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Governmental Advisory Committee

Internet Corporation for Assigned Names and Numbers

12025 Waterfront Drive, Suite 300

Los Angeles, CA 90094-2536

United States of America

**Object:** Regulatory concerns regarding the application # 1-1126-33363 for the string ROCHER by Ferrero Trading Lux S.A.

Dear Chair, Vice Chairs and Executive Secretary of the Governmental Advisory Committee,

We represent the French company Laboratoires de Biologie Végétale Yves Rocher S.A. (hereinafter referred to as Yves Rocher) whose registered office is located at La Croix des Archers, 56200 LA GACILLY, France.

Laboratoires de Biologie Végétale Yves Rocher S.A. (Yves Rocher) would like to express its concerns to the GAC about the application for the TLD ROCHER applied for by the company Ferrero Trading Lux S.A. (Ferrero).

Since 1959, Yves Rocher, one of the leaders in cosmetics market and well-being industry in France, is a family-run group, profitable and independent. Controlled at more than 96% by the founder's family, the Group is animated by an "entrepreneurial & creative" spirit and proactive in environmental respect and sustainable development. Yves Rocher is well established in the world with a presence in more than 80 countries with almost 2,000 retail outlets and well-known in several countries with about 40 million customers worldwide. Moreover, Yves Rocher is :

- **No. 1 Beauty Care in France** (Source : Kantar Worldpanel Beauty 2011, All Individuals Panel, Total Hygiene and Beauty Market share volume and brand value).
- **No. 1 Hygiene and Beauty Brand in France** (in turnover in 2011, in volume in 2011. Source : Kantar Worldpanel Beauty 2011, All individuals Panel).
- **No. 1 Skin Care in France** (in turnover in 2011 among women, in volume in 2011 among women. Source: Kantar Worldpanel Beauty 2011, Individual Women's Panel).
- **No. 1 Anti-Aging Skin Care in France** (Source : Kantar Worldpanel Beauty 2012, in turnover and in volume, all individuals Panel at June 2012).

- **No. 1 Body Care in France** (in turnover in 2011 among women. Source : Kantar Worldpanel Beauty 2011, Individual Women's Panel)
- **No. 1 Make-up in France** (in volume in 2011 among women. Source : Kantar Worldpanel Beauty 2011, Individual Women's Panel)
- **No. 1 Women's Fragrance Brand in France** (Source : Kantar Worldpanel Usage. 12 months at the end of December 2011).
- **No. 1 e-commerce Website in France** for Hygiene, Health & Beauty, Fragrance, Skin Care and Make-up (Source : Barometre FEVAD – Mediametrie//NetRatings - 3221 persons, representative of Internet users, 15 years and older - May 2011). In 2012, Yves Rocher also won the "Best e-commerce website of the year" award in France, category Beauty website (Source: FEVAD).

The Internet is with no doubt one major channel of sales, from information to the purchase of a product. According to the website Statistic Brain, online sales in the US have reached \$255,600 billion in 2011 and \$763,200 billion worldwide (<http://www.statisticbrain.com/total-online-sales/>). 83 % of online users have made an Internet purchase, and 56% have made a purchase multiple times.

As the sale of cosmetics online is common practice, Yves Rocher is very attentive to any unfair e-commerce practice which could harm him both in terms of economic revenue and image of the company. Yves Rocher is also extremely concerned by the "Closed Generic" TLD Applications, in particular the ROCHER Application from Ferrero.

The Applicant, Ferrero Trading Lux S.A (hereinafter referred to as Ferrero or the Applicant) is the holding of Ferrero Group, an Italian producer of chocolate and other confectionery products. The Ferrero Group belongs to the top five confectionery companies in the world and produces the popular Ferrero Rocher chocolate.

***ROCHER Application: an attempt to extend limited trademark rights***

The generic term ROCHER is a common word, a family name and a type of chocolate. ROCHER is the French translation of the generic term "rock", defined as well in the well-known French dictionary Larousse. ROCHER is also a generic term commonly used to refer to a type of chocolate due to its shape and used by almost any chocolate manufacturer.

Furthermore, ROCHER is a common family name. According to Journal des Femmes (<http://www.journaldesfemmes.com/nom-de-famille/nom/186900/rocher.shtml>), ROCHER is the name of almost 10,000 people and the 436th most common name in France.

ROCHER is the family name of the founder of the company Laboratoires de Biologie Végétale Yves Rocher S.A., well known by the customers since the store name of the company is "Yves Rocher".

The Applicant who market and sell its famous chocolate under the name of Ferrero Rocher is trying to capture a generic term in order to use it as a marketing tool for its products, based on the fact that this generic term is included in the name of the product.

A similar application in the real world would be denied: Trademark regulations including the Lanham Trademark Act or the EU Directive 2008/95/EC forbid the registration of trademarks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade. If the Applicant were to file a ROCHER trademark registration, in a French speaking country, it would be refused for lack of distinctiveness. Trademark rights are compatible with free competition rules in as much as registration of a trademark does not

confer an exorbitant right to its holder, preventing its competitors from using a generic and necessary term in their business. The same regulations should apply to new gTLDs.

Generic words used in a generic way cannot be reserved by and in favor of a single organization. Words as parts of language are our common heritage. It is obvious that language, and its specific uses, have to be protected as public domain that is equally accessible to all.

Furthermore, according to search tool of the Office for the Harmonization of the Internal Market (<http://tmview.europa.eu/tmview/welcome.html>), the term ROCHER is included in over 460 trademark registrations within 25 countries of the European Union. The applicant's purpose is to have exclusive operating rights for the TLD rather than leaving registrations open. In so doing, it seeks to capture the sole use of this generic term for its own business. If the ROCHER TLD were delegated to the Applicant, a single stakeholder would control and prevent others from registering domain names under .ROCHER.

### ***ROCHER Application: a Closed Generic TLD Application***

The "Closed Generic" TLD Applications have the following characteristics:

- the TLD applied-for is a generic term, a word of common language that may be closely linked to an economic sector;
- the Applicant is a major stakeholder and is closely linked to the TLD, either because it represents its economic sector or the TLD is used in its commercial offer;
- the Applicant plans to restrict the registration of domains under the TLD to itself or to a limited number of partners (subsidiaries, affiliates, business partners).

Yves Rocher noted in the ROCHER Application the intent of Ferrero to appropriate the generic term ROCHER for its exclusive benefits. The application is structured in a way that the registration of domain names will be completely controlled by Ferrero and used to ensure the promotion of its products and services.

Yves Rocher has identified the following statements in the ROCHER Application (Q18):

- *"All domains in the .Rocher registry will remain the property of Ferrero".*
- *".Rocher names must be utilised solely for purposes that enhance Ferrero's strategic or commercial interests".*
- *".Rocher names may not be delegated or assigned to external organizations, institutions, or individuals".*

This application raises many issues:

- The delegation of a generic term, a word of common language to a rights owner will lead to establishing a monopoly by excluding de facto other stakeholders that would have a legitimate interest to register domain names in this TLD, including direct and indirect competitors;
- This monopoly will lead to a distortion of competition between stakeholders and will eliminate any competition in the online market. Consumers will be directed straight away to Ferrero's offers, eliminating de facto offers from competitors.
- Delegation of the generic term ROCHER will have the opposite effect to that sought by ICANN (e.g. promotion of competition, differentiation and innovation).
- The use of a generic name by the Applicant for its own benefit may lead to consumer confusion at best, misappropriation of clients at worst.

On a legal point of view, such applications may be viewed as infringing international treaties and national anti-trust laws, and in particular:

- Article 10bis of the Paris Convention for the Protection of Industrial Property which states:
  - (1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.
  - (2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.
  - (3) The following in particular shall be prohibited:
    - (i) all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
    - (ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
    - (iii) indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.
- Article 102 of the Treaty on the Functioning of the European Union which states: "Any abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it shall be prohibited as incompatible with the internal market in so far as it may affect trade between Member States."
- The Sherman Act which outlaws "every contract, combination, or conspiracy in restraint of trade," and any "monopolization, attempted monopolization, or conspiracy or combination to monopolize." The Federal Trade Commission Act which bans "unfair methods of competition" and "unfair or deceptive acts or practices."

Yves Rocher will inform the governments of several nations as well as officials of the European Union who we believe would be concerned by these issues related to free trade and consumer safety.

We recommend the GAC to issue a statement to the ICANN Board to reject this application which can misguide the information of the public.

Best regards,

A handwritten signature in black ink, consisting of a horizontal line with a vertical stroke intersecting it near the center, and a small dot at the end of the horizontal line.

Nathalie Dreyfus