



Reconsideration Request Form

Version of 11 April 2013

1. Requester Information

Name: Rita Forsi, Director General, Ministry of Economic Development

Address: Contact Information Redacted

Email: Contact Information Redacted

Phone Number (optional):

2. Request for Reconsideration of (check one only):

X Board action/inaction

Staff action/inaction

3. Description of specific action you are seeking to have reconsidered.

The undersigned requests that Resolution 2014.04.04 issues by the ICANN Board New gTLD Program Committee (NGPC) be reconsidered, as it resolved that

2014.04.04.NG02: upon having considered the matter set forth in the GAC Singapore Communiqué suggesting that there may have been a process violation or procedural error, the NGPC concludes that there has been no process violation or procedural error under the Bylaws.

2014.04.04.NG03: the NGPC directs the President and CEO, or his designee, to not commence the contracting process for the applications for .WINE and .VIN for 60 days from the date of publication of these resolutions in order to provide additional time for the relevant impacted parties to negotiate, which they are encouraged to do.

2014.04.04.NG04: the NGPC recommends that the full 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.

The resolution is posted in the ICANN website under

<http://www.icann.org/en/groups/board/documents/resolutions-new-gtld-04apr14-en.htm>

4. Date of action/inaction:

The ICANN Board New gTLD Program Committee (NGPC) took its decision on 04-04-2014 and it was published on the ICANN website the same day.

5. On what date did you become aware of the action or that action would not be taken?

The undersigned became aware of this resolution on 05-04-2014.

6. Describe how you believe you are materially affected by the action or inaction:

The Requester has serious concerns with the Resolution 2014.04.04 as explained below.

2014.04.04.NG02: *the NGPC concludes that there has been no process violation or procedural error under the Bylaws"*

It is the opinion of the Undersigned that the NGPC's failure to provide the GAC with an opportunity to make comments on the legal advice issued by the legal expert, prof. Jerome Passa (<http://www.icann.org/en/groups/board/documents/analysis-wine-vin-22mar14-en.pdf>), was a violation of Article XI-A, Section 1, subsection 6 of the ICANN Bylaws. As clearly described by the Italian Minister of Economic Development, Mrs. Federica Guidi, in her Request for Reconsideration on Resolution 2014.03.22.NG01 (<http://www.icann.org/en/groups/board/governance/reconsideration/14-19/request-italian-government-09apr14-en.pdf>), our belief is that there is a violation for the reasons set out below.

Bylaws Article XI-A, Section 1 subsection 6 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". (emphasis added)*

In this regard, the NGPC seems to have followed the Applicant Guidebook section 3.1, applicable to "implementation", while it is clear that the Bylaws prevail over the Applicant Guidebook and that rather than in the implementation

phase, ICANN is still trying to define appropriate safeguards for the protection of the public policy interest in the new gTLD Program. Despite the argument that the new gTLD policy development finalized in 2007, several policy changes had still taken place since 2007. In addition, this section of the By-laws provide that the GAC shall have an opportunity to comment upon "any external advice" received prior to "any" decision by the Board.

2014.04.04.NG03 *"the NGPC directs the President and CEO, or his designee, to not commence the contracting process for the applications for .WINE and .VIN for 60 days from the date of publication of these resolutions in order to provide additional time for the relevant impacted parties to negotiate, which they are encouraged to do".*

This Resolution seems only to delay the delegation process for the .WINE and .VIN TLDs for 60 days, whatever the result of the negotiations may be .

An artificial, not-result-based deadline for the end of negotiations could encourage the applicants not to be conducive to good faith negotiations and not to reach a balanced agreement with the interested parties. It seems that the Applicants should have only to wait for 60 days and then their applications would proceed through normal ICANN process, without any penalty.

2014.04.04.NG04: *the NGPC recommends that the full 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.*

The Resolution raises the question of whether ICANN is the proper venue to resolve the issues raised by the .VIN and .WINE TLDs.

ICANN needs to comply with International Laws on the subject of Geographical Indications ("**GIs**") which are recognized by the World Trade Organisation (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement) which currently has 159 Member States.

As such if GIs need sufficient protection in the .VIN and .WINE TLDs and ICANN needs to ensure sufficient precautions to prevent infringement of GIs, if not then the Undersigned respectfully submit that the TLDs should not be delegated.

7. Describe how others may be adversely affected by the action or inaction, if you believe that this is a concern.

The protection of GIs serves the public interest because of the particular risks of fraudulent misuse of GIs which the interested parties regularly witness.

Consumers procuring wine online via, for example, *chianti.wine* or *barolo.wine* could indeed be deceived into believing that they are buying a genuine Chianti or Barolo wine with specific qualities and characteristics of a product with geographical indication, when they are in fact buying an imitation. Further the rights of holders of geographical indication would be impaired. Therefore, the adverse impact of the Resolution could be considerable.

If no agreement is reached after the 60 day period, the applications for .WINE and .VIN will proceed through the normal evaluation process (2014.04.04.NG03). The direct consequence would be that no adequate measures would be in place to ensure that the domain names and associated content available under these extensions would protect wine and spirit consumers and, more generally, the public.

The global wine market is very fragmented and there are an important number of small wine producers which play a crucial role for the sustainability of their communities and regions and who could be negatively affected by the lack of protection of their GIs under the .WINE and .VIN TLDs. There are already many cases of GI name misuse and cybersquatting and the costs which wine producers around the world are put to dealing with misuse of GIs and cybersquatting is already considerable.

The existing misuse and fraudulent activities are presently limited as a result of the protection granted at the international, European and national levels to GIs. However, the Requesters fear that the potential for abuse would considerably increase in online spaces where no specific protection would be granted to GIs. If Italian GI wines and spirits are not adequately protected, the .WINE and .VIN spaces could rapidly be the target of misuse and fraudulent activities. The global scope of the .WINE and .VIN TLDs and a lack of clear rules and safeguards can indeed only amplify these problems including as follows:

- Consumers risk accessing websites with a GI name which sell wines that have no link with the real origin of the product, with no guarantee on the quality and origin;
- Sale of counterfeited "Made in Italy" products may be facilitated;
- Small wine producers may not become aware of cybersquatters abusing their GI names.

Consumers and producers may then decide to avoid using or being present on the .WINE and .VIN TLDs and this is certainly not the result expected by the applicants to these TLDs.

To have a new gTLD such as .WINE or .VIN dedicated to the wine industry be delegated with no protection for GIs is not only clearly something that will affect

the industry in Italy but also across the globe. It will be also an incredible missed opportunity to create a secure and safe space in the DNS which is supported by the key players in the industry and thousands of small wine producers who seek or will seek to market their produce on the Internet in decades to come.

The Requester therefore calls for a reliable and safe place on the internet for consumers, GIs right holders and producers of wine and spirits.

8. Detail of Board or Staff Action – Required Information

In the following section, the undersigned aims to provide the necessary details to prove that

- 1) The Board has not considered certain material information

While the Singapore GAC Communiqué reports:

The GAC needs to consider the above elements more fully. In the meantime 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 Resolution **2014.04.04.NG03** states “*the NGPC directs the President and CEO, or his designee, to not commence the contracting process for the applications for .WINE and .VIN for 60 days from the date of publication of these resolutions in order to provide additional time for the relevant impacted parties to negotiate, which they are encouraged to do*”.

The Board, in its Resolution, has not considered neither of the two statements of GAC Communiqué. Indeed the Board seems to give the green light to the delegation process of the strings after 60 days, without further consulting the GAC and, as explained above, negotiations between applicant and interested parties would not be propelled by an unconditioned deadline.

- 2) The Board has also based its Resolution upon inaccurate, false and misleading materials (and information), and which formed the basis for the Board action being challenged.

Resolutions 2014.04.04.NG01-NG04 are a direct result of Resolution 2014.03.22.NG01 for which the Italian Minister of Economic Development, Mrs. Federica Guidi, filed a Reconsideration Request

<http://www.icann.org/en/groups/board/governance/reconsideration/14-19/request-italian-government-09apr14-en.pdf>

For this reason, the Requester reiterates the statements included in her Request for Reconsideration regarding Resolution 2014.03.22NG01 that such materials

are inaccurate, false, and/or misleading for the following reasons:

a) the GAC's alleged consensus

One of the grounds for the Resolution is the GAC's alleged statement to the ICANN Board that *"there was no GAC consensus advice on additional safeguards for .WINE and .VIN, and the applications for .WINE and .VIN should proceed through the normal evaluation process"*.

Such statement is based on a letter sent by the GAC Chair to the ICANN Board on 9 September 2013.

However:

(i) such letter was sent to the ICANN Board without being circulated to GAC members first.

(ii) as explained in section 6. above, as per the practice of the United Nations and given Principle 47 of the GAC Operating Principles, it is clear that the statement that the GAC *"has finalized its consideration of the strings .wine and .vin"* and further advised that *"the applications for .WINE and .VIN should proceed through the normal evaluation process"* is not a consensus view of the GAC.

This letter, which is one of the grounds of the Resolution, is therefore clearly misleading.

(b) the failure to give the GAC an opportunity to comment on the materials used by the NGPC and the failure to clarify with the GAC the appropriate source from which the advice should be sought including the definition of the scope and process.

In first place, it should be clarified that the matter in hand it is a matter of public policy and not merely a matter of implementation. Additionally, the undersigned understands that the By-laws remain the main source of procedural rules for ICANN, and that in any case they prevail over the Applicant Guidebook as it will be shown below.

- By-laws Article XI-A, Section 1 subsection 3 states that the GAC can request **"at any time"** to the Board to seek advice in matters of public policy, and that the Board **"shall consult with the GAC regarding the appropriate source from which to seek such advice and the arrangements including definition of scope and process"** for requesting and obtaining such advice. None of those requirements have been followed by the NGPC.
- By-laws Article XI-A, Section 1 subsection 6 states that the GAC has the opportunity to comment upon **"any external advice"** received by the Board and prior to **"any decision"**. In this regard, the NGPC seems to

have followed the Applicant Guidebook section 3.1, applicable to "implementation" matters, while it is clear that the By-laws prevail over the Applicant Guidebook and that rather than in the implementation phase, the GAC (and subsequently ICANN) is still trying to define appropriate safeguards for the protection of the public policy interest.

- By-laws XI.A Section 5 clearly indicates that the purpose of the external advice is to "augment the information available to the Board or other ICANN body in carrying out its **responsibilities**", without specific reference to implementation or policy-development process.

In any event, and despite the fact that the case in hand is clearly a case dealing with a public policy matter, the By-laws do not exclude that the "external expert advice" may be taken also on matters of implementation and therefore at the very least the Board failed to clarify on which basis it was seeking such advice, and would need to include on its rationale due explanations to clarify why:

- a) the protection of new gTLDs is not a matter of public policy;**
- b) the protection of new gTLDs is a matter of implementation and not of policy development; and**
- c) under what circumstances the Applicant Guidebook may prevail over the General rules set forth in the By-laws.**

(c) the content of the legal opinion issued by Mr. Passa

Concerning the legal opinion provided by Mr. Passa, the Undersigned would like to reassert the content of the European Commission's comments concerning both the procedural aspects relating to such opinion and its content (available at <http://www.icann.org/en/news/correspondence/steneberg-to-icann-board-02apr14-en.pdf>). In particular, the European Commission questions the transparency of such legal opinion given that the process of appointing Mr. Passa to handle the question of whether the various objections raised against the reservation of the .WINE and .VIN are well-founded has not been disclosed and neither were the instructions given to him with respect to the provision of his opinion.

In addition, the Buenos Aires Communiqué specifically refers to seeking a clear understanding of the legally complex and politically sensitive background on this matter in order to consider the appropriate next steps in the process of delegating the two strings. It is debatable whether Mr. Passa's external expert legal advice is sufficiently thought through and pertinent and whether Mr. Passa has considered the politically sensitive background of this matter when issuing his advice. For example, the undersigned notes that Mr. Passa only refers to the

application filed by one of the applicants, instead of referring, in general, to the three applications. It is therefore suggested that additional legal advice, from other experts, designated in a transparent manner, be considered.

It is specifically worthwhile noting that Mr. Passa clearly states in his opinion that, if 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 geographical 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.*"

This would certainly appear to be a key point in the advice provided by Mr. Passa, and this point is completely ignored by the NGPC not being mentioned at all in the Rationale for the Resolution. The Rationale seeks to justify the Resolution by quoting from another part of the expert analysis saying that there is no rule of law or general principle, which obliges ICANN to reject the applications. The Requester agrees with this point but respectfully submits that this is not the point to consider. The point is, exactly as Mr. Passa states, that if the registry for .WINE or .VIN were to assign domain names to third parties without taking precautions to prevent infringements of these GIs, then Mr. Passa is of the opinion that ICANN should reject the application.

9. What are you asking ICANN to do now?

The undersigned respectfully request from ICANN to:

- a) Reconsider the Resolution 2014.04.04.NG02-2014.04.04.NG04 in the light of the aforementioned information and comments;
- b) Grant sufficient time to applicants and interested parties to define the necessary safeguards for the .WINE and .VIN gTLDs, in order to reach a proper agreement before the delegation of the .WINE and .VIN gTLD strings, without a deadline.

10. Please state specifically the grounds under which you have the standing and the right to assert this Request for Reconsideration, and the grounds or justifications that support your request.

The Resolution 2014.04.04NG03 is highly detrimental to the interests of the Italian wine and spirit industry. Indeed, the Resolution concluded "*the NGPC directs the President and CEO, or his designee, to not commence the contracting process for the applications for .WINE and .VIN for 60 days from the date of publication of these resolutions*". As explained above, in case no agreement is reached between the applicants and the interested parties, the delegation

process would continue without binding Applicants to implement safeguards clauses for geographical indications.

In Italy the overwhelming majority of wines produced are covered by geographical indications ("GIs"). Therefore, the risk of applications for second-level domain names as part of the .WINE and .VIN TLDs, that would constitute a misuse, evocation or otherwise undue appropriation of a vested right related to an Italian GI for wines is considerable. Proceeding through the normal evaluation process without additional safeguards would negate the Italian wine and spirit industry's ability to protect its GIs against such misuse, evocation or undue appropriation. In addition, this would prevent the applicants and interested parties to continue their negotiations with a view to reach an agreement on the matter. Allowing the applications for .WINE and .VIN to proceed through the normal evaluation process without additional safeguards, while the applicants and interested parties seeking GI protection have not had adequate time in order to reach proper agreement, would therefore seriously undermine the protection granted to GIs by the TRIPS and Lisbon Agreements as well as by the relevant EU regulations.

The protection of GIs also serves the public interest because of the particular risks of fraudulent misuse of GIs which the interested parties regularly witness. Internet users could indeed be deceived into believing that they are buying a genuine "Made in Italy" product with specific qualities and characteristics (such as Chianti, Barolo and many other GI wines) when they are in fact getting an imitation. Therefore, the adverse impact of the Resolution could be considerable.

Failure to follow the specific policies described above results in further contradiction of ICANN policies ICANN policies requiring fairness, non-discriminatory treatment, neutral application of established policies, and openness, transparency and predictability.

Italy is the second Member State for worldwide sales of GIs. Indeed in 2010, the value of GIs is estimated at €11.8 billion at wholesale stage. Of these total sales, Italian GIs regarding wines actually account for 48% plus 1% for spirits.

Italian products represented by far the largest share of extra-EU exports (62%). The first five designations (3 PDOs and 2 PGIs) represented 55% of all extra-EU exports.

The link below refers to comprehensive data in that respect:

http://ec.europa.eu/agriculture/external-studies/2012/value-gi/final-report_en.pdf

It stems from the above that Italian GIs for wines represent an utterly high asset, whose reputation and considerable value are undisputed. Accordingly, their protection against misuse, evocation or otherwise undue appropriation is of the utmost importance.

In order to ensure such protection:

At international level, Article 23 of the Trips Agreement requires Members to provide the legal means for interested parties to prevent use of a GI identifying wines in respect of wines not originating in the place indicated, even where the true origin of the goods is indicated or the GI is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.

Regulation (EU) No 1308/2013 *inter alia* establishes rules regarding GIs in the wine sector, in order to protect the legitimate interests of consumers and producers (see Article 92 thereof).

Article 103 of the said Regulation further indicates that a GI shall be protected against :

"(a) any direct or indirect commercial use of that protected name:

(i) by comparable products not complying with the product specification of the protected name; or

(ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated, transcribed or transliterated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation", "flavour", "like" or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the wine product concerned, as well as 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."

Italy is accordingly bound to enforce such protection *ex officio*, and may not exclusively act upon request from an interested party (operators, consumers, etc...).

Also in that respect, Article 2 of Directive (EU) 2000/13/CE on the approximation of the laws of the EU Member States relating to the labelling, presentation and advertising of foodstuffs requires Member States to ensure that *"The labelling and methods used must not:*

(a) be such as could mislead the purchaser to a material degree, particularly:

(i) as to the characteristics of the foodstuff and, in particular, as to its nature, identity, properties, composition, quantity, durability, origin or provenance, method of manufacture or production (...)"

Regulation (EU) No 607/2009, which focuses in particular on GIs in the wine sector, likewise stipulates in Article 19 (2) thereof, that "*In the event of unlawful use of a protected designation of origin or geographical indication, the competent authorities of the Member States shall on their own initiative (...) or at the request of a party, take the steps necessary to stop such unlawful use and to prevent any marketing or export of the products at issue.*"

It stems from the above that Italy is bound to take the appropriate measures in order to tackle any misuse of protected GIs.

In the present circumstances, considering on one hand the worldwide coverage of internet, and the refusal of ICANN and accredited Registries and Registrar to establish specific and appropriate safeguards aiming at ensuring the protection of the Italian GIs against any undue appropriation, one may not prevent the online advertising and marketing within the EU of wines through second-level domain names illegally referring to Italian GIs, thus entailing huge potential confusion for the consumer, considerable losses for the right holders of these Italian GIs, and extremely high costs in seeking judicial redress.

11. Are you bringing this Reconsideration Request on behalf of multiple persons or entities?

Yes

No

The undersigned represents Italian citizens, consumers and wine producers in the defense of the national public policy interests that concerns them in the case in hand.

Do you have any documents you want to provide to ICANN?

1. Resolutions 2014.04.04.NG01 – 2014.04.04.NG04
2. Resolution 2014.03.22.NG01

3. GAC Advice 2013-09-09-wine and vin
4. GAC's Singapore Communiqué of 27 March 2014
5. Request for Reconsideration 2014.03.22.NG01 From Italian Government

Terms and Conditions for Submission of Reconsideration Requests

The Board Governance Committee has the ability to consolidate the consideration of Reconsideration Requests if the issues stated within are sufficiently similar.

The Board Governance Committee may dismiss Reconsideration Requests that are querulous or vexatious.

Hearings are not required in the Reconsideration Process, however Requestors may request a hearing. The BGC retains the absolute discretion to determine whether a hearing is appropriate, and to call people before it for a hearing.

The BGC may take a decision on reconsideration of requests relating to staff action/inaction without reference to the full ICANN Board. Whether recommendations will issue to the ICANN Board is within the discretion of the BGC.

The ICANN Board of Director's decision on the BGC's reconsideration recommendation is final and not subject to a reconsideration request.

18/04/2014

Date

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Signature