

Reconsideration Request Form

Please submit completed form to reconsideration@icann.org.

1. Requester Information

Name: Nuno Crato, Minister of Education and Science, responsible for the coordination of Information Society, on behalf of the Portuguese Government 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

This request is submitted against Resolution 2014.03.22.NG01 since the NGPC did not consider it to be superseded by Resolutions 2014.04.04 NG01-2014.04.04 NG04.

The undersigned seeks that Resolution 2014.03.22.NG01 issued by the ICANN Board New gTLD Program Committee (NGPC) be reconsidered, due to the Resolution conclusion that that "the NGPC accepts the GAC advice identified in the GAC Register of Advice as 2013-09-09-wine and vin, and directs the President and CEO, or his designee, that the applications for .WINE and .VIN should proceed through the normal evaluation process".

Such conclusion was drawn given the following Rationale 2014,03,22,NG01: "The action being approved today is to accept the GAC's advice to the ICANN Board that there was no GAC consensus advice on additional safeguards for .WINE and .VIN, and the GAC has finalised its consideration of the strings .wine and .vin and further advises that the application should proceed through the normal evaluation process". The effect of the NGPC's action concerning the Governmental Advisory Committee advice on .WINE and .VIN is that the strings will continue to proceed through the normal evaluation process and no additional safeguards will be required for the TLDs, and will be useless any ongoing negotiations among the parties.

It should be noted that the aforementioned the GAC Register of Advice identified as 2013-09-09-wine and vin, which constitutes the basis for this Resolution, is the result of a breach of GAC Operating Procedure number 47 (OP47). The GAC Consensus given in Beijing (not to delegate the strings pending negotiations between the parties) was Contact Informat on Redacted

overruled inappropriately as it has not presented the different views on the delegation of the WINE gTLDs as no consensus was reached, as clearly indicated in OP47. Accordingly, the statement that "The GAC has finalised its consideration of the strings wine and vin and further advises that the application should proceed through the normal evaluation process" is not a consensus view of the GAC, as it does not convey the full range of views in the GAC. As such, due to the procedural mistake, it should not be taken by the NGPC or the ICANN Board as a basis for any of its Resolutions.

The Resolution 2014.03.22.NG01 was posted in the ICANN website. This request is submitted in case Resolution 2014.03.22NG01 is not deemed superseded by resolutions 2014.04.04 NG01-2014.04.04NG04.

4. Date of action/inaction

The ICANN Board New gTLD Program Committee (NGPC) Resolved on 22.03.2014. Even though the URL http://www.icann.org/en/groups/board/documents/resolutions-new-gtld-22mar14-en.htm now shows 22.03.2014 has the date for Resolution 22.03.2014 it was only published on 25.03.2014. The latter date was shown for some days on that very URL as the date of publication of the resolution and its rationale, but it has now somehow changed.

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

The undersigned and the Portuguese GAC representative to the Governmental Advisory Committee present in Singapore became aware of the ill-founded action of the ICANN Board on 26.03.2014 during the GAC Communique drafting session. It should be highlighted that Governmental Advisory Committee was not informed of the existence of this Resolution during the specific session between the GAC and the NGPC that took place on 25.03.2014 (the date of online publication of the Resolution challenged).

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

The Portuguese Government is mandated by its Constitution to pursue the common good. We deem consumer interests and respect for applicable law as public interests. Both consumer interest and rule of law can be adversely impacted by the Resolution 2014.03.22.NG01.



Bearing this in mind, the grape growers and wine producers based in the Douro demarcated origin (PDO Porto) seek to increase the protection of wine quality and labels and the integrity of wine place names, which are fundamental tools for consumers to identify the special wines of great winegrowing regions. All wine regions that have signed the Joint Declaration to Protect Wine Place & Origin (www.protectplace.com) are committed to educating consumers about the importance of location and ensuring that wine growing place names are protected and easily identifiable is central to this effort.

In this context, the undersigned expresses deep concern with regard to how the new .wine and .vin gTLDs may negatively impact the ability to protect against fraudulent use of wine related Geographical Indications (GIs) and the wine regions. When it comes to wine, location matters. Whether we use the AVA system or the GI system, our wine growing places are unique and these terms are understood by consumers to denote the origin and the quality of products produced in a special geographical area. In Europe, GIs are generally defined as being "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" (article 22 of the Agreement on Trade-Related Aspects of Intellectual Property Rights – TRIPS). GIs therefore guarantee that a product is from a certain region, and of a certain nature and quality. In the United States, AVA's perform a similar role in identifying for consumers where their wines come from.

The value of Portuguese wine exports has increased in the last few years, reaching a total 725 million euros in 2013 (a growth of 2.4% in comparison with the previous year), being that wine is the main product in Portuguese food products exports (16% in 2011).

Looking at Portuguese wine exports in 2013, Port Wine represented 22.8% of the whole lot and 43.6% of the total value, registering an increase of 6% in its average price, which leveraged the growth of the exported value.

It should also be noted that the subsequent Resolution issued by the NGPC on 04.04.2014 which grants additional time, namely 60 days, for the interested parties to negotiate, it provides, however, that, "faldditional time (60 days) should be allotted before proceeding with the .WINE and .VIN contracting". This seems to mean that, when the 60 day deadline lapses, the new gTLDs for .VIN and .WINE will proceed to the contracting phase. Therefore, once again, the applicants would be under the impression that they need not necessarily resolve any points of contention since, whilst they will negotiate during 60 days, once such deadline has passed, whether an acceptable solution has been reached or not, the .VIN TLD will be delegated to its only applicant and the .WINE TLD will be delegated to one of its applicants. Such context is far from being favourable to negotiations in good faith and to the pursuit of a balanced agreement.



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 on line via Internet could indeed be deceived into believing that they are buying a genuine EU product with specific qualities and characteristics of a product with geographic indication, when they are in fact they are buying an imitation. Further the rights of holders of geographic indication would be impaired. Therefore, the adverse impact of the Resolution could be considerable.

As reflected in section 6, consumers and right holders are the stakeholders affected by Resolution 2014.03.22.NG02. The protection of their legitimate rights has a public value as demonstrated above. The Portuguese Government represents that public interest and as such, it is also entitled to assert this reconsideration request.

8. Detail of Board or Staff Action - Required Information

This request relates to a Board Action, namely the adoption of a Resolution which is due to: a) material information not considered by the Board and b) based upon inaccurate, false or misleading materials (and information) presented to the Board and which formed the basis for the Resolution to be reconsidered.

- 1) The Board has not considered certain material information. Although the body of the Rationale for Resolution notes that "several governments provided letters to the NGPC expressing the nature of their views on whether the GAC's advice on the .WINE and .VIN TLDs should be imposed", the list of materials and documents reviewed by the NGPC as part of its deliberations does not list any of the documents provided by the European Union (currently posted under ICANN's correspondence and which should be duly taken into account;
 - Letter 1: http://www.icann.org/en/news/correspondence/kroes-to-icann-board-07nov13-en
 - Letter 2: http://www.icann.org/en/news/correspondence/steneberg-to-crocker-et-al-03feb14-en
 - Letter 3: http://www.icann.org/en/news/correspondence/schulz-to-crocker-et-al-19mar14-en

Morcover, the NGPC has carefully reviewed the responses from .vin and .wine applicants to GAC advice on the matter but has left out of the scope of its Resolution the views of several other wine-related stakeholders (including US-based wine rightholders). The

following communications are also published under ICANN's correspondence site and should be duly taken into account:

- Letter 1: http://www.icann.org/en/news/correspondence/curbastro-to-crocker-et-al-23apr13-en
- Letter 2: http://www.icann.org/en/news/correspondence/barbier-to-crocker-et-al-26apr13-en
- Letter 3: http://www.icann.org/en/news/correspondence/lafaille-to-crocker-20jun13-en
- Letter 4: http://www.icann.org/en/news/correspondence/figueroa-et-al-to-crocker-et-al-09jul13-en
- Letter 5: http://www.icann.org/en/news/correspondence/cakebread-to-crocker-08aug13-en
- Letter 6: http://www.icann.org/en/news/correspondence/curbastro-farges-to-crocker-et-al-19aug13-en
- Letter 7: http://www.icann.org/en/news/correspondence/goerler-to-crocker-29aug13-en

Such correspondence would, or at least should, have had an important impact on any Resolution issues, with respect to the delegation of the .WINE and .VIN extensions.

- 2) The ICANN Board NGPC has also based its Resolution upon inaccurate, false and misleading materials (and information), and which formed the basis for the Board action being challenged.
- (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 which was 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 By-laws as it will be shown below.

- Bylaws Article XI-A, Section 1 subsection 3 states that the GAC can request "at any time" to 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.
- Bylaws 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 Bylaws 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-law 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 Bylaws 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
 - b) 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

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, Mr Passa only refers to the application filed by one of the applicants, namely the Donuts company. It is therefore suggested that additional legal advice, from other experts, designated in a transparent manner, be considered.

It is however 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 expert analysis saying that there is no rule of law or general principle which obliges ICANN to reject the applications. The Requesters agree 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.

In terms of the form of the legal report provided to the NGPC and the conditions surrounding its authorship and its submission:

The undersigned seeks clarification of the following issues:

- Can the NGPC provide explanations as per how and under what circumstances the legal expert/author was selected? Has there been any open and transparent competition based on a list of experts from which the author was retained? Was the expert/author chosen ad personam? Can the NGPC provide the necessary documentation or evidence that there is no conflict of interest between ICANN, any of the three applicants and the selected expert/author?
- Taking into account that the Buenos Aires GAC Communique requested the Board to "seek 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" can the NGPC clarify why this

question was not addressed to the legal expert/author? What is the background information, if any, submitted to him? In particular, did ICANN inform him in extenso of the arguments raised by the interested parties involved, by the different GAC members and the correspondence received by ICANN as a follow up to the Buenos Aires Communique?

• Taking into account that the expert report is not dated, can the NGPC confirm the date in which the report was drafted? Can the NGPC confirm that the report seems to have been delivered on 22.03.2014 as indicated in ICANN's website http://www.icann.org/en/groups/board/documents/analysis-wine-vin-22mar14-en and that as such, the NGPC resolved on the matter on the very same day that the report was delivered being that the reason why the NGPC did not consult the GAC?

Pending clarification of the aforementioned matters through a response of the current reconsideration, it stems *prima facie* from the above that the circumstances related to the selection of the expert, the drafting and presentation of this report were neither transparent, nor objective, nor respectful of other parties' rights to be heard.

In terms of substance of the legal report provided to the NGPC, the undersigned would like to make reference to the letter sent by the European Commission to the ICANN Board on 02.04.2014 (http://www.icann.org/en/news/correspondence/steneberg-to-icann-board-02apr14-en.pdf), and seek clarification of why the content indicated in the following sections has not been taken into account in any NGPC Resolution, notably for what concerns the obligation for the Registry/Registrar of the .WINE and .VIN gTLDs to implement protective measures:

- In point 1, § 6, the author indicates that "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". This confirms our views that ICANN is not the best placed party to
 adjudicate on the matter and that the implementation of safeguards should be left
 to the concerned parties (applicants and rightholders)
- In Point 10, § 1 the author indicates that "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 contracting parties, that it would then be able to reject the application for the new gTLD" and "based on a simple precautionary measure designed to prevent what are deemed to be sufficiently serious risks of an infringement of the geographical indication" as set forth in Point 10, § 2, . The application of this precautionary Contact Informat on Redacted

measure appears hence justified due to the lack of commitment of the applicants to the on-going negotiations.

- In point 2, § 1, the author rightfully acknowledges yet that "reservation of a new gTLD may infringe prior third-party rights or, more generally, interests".
- The author notes in Point 5, iii) that "a party reserving a domain name does not necessarily have the right to use the geographical indication in question for wines of for products or another type which it sells on the website identified under the domain name in question", therefore recognizing the existence of a high risk of third-party rights misuse and misappropriation.
- It is also worth noting that the author, in Point 9, § 2 explicitly mentions that "If, however, he [understood as the "registrant"] 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". The matter, indeed, as indicated in Point 9, § 2, would require a case by case analysis 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".
- Moreover, as already requested by European and other GAC members, in Point 11, § 1 the author concurs with our opinion and expressed that "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, geographic indications".
- Furthermore, Point 11, § 2, also in full accordance to the views of other interested governments, the European Commission and parties, confirms that "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 name users, its partners, from infringing third party rights". It is for that reason that applicants have been continuously encouraged since the ICANN Beijing meeting in mid-2012 to come to an agreeable solution with wine rightholders to ensure that adequate safeguards are provided in the delegation of the ".wine" and ".vin" gTLDs.
- 9. What are you asking ICANN to do now?

The undersigned notes that, to date, none of the .wine and .vin applicants has unequivocally included in its application appropriate safeguards for the protection of GIs, AVAs or wine growing place names. In this context, the undersigned respectfully request from ICANN to:

- a) reverse its Resolution 2014.03.22NG01 considering the aforementioned information and comments; and further declare null and void Resolutions 2014.04.04 NG01-2014.04.04 NG04
- b) While reconsidering, take into account the existing materials disregarded at the time of the NGPC Resolution 2014.03.22NG01 and listed across this document and notably in Section 8.
 - a. Grant adequate protection to all wine growing regions including GIs. It is indeed absolutely necessary to ensure that, if the extensions are delegated, there are additional safeguards around the .wine and .vin domain names with protection for GIs and all wine growing place names at the second level
 - b. A minima, respectfully call for ICANN to 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, whilst adequate protection is not granted,
- 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.

In addition to the elements noted in Section 6 of this Reconsideration Request, it is clear that the Resolution breached the ICANN Bylaws. The conclusion of the Resolution, which is based on such violation, is highly detrimental to the interests of the wine and spirit industry. Indeed, the Resolution concluded that "the applications for .WINE and .VIN should proceed through the normal evaluation process". In the European Union (EU) 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 EU GI for wines is considerable. Proceeding through the normal evaluation process without additional safeguards would negate the EU 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 that have to be taken scriously. 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 Douro demarcated origin (PDO Porto) product with specific qualities and characteristics, 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. Indeed, the Requester has spent a considerable amount of time and efforts into trying to reach an agreement with the applicants to try to obtain that safeguards be implemented before the .WINE and .VIN strings are delegated and the Resolution would unfairly prevent it from reaching an agreement in this respect.

Within the EU, the European Commission is bound, pursuant to Article 17 of the Treaty on European Union, to "promote the general interest of the Union and take appropriate initatives to that end. It shall ensure the application of the Treaties, and of measures adopted by the institutions pursuant to them. It shall oversee the application of Union law under the control of the Court of Justice of the European Union. (...).

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, transcripted 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."

The Member States are 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 both the Member States and the European Commission are 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 EU 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 EU GIs, thus entailing huge potential confusion for the consumer, considerable losses for the right holders of these EU GIs, and extremely high costs in seeking judicial redress.

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

X Yes

11a. If yes, Is the causal connection between the circumstances of the Reconsideration Request and the harm the same for all of the complaining parties?



Explain.

The undersigned represents the Portuguese Government and is put forwards on behalf of Portuguese citizens and consumers in the defense of the public policy interests that concerns them in the case in hand, and to ensure the rule of law in the European Union.

Allowing the applications for .winc and .vin to proceed through the normal evaluation process without additional safeguards would seriously undermine the protection consumers and citizens worldwide expect and are granted to GIs by the TRIPS and Lisbon Agreements as well as by the relevant EU regulations. The protection of GIs, AVAs and wine growing region names also serves the public interest because of the particular risks of fraudulent misuse of these terms. Internet users could indeed be deceived into believing that they are buying a genuine product with specific qualities and characteristics, when they are in fact getting an imitation.

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

The relevant documents are linked in the text of the Reconsideration Request.

Num L.	9.4.14
Signature	Date