

Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications

Thirty-First Session
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**PROPOSAL BY THE DELEGATIONS OF THE CZECH REPUBLIC, GERMANY,
HUNGARY, ITALY, REPUBLIC OF MOLDOVA AND SWITZERLAND**

Document prepared by the Secretariat

In a communication dated March 18, 2014, the Delegations of the Czech Republic, Germany, Hungary, Italy, Republic of Moldova and Switzerland transmitted to the International Bureau of the World Intellectual Property Organization (WIPO) the proposal contained in the Annex to the present document.

[Annex follows]

PROTECTION OF GEOGRAPHICAL INDICATIONS AND COUNTRY NAMES IN THE DOMAIN NAME SYSTEM

INTRODUCTION

1. At the 24th session of the SCT a number of delegations and representatives of observers expressed the need for enhanced protection of intellectual property rights in the Domain Name System (DNS). Concerns were particularly raised in the context of the expansion of DNS initiated by the Internet Corporation for Assigned Names and Numbers (ICANN) to introduce new generic top level domain names (gTLD). As a result of the discussion the SCT requested the Secretariat to report on relevant development in that area. Similar request was communicated to the Secretariat in the following sessions of the SCT since autumn of 2010.
2. The SCT already addressed the issue of possible conflicts of domain names and intellectual property rights, including trademarks, country names and geographical indications, parallel to the first and second WIPO Internet Domain Name Processes. Several aspects of cyber squatting in the DNS have raised reasonable doubts among members of SCT as to whether the WIPO Uniform Domain Name Dispute Resolution Policy (UDRP) would provide effective forum for mediation, therefore proposal was made to review and broadening the scope of UDRP to country names and geographical indications.
3. The cosponsors of this proposal are of the opinion that discrepancies regarding the effective protection of intellectual property rights in the DNS have not been duly addressed in the last decade. In addition, the introduction of new gTLDs resulted in new undesirable possibilities for registration and use of domain names that violate intellectual property rights. Therefore it seems to be essential for the SCT to further analyze the particular points of conflicts in order to identify areas of improvement and possible measures to be taken.

Extending the scope of UDRP to Country Names and Geographical Indications

1. The UDRP is a well recognized dispute resolution service which proved to be very successful in the last 15 years. According to Paragraph 4) a) of UDRP policy, the dispute resolution is only available for request based on earlier trademarks or service marks. As a consequence of this rule, country names, indications of source or geographical indications cannot be invoked in the UDRP, even though domain names can be easily registered and used in a deceptive manner. This deficiency already appeared in the First and Second WIPO Domain Name Process, where several comments clearly indicated that such limited scope of UDRP is an obstacle for safeguarding the legitimate interest of right holders.
2. According to point 238. of the final report of the Second WIPO Internet Domain Name Process, *it is undeniable that there is widespread evidence of the registration and use of geographical indications and other geographical source identifiers by persons who have no connection whatsoever with the locality to which the identifiers refer. These practices are misleading and harm, first, the integrity of the naming systems in which those geographical identifiers operate and, secondly, the credibility and reliability of the DNS.* After 2003 this

question was not consulted by the SCT, mainly because the committee was concentrating its work on the revision of the Trademark Law Treaty at that time.

3. The increasing role of Internet in the global movement of goods and services is evident, such as the growing importance of domain names which became the most relevant business identifier for consumers. However it is unclear even today what impact of this impressive development of trade on the Internet and the growing number of delegated domain names had on the protection of country names and geographical indications. It is also necessary to learn how the limited scope of UDRP affected the legitimate interest of their right holders.

4. It is worth mentioning the value of geographical indications in terms of economy and culture. Due to the fact that genuine products with protected geographical indication are closely connected to their place of production and are influenced by specific local factors, they create value for local communities and properly inform the consumers about the origin of the product. They support rural development and promote new job opportunities in production, processing and other related services, and in the same time strengthen consumer loyalty. Geographical indications are a useful intellectual property right for developing countries because of their potential to add value and promote rural socio-economic development.

5. However, as a consequence of such high commercial value of geographical names, they are exposed to misuse and counterfeiting. The abuse of geographical indications limits access to certain markets and undermines consumer loyalty. In the absence of effective measures against misuse of geographical indications and other important geographical names in the operation of DNS, the risk of infringement of such intellectual property rights increased significantly.

6. The cosponsors of this proposal therefore propose to extend the discussion in the SCT with a view to making a recommendation 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 geographical indications and to confirm the need of the extension of UDRP to country names following the decision of the General Assembly in 2002. The cosponsors request the preparation of a study that shall investigate:

- whether the need of users for the protection of geographical indications in the DNS has changed,
- whether the measures available today for holders of geographical indications against infringing domain names are effective enough and
- how the existing legal and procedural framework could be improved.

ASPECTS RELATED TO GEOGRAPHICAL INDICATIONS AND IMPORTANT GEOGRAPHICAL NAMES OF THE DOMAIN NAME SYSTEM

1. In 2007 ICANN decided to initiate the new gTLD program with the aim to add unlimited number of gTLD to the highest level of DNS, thus a special committee was established with the responsibility for all legal and decision making authority of the ICANN Board related to the new gTLD program. The idea of broadening the set of gTLDs, gave ground for serious concerns among right holders. WIPO Arbitration and Mediation Center has been monitoring the developments, in particular those of new right protection mechanisms which suppose to safeguard the interest of earlier right holders. According to the repeating request of the SCT, the Secretariat, with the involvement of the representative of WIPO Arbitration and Mediation Center, informed the membership since 2010 in every session of the Standing Committee.

2. The discussions and consultations shed light on a special problematic aspect in the context of the introduction of new gTLDs, indicating that some geographical names are too important to allow the monopolization of them on the Internet by anyone without further limitations, *e.g.* support by the respective government. ICANN came to the conclusion to create a list of important geographical names. An application for gTLD strings that contains geographical name from the list has to meet additional requirements defined in the ICANN Application Guidebook, Module 2, pages 2-17 and 2-18.

3. Some of the cosponsors of this proposal have already expressed concerns in previous meetings of the SCT as to the selection standards and possible application of the list of important geographical names in the extended DNS (point 297. of SCT/29/10 and point 289. of SCT/30/9 Prov.). The co-sponsors are not fully convinced about the neutrality and complexity of the list of important geographical names. The names of states, names of capitals and names of regions are not necessarily covering the full range of geographical names that are considered commercially, historically or culturally important for the Country or the Local Government at stake. At the same time authorities neither have the possibility to include further names to that list, nor the effective legal means to enforce their rights against domain names in the legal right mechanisms offered by ICANN. In addition, the UDRP service is not available for such requests. The application of the existing list of geographical names may also give rise to ambiguity as to whether all variations of names of States or capitals are properly safeguarded against unlawful use in applications for new gTLDs.

4. Furthermore the cosponsors are strongly of the view that geographical indications should be included in the list. Without repeating the same arguments on the importance of geographical indications, we would like to emphasize the high risk of infringements in the registration, sub-delegation and use of new gTLDs, while the measures available for holders are limited or not-existing.

5. The cosponsors propose that the SCT start discussions in order to find a common solution to ensure the protection of geographical indications in the DNS, having regard in particular to the new gTLDs. Furthermore the cosponsors propose that the SCT ask the Secretariat to prepare a working document with the involvement of both Member States and other stake holders that shall present the difficulties of protection of geographical indications against wrongful registration and use of domain names with a view to adopt a joint recommendation to revise the ICANNs Application Guidebook accordingly.

[End of Annex and of document]