

**Are licensees of prior rights on registered trade marks in the Community entitled to file a .eu domain name based on such rights during part 2 of the so-called phased registration period (Sunrise Period)?**

*Memorandum established by Florent GEVERS*

According to information that has been spread by EURid and Price WaterhouseCooper (PWC) , the Validation Agent, it will not be possible for above mentioned licensees to file .eu domain names during part 2 of the phased registration period and this in accordance with Article 12.2, § 4: “*by holders of prior rights on those names*”.

We would like to express some doubts about this conclusion.

**Introduction**

1. To benefit from the phased registration period, there are, according to Article 10, two kinds of eligible parties.

First, holders of prior rights recognized or established by national and/or Community law. A non-limited enumeration of such rights is indicated under Article 10.1, § 2 and includes “*registered national and community trademarks, geographical indications or designations of origin*”.

The second kind of eligible parties are “*public bodies*”, as mentioned in Article 10.1 and described in § 3. Such parties are entitled to file their “*complete name ... or the acronym that is generally used ...*” (Article 10.3).

Therefore, public bodies are entitled to file a .eu domain name:

- Corresponding to their complete name ...: In that circumstance, according to the precise wording of Article 10, a **public body is not considered as the holder of a prior right**. This conclusion is of great importance in the discussion that will follow.
- If they are holders of prior rights, such as a trade mark, they are also entitled to file .eu domain names based on such rights.

In the forthcoming discussion, when we speak of “*public bodies*”, we will always refer to them in their first capacity as described above and not in their possible capacity of filing on basis of prior rights, such as for instance if they are the holder of a registered trade mark.

2. Article 12.2, § 3 describes what can be filed in part 1 and by whom.
  - 2.1. First comes the registered national and community trademarks and geographical indications. It is to be noted that “*designations of origin*”, such as indicated in Article 10.1, § 2 are not mentioned. I think that this can be considered as an omission and therefore this sub article must be interpreted as also containing the words “*designations of origin*”.

Obviously, all eligible parties mentioned in Article 10, whether they are holders of prior rights or public bodies, are only entitled to file .eu domain names if they meet the

requirement of “*establishment*” in the EU, such as laid down in Article 4.2 (b) of Regulation 733/2002.

Article 10.1 concerning “*prior rights*” only speaks of holders. Article 12.2, § 3 concerning part 1 of the phased registration period adds, as eligible parties, the licensees of prior rights.

They can be licensees of holders who are entitled to file themselves, such as a Belgian company, or licensees of holders who are not entitled to file, such as for instance a holder who is a US resident.

- 2.2. Additionally, public bodies mentioned in Article 10.1 are entitled to file during part 1. Their “*complete name ... or the acronym that is generally used*”, and under circumstances “*the complete name of the territory for which they are responsible, and the name under which the territory is commonly known*”.

## **Summary**

1. According to the existing interpretation of the Regulation (Article 12.2, § 4) licensees of prior rights are not entitled to file during part 2 of the phased registration period because they are not “*holders of prior rights*”.
2. We do not share this interpretation and we come to the conclusion that the reference “*holders of prior rights*” only refers to “*all other prior rights*” and not on “*the names that can be registered in the first part*”.

If this interpretation is correct, then licensees of prior rights and, as explained hereunder, public bodies are entitled to file during part 2.

3. If licensees are excluded from part 2, then public bodies, in their entitlement to file their own “*complete name or acronym*”, will also not be entitled to file during part 2, because they are not “*holders of prior rights*”.
4. For different reasons, it does not seem logic that public bodies are not entitled to file during part 2.
5. As a conclusion, both licensees of prior rights and public bodies are entitled to file during part 2.

## **Discussion**

**Licensees (and public bodies) should also be entitled to file .eu domain names during part 2 of the Phased Registration.**

Let us now come to the problem as described in the heading of the present comment.

1. The key sentence in the Regulation is laid down in Article 12.2, § 4 which reads: “*During the second part of phased registration, the names that can be registered in the first part as well as names based on all other prior rights can be applied for as domain names by holders of prior rights on those names.*”

For the facility of the reasoning, I have divided this paragraph into 4 sections.

- Section 1 “*the names that can be registered in the first part*”: this obviously means all the names as defined in the preceding paragraph of the Regulation, with no exclusions: prior rights, namely trade marks, geographical names and names of public bodies. At this stage of the paragraph, there is no exclusion as to eligible parties as defined in the preceding paragraph of the Regulation, namely holders, licensees of prior rights and public bodies.
  - Section 2 “*as well as names based on all other prior rights*”: this obviously refers to Article 10.1, § 2, which indicates a non-limited list of such rights. This section 2 concerns therefore only “*prior rights*” and therefore excludes names of public bodies because, as explained, they do not have “*prior rights*”, at least as defined by the Regulation.
  - Section 3 “*can be applied for as domain names*” (during part 2 of the Phased Registration).
  - Section 4: “*by holders of prior rights on those names*” (emphasis added by us). Section 4 is therefore the key question concerning the entitlement of licensees to file under part 2, but it is also the key question, as explained hereunder, on the question of whether public bodies can also file their complete name during the same part 2.
2. It is on basis of the fact that the words « *and licensees* » do not appear after the word “*holders*” at the end of above section 4, that it was concluded that licensees are not entitled anymore to file .eu names during part 2.

Some may consider that the words “*and licensees*” should have been there, and that this results from an inadvertent omission of the legislator, just as the words “*designation of origin*” have been omitted in Article 12.2, § 3.

I am of the opinion that the words “*and licensees*” have not been inadvertently omitted because if those words had been there, it would have dramatically changed an important aspect of the Regulation, namely it would have meant that licensees “*on all other prior rights*”, such as company names would also have been entitled to file .eu domain names during part 2.

This could not have been the intention of the Community legislator, who has obviously clearly restricted the possibility of licensees to register .eu domain names only in case of registered trade marks in the Community (and maybe also on geographical names).

If the legislator had wanted the licensees of other prior rights to be entitled, then such should have already been mentioned in Article 10 of the Regulation that constitutes the general basic Article on the phased registration period.

3. The key question is therefore whether “*holders of prior rights*” apply both to section 1 and section 2 as above described (we will call this the “*broad interpretation*”) or these words only refer to section 2 (we will call this the “*narrow interpretation*”). It is to be noted that the words “*broad*” and “*narrow*” are maybe somewhat misleading, because if the “*narrow*” interpretation is accepted, more eligible parties will be entitled to file during part 2.

There is, to my opinion, no clear and straightforward indication as to how this must be interpreted. It appears that EURid and PWC have made the “*broad interpretation*”.

If the first interpretation is correct, I agree that licensees such as foreseen in part 1, should be excluded from part 2 because licensees are not holders.

However, if that is the correct interpretation, this would also mean that public bodies are also excluded to file their “*complete name*” and “*acronym*” during part 2. Indeed, section 4 says “*holders of prior rights on those names*” and public bodies, under their entitlement to file their “*complete name*” and “*acronym*”, are not holders of prior rights and are clearly separated from them in the Regulation (Article 10).

Consequently, under this interpretation licensees of prior rights must be excluded but also public bodies for what concerns their “*complete names*” and “*acronyms*”.

4. I am of the opinion that the words “*holders of prior rights on such names*” apply only to section 2 above and that therefore the “*narrow interpretation*” must prevail.

Indeed, the Regulation speaks only of “*holders of prior rights on those names*”. Section 1, as indicated above, speaks of “*names that can be registered in the first part*”. We know that this includes two kinds of names, namely “*prior rights*” and “*complete names ... of public bodies*”.

If the “*broad interpretation*” is given, this would mean that the above words would only apply to a part of the names described under part 1 of the phased registration period. Nothing in the Regulation can lead to that conclusion.

5. Exclusion of public bodies during part 2 of the Phased Registration?

I have demonstrated that if the “*broad interpretation*” prevails, not only licensees of prior rights, but also public bodies would not be entitled anymore to file their “*complete name*” during part 2 of the Phased Registration.

This is in my opinion not acceptable for different reasons:

- 5.1. In the two Regulations it appears clearly that public bodies receive a special favourable treatment and it is therefore unthinkable that during a specific period they would not be entitled to file their “*complete name ...*”.
- 5.2. Public bodies under the “*broad interpretation*” would be entitled to file during part 1, not during part 2 and again after part 2. This interruption would, in my opinion, not be understandable.
- 5.3. When one looks at part 2, this aims to protect the holders of a certain number of names that are mainly “*trade names, business identifiers, company names*”, namely all the names under which given EU legal entities, that will mainly consist of private enterprises, are able to identify themselves to the outside world: clients, competitors, official instances, etc.

If the “*broad interpretation*” is made, this would mean that during part 2 of the phased registration period, private enterprises would be entitled to file their own names, whilst public bodies would not be entitled to do so.

- 5.4. As explained above, public bodies may also be holders of registered trade marks in the Community. In this capacity, they are obviously entitled to continue to file during part 2. However, if the “*broad interpretation*” is given, this would mean that during part 2 public bodies would be entitled to file a .eu domain name in their capacity of trade mark holders, but not in their capacity of filing their own complete name. This seems at least very strange.

#### Conclusion on public bodies

The above mentioned explanation clearly indicates that the Community legislator wanted that public bodies would still be entitled to file their “*complete name*” during part 2 of the phased registration period.

This cannot be so if the last words “*holders of prior rights on those names*” apply to “*the names that can be registered in the first part*”. I have demonstrated this above.

This therefore reinforces the argument according to which the last part of the sentence only applies to “*other prior rights*” (Section 2 above).

Then, if public bodies are entitled, licensees of registered trade marks based on the same reasoning, should also be entitled to file .eu domain names during part 2.

6. I therefore am of the opinion that the words “*holders of prior rights on those names*” only applies to “*as well as names based on all other prior rights*” and does not apply to “*the names that can be registered in the first part*” with the consequence that licensees of prior rights and public bodies as to their “*complete names, acronyms ...*” will continue to be entitled to file during part 2 of the phased registration period.

It is unthinkable for us that in part 2, for the reasons given above, the public bodies would be entitled to file during part 2 and not licensees.

#### Conclusion

The above mentioned explanation tends to come to the conclusion that the last words of § 4, namely “*holders of prior rights on those names*” apply only to “*as well as names based on all other prior rights*” and does not apply on “*the names that can be registered ...*”. The consequence of this interpretation, which in our opinion is in line with the general purpose of the system, would mean that both licensees and public bodies are still entitled to file during part 2.

If contrary to our expectations, the “*broad interpretation*” is given, then EURid and the Commission should warn the public bodies that they cannot file their names during part 2 and that they better hurry to benefit from part 1 or wait until the end of part 2.

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