Ownership in Champagne cases

In the case of winemakers in the Champagne region, individual winemakers typically do not own the goodwill associated with the term "Champagne." Instead, they hold a right linked to the use of a protected geographical indication (PGI), which allows them to use the name "Champagne" as part of the collective regional designation. The ownership of the goodwill associated with the term "Champagne" is held collectively by the region as a whole, protected under French and European Union law.

The right to use "Champagne" is based on the appellation d'origine contrôlée (AOC) system, which regulates the designation under strict guidelines. Thus, individual producers have a right to use the name "Champagne" under this system but do not individually own the goodwill; the goodwill is legally attributed to the broader regional designation, ensuring that only wines produced within the Champagne region and meeting the AOC standards can use the name. This protection prevents others outside the region from exploiting the goodwill of "*Champagne*."

The ownership of the name "Champagne" lies not with individual winemakers but within the broader, collective framework established through the appellation d'origine contrôlée (AOC) and Protected Geographical Indication (PGI) systems, which are enforced under both French and EU law. These systems ensure that "Champagne" as a designation is safeguarded and may only be used by producers within the defined geographical boundaries of the Champagne region, provided they adhere to stringent production standards and quality controls.

Under this framework, individual winemakers are granted the right to use the "Champagne" name as part of a collective identity rather than as individual property. The Court of Justice of the European Union (CJEU) case law, including cases like *Comité Interprofessionnel du Vin de Champagne (CIVC) v Aldi Süd Dienstleistungs-GmbH & Co. OHG* (C-393/16), demonstrates that "Champagne" is protected as a geographical indication. In the Aldi case, the CJEU reinforced that names associated with such geographical indications must remain exclusive to products genuinely originating from the defined area and produced under prescribed standards. This prevents non-Champagne producers from benefitting from the reputation associated with the Champagne name, thereby safeguarding its distinctiveness.

Thus, individual winemakers contribute to and share in the collective recognition and value associated with "*Champagne*." However, the goodwill linked to "*Champagne*" does not reside with any single winemaker but is, in essence, pooled and protected within the legal boundaries of the region as a whole. The control and protection of the name are managed by bodies such as the Comité Interprofessionnel du Vin de Champagne (CIVC), which act to preserve the integrity of the Champagne designation, ensuring that it remains exclusive to wines genuinely meeting the criteria established by the AOC.

English law and Champagne

In English law, rights associated with the goodwill in champagne trading cases—or any case involving trademarks, branding, and reputation linked to a product—are held by the party that has established the recognition and reputation tied to specific goods or services. Goodwill is generally viewed as an asset that attracts customers and can be intrinsic to a brand, meriting legal protection. In champagne-related cases, case law focuses on geographic origin and brand identity, which are essential in establishing rights and protection over goodwill.

One leading case on goodwill is *Irvine v Talksport Ltd* [2002] EWHC 367 (Ch), where Eddie Irvine, a well-known Formula One driver, succeeded in an action for passing off when his image was used without permission, leveraging the goodwill associated with his reputation. The court highlighted that goodwill represents a proprietary right, acting as an "attractive force" that brings in custom, established through continuous and deliberate use in commerce. In champagne trading, a similar principle applies; goodwill in the brand and reputation of a champagne producer, such as Moët & Chandon, is linked to the business responsible for cultivating customer loyalty and brand recognition.

Furthermore, *AG Spalding & Bros v AW Gamage Ltd* [1915] 84 LJ Ch 449 provides a foundation for understanding rights linked to goodwill in England. This case sets out the three essential elements required to succeed in a passing-off action, which involves protecting goodwill: the plaintiff must show they possess goodwill, that there has been misrepresentation by the defendant, and that damage has resulted from this misrepresentation. In champagne trading, if a competitor used a well-known brand's name or image to market their champagne, the aggrieved brand could potentially claim a right over the goodwill and seek redress, provided these conditions are met.

Another instructive case is *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] AC 731, known as the "Advocaat" case. This case reinforced the notion that goodwill is tied to the distinctiveness and reputation of a product originating from a specific source. The House of Lords ruled that using the name "Advocaat" for a non-authentic product constituted passing off, affirming that goodwill is intrinsically tied to both the product's origin and its branding characteristics. Champagne is particularly susceptible to such considerations, given its protected designation of origin under EU law. This implies that the goodwill associated with any "champagne" product should rightly align with producers in the Champagne region, France, who maintain its recognised standards and reputation. Thus, even in UK courts, rights linked to goodwill in champagne trading would typically favour producers who meet this regional criterion.

In conclusion, English case law suggests that in champagne trading, the rights linked to goodwill are generally vested in the entity that has established a recognised and respected reputation connected to the specific champagne product or brand. This protection is further supported by trademark rights and the protected designation of origin status, resonating with cases like *Spalding* and *Advocaat*, which underscore the critical role of brand distinctiveness and geographic origin in establishing and maintaining rights over goodwill.

Application to bitcoin

The principles surrounding goodwill and rights in English law, particularly those seen in champagne trading cases, can be analogously applied to Bitcoin, especially in regard to the distinctiveness of the term "Bitcoin" and its original protocol. Just as Champagne producers rely on a protected designation to establish rights based on a collective reputation and region, Bitcoin's foundational design—asserted to be "set in stone" by its creator, Satoshi Nakamoto—creates a distinctive protocol that builds and sustains its own unique form of goodwill. Those who adhere to the original protocol can thus claim rights tied to this distinctiveness, akin to the appellation controls in Champagne, where only authentic products from the defined region meet the criteria.

In Irvine v Talksport Ltd [2002], where the court held that the goodwill associated with Eddie Irvine's image and reputation entitled him to protection, a similar argument could be made for those following Bitcoin's original protocol. Just as Irvine's use of his identity was legally safeguarded against unauthorised exploitation, rights associated with the term "Bitcoin" can be argued for under the assurance that the protocol's design would remain fixed, thereby providing recognisable, original characteristics that differentiate it from versions altered by developments like SegWit and Taproot.

The AG Spalding & Bros v AW Gamage Ltd [1915] case, where goodwill protection required proof of a unique reputation, misrepresentation, and subsequent damage, underpins a similar framework for Bitcoin. Adherents to the original protocol might argue that changes to Bitcoin (BTC) misrepresent the original system, creating a situation where those who followed the initial "set in stone" assurance face harm through deviation. This could allow those original adherents to claim rights based on the distinctiveness of Bitcoin's original design, where any alternative use of the name "Bitcoin" that strays from these core principles could be construed as misleading.

Erven Warnink BV v J Townend & Sons (Hull) Ltd [1979], or the "Advocaat" case, further strengthens this concept of rights based on origin and product integrity. Just as the term "Advocaat" was protected to ensure authenticity, the distinct term "Bitcoin" can be similarly argued to carry rights for those adhering to the original protocol, safeguarding the term from alterations that obscure its foundational design. This case's emphasis on the specific origin of products supports the argument that the rights to the term "Bitcoin" are held by those who uphold the protocol as originally intended, safeguarding it from misrepresentative changes in function or appearance.

In the context of promissory estoppel, those who committed resources based on Satoshi's assurance that Bitcoin's protocol was "set in stone" may claim a right to maintain that original protocol's integrity. Alterations that deviate from the original promises could be viewed as undermining this commitment, just as non-authentic products misrepresent Champagne. Consequently, the term "Bitcoin" itself, like "Champagne" or "Advocaat," might carry rights not of ownership per se but of authenticity, linking the term directly to the original protocol and those who uphold it.

In English law, the rights associated with Bitcoin's original protocol, much like those seen in champagne trading cases, are rooted in maintaining authenticity rather than ownership of the name "Bitcoin." The rights do not lie in the name itself but in adherence to the original protocol's distinctive, immutable characteristics. Promissory estoppel could support those following the original design, as any deviation undermines the reliance on Satoshi's assurance that the protocol was "set in stone." This reliance creates a claim to uphold the protocol's consistency, akin to the collective rights in geographic indications like "Champagne," which protect authenticity and **prevent misrepresentation without individual ownership of the designation**.