application round for new gTLDs opened on January 12th, 2012, and ended on April 20th, 2012. The application process is rather lengthy and time consuming.

Figure 1. gTLD Application Process



Applicants for new gTLDs apply via the TLD Application System (TAS), which requires online user registration prior to submission of an application and payment of the corresponding \$185,000.00 evaluation fee per application. The fee is payable in the form of an upfront \$5,000.00 deposit submitted upon completion of online user registration, followed by payment of the remaining \$180,000 upon submission of the completed application.

The fee covers the Initial Evaluation and the Extended Evaluation, if any, in most instances. Additional fees apply in the case of an extended Registry Services review. The fee’s purpose is to ensure that the new gTLD program is fully funded and revenue neutral in relation to preexisting ICANN funding sources. There is no additional fee for Extended Evaluation of geographic names, or for technical and operational, or financial reviews.

The application then goes through an Administrative Completeness Check immediately after the close of the application submission period, followed by a public comment period once applications are posted to ICANN’s website. To be considered by evaluators at the Initial Evaluation stage, comments typically must be received within the 60-day period beginning once the applications are

posted on the ICANN website. Evaluators perform due diligence on the comments received and take that information into account in determining whether new gTLD applications meet the established criteria. A general public comment forum will remain open throughout the evaluation process for a given application to provide a means for the public to raise any relevant issues in connection with a proposed gTLD.

During the comment period the ICANN Governmental Advisory Committee (GAC) may issue an “Early Warning” notice that the application is potentially unlawful, sensitive or otherwise problematic to one or more member governments. This creates the possibility that an application can later be subject to GAC Advice on new gTLDs, or a formal objection. GAC has indicated that strings that can raise sensitivities include those that “refer to particular sectors, such as those subject to national regulation (such as .bank or .pharmacy) or those that describe or are targeted to a population or industry that is vulnerable to online fraud or abuse.” Upon receipt of a GAC Early Warning, applicants can withdraw their application for a partial refund within 21 days, or continue with the process (which may include meeting with representatives of the relevant governments to address the concern at issue).

The Initial Evaluation begins upon conclusion of the Administrative Completeness Check. First, there is a background screening of the individual or entity applicant, which must be passed in conjunction with the Initial Evaluation reviews. String Similarity Reviews require a determination that the new gTLD string is not similar to an existing TLD or reserved name, and is not likely to cause security or stability issues for the DNS. Applicant Review requires that the applicant possess sufficient technical, operational and financial capabilities to act as a domain registry. Initial Evaluation results are posted online.

Certain applicants that do not pass Initial Evaluation can proceed to an Extended Evaluation upon request. This allows for an additional exchange of information with evaluators to clarify information in the application, e.g., if one or more potential technical issues arise which could affect DNS security or stability. At the conclusion, summary reports of both the Initial and Extended Evaluations are publicly posted by ICANN.

Formal Objection and Dispute Resolution

The period for filing formal objections with the Dispute Resolution Providers (DRSPs) begins upon ICANN’s posting the list of completed applications, and closes approximately two weeks following the end of the Initial Evaluation period. Applicants facing a formal objection can file a response.

At the time an objection is filed, the objector is required to pay a filing fee in the amount set and published by the relevant DRSP. ICANN estimates that filing fees will be in the range of \$1,000 to \$5,000 per party per proceeding. If the filing fee is not paid, the DRSP will dismiss the objection without prejudice.

In the event of a formal objection, an advance payment of costs is also directly payable to the DRSP in an amount estimated to cover the cost of the proceeding. The prevailing party will have its advance payment refunded at the conclusion of the proceeding, while non-prevailing party will not be refunded. ICANN estimates that proceedings conducted on a fixed fee basis will incur costs ranging from \$2,000 to \$8,000 or more per proceeding, while hourly rate based proceedings will likely range from \$32,000 to \$56,000 for a single member panel, and between \$70,000 and \$122,000 for a three-member panel. Costs will likely be lower for panels conducted without written submissions beyond the objection, and where there is no hearing.

An application can be subject to multiple formal objection filings. In that case, an applicant must prevail in all dispute resolution proceedings in order for the application to proceed to the next stage in the process.

String Contention

Groups of applied-for gTLD strings which are identical or similar to one another are called string contention sets. Where there is more than one qualified application for the same or similar gTLD string, creating a likelihood of user confusion, the parties will typically enter into informal discussions, prior to resolution via formal process. Where an application is identified as part of a contention set, formal string contention resolution procedures will not commence until all applications in the contention set have completed evaluations and dispute resolution, if any. Once string contention resolution proceeds, the prevailing applicant(s) will proceed toward delegation of the applied-for gTLDs.

Auction

While most cases of contention are resolved by community priority evaluation or by voluntary agreement among applicants, there is an auction procedure which resolves disputes not resolved by other means. However, an auction will not take place in order to resolve contention in the case of applications for geographic names. In such cases, applications are suspended pending resolution by the applicants. Auctions will, however, take place in the case where an application for a geographic name is in a contention set with applications for similar strings that have not been identified as geographic names.

ICANN uses an “ascending clock” auction procedure, whereby an auctioneer increases the prices associated with applications within a contention set during successive auction rounds, and the applicants indicate their willingness to pay the elevated prices. All rounds have a start-of-round price and an end-of-round price, announced before the start of each round. Applicants successively leave the auction as the prices rise, until no direct contentions remain, at which point the auction concludes and the applicants are left to pay the resulting prices for their applications.

All auctions are conducted on the Internet, with encrypted bids placed using special software. At the end of each round, bids become legally binding offers to secure the relevant string at a price up to the respective bid amount. Bids that are less than the end-of-round price are treated as exit bids for the amount specified. Proxy bids can be placed which are higher than the end-of-round price, which bids are then carried over to the next bidding round. A bidding deposit is required for all participating applicants. The winning bidder is required to pay the full amount of the final sales price within 20 business days of the end of the auction, and must execute the required registry agreement within 90 days of the end of the auction.

GAC Advice

The GAC has the opportunity to provide public policy advice directly to the ICANN Board regarding any application, which advice must be submitted prior to the close of the objection period. If GAC consensus is that an application shall not proceed, a strong presumption arises with the Board that the application should not be approved.

Once an application has successfully passed all the evaluation steps, the applicant is required to sign a Registry Agreement with ICANN. Under the agreement, there are two fees: (a) a fixed fee of \$6,250 per calendar quarter; (b) and a transaction fee of \$0.25. The latter does not apply until and unless more than 50,000 transactions have occurred in the TLD during any quarterly period.

gTLD Delegation

Applicants must execute a Registry Agreement with ICANN and complete a pre-delegation technical test to validate their application information before initiation of delegation of the gTLD into the DNS root zone. This includes completion of registry technical set-up and satisfactory performance in a series of technical tests. If the applicant fails the pre-delegation testing, ICANN may elect to terminate the Registry Agreement, at its discretion.

In the most favorable scenarios, ICANN estimates the overall application process to take roughly nine (9) months, but in the event of an Extended Evaluation or formal objection, etc., the application period can greatly increase, potentially upwards of 20 months.

Additional Fees

Applicants are sometimes required to pay additional fees for certain specialized process steps, including:

Registry Services Review Fee: For additional costs incurred in referring an application to the Registry Services Technical Evaluation Panel (RSTEP) for extended review. Three-member panels are set at \$50,000.00, with five-member panels costing more. This fee can be apportioned across multiple applications filed by the same applicant.

Community Priority Evaluation Fee: This fee, currently estimated at \$10,000, is payable as a deposit to an appointed provider in the event that the applicant participates in a community priority evaluation, an independent expedited analysis to determine eligibility for applicants designating their new gTLD application as community-based.

An updated list of the delegated gTLD strings is available on the ICANN website.⁴ A list of the current gTLD applications and their respective status exists on a separate page.⁵

Future gTLD Application Rounds

ICANN has stated that its goal is to launch subsequent gTLD application rounds as soon as possible, taking into account the lessons learned and changes needed after the first round, which was initially anticipated to occur within one year of the close of the most recent application submission period. ICANN has indicated that it will defer delegations in the second application round until such time as it can determine that the first round delegations will not jeopardize the security or stability of the DNS root zone. ICANN's ultimate goal will be to establish an ongoing, systemized, long-term procedure for the application and delegation of new gTLDs.

Defense
Mechanisms
for GIs in the
new gTLDs

⁴ <http://newgtlds.icann.org/en/program-status/delegated-strings>

⁵ <https://gtldresult.icann.org/application-result/applicationstatus>

Legal Rights Objections Concerning Top-Level Domains (the right part of the domain after the dot)

Prior to ICANN's approval of a new gTLD, third parties had the opportunity to file a formal objection to an application on several grounds, including, for trademark owners and Intergovernmental Organizations (IGOs), on the basis of a "Legal Rights Objection" (LRO).

When such an objection is filed, an independent panel (comprised of one or three experts) determines whether the applicant's potential use of the applied-for gTLD would be likely to infringe an objector's rights. The objection filing window for the first round of the new gTLD program commenced on June 13, 2012 and closed on March 13, 2013. In this round of new gTLD applications, objectors filed sixty-nine (69) compliant objections with the WIPO Center.

Section 3.5.2 of the ICANN Applicant Guidebook deals with LROs. It states that an independent panel will determine whether the potential use of the applied-for gTLD by the applicant:

- (i) takes unfair advantage of the distinctive character or the reputation of the objector's registered or unregistered trademark or service mark ("mark") or IGO name or acronym, or
- (ii) unjustifiably impairs the distinctive character or the reputation of the objector's mark or IGO name or acronym, or
- (iii) otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the objector's mark or IGO name or acronym.

The panel will ordinarily determine the merits of the objection based solely on the parties' pleadings, and may make reference to a range of non-exclusive consideration factors. For an objection based on trademark rights, the panel will consider the following non-exclusive consideration factors:

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

2. Whether the objector's acquisition and use of rights in the mark has been bona fide;
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 or of a third party;
4. Applicant's intent in applying for the gTLD, including whether the applicant, at the time of application for the gTLD, had knowledge of the objector's mark, or could not have reasonably been unaware of that mark, and including whether the applicant has engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others;
5. Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a bona fide offering of goods or services or a bona fide provision of information in a way that does not interfere with the legitimate exercise by the objector of its mark rights;
6. Whether the applicant has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been bona fide, and whether the purported or likely use of the gTLD by the applicant is consistent with such acquisition or use;
7. Whether and to what extent the applicant has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and bona fide; and
8. Whether the applicant's intended use of the gTLD would create a likelihood of confusion with the objector's mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.

For an objection based on rights in the name or acronym of an IGO, the panel will consider the following non-exclusive consideration factors:

1. Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound or meaning, to the name or acronym of the objecting IGO;
2. Historical coexistence of the IGO and the applicant's use of a similar name or acronym. Factors considered may include: a. Level of global recognition of both entities; b. Length of time the entities have been in existence; and c. Public historical evidence of their existence, which may include whether the objecting IGO has communicated its name or abbreviation under Article 6ter of the Paris Convention for the Protection of Industrial Property;
3. Whether and to what extent the applicant has used, or has made demonstrable preparations to use, the sign corresponding to the TLD 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 of the objecting IGO's name or acronym;
4. Whether and to what extent the applicant has been commonly known by the sign corresponding to the applied-for gTLD, and if so, whether any purported or likely use of the gTLD by the applicant is consistent therewith and bona fide; and
5. Whether the applicant's intended use of the applied-for gTLD would create a likelihood of confusion with the objecting IGO's name or acronym as to the source, sponsorship, affiliation, or endorsement of the TLD.

Objections and Responses must be filed electronically with the WIPO Center. Objections must contain a statement of the basis for the objector's standing, as well as a statement of the basis for the objection, including "an explanation of the validity of the objection and why the objection should be upheld." Responses must contain a point-by-point response to the statements made in the objection. An applicant's failure to reply to an objection is considered a "default" and results in the objection being deemed successful. There is typically one round of pleadings followed by appointment of the panel and issuance of a decision. Only in exceptional cases may a panel hold a hearing (usually by videoconference).

For a case involving an objection to one application (i.e., for one gTLD) to be decided by one expert, the fee payable upon filing is \$10,000 for each party (this includes a non-refundable \$2,000 case administration fee), subject to a refund of the expert fee (\$8,000) to the prevailing party. Different fee arrangements apply to three-member panels and to possible consolidation scenarios.

The WIPO Arbitration and Mediation Center was appointed by ICANN as the exclusive provider of dispute resolution services for trademark-based "pre-delegation" Legal Rights Objections (LRO) under the ICANN New gTLD Program. The WIPO Center's administration of cases in this first round came to a close with the notification of the last of the expert determinations in September 2013.

ICANN offers three other types of pre-delegation objection-based dispute resolution procedures which are not administered by WIPO, namely, "String Confusion Objection," "Limited Public Interest Objection," and "Community Objection."

Defense Mechanisms Concerning Second-Level Domains (the left part of the domain before the dot)

a. The Trademark Clearinghouse (TMCH)

Once a new gTLD has been delegated, the Trademark Clearinghouse (TMCH) represents an available tool to protect trademarks in which corresponding word(s) is(/are) registered in second level domains. The TMCH is a centralized database of verified trademarks intended as a rights protection mechanism for trademark owners as part of the new gTLD program. Trademarks that are registered, court-validated, or protected by statute/treaty can apply to register in the TMCH. Trademark owners can submit their data to the database during the gTLD launch phases.

There are a number of eligibility requirements for registration in the TMCH. For example, the Clearinghouse will only accept and verify the following intellectual property rights: (i) nationally or regionally or registered trademarks; (ii) court-validated marks; and (iii) marks protected by statute or treaty. Trademarks must have national effect and be registered at the time they are submitted for verification. Significantly, trademarks registered by a city, state, province, or sub-national region are expressly ineligible for registration in the TMCH. For marks protected by statute or treaty, the relevant statute or treaty must be in effect at the time the mark is submitted to the Clearinghouse for inclusion. There is some indication

that such marks may include GIs protected as such, but there is currently no hard evidence to verify whether this is the case. In addition to marks recognized by statute or treaty, GIs which are registered as a certification mark, collective mark, or otherwise as a trademark or service mark are likewise eligible for TMCH.

b. SMD File

An SMD (Signed Mark Data) file is an important verifying document which constitutes proof of ownership of a verified registered trademark, for purposes of pre-registration eligibility to obtain a domain name incorporating said mark prior to general availability to the public. The SMD file also allows the TMCH registrant to readily provide proof of trademark rights in order to initiate dispute resolution proceedings, including UDRP and the like.

An SMD file is in a sense like a password for the trademark owner. The following information is encoded in the SMD⁶:

- labels that you are allowed to register;
- trademark name;
- jurisdiction(s) of protection;
- nice classification (if applicable);
- claimed goods and services of your trademark; and
- registrant or trademark agent contact information.

In order to receive an SMD file, users must successfully submit an application for registration in the TMCH. It is important to ensure the accuracy of information prior to filing an application, as failure to enter the correct trademark information in the TMCH application will result in rejection without a refund of the initial application fee.

Upon registration, the TMCH, the registrant's SMD file provides access to participate in every Sunrise period of any new gTLD, effectively giving first priority in an identical second-level gTLD registration to the trademark owners (e.g., Veuve Clicquot's registration of the VEUVE CLICQUOT trademark in the TMCH would allow it first priority to register the second-level domains <veuveclicquot.vin> and <veuveclicquot.wine>). TMCH registration is the minimum condition to be able

⁶ See https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=r-ja&uact=8&ved=0CC8QFjAC&url=http%3A%2F%2Fnewgtlds.icann.org%2Fen%2Fabout%2Ftrade-mark-clearinghouse%2Fsmd-29aug13-en.pdf&ei=MWgcVLz-JcbqoASyqIHABw&usg=AFQjCNEFiSnHy-xxGXl6_sc7jPMFYgNLS_A&sig2=IADqe_WAQGnWR9gnD3cVka

to register a corresponding gTLD during the Sunrise period. As Sunrise periods are currently underway, many trademark owners have already registered their trademark data with the TMCH.

To qualify for registration in the TMCH, trademark owners must submit to the TMCH proof of trademark ownership (usually a registration), proof of trademark use, and payment of the applicable registration fee. Vendors which provide access to the TMCH typically charge an additional filing fee. Owners are required to provide information to the TMCH whenever necessary to update the record due to a change in rights, e.g., in the case of renewal, cancellation or abandonment.

c. TMCH Fee Structure

The "basic" fee structure for a single trademark registration in the TMCH is as follows: one (1) year for \$150.00, three (3) years for \$435.00 and five (5) years for \$725.00. The "advanced" fee structure is a point-based system which relies on prepayment of fees. These points are called "Status Points" and are earned by registering or renewing a trademark registration in the TMCH. Under this structure, each 1-year trademark registration in the TMCH is worth one (1) point; each 3-year trademark registration is worth four (4) points; and each 5-year trademark registration is worth seven (7) points. Thus, in terms of expense, the advanced structure favors the longer registration term. The number of Status Points held by a registrant determines how much money the registrant must pay to register a mark in the TMCH at any given time. The more Status Points held by a TMCH registrant, and the longer the term of its registrations, the more favorable is that registrant's price to register a single domain.

The advanced fee structure is intended for TMCH registration "agents" handling high volumes of applications on behalf of third parties, such as brand owners with large trademark portfolios.

All gTLD registries provide a Sunrise period during which trademark owners registered with the TMCH may obtain priority registration for gTLDs incorporating their marks. A "Start-Date Sunrise" provides for a 30-day minimum period prior to opening up second-level gTLD registration to the general public, while an "End-Date Sunrise" provides at least 60 days prior to the opening of general registration. "Start-Date Sunrise" systems award domains on a first-come first-served basis. However, in the event of competing applications, the "End-Date Sunrise" systems resolve the conflict by way of domain auction at the conclusion of the sunrise period.

Otherwise, disputes over competing sunrise applications are resolved under the terms of service for each individual registry operator. The price for second-level domains generally increases in the general registration period subsequent to the sunrise period, especially for “premium” domains in high demand.

Registries are also offering for sale “blocking domains” which include trademarks and their variations. Blocking domains prevent third parties from obtaining registration of an identical domain, but are not usable to drive traffic to the brand owner. Donuts, Inc., for example, offers a Donuts Protected Marks List, in which brand owners can add their trademark-related terms and have them blocked from registration at the second level in all Donuts operated top-level domains (which currently include .coffee and .cab, and may in the future include .wine and .vin). This program is somewhat more cost effective than many other blocking domain registration services offered by other registry operators.

As part of its claim service, TMCH registrants receive notice of identical third party applications, and applicants receive a warning notice that their applied-for second-level gTLD is a match with a mark contained in the TMCH database. If the applicant nevertheless proceeds, the TMCH registrant is notified and can take appropriate action if it would like to do so. One drawback of the Sunrise, blocking registration and claims services is that they all only apply in the case of an exact match (or hyphenated match in the case of multiple word marks, e.g., <veuve-clicquot.wine>). This leaves huge vulnerabilities to brand owners in terms of misspellings or variations of trademarks potentially being registered as gTLDs outside of these protection mechanisms. ICANN dispute resolution proceedings therefore remain a primary vehicle for resolving domain disputes under the new gTLD program.

Generally speaking, the attendant cost of TMCH registration can be high, while a lack of predictability in anticipating which domains will later be registered by unauthorized third parties remains an issue.

d. Transparency Lacking in the TMCH

One major weakness of the TMCH which has arguably run counter to its general acceptance among brand owners is the fact that the TMCH database of registered trademarks is not publicly accessible. This runs counter to the transparency objective espoused by ICANN in its mission statement, and this lack of information creates expense to brand owners in terms of the attendant inefficiencies and redundancies. For example, there is no means to “clear” a mark or conduct

research on third party registrants before attempting to register one’s trademark in the TMCH, and there is an acute lack of information in terms of eligibility for TMCH registration for certain designations, including GIs.

e. Uniform Domain-Name Dispute-Resolution Policy (UDRP)

For GIs registered in the TMCH, the UDRP is a generally available rights protection mechanism. There is considerable speculation (for which there apparently remains to be a case of first impression) that the new gTLD Program, particularly the TMCH, potentially provides a means for the availability of dispute resolution mechanisms for (and corresponding enforcement of) GIs recognized as such in their country of origin and protected under an international treaty. Such GI-based marks can become registered as part of TMCH, receive the corresponding SMD file, and as a result, become eligible for the available dispute resolution procedures, such as: UDRP, URS, and PDDRP.

It is important to note that in response to a UDRP, a respondent can file a lawsuit to block the transfer of his or her domain name in the event of an unfavorable decision. According to the UDRP rules, the lawsuit must be in Mutual Jurisdiction, defined as: “a court jurisdiction at the location of either (a) the principal office of the Registrar (provided the domain-name holder has submitted in its Registration Agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name) or (b) the domain-name holder’s address as shown for the registration of the domain name in Registrar’s Whois database at the time the complaint is submitted to the Provider.

Thus, the complainant can easily be dragged into court in a far-flung jurisdiction only to expend resources to defend itself against a claim resulting from a successful UDRP proceeding.

f. Uniform Rapid Suspension (URS) Proceedings

ICANN’s Uniform Rapid Suspension (URS) Procedure is a cheaper, often more expedient process for rights holders experiencing clear-cut cases of infringement caused by domain name registrations, than that of UDRP.

Aiming at the clearest cases of trademark abuse, the URS is intended to offer a lighter complement to the existing UDRP. It is not intended for use in proceedings with open questions of fact or more involved legal scenarios. While the substantive

criteria of the URS are similar to the UDRP criteria, the URS is supposed to carry a higher burden of proof for complainants. The URS also includes a range of additional registrant defenses over an extended time period. The only remedy a URS panel may grant a successful complainant is the temporary suspension of a domain name for the remainder of the registration period (which may be extended by a prevailing complainant for one year for a fee). Thus, UDRP remains the primary vehicle for canceling or transferring of domains.

A URS complaint must first be submitted directly to an Approved URS Provider. The URS proceedings will be conducted pursuant to the approved URS Procedure. Once the complaint passes administrative review, the registry operator must lock the disputed second-level domain name(s) within 24 hours of notification by the URS Provider. If a URS proceeding ultimately results in a suspension, the registry operator must implement the suspension, and take any other actions set forth in the URS Procedure.

ICANN ensures that the registry operator timely locks, and if applicable suspends, the relevant second-level domain name(s) in accordance with the Determination and the URS Procedure. If the registry operator does not lock the second-level domain name, the URS Service Provider may submit a domain lock report via the URS Form.

If the prevailing complainant in the URS proceeding believes that the registry operator is not properly suspending a second-level domain name or not performing any other actions described in the procedure, the Complainant may submit a URS enforcement complaint form to ICANN via the URS Form.

Should a panel deny a URS complaint, the URS proceeding is terminated without prejudice for the complainant to proceed with an action under the UDRP or in a court of competent jurisdiction. A panel may also deem a URS complaint “abusive” which may result in a complainant being barred from utilizing the URS for a period of time.

The URS process is not available to any ccTLD (such as .us, .de, .uk, etc.) or to any of the following gTLDs: .aero, .arpa, .asia, .biz, .cat, .com, .coop, .edu, .gov, .jobs, .info, .int, .mil, .mobi, .museum, .name, .net, .org, .post, .pro, .tel, .travel, and .xxx. For GIs registered in the TMCH, the URS proceeding is an available Rights Protection Mechanism. In order to initiate a URS proceeding, in its Complaint,

the Complainant must specify the trademark(s) or service mark(s) on which the complaint is based and the goods or services with which the mark in question is used, including evidence of use which can be (1) a declaration and a specimen of current use in commerce submitted directly or (2) by including a relevant SMD (Signed Mark Data) from the Trademark Clearinghouse.⁷

g. Post-Delegation Dispute Resolution Procedure (PDDRP)

Designed by ICANN, the PDDRP is a higher-level rights protection mechanism and an administrative alternative to court action regarding registries. PDDRP is intended to allow trademark owners to address certain scenarios where a registry operator’s operation or use of a domain leads to or supports trademark infringement, either on the top level or second level. There are three types of PDDRP: the Trademark PDDRP, the Registration Restrictions PDDRP, and the Public Interest Commitments PDDRP. The WIPO Center has been appointed as a provider for the Trademark PDDRP.

Under the PDDRP, trademark owners are required to demonstrate, by clear and convincing evidence: (1) affirmative conduct by a registry at the top level that infringes a trademark; and/or (2) at the second level, affirmative conduct by a registry that amounts to a substantial pattern or practice of specific bad-faith intent by the registry to profit from the sale of domain names that infringe trademark rights. The PDDRP as set out by ICANN states that a registry operator is not liable under the PDDRP solely because infringing names are in its registry, or because the registry operator knows infringing names are in its registry, or if it did not monitor names registered in its registry.

For GIs registered in the TMCH, PDDRP is available. The PDDRP Complainant must be a holder of a word mark that: (i) is nationally or regionally registered and that is in current use; or (ii) has been validated through court proceedings; or (iii) that is specifically protected by a statute or treaty at the time the PDDRP complaint is filed.⁸ Use of the asserted mark can be shown by demonstrating that evidence of

⁷ Uniform Rapid Suspension System (URS) Rules, Effective 28 June 2013 available at: <http://newgtlds.icann.org/en/applicants/urs/rules-28jun13-en.pdf>

⁸ Post Delegation Dispute Resolution Policy, Section 9.2, available at: <http://newgtlds.icann.org/en/applicants/agb/pddrp-04jun12-en.pdf>

use (which can be a declaration and one specimen of current use) was submitted to, and validated by, the Trademark Clearinghouse.

h. Watch Services

Trademark watch service subscriptions are available through numerous third parties, such as Thomson Compumark. Brand owners can choose the jurisdiction(s) of interest for monitoring, as well as the references sources, e.g., national and international trademark registries, periodicals and other publications, as well as the Internet and domain registrations. Unlike TMCH-related claims notices and mechanisms related thereto, watch services are typically not limited to trademarks registered by the party seeking the service, and can be expanded to include variations and permutations of a given designation. Thus, watch services represent a valuable tool for brand owners, and GIs in particular.

i. Court Action

Litigation remains one of the primary protection mechanisms for GIs, even subsequent to the implementation of the new gTLD program. GIs can sometimes avail themselves of the courts to find recourse under national or international laws, regulations and treaties e.g., under the WTO's TRIPS Agreement and Article 118m of Council Regulation EC 491/2009. The numerous jurisdictions of course possess differing procedural (e.g., standing) requirements, procedures, legal theories and remedies which depend upon the country and the legal issue(s) involved. For example, under U.S. federal law known as the Anticybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d), one can achieve cancellation or transfer of a domain where the registrant was found to be registering, trafficking in, or using a domain name confusingly similar to, or dilutive of another's trademark or personal name, with bad faith intent to profit. Similar laws exist in other jurisdictions to protect trademark owners, but their application to GIs varies on a country-by-country basis. Furthermore, it remains to be seen to what extent the authority of ICANN and the individual registry operators will be subject to challenge in various jurisdictions, and on what legal theories. Of the available enforcement and protection mechanisms, litigation is typically among the most expensive and time-consuming, and is therefore often considered a last resort.

j. Customs & Border Protection

U.S. Customs and Border Protection (CBP), a bureau of the Department of Homeland Security, offers protection against importation of goods bearing marks that infringe a trademark registered with the U.S. Patent and Trademark Office (USPTO). Trademark owners can access the CBP online system and enter their registered marks into the CBP database of a fee. This data assists CBP officers in monitoring and inspection of imports at 317 ports of entry into the U.S.

Internationally, GIs which have registered trademarks or other forms of registered IP protection can generally avail themselves of the benefits of customs enforcement along the borders within the jurisdiction(s) in which such producers possess a registration. However, this avenue of enforcement requires significant ongoing resource expenditure. For example, many of the most effective brand protection programs employ professional liaisons to customs in many jurisdictions worldwide. These are law enforcement and legal consultants that develop and maintain close relationships with customs agents in various countries, working with them, providing periodic training regarding the qualities and characteristics of the goods for which protection is sought, and educating customs officials in the field to enable agents to effectively identify and seize infringing or gray market goods.

Attendant to the close relationship with international law enforcement, there must be rapid response, availability and continuing close communication with customs officials in the various jurisdictions on the part of an IP rights owner to ensure timely reporting of a suspected infringing shipment and timely response by the IP rights owner confirming or denying the authenticity of the goods in question. For additional information pertaining to the rights protection mechanisms afforded under the new gTLD program, go to: <http://www.wipo.int/amc/en/domains/rpm/>.

k. .bio

An interesting case is represented by the .BIO extension. Its registry operator decided in the .BIO Domain Name Policy, that wine designations of origin and geographical indications protected in the EU are reserved from registration.⁹ Such policy includes singular and plural variant with and without hyphen, provided that such names

⁹ See art. 3.3 available at <http://www.startingdot.com/wp-content/uploads/2014/03/BIO-Domain-Name-Policy-As-of-March-18-2014.pdf>

are withheld from registration or allocated by Registry Operator to the applicable designation of origin and geographical indication authority. Such an approach, while limited in scope (it concerns only wine GIs from the EU and does not cover similar names that might evoke the GIs), must be encouraged. But it remains voluntary from gTLDs registry operators and raises doubts as to its practical implementation.

The .wine and .vin strings

On June 13, 2012, three separate entities: Afilius Limited, Donuts, Inc. (under the applicant name of its subsidiary, June Station, LLC) and Famous Four Media Limited (under the applicant name of dot Wine Limited) each applied to become registry operator for the “.wine” generic Top Level Domain (gTLD). Donuts also applied for the gTLD “.vin” (under the applicant name Holly Shadow, LLC). This posed a specific threat to GIs. As a way of example, the overwhelming majority of wines produced in the European Union are GIs.

ICANN's Governmental Advisory Committee (GAC), which is an inter-governmental body comprised of representatives of national governments and international organizations, regularly issues advice to the ICANN Board regarding the acceptance or refusal to delegate a given gTLD, which advice is then sent to the gTLD applicant for potential reply. The GAC advice carries great weight with the ICANN Board, which must formally state its rationale in the event that it deviates from such advice. Within the GAC, there is ongoing disagreement between the U.S. and Australian governments on the one hand, and the EU as well as 36 other countries on the other hand, over whether there is sufficient protection for GIs in the new gTLDs, and in .wine and .vin in particular. During this debate, wine trade groups in Europe and the United States have constantly voiced their concerns with respect to the risks of counterfeiting and cybersquatting for wine GIs within the sensitive strings “.wine” and “.vin”. They also insisted on the urgent need to provide additional safeguards for GIs names at the domain's second level.

In April 2013, GAC issued its Beijing Communiqué providing “safeguard advice” to apply across broad categories of gTLD strings, and identifying certain strings for which further GAC input may be warranted, including geographic strings such as: .amazon, .shenzhen in addition to the strings .wine and .vin. Then, on July 17, 2013 in South Africa, GAC issued its Durban Communiqué setting a deadline certain for consideration of potential safeguard advice for the .wine and .vin gTLD strings. On Sept. 9, GAC Chair Heather Dryden announced that the GAC had finalized its consideration of the strings .wine and .vin, advising that the applications “should

proceed through the normal evaluation process,” despite the inability to reach consensus on the proper handling of geographic indications due to differences in views among stakeholders.

On November 20, 2013 in Buenos Aires, the GAC issued a further Communiqué regarding the proposed .wine and .vin gTLD strings, concluding that appropriate safeguards against possible abuse of these new gTLDs are needed, and suggesting that the Board may wish to seek a clear understanding of the legally complex and politically sensitive background on its advice regarding the .wine and .vin gTLDs in order to consider the appropriate next steps of delegating the two strings.

The ICANN New gTLD Program Committee (NGPC) then asked staff to commission an independent legal analysis (“Independent Legal Analysis”) of the legally complex and politically sensitive background on the GAC's advice regarding .wine and .vin. The resulting legal opinion by Jerome Passa - professor of law at the Université Pantheon-Assas in Paris, France - looked primarily at questions and disputes arising during the evaluation process (not disputes following assignment of the gTLDs) and concluded that based strictly on principles of international intellectual property law (and specifically not including ICANN regulations), in the case of the new .wine and .vin gTLDs, no rule of law related to geographical indications currently exists which would oblige ICANN to reject the applications, nor to accept the applications under certain specific conditions. Instead, the opinion found that protection of geographical indications is appropriately governed through registrar naming conventions, as well as the relationships at play between interested organizations defending a given GI and the party exploiting the allegedly infringing second-level domain.

On March 22, 2014, in Resolution 2014.03.22.NG01, the NGPC accepted the GAC's advice of September 9, 2013, that the applications for .wine and .vin should proceed through the normal evaluation process.

On 27 March 2014, in the Singapore Communiqué, the GAC noted “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 and advised that the ICANN Board reconsider the matter before delegating these strings. The GAC further advised 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.”

Beginning approximately at the time of the Singapore Communiqué, numerous interested parties sent correspondence to ICANN urging caution in the ICANN Board's evaluation of whether to accept the .wine and .vin applications, primarily on the basis that the lack of additional safeguards would seriously undermine consumer protections against fraudulent misuse of GIs, as well as the protection granted to GIs by the TRIPS and Lisbon Agreements, and the relevant EU regulations.

The NGPC reviewed and considered the matter set forth in the Singapore Communiqué, specifically the issue raised by the GAC relating to its suggestion of a possible process violation or procedural error under ICANN Bylaws Article XI-A, Section 1, subsection 6, which states:

"6. Opportunity to Comment. The Governmental Advisory Committee, in addition to the Supporting Organizations and other Advisory Committees, shall have an opportunity to comment upon any external advice received prior to any decision by the Board."

On April 4th, 2014, the NGPC recognized that some GAC members remain concerned about the .wine and .vin applications, and that this is a matter of great importance to these GAC members, as well as to the interested gTLD applicants. The NGPC issued a series of four resolutions: (1) accepting the GAC's advice identified in the Singapore Communiqué; (2) concluding that there was no process violation or procedural error in connection with the Independent Legal Analysis under the ICANN Bylaws; (3) further delaying by sixty (60) days the contracting process for the .wine and .vin applications (and encouraging the interested parties to negotiate during this period); and (4) recommending that the full ICANN Board consider the larger implications of legally complex and politically sensitive issues such as those raised by GAC members, including whether ICANN is the proper venue in which to resolve these issues, or whether there are venues or forums better suited to address concerns such as those raised by GAC members in relation to the .wine and .vin applications.

On April 5, 2014, the European Commission issued a statement reacting positively to ICANN's decision to delay the .wine and .vin applications and encourage stakeholder negotiation, stating in part: "The new gTLDs ".wine" and ".vin" cannot be opened until the rights and interests of wine producers and consumers worldwide are duly protected. If ICANN wants to demonstrate that the multi-stakeholder approach to Internet Governance can work for all, its decisions have to protect the common good and not simply favour purely commercial decisions or the highest bidders."

On April 8, 2014, the European Commission along with the governments of Spain, France, the United Kingdom and GI Organizations each separately filed Requests for Reconsideration of the NGPC's March 22 resolution. The Commission's Request cited ICANN procedural deficiencies in coming to the conclusion that the .wine and .vin applications can proceed through the normal evaluation process, and further cited alleged flaws in the Independent Legal Analysis by Professor Passa. NGPC action on the Requests for Reconsideration is currently set for an unspecified date in June, 2014.

On May 14, 2014, Cyrus Namazi, Vice President, Domain Name Services of the ICANN Global Domains Division issued a statement entitled: .WINE and .VIN: Where Does ICANN Stand? which addresses the divergent views of various governments and trade organizations on whether existing new gTLD safeguards are appropriate and sufficient to address potential misuse of geographic indicators for wine or whether additional safeguards are advisable. The statement references the June 3, 2014 expiration of the 60-day hold on approval of the .wine and .vin gTLDs, and encourages the stakeholders to negotiate in earnest prior to the end of the hold period.

In November, 2014, Donuts won the auctions for the .wine and .vin gTLDs but its applications remained suspended due to objections from wine industry and EU government stakeholders which were concerned about the protection of geographical indications such as "Champagne," "Rioja," and "Napa Valley." Around early June, 2015, the EU and wine trade associations dropped their Cooperative Engagement Process complaints against ICANN's delegation of the .wine and .vin gTLDs, leaving Donuts free to execute the Registry Operating Agreements for .wine and .vin. The wine industry stakeholders and Donuts were subsequently able to reach a satisfactory compromise by way of private agreement, the terms of which have not been disclosed, but without special changes to the .wine and .vin Registry Agreements or new policy precedents in the way of Public Interest Commitments under the new gTLDs. While it is presently unknown what provisions may have been implemented to protect geographical indications, the development was heralded by at least one wine industry representative as a victory for both wine consumers and producers, and ultimately, the new gTLD program itself.

In January 2016, "Prosecco", "Champagne", "Port" and "Sherry" were registered by the beneficiaries as second level domains in the .wine and/or .vin strings.

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oriGIn is the global alliance of Geographical Indications, which counts among its members 400 associations of producers from 40 countries. oriGIn advocates for a more effective legal protection of Geographical Indications at the national, regional and international level and promotes them as a sustainable development tool