

15: Geographical Indications

Article 22 Protection of Geographical Indications

1. Geographical indications are, for the purposes of this Agreement, 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.

2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

(a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;

(b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).

3. A Member shall, ex officio if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

Article 23 Additional Protection for Geographical Indications for Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical

indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.*

2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, ex officio if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

[Footnote]* Notwithstanding the first sentence of Article 42, Members may, with respect to these obligations, instead provide for enforcement by administrative action.

Article 24 International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

2. The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.

4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying

1. Introduction: terminology, definition and scope

wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.

5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

(a) before the date of application of these provisions in that Member as defined in Part VI; or

(b) before the geographical indication is protected in its country of origin; measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.

7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.

8. The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.

9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

1. Introduction: terminology, definition and scope

The term "geographical indication" came into use in WIPO negotiations in the mid-1970s and effectively entered into common usage with the conclusion of TRIPS. Although the protection of product names associated with places was long

embodied in various legal doctrines, use of the term “geographical indication” in TRIPS was intended to help bring coherence to an unsettled area.

TRIPS defines “geographical indications” in Article 22.1 as “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 geographic origin.” There are a number of important elements in this legal formulation. The “indication” is not expressly limited to the name of a place, so that a product name known to be associated with a place may qualify for protection. While a good’s association with a place may be based on a “given quality”, which would be understood as some objectively identifiable characteristic, this is not a requirement for protection. The place identifier may instead have a reputational or goodwill association with consumers. This criterion for protection would not be an objectively measurable characteristic of the good, but instead a determination regarding consumer association of a good with a place.

The geographical indication is distinguished from most other forms of IPR represented in TRIPS by its shared character. A geographical indication is not the property of a single right holder, but is rather an identifier that is used by producers in a place. This characteristic – that is, the absence of a particular owner – distinguishes the geographical indication from the trademark.³²⁸

Although TRIPS obligates WTO Members to protect rights in geographical indications, it leaves substantial discretion to each Member to determine the manner in which such protection will be afforded.

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2.1 Situation pre-TRIPS

Identifiers of the geographical origin of goods have long been protected against commercial misuse.³²⁹ The common law doctrine of passing off, based on protection against the tort of unfair competition, was used to protect merchants against deceptive geographic claims.³³⁰ In U.S. and U.K. law, for example, geographic origin was protected by collective marks and certification marks.³³¹ In civil law jurisdictions, the appellation of origin was used to protect against false claims of geographic origin. Moreover, laws regulating international trade typically required importers to identify the geographic origin of goods to allow for the appropriate application of customs duties, quota regulations and so forth.

³²⁸ Collective trademarks involve shared ownership, but typically in respect to a defined group of owners. A geographical indication is typically available to all producers within a region, although the group of producers in a region entitled to use the indication may be restricted by various forms of regulation.

³²⁹ See Document Sct/6/3 Rev. *On Geographical Indications: Historical Background, Nature Of Rights, Existing Systems for Protection and Obtaining Protection in Other Countries*, Prepared by the Secretariat, WIPO Standing Committee On The Law Of Trademarks, Industrial Designs And Geographical Indications, SCT/8/4, April 2, 2002.

³³⁰ On the common law doctrine of passing off, see W.R. Cornish, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (4th ed. 1999), at Chapter 16.

³³¹ In the U.K., for example, Stilton cheese and Harris Tweed are protected by certification trade marks. The Harris Tweed mark was first registered in 1909, and is now owned by the Harris Tweed Authority, which was established by a 1993 Act of Parliament.

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2.1.1 Multilateral rules

2.1.1.1 The Paris Convention. The basic principle of protection against unfair competition is set out in Article 10*bis* of the Paris Convention, which is both generally incorporated in TRIPS at Article 2 (see Chapter 3), and specifically incorporated as a foundation for protection of geographical indications at Article 22.2(b). Article 10*bis* of the Paris Convention states:

“Unfair Competition

- (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:
 1. 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;
 2. 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;
 3. 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.”

In addition, the Paris Convention, at Article 10(1), includes provision (cross-referenced to Article 9), obligating state parties to provide for the seizure of imports “in cases of direct or indirect use of a false indication of the source of the good or the identity of the producer, manufacturer, or merchant”. Article 10(2) provides that a right to prevent such imports should be accorded to “Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used”.

2.1.1.2 The Madrid Agreement. The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of April 14, 1891, incorporated a limited extension to Article 10 of the Paris Convention, addressing not only “false” indications of source, but also “deceptive” indications, providing at Article 1(1):

“All goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries.”

The additional reference to deceptive indications was viewed by its proponents as a way to address the practice of accompanying a geographic name

with a form of qualifier or disclaimer (e.g., California Burgundy or California Chablis), when such combination-indication might nonetheless cause consumer confusion.

Adherence to the Madrid Agreement was and remains limited.³³²

2.1.1.3 The GATT 1947. Article IX of the GATT 1947 addressed marks of origin,³³³ *inter alia*, at Article IX:1 requiring MFN treatment for such marks. The concept of the geographical indication is previewed at Article IX:6, providing:

“The contracting parties shall co-operate with each other with a view to preventing the use of trade names in such manner as to misrepresent the true origin of a product, to the detriment of such distinctive regional or geographical names of products of the territory of a contracting party as are protected by its legislation. Each contracting party shall accord full and sympathetic consideration to such requests or representations as may be made by any other contracting party regarding the application of the undertaking set forth in the preceding sentence to names of products which have been communicated to it by the other contracting party.”

Article IX:6, GATT 1947, was not framed in terms of strict obligation, but rather in terms of cooperation with a view to prevent misrepresentation. Also, the duty to cooperate is based on protection of a distinctive regional or geographic name by legislation in the country requesting cooperation, and further based on notification of the applicable names.

Article IX:6, GATT 1947, was subject to interpretation by a panel in the *Japan – Alcoholic Beverages* case.³³⁴ The panel in that case found that Japan’s requirement

³³² For a list of the Contracting Parties, see <<http://www.wipo.int/treaties/en/documents/pdf/f-mdrd-o.pdf>>.

³³³ Article IX, GATT 1947:

“Marks of Origin

1. Each contracting party shall accord to the products of the territories of other contracting parties treatment with regard to marking requirements no less favourable than the treatment accorded to like products of any third country.
2. The contracting parties recognize that, in adopting and enforcing laws and regulations relating to marks of origin, the difficulties and inconveniences which such measures may cause to the commerce and industry of exporting countries should be reduced to a minimum, due regard being had to the necessity of protecting consumers against fraudulent or misleading indications.
3. Whenever it is administratively practicable to do so, contracting parties should permit required marks of origin to be affixed at the time of importation.
4. The laws and regulations of contracting parties relating to the marking of imported products shall be such as to permit compliance without seriously damaging the products, or materially reducing their value, or unreasonably increasing their cost.
5. As a general rule, no special duty or penalty should be imposed by any contracting party for failure to comply with marking requirements prior to importation unless corrective marking is unreasonably delayed or deceptive marks have been affixed or the required marking has been intentionally omitted.
6. [see text above].”

³³⁴ *Japan – Customs Duties, Taxes and Labelling Practices on Imported Wines and Alcoholic Beverages*, Report of the Panel adopted on 10 November 1987, (L/6216 – 34S/83).

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of the disclosure of the actual origin of goods on product labels effectively dispelled potential consumer confusion as to the origin of the products, if such confusion might have been present.³³⁵

2.1.1.4 The Lisbon Agreement. “Appellations of Origin” were addressed in the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (adopted in 1958). This agreement extends substantially greater protection for geographical names than prior agreements, but depends on

³³⁵ Relevant excerpts from the panel report, *id.*, state:

“The Panel noted from the drafting history relating to Article IX:6 that it had been agreed that the text of Article IX:6

‘should not have the effect of prejudicing the present situation as regards certain distinctive names of products, provided always that the names affixed to the products cannot misrepresent their true origin. This is particularly the case when the name of the producing country is clearly indicated. It will rest with the governments concerned to proceed to a joint examination of particular cases which might arise if disputes occur as a result of the use of distinctive names of products which may have lost their original significance through constant use permitted by law in the country where they are used’. (Reports of Committees and Principal Sub-Committees, UN Conference on Trade and Employment, 1948, p. 79).

The Panel noted that the Japanese Law and Cabinet Order concerning Liquor Business Association and Measures for Securing Revenue of Liquor Tax stipulated that ‘Any manufacturer of liquors must indicate, at a legible location of the container of liquors...which are shipped out from the manufacturing premise..., the name of the manufacturer, the place of the manufacturing premise..., the capacity of the container..., the category of liquors..., the grade of liquors and the following matters according to the category of liquors, in a conspicuous manner’, including the alcohol content in the case of wine, whisky, brandy, spirits and liqueurs. The Panel examined a large number of labels, photos, wine bottles and packages submitted by the EEC as evidence. The Panel found that this evidence seemed to confirm the Japanese submission to the Panel that the labels on liquor bottles manufactured in Japan indicated their Japanese origin.

5.15 The Panel examined the view of the European Community that the use of French words, French names, of other European languages and European label styles or symbols by Japanese manufacturers continued to mislead Japanese consumers as to the origin of the liquors, and that the indication of a Japanese manufacturer did not clarify his precise activities because, for instance, wines bottled in Japan could contain as much as 95 per cent imported bulk wine. The Panel inferred from the wording of Article IX:6 that it was confined to an obligation to ‘cooperate with each other with a view to preventing the use of trade names in such manner as to misrepresent the true origin of a product, to the detriment of such distinctive regional or geographical names of products of the territory of a contracting party as are protected by its legislation’. The Panel noted that there was no definition of a ‘trade name’ in the General Agreement, and that there were differences in the laws of various countries as to what might constitute a trade name. The Panel did not consider it necessary to define the term ‘trade name’ in this case for the following reasons: Article IX:6 was designed to protect ‘distinctive regional or geographical names of products of the territory of a contracting party as are protected by its legislation’. The Panel did not dispose of evidence and was unable to find that the use by Japanese manufacturers of labels written partly in English (in the case of whisky and brandy) or in French (in the case of wine), the use of the names of varieties of grapes (such as ‘Riesling’ or ‘Semillon’), or the use of foreign terms to describe Japanese spirits (‘whisky’, ‘brandy’) or Japanese wines (‘chateau’, ‘reserve’, ‘vin rose’) had actually been to the detriment of ‘distinctive regional or geographical names of products’ produced and legally protected in the EEC. Nor could the Panel find that Japan – given, for example, its participation in the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods and its internal laws and regulations on labelling and on the protection of distinctive regional or geographical names (such as ‘Armagnac’ or ‘Chianti’) – had failed to meet its obligation to cooperate pursuant to GATT Article IX:6.”

an initial grant of registration for an appellation in the country of origin,³³⁶ as well as registration at WIPO which may be rejected by each country where protection is intended.³³⁷ Article 2(1), setting out the subject matter, provides:

“In this Agreement, ‘appellation of origin’ means the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.”

The scope of protection extends beyond the literally registered geographical name. Article 3 provides:

“Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as ‘kind,’ ‘type,’ ‘make,’ ‘imitation,’ or the like.”

Protection is included against a registered appellation becoming “generic” (Article 6). Adherence to the Lisbon Agreement was and remains quite limited.³³⁸

2.1.1.5 WIPO initiatives. In 1974 and 1975, WIPO pursued preparation of a new multilateral treaty on the protection of geographical indications. Once it became apparent that efforts would be undertaken to revise the Paris Convention, and that such revision would consider further elaboration of provisions relevant to geographical indications, work on preparation of the new multilateral treaty was ended.³³⁹

As part of negotiations on revisions to the Paris Convention in the 1980s and early 1990s, WIPO member states considered adopting an additional Article *10quater* addressing geographical indications.³⁴⁰ The substance of these discussions was summarized by the WIPO International Bureau in a report prepared for the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT/8/4) and the relevant portions of the report are set out in Annex 1 to this chapter.

2.1.2 National and regional rules

As noted in the just-referenced report by the WIPO International Bureau,³⁴¹ the approaches taken to the protection of geographical indications have been varied, and have basically fallen into four legal categories: (1) unfair competition and passing off, (2) collective and certification marks, (3) protected appellations of origin and registered geographical indications, and (4) administrative schemes for protection.

³³⁶ Article 1(2), Lisbon Agreement.

³³⁷ Article 5(3), *id.*

³³⁸ For a list of the Contracting Parties, see <<http://www.wipo.int/treaties/en/documents/pdf/j-lisbon.pdf>>.

³³⁹ WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, SCT/8/4, April 2, 2002, at paras. 66–71.

³⁴⁰ One of the reasons for this was the fact that the Paris Convention in Article 10(1) protected only against false geographical indications, but not against deceptive ones.

³⁴¹ SCT/8/4, April 2, 2002.

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2.1.2.1 Unfair competition and passing off. The treatment of geographical indications under the common law principles of unfair competition and passing off is based on the injury that is suffered by a business through a false representation by a competitor that its product comes from the same source. One aspect of the unfairness involves taking advantage of the reputation of the injured party (which has been built up through its labours). A second aspect of the unfairness involves the harm that may come to the indication-holder if the goods placed on the market are of inferior quality, thus causing damage to its reputation. A third aspect of the unfairness goes to the injury to the public being deceived into purchasing goods other than those for which it bargained.

In order to make out a claim of unfair competition or passing off with respect to the geographic origin of goods, the claimant typically would need to demonstrate that the public had formed a sufficient identification or association between the subject goods and the territorial name, and that the public was misled by the complained-against party's use of the name. Protection of geographical indications using an unfair competition or passing off theory was exemplified in a line of "Champagne" cases in which common law courts provided protection for the name of the French wine producing region.³⁴²

Protection of trademarks is grounded in unfair competition law, though it has evolved in many regions to rely in substantial part on a registration system. The geographical indication is not protected by trademark as such because the trademark is used to identify the goods of an undertaking or enterprise, and is not generally associated with a collective or community (except, of course, in the case of collective marks, discussed below). In addition, a trademark is not limited by territory. It is limited by identification to an undertaking or enterprise. Trademarks have become increasingly assignable in the nature of property. Because geographical indications are based on a link to territory, they are non-assignable (in the sense of being attributed to persons outside the geographic territory).

2.1.2.2 Collective and certification marks. Some countries used the collective mark and/or certification mark to overcome the obstacles inherent in according trademark protection to geographical names. A collective mark would belong to an association or group whose members are entitled to use that mark, and

³⁴² See, e.g., *Wineworths Group Ltd. v. Comité Interprofessionnel du Vin de Champagne*, 2 NZLR 327 [1991] ("*Wineworths v. CIVC*"), decided by the New Zealand Court of Appeal. Judge J. Gault stated:

"Champagne is a geographical name. When used in relation to wine the primary significance it would convey to persons who know that would be as the geographical origin of the product. If the name conveys something of the characteristics of the wine it is because those familiar with wine sold by reference to the name associate those characteristics with it. . . . For suppliers the attracting force in the name constitutes a part of the goodwill of their business. That will be so whether the name is associated solely with one supplier or with a class of suppliers who stand in the same position to the name. The goodwill may be enjoyed among the whole population or among a particular market segment.

That goodwill will be damaged if someone else uses the name in relation to a product in such a manner as to deceive purchasers into believing the product has the characteristics of products normally associated with the name when it does not. The damage may give rise to a claim for 'passing off' although deceptive trading would be a more accurate designation." (2 NZLR 327, 336)

could (depending on the jurisdiction) incorporate a geographical name. A certification mark would belong to a certifying person or body which, by affixing or allowing the affixing of the mark, would provide assurance with a set of rules or qualifications.³⁴³

There were and remain substantial differences in the way that collective and certification marks are regulated by national law. The Paris Convention provides:

“Article 7bis

Marks: Collective Marks

(1) The countries of the Union undertake to accept for filing and to protect collective marks belonging to associations the existence of which is not contrary to the law of the country of origin, even if such associations do not possess an industrial or commercial establishment.

(2) Each country shall be the judge of the particular conditions under which a collective mark shall be protected and may refuse protection if the mark is contrary to the public interest.

(3) Nevertheless, the protection of these marks shall not be refused to any association the existence of which is not contrary to the law of the country of origin, on the ground that such association is not established in the country where protection is sought or is not constituted according to the law of the latter country.”

Article 7bis(2) provides considerable latitude regarding the protection that a country might accord to a collective mark incorporating a geographic name. In theory such protection could be denied on grounds that geographical names are “generic” in a trademark law sense.

2.1.2.3 Appellations of origin and geographical indications. Another approach to geographical indications is protection through the “appellation of origin”, which form of protection is typically defined by national statute. The appellation of origin is distinguished from the later-developed concept of the geographical indication in that the former requires a specific link between the territory and some quality or characteristic of the good, including by the contribution of human labour. The concept of the geographical indication, as later developed, dispenses with the requirement of a link to a quality or characteristic of the good, and allows the reputation of the good to serve as the basis for the link to the territory. From the standpoint of the producer, the requirement of affirmatively demonstrating a differentiating quality or characteristic of a good linked in some way to a territory could be problematic.³⁴⁴ The appellation of origin is typically based on a registration system.

³⁴³ In the United States, collective and certification marks are defined in the Trademark (Lanham) Act, 15 USC §1127. The Trademark Manual of Examining Procedure (TMEP) refers to the following judicial decisions regarding the protection of names of geographic regions as certification marks: “*Community of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 133 USPQ 633 (2d Cir. 1962); *State of Florida, Department of Citrus v. Real Juices, Inc.*, 330 F. Supp. 428, 171 USPQ 66 (M.D. Fla. 1971) (SUNSHINE TREE for citrus from Florida); *Bureau National Interprofessionnel Du Cognac v. International Better Drinks Corp.*, 6 USPQ2d 1610 (TTAB 1988) (COGNAC for distilled brandy from a region in France)” (TMEP §1306.01).

³⁴⁴ Can wine tasters, for example, be counted on to consistently distinguish the products of different regions in blind taste tests?

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The Council of the European Communities adopted Regulation (EEC) No. 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.³⁴⁵ This Regulation provides a common system for the registration and protection of geographical indications in the field of agriculture, but not including wines and spirit drinks.³⁴⁶ It calls for the Commission to maintain a “register of protected designations of origin and protected geographical indications”,³⁴⁷ and incorporates provisions relating to Commission review of applications,³⁴⁸ publication³⁴⁹ and opportunity for objection to the registration of a geographical indication.³⁵⁰ The Regulation also provides for a list of specifications that protected geographical indications (PGIs) are expected to comply with, and for member states to establish inspection structures to ensure that the specifications are met.³⁵¹

The protection to be afforded is set out in Article 13, which provides, *inter alia*:

“Article 13

1. Registered names shall be protected against:

- (a) any direct or indirect commercial use of a name registered in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or insofar as using the name exploits the reputation of the protected name;
- (b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’ 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 product concerned, and 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 public as to the true origin of the product. Where a registered name contains within it the name of an agricultural product or foodstuff which is considered generic, the use of that generic name on the appropriate agricultural product or foodstuff shall not be considered to be contrary to (a) or (b) in the first subparagraph.

2. By way of derogation from paragraph 1 (a) and (b), Member States may maintain national systems that permit the use of names registered under Article 17 for a period of not more than five years after the date of publication of registration, provided that:

- the products have been marketed legally using such names for at least five years before the date of publication of this Regulation,
- the undertakings have legally marketed the products concerned using those names continuously during the period referred to in the first indent,

³⁴⁵ OJ L 208, 24.7.1992, p.1. On this regulation, see also below, Section 4 of this chapter.

³⁴⁶ *Id.*, Article 1.

³⁴⁷ *Id.*, Article 6(3).

³⁴⁸ *Id.*, Article 6(1).

³⁴⁹ *Id.*, Article 6(2).

³⁵⁰ *Id.*, Article 7.

³⁵¹ *Id.*, Article 10.

- the labelling clearly indicates the true origin of the product.

However, this derogation may not lead to the marketing of products freely within the territory of a Member State where such names were prohibited.

3. Protected names may not become generic.

[...]"

Article 14 provides protection against the registration of trademarks corresponding to protected geographical indications.

Article 12 of the 1992 Regulation includes a provision regarding protection of geographical indications for foreign products. It provides:

"Article 12

1. Without prejudice to international agreements, this Regulation may apply to an agricultural product or foodstuff from a third country provided that:

- the third country is able to give guarantees identical or equivalent to those referred to in Article 4,
- the third country concerned has inspection arrangements equivalent to those laid down in Article 10,
- the third country concerned is prepared to provide protection equivalent to that available in the Community to corresponding agricultural products for foodstuffs coming from the Community.

2. If a protected name of a third country is identical to a Community protected name, registration shall be granted with due regard for local and traditional usage and the practical risks of confusion.

Use of such names shall be authorized only if the country of origin of the product is clearly and visibly indicated on the label."

The requirement in Article 12(1) that "the third country concerned is prepared to provide protection equivalent to that available in the Community to corresponding agricultural products for foodstuffs coming from the Community" arguably constitutes a material reciprocity requirement and has been at the source of a dispute initiated against the EC by Australia and the USA as allegedly infringing the TRIPS obligations of national treatment and most-favoured nation treatment.³⁵²

In addition to the Regulation on agricultural products and foodstuffs, the EC has also passed specific legislation governing GIs for wines and spirits. The EC's regulation of the names of wines and spirits dates back at least as early as Council Regulation (EEC) No 817/70 of 28 April 1970 laying down special provisions relating to quality wines produced in specified regions. This was repealed and replaced by Council Regulation (EEC) No 338/79 of 5 February 1979 laying down special provisions relating to quality wines produced in specified regions.³⁵³ The 1979 regulatory system was extremely complicated, relying on authorities of the member states to lay out the conditions for qualifying as a quality wine produced in a

³⁵² See Chapter 4. The same dispute also refers to alleged violations of some of the TRIPS provisions on GIs; see below, Section 4.

³⁵³ OJ L 054, 05/03/1979 p. 0048-0056.

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specified region, and indicating that the right to a designation was to be based on a number of factors of production, including cultivation and wine-making methods, and analysis of growing conditions.³⁵⁴ Wines were to be subject to analytic testing to justify their listing on registers maintained by the member states. The 1979 regulation was replaced by Council Regulation (EEC) No 823/87 of 16 March 1987 laying down special provisions relating to quality wines produced in specified regions.³⁵⁵ The 1987 Regulation was based on the same basic principles as the 1979 Regulation, and relied on member states to maintain lists of wines meeting established criteria, and to perform analytic testing. This system of regulation, as will be discussed in Section 6.3.1 of this Chapter, was revised following the entry into force of TRIPS. It remains complex.³⁵⁶

2.1.2.4 Administrative schemes. The WIPO International Bureau report for the SCT (see below, Annex 1) also refers to administrative schemes for protection which would include national regulations that govern labelling and other administrative aspects of wine production and marketing. These schemes may include the application of penalties for false or misleading labelling of products, including with respect to the geographical origin of the goods.

It is apparent that the concept of the “geographical indication” was unsettled in the period prior to and during the TRIPS Agreement negotiations. The highest level of attention to the subject was paid by the European Community, in particular as a feature of the common agricultural policy.

2.2 Negotiating history

Whereas at the outset of the TRIPS negotiations the United States proposals contained no mention of geographical indications,³⁵⁷ the initial substantive submission by the European Community of July 1988 included a detailed provision on the protection of geographical indications in which can already be seen the outlines of the TRIPS Agreement rules.³⁵⁸

2.2.1 The EC proposal

“3. f. Geographical indications including appellations of origin

(i) Geographical indications are, for the purpose of this agreement, those which designate a product as originating from a country, region or locality where a given quality, reputation or other characteristic of the product is attributable to its geographical origin, including natural and human factors.

³⁵⁴ *Id.*, Article 2.

³⁵⁵ OJ L 084, 27/03/1987 p. 0059-0068.

³⁵⁶ See, e.g., Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organization of the market in wine.

³⁵⁷ Suggestion by the United States for Achieving the Negotiating Objective, MTN.GNG/NG11/W/14 (October 1987), and Revision, 17 October 1988, MTN.GNG/NG11/W/14/Rev. 1.

³⁵⁸ Guidelines and Objectives Proposed by the European Community for the Negotiations on Trade Related Aspects of Substantive Standards of Intellectual Property Rights, MTN.GNG/NG11/W/26.

(ii) Geographical indications shall be protected against any use which constitutes an act of unfair competition, including use which is susceptible to mislead the public as to the true origin of the product. Shall notably be considered to constitute such use:

- any direct or indirect use in trade in respect of products not coming from the place indicated or evoked by the geographical indication in question;
- any usurpation, imitation or evocation, even where the true origin of the product is indicated or the appellation or designation is used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like;
- the use of any means in the designation or presentation of the product likely to suggest a link between the product and any geographical area other than the true place of origin.

(iii) Where appropriate, protection should be accorded to appellations of origin, in particular for products of the vine, to the extent that it is accorded in the country of origin.

(iv) Appropriate measures shall be taken under national law for interested parties to prevent a geographical indication from developing into a designation of generic character as a result of the use in trade for products from a different origin, it being understood that appellations of origin for products of the vine shall not be susceptible to develop into generic designations.

The registration of a trademark which contains or consists of a geographical or other indication denominating or suggesting a country, region or locality with respect to goods not having this origin shall be refused or invalidated. National laws shall provide the possibility for interested parties to oppose the use of such a trademark.

(v) In order to facilitate the protection of geographical indications including appellations of origin, the establishment of an international register for protected indications should be provided for. In appropriate cases the use of documents certifying the right to use the relevant geographical indication should be provided for.”

2.2.2 The Swiss proposal

The Swiss proposal of July 1989 also contained a fairly well elaborated provision regarding geographical indications.³⁵⁹ Note that the Swiss text contemplates that services will be included among the scope of subject matter coverage:

“III. GEOGRAPHICAL INDICATIONS –

Definition of Geographical Indications

14. A geographical indication is any designation, expression or sign which aims at indicating that a product is originating from a country, a region or a locality.

The norms on geographical indications also relate to services.

³⁵⁹ Standards and Principles Concerning the Availability, Scope and Use of Trade-Related Intellectual Property Rights, Communication from Switzerland, MTN.GNG/NG11/W/38, 11 July 1989.

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Use of Geographical Indications

15. Geographical indications shall be protected against use which is likely to mislead the public as to the true origin of the products. Shall notably be considered to constitute such use:

- any direct or indirect use in trade in respect of products not originating from the place indicated or evoked in the geographical indication in question;
- any evocation, even where the true origin of the product is indicated or the designation is used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’ or ‘imitation’;
- the use of any means in the designation or presentation of the product likely to suggest a link between the product and any geographical area other than the true place of origin.

Appropriate measures shall be taken so as to prevent a geographical indication from developing into a designation of a generic character as a result of the use in trade for products of a different origin.

The registration of a trademark which contains or consists of a geographical or other indication designating or suggesting a country, region or locality with respect to products not having this origin shall be refused or invalidated, if the use of such indication is likely to mislead the public as to the true geographical origin of the product.”

2.2.3 The US proposal

Even as of its fully articulated May 1990 proposal to the TNG,³⁶⁰ the United States appeared sceptical of extending the scope of protection afforded to geographical indications:

“C. Geographical Indications Including Appellations of Origin

Article 18

Contracting parties shall protect geographic indications that certify regional origin by providing for their registration as certification or collective marks.

Article 19

Contracting parties shall provide protection for non-generic appellations of origin for wine by prohibiting their use when such use would mislead the public as to the true geographic origin of the wine. To aid in providing this protection, contracting parties are encouraged to submit to other contracting parties evidence to show that each such appellation of origin is a country, state, province, territory, or similar political subdivision of a country equivalent to a state or county; or a viticultural area.”

2.2.4 The proposal by a group of developing countries

While India’s submission of July 1989 did not discuss geographical indications,³⁶¹ the proposal from the group of Argentina, Brazil, Chile, China, Colombia, Cuba,

³⁶⁰ Draft Agreement on the Trade-Related Aspects of Intellectual Property Rights, Communication from the United States, MTN.GNG/NG11/W/70, 11 May 1990.

³⁶¹ Standards and Principles Concerning the Availability, Scope and Use of Trade-Related Intellectual Property Rights, Communication from India, MTN.GNG/NG11/W/37, 10 July 1989.

Egypt, India, Nigeria, Peru, Tanzania and Uruguay of May 1990³⁶² largely relied on unfair competition principles to address the protection of geographical indications, providing:

“Chapter III

GEOGRAPHICAL INDICATIONS

Article 9: Protection of Geographical Indications Including Appellations of Origin*

Parties undertake to provide protection for geographical indications including appellations of origin against any use which is likely to confuse or mislead the public as to the true origin of the product.

[Footnote]* Geographical indications are any designation, expression or sign which aims at indicating that a product originates from a country, region or locality.”

2.2.5 The Anell Draft

The Anell Draft of July 1990 (“A” developed and “B” developing country proposals) included detailed treatment of geographical indications, providing:³⁶³

“SECTION 3: GEOGRAPHICAL INDICATIONS

1. Definition

1.1 Geographical indications are any designation, expression or sign which [aims at indicating][directly or indirectly indicates] that a product [or service] originates from a country, region or locality.

1.2 [Geographical indications] [Appellations of origin] are for the purpose of this agreement [geographical] indications which designate a product as originating from the territory of a PARTY, a region or locality in that territory where a given quality, reputation or other characteristic of the products is attributable [exclusively or essentially] to its geographical origin, including natural [and] [or] human factors. [A denomination which has acquired a geographical character in relation to a product which has such qualities, reputation or characteristics is also deemed to be an appellation of origin.]

1.3 PARTIES agree that the provisions at point 2b.1 and 2b.2 below shall also apply to a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in the territory of another PARTY.

2. Protection

2a PARTIES shall provide protection for geographical indications by complying with the provisions under the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891, as last revised in 1967.

2b.1 PARTIES shall protect [, at the request of an interested party,] geographical [or other] indications [denominating or suggesting the territory of a PARTY, a region or a locality in that territory] against use with respect to products not originating in that territory if that use [constitutes an act of unfair competition

³⁶² Communication from Argentina, Brazil, Chile, China, Colombia, Cuba, Egypt, India, Nigeria, Peru, Tanzania and Uruguay, MTN.GNG/NG11/W/71, 14 May 1990.

³⁶³ See MTN.GNG/NG11/W/76 of 23 July 1990.

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in the sense of Article 10*bis* of the Paris Convention (1967), including use which] [might mislead] [misleads] the public as to the true origin of the product.

[Such protection shall notably be afforded against:

- any direct or indirect use in trade in respect of products not originating from the place indicated or evoked by the geographical indication in question;
- any usurpation, imitation or evocation, even where the true origin of the product is indicated or the appellation or designation is used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like;
- the use of any means in the designation or presentation of products likely to suggest a link between those products and any geographical area other than the true place of origin.]

2b.2 PARTIES shall [, at the request of an interested party,] refuse or invalidate the registration of a trademark which contains or consists of:

[an indication denominating or suggesting a geographical indication,]

[a geographical or other indication denominating or suggesting the territory of a PARTY, or a region or locality in that territory,]

with respect to products not originating in the territory indicated [, if use of such indication [for such products] is of such a nature as to mislead or confuse the public [as to the true place of origin]]. [National laws shall provide the possibility for interested parties to oppose the use of such a trademark.]

2b.3 Appropriate measures shall be provided by PARTIES to enable interested parties to impede a geographical indication [, generally known in the territory of the PARTY to consumers of given products or of similar products as designating the origin of such products manufactured or produced in the territory of another PARTY,] from developing, as a result of its use in trade for [identical or similar] products of a different origin, into a designation of generic character [for these products or for similar products] [, it being understood that appellations of origin for products of the vine shall not be susceptible to develop into generic designations].

2c.1 PARTIES shall protect geographical indications that certify regional origin by providing for their registration as certification or collective marks.

2c.2 PARTIES shall provide protection for non-generic appellations of origin for wine by prohibiting their use when such use would mislead the public as to the true geographic origin of the wine. To aid in providing this protection, PARTIES are encouraged to submit to other PARTIES evidence to show that each such appellation of origin is a country, state, province, territory, or similar political subdivision of a country equivalent to a state or country; or a viticultural area.

2d PARTIES undertake to provide protection for geographical indications including appellations of origin against any use which is likely to confuse or mislead the public as to the true origin of the product.

3. International Register

PARTIES agree to cooperate with a view to establishing an international register for protected geographical indications, in order to facilitate the protection of geographical indications including appellations of origin. In appropriate cases the use of documents certifying the right to use the relevant geographical indication should be provided for.

4. Exceptions

4.1 No PARTY shall be required to apply the provisions for the protection of geographical indications:

(a) to the prejudice of holders of rights relating to an indication identical with or similar to a geographical indication or name and used or filed in good faith before the date of the entry into force of this agreement in the PARTY;

(b) with regard to goods for which the geographical indication or name is in the common language the common name of goods in the territory of that PARTY, or is identical with a term customary in common language.

4.2a PARTIES agree that the preceding paragraphs shall not prevent the conclusion pursuant to Article 19 of the Paris Convention (1967) of bilateral or multilateral agreements concerning the rights under those paragraphs, with a view to increasing the protection for specific geographical or other indications, and further agree that any advantage, favour, privilege or immunity deriving from such agreements are exempted from the obligations under point 7 of Part II of this agreement.

4.2b Given the country specific nature of [geographical indications] [appellations of origin], it is understood that in connection with any advantage, favour, privilege or immunity stemming from bilateral agreements on such [indications] [appellations] and exceeding the requirements of this agreement, the most-favoured nation treatment obligations under point 7 of Part II of this agreement shall be understood to require each PARTY belonging to such an agreement to be ready to extend such advantage, favour, privilege or immunity, on terms equivalent to those under the agreement, to any other PARTY so requesting and to enter into good faith negotiations to this end."

This draft revealed the delegations' disagreement over several issues. The draft definitions of geographical indication (see above, Section 1 "Definition") varied considerably. Whereas one proposal was very general, not even referring to the link between the characteristics of the product and its geographical origin (paragraph 1.1), an alternative draft definition came close to what is today Article 22.1 (paragraph 1.2). Both draft definitions used the term "product" instead of "good". This could be an indication of some delegations' intention to include services in the scope of protection. On the other hand, the draft definition in paragraph 1.1 referred to "product [or service]". In that context, the term "product" was considered to be limited to "good", whereas the ordinary meaning of "product" would arguably also cover services. The final version under Article 22.1 refers to "goods", thus excluding services (for details, see Section 3, below).

As far as the scope of protection was concerned, the Anell Draft contained a bracketed proposal (under paragraph 2b.1, above), according to which protection was to be afforded against

"any usurpation, imitation or evocation, even where the true origin of the product is indicated or the appellation or designation is used in translation or accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like".

The language used in this proposal is almost identical to the terms of the current Article 23.1. It provides for protection even where the public is not misled as to the origin of the products. However, in one important aspect, this proposal went

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beyond the scope of the current Article 23.1: it applied to *all* products and was not limited to wines and spirits. The proposal was not retained in the subsequent Brussels Draft (see below).

The Anell Draft under paragraph 2c.1 expressly refers to the U.S. system of protecting geographical indications as certification or collective marks. This reference was not retained in the Brussels Draft or in TRIPS. Instead, both obligate Members to provide the “legal means” for protection.

As far as the establishment of a multilateral register for geographical indications was concerned, the Anell Draft under Section 3 went beyond the scope of the current Article 23.4: it was not limited to wines, but referred to geographical indications in general. This approach was kept under the Brussels Draft (see below), but was limited to wines in the subsequent Dunkel Draft of December 1991.³⁶⁴

Concerning the provisions on exceptions from protection, the Anell Draft already contained some of the elements of the current version of Article 24, although it was much shorter than this latter provision. In particular, it referred to the exception of generic names (paragraph 4.1(b); now Article 24.6) and of the continuous prior use of an indication identical with or similar to a protected geographical indication (paragraph 4.1(a); now Article 24.4). As to continuous prior use, this draft provided a substantially wider exception than the current version of Article 24, applying to geographical indications for all kinds of products, whereas Article 24.4 applies only to geographical indications “identifying wines or spirits in connection with goods or services”. Second, it would be permissible to allow parties that had registered or used a geographical indication in good faith prior to entry into force of TRIPS in a Party to continue such use. In one respect, however, the Anell Draft provided for a stricter exception than the current Article 24.4: under Article 24.4, continuous use does not depend on a good faith requirement, if such use occurred for at least 10 years preceding 15 April 1994 (see Section 3 for details).

In addition to these two exceptions, the Anell Draft contained two opposing proposals concerning bilateral agreements for the increased protection of geographical indications (see paragraphs 4.2a and 4.2b, above; now Article 24.1). Whilst the delegations agreed on the general admissibility of such bilateral agreements, it was not clear whether the increased protection resulting from those would have to be extended to all the other Members of the WTO, according to the most-favoured nation (MFN) principle. One proposal (4.2a) advocated the exemption of bilateral TRIPS-plus protection from the MFN principle, the other (4.2b) proposed to subject these TRIPS-plus provisions to the MFN rule. Under the Brussels Draft and the final text of TRIPS, this express reference to MFN was dropped (see below).³⁶⁵

2.2.6 The Brussels Draft

The Chairman's Note to the December 1990 Brussels Ministerial Text indicated, “In regard to Section 3 of Part II on Geographical Indications, it should be made

³⁶⁴ See Article 23.4 of the Draft Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods. Included in the “Dunkel Draft” of December 1991 (part of document MTN.TNC/W/FA, dated 20 December 1991).

³⁶⁵ For more details on the relationship between bilateral TRIPS-plus provisions on geographical indications and the MFN obligation, see below, Section 3 of this chapter (regarding Article 24.1 TRIPS).

clear that there are still considerable differences on Articles 25, 26 and 27". The text provided:³⁶⁶

"SECTION 3: GEOGRAPHICAL INDICATIONS

Article 24: Protection of Geographical Indications

1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a PARTY, or a region or locality in that territory, where a given quality or other characteristic on which its reputation is based is essentially attributable to its geographical origin.

2. In respect of geographical indications, PARTIES shall provide in their domestic law the legal means for interested parties to prevent:

(a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;

(b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).

3. A PARTY shall, at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that PARTY is of such a nature as to mislead the public as to the true place of origin.

4. The provisions of the preceding paragraphs of this Article shall apply to a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

Article 25: Additional Protection for Geographical Indications for Wines

1. Each PARTY shall provide in its domestic law the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like.

2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines shall be refused or invalidated at the request of an interested party with respect to such wines not having this origin.

3. In the case of homonymous geographical indications for wine, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 24 above. Each PARTY shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

³⁶⁶ See Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, Revision, Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, MTN.TNC/W/35/Rev. 1, 3 Dec. 1990.

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Article 26: Exceptions

1. Where a geographical indication of a PARTY has been used with regard to goods originating outside the territory of that PARTY in good faith and in a widespread and continuous manner by nationals or domiciliaries of another PARTY, including use as a trademark, before the date of application of these provisions in the other PARTY as defined in Article 68 below, nothing in this Agreement shall prevent such continued use of the geographical indication by those nationals or domiciliaries of the said other PARTY.

2. A PARTY shall not take action to refuse or invalidate registration of a trademark first applied for or registered:

(a) before the date of application of these provisions in that PARTY as defined in Article 68 below;

(b) before the geographical indication is protected in its country of origin; on the basis that the trademark is identical with, or similar to, a geographical indication.

3. No PARTY shall be required to apply the provisions of this Article in respect of a geographical indication of any other PARTY with respect to goods for which the relevant indication is identical with the term customary in common language as the common name for such goods or of the process for their production in the territory of that PARTY, or where the goods are products of the vine, is the name of a grape variety.”

4. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

5. On the request of a PARTY, each PARTY shall be willing to enter into good faith negotiations aimed at [sic] The provisions of the preceding paragraphs shall not prevent PARTIES from concluding bilateral and multilateral agreements concerning the protection under this Section, with a view to increasing the protection for specific geographical indications.

Article 27: Notification of Geographical Indications

In order to facilitate the protection of geographical indications, the Committee shall examine the establishment of [sic] establish a multilateral system of notification and registration of geographical indications eligible for protection in the PARTIES participating in the system.”

Like the final text of TRIPS, this draft made a clear distinction between a basic protection for all goods (Article 24) and an additional protection for wines (Article 25). The additional protection for spirits was only added in the subsequent Dunkel Draft of December 1991.

2.2.6.1 Draft Article 24. As far as the Brussels Draft Article 24 is concerned, there were two differences with respect to the current Article 22: first, Article 22.1 stipulates that one of the grounds for protection of the indication is the reputation of a good, which is attributable to its geographical origin (“... where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin”). In the Brussels Draft, the link between the reputation on the one hand and the geographical origin on the other hand was more indirect, the relevant part of the provision reading: “... where a given quality or

other characteristic *on which its reputation is based* is essentially attributable to its geographical origin.” (emphasis added). In other words, it was not the reputation itself which was directly based on the geographical origin, but the goods’ quality or characteristics, which in turn created the reputation. The final version considers the reputation itself to constitute a characteristic of the good. This was probably clarified in order to highlight the difference with respect to the Lisbon Agreement, which does not protect the pure reputation of a good.

The second difference between the Brussels Draft and the final TRIPS text concerns the provision dealing with the refusal or invalidation of trademarks containing or consisting of geographical indications (Article 24.3 of the Brussels Draft; Article 22.3 of TRIPS). While the Brussels Draft authorized such action only at the request of an interested party, Article 22.3 also permits Members to provide for *ex officio* refusals or invalidations. This option was introduced with the 1991 Dunkel Draft (Article 22.3).

2.2.6.2 Draft Article 25. The Brussels Draft in Article 25.1 provided for an additional protection of geographical indications for wines (as the current Article 23.1). Like Article 23.2 TRIPS, Article 25.2 of the Brussels Draft also obligated the Parties to invalidate any trademarks containing or consisting of a geographical indication where the wine did not have the indicated origin. The *main differences* were the following:

- a) The Brussels Draft did not refer to spirits, only to wines.
- b) In case the geographical indication used in a trademark indicates a place different from the true place of origin, the Brussels Draft (Article 25.2) only provided for a refusal of the trademark registration or its invalidation at the request of an interested party. In addition to that, Article 23.2 accords the right to Members to provide for these remedies *ex officio*.
- c) Under the draft provision, there was no fourth paragraph (as there is now under Article 23) calling for international negotiations on the establishment of a multilateral system for the notification and the registration of geographical indications for wines and spirits. However, both the Brussels Draft in Article 27 and the Anell Draft (see above) provided for a separate provision on this issue which covered not only geographical indications for wines, but all products. This was limited to wines through the Dunkel Draft of December 1991 (Article 23.4). Later on, the negotiations on the multilateral register were extended (see Section 6.4).

2.2.6.3 Draft Article 26. Compared to the Anell Draft, the Brussels Draft provision on exceptions (Article 26, above; now Article 24 TRIPS) contained two additional elements: Article 26 paragraphs 2 and 4 covered what is today Article 24 paragraphs 5 and 9.³⁶⁷ Article 26.4 of the Brussels Draft already had the same wording as Article 24.9 TRIPS, and draft Article 26.2 was retained in almost identical form in Article 24.5 TRIPS.

³⁶⁷ I.e. an exception in favour of trademarks applied for, registered in good faith or acquired through use in good faith before the obligation to protect a similar or identical geographical indication arises; and an exception to the protection of geographical indications that lack protection in their country of origin.

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Article 26, paragraphs 1 & 2 of the Brussels Draft (continued and good faith use of protected indications by third parties) substantially altered the Anell Draft's approach by making the defence of good faith use (paragraph 1) or registration (paragraph 2) available for third parties that had acted prior to the entry into force of the respective Member's substantive obligations (per the then-Article 68 transition arrangements). The Brussels Draft, like the Anell Draft, made this exception entirely dependent on good faith. Under Article 24.4(a) TRIPS, there is provision for exception in circumstances not dependent on good faith (see Section 3).

Article 26.1 of the Brussels Draft, like the Anell Draft, referred to geographical indications in general and not only to those identifying wines and spirits, as does Article 24.4.

Finally, paragraphs 3 and 5 of the Brussels Draft Article 26 contained proposals essentially similar to the current paragraphs 6 and 1 of Article 24 (i.e. provisions on generic names and on bilateral or multilateral TRIPS-plus negotiations).

2.2.7 The Dunkel Draft text of December 1991

Articles 22–24 of this draft were essentially the same as the final text of Articles 22–24 of TRIPS.³⁶⁸ The only substantive difference was the more limited scope of the continued and similar use exception under Article 24.4 of the Dunkel Draft: while the latter referred only to geographical indications identifying wines, TRIPS extended this exemption to spirits.

3. Possible interpretations

3.1 Article 22 (Geographical indications in general)

3.1.1 Article 22.1

Geographical indications are, for the purposes of this Agreement, 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.

The definition of geographical indications in Article 22.1 avoids specifying the kind of “indications” that are within its scope. A word may serve as a geographical indication without itself being the name of a territory, and so may “evoke” the territory. While a word may be an indication, other types of symbols, such as pictorial images, might also serve as identifiers.

The definition is limited to a “good”, indicating that the negotiators rejected the proposal that services also be attributed to territories. This does not preclude the possibility that Members may under national law allow claims for unfair competition based on misleading attribution of the source of services, but such protection is not required by this section of TRIPS.

³⁶⁸ Note that the numbering of the provisions on geographical indications is the same in the Dunkel Draft and the TRIPS Agreement.

While the reference to a “good” is limiting in the sense of excluding services, it is broad in the sense of applying to all goods for which an appropriate geographical link is made. All agricultural products, for example, and not only wines and spirits as more specifically addressed in Article 23, are potentially the subject of geographical indications.

The geographical indication identifies a good “originating” in the territory of a Member. This means that the good must be mined, grown or manufactured in that territory. As a consequence, there is no possibility for assigning the right to affix a geographical indication to a party outside that territory. Note, however, that there may be some flexibility in the term “originating”. Some portion of the work involved in creating a good might take place outside the territory without undermining its “originating” character. The permissible extent of such outside work is a question common to the area of rules of origin elsewhere in GATT-WTO law. Because the law applicable to geographical indications is unsettled, there may well be dispute regarding the extent of the flexibility as to permissible outside work.

The definition in Article 22.1 refers to “a given quality, reputation or other characteristic of the good...essentially attributable to its geographical origin”. The notion of “quality” would encompass physical characteristics of the good, that is, attributes of the good that can be objectively measured. By separate reference to “reputation”, however, the definition makes clear that identification of a particular objective attribute of a good is not a prerequisite to conferring protection. It is enough that the public associates a good with a territory because the public believes the good to have desirable characteristics, *i.e.*, that the good enjoys a “reputation” linked to the identifier of the place.

Geographical indications, like trademarks, may be built up through investment in advertising. This leads to the possibility that the public will in fact be deceived as to the quality of goods and its territorial link through false or misleading advertisement.

Article 22.1 refers to “other characteristic” of the good. If quality is commonly understood as implying a positive attribute, and reputation is commonly understood to imply a favourable impression, the term “other characteristic” may imply that a good may have an attribute such as colour, texture or fragrance that might be considered more neutral or even unfavourable in the perception of consumers, yet still entitle the producing territory to protect its name in respect of that good.

The quality, etc., must be “essentially attributable” to the geographic territory.³⁶⁹ This term or phrase is intended to establish the “link” between the product and the relevant territory. In large measure, the question whether product characteristics or reputation are attributable to a territory is at the root of debate concerning the potential scope of coverage for geographical indications. A literal reading of “territory” would suggest that the link must be physical, that is, that the product must embody certain characteristics because of the soil conditions, weather or

³⁶⁹ The Oxford New Shorter English Dictionary defines “attributable” as an adjective as “able to be attributed *to*, owing *to*”. As a noun, “attribute” is defined as

“2 A quality or character ascribed (esp. in common estimation) to a person or thing. Also, an epithet denoting this...4 An inherent characteristic quality or feature of a person or thing; a property; in *Statistics* etc., a non-quantifiable property.”

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other physical elements in a place. This might be demonstrable, for example, in respect to wines the grapes for which are harvested in certain locations. However, because the notion of “essentially attributable” to geographic territory is extended by other terms in the Article 22.1 definition to refer to reputation, this implies that the link to territory may be based on human labour in the place. It might even extend to goodwill created by advertisement in respect to the place, although such an interpretation might at some point strain the definition of “attributable” which appears to require that the characteristic or reputation be inherent in the place, and not be solely the figment of a product marketer’s imagination. This is not to suggest that national authorities in each WTO Member must adopt a broad reading of “reputation” or “essentially attributable”, but rather to suggest that the language has some inherent flexibility.

3.1.2 Article 22.2

In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).

Article 22.2 establishes the basic standard of protection for geographical indications. It is a non-specific standard leaving to Members substantial flexibility. It should be noted at the outset of this discussion that Article 23, TRIPS Agreement, eliminates a significant degree of this flexibility for geographical indications pertaining to wines and spirits, and the following discussion may be helpful in explaining why Article 23 was adopted.

A Member must “provide the legal means”. The “legal means” could refer to a wide variety of statutory, administrative and/or common law methods of protection, and appears to encompass all the possibilities for protection in use by Members when TRIPS entered into force. As described earlier, this includes protection under common law doctrines of unfair competition, passing off, registration of collective and certification marks, registration of geographical indications and appellations of origin, and administrative mechanisms.

The legal means must be provided to “interested parties”. This would extend beyond governmental authorities to persons with rights in the geographical indication in question, but again leaves substantial flexibility as to how the requirement might be implemented. For example, in respect of a region, the party interested in a geographical indication might be an organization or collective of producers that exercises control over use of the relevant term, and the “interested party” might be limited to the organization or collective. In this context, national law may limit access to the legal means for protection to what is defined as an “interested party”

for this purpose. Article 22.2 does not appear to require that all persons who might conceivably assert an interest in a geographical indication be entitled to prosecute a claim of protection.³⁷⁰

The scope of protection in Article 22.2(a) extends to “the use of any means in the designation or presentation of a good that indicates or suggests that the good in question” originates in a place. The reference to “any means in the designation or presentation” is rather broad, and appears to encompass the notion that the designation or presentation need only “evoke” the territory, and thus not be limited to a geographic name. For example, the name of a cheese may often not be that of a geographic location as such, but rather be associated with a particular locality where it is produced. The Article 22.2(a) reference to “designation or presentation” does not exclude the names of cheeses that evoke a locality. Moreover, the reference to “any means” may extend to graphical or pictorial representations of a region. When the terms “any means” are read in combination with “indicates or suggests”, the definition appears to be open to a wide potential range of signifiers that would evoke a connection between a good and a place.

Having noted that the potential range of signifiers is very broad, the definition is qualified by the terms “originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good”. The “true place of origin” refers to the place where the good is actually grown, mined or manufactured, as opposed to the geographic location where, in view of the interested party, it should have been made. The key limitation in the Article 22.2(a) definition is that the designation “*misleads the public* as to the geographical origin of the good” [italics added].

Under what circumstances will a designation be understood to “mislead the public”? The “public” might be understood as the general consumer with limited knowledge as to the origin of products, or it might be understood as a more specialized group of consumers who regularly purchase the products in question. By way of illustration, many cheeses are marketed in the United States under names of European origin. However, it is very doubtful that a significant part of the consuming public in the United States draws a link between these cheeses and any geographic location. Assuming solely for argument’s sake that American consumers have some vague sense that a type of cheese at some point was made in Europe, specific knowledge as to a geographical link is likely to be limited to a very small portion of consumers.³⁷¹ If only a small part of American consumers might be confused as to the geographic origin of their purchases, does that small part constitute the “public”?

³⁷⁰ Note that Article 10(2) of the Paris Convention enumerates parties who should be accorded the right to prevent imports under Article 10. However, there are substantial differences between the substantive obligations under Article 10 of the Paris Convention and under Article 22.2 of the TRIPS Agreement, and it is not clear what conclusions might be drawn from such reference. See also Section 2.1.1.1 *supra*.

³⁷¹ In U.S. trademark law, establishing consumer confusion generally requires that some significant portion of the relevant consuming public identifies a mark with a good, and not only a few with specialized knowledge. In European trademark law, it may be more accepted that specialized consumers, even though small in number, will be considered to form a sufficient target of confusion.

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National authorities might determine that consumers will not be misled if there is sufficient information regarding the actual (or true) origin of the product on labelling or packaging, even if a geographical indication appears on the labelling or packaging as well. Of course, whether adequate labelling might serve to dispel potential confusion would depend on the way it is presented. Even accurate information can be presented in a misleading way.

The term “Champagne” is often used as the paradigm geographical indication that has earned protection against use by producers outside a region. It is doubtful that interested parties of most other geographical terms can establish close to the level of association that consumers make between the Champagne region of France and quality sparkling wine. Even in light of that strong association, German producers of “Sekt” argued vigorously before the European Court of Justice that consumers would *not* be confused by a label referring to the “champagne-method” of production, provided that a bottle disclosed the true origination of the product in Germany.³⁷² (The ECJ rejected the petition of the German producers on grounds, *inter alia*, that the Community had not acted in a manifestly inappropriate way. Its regulations were within the permissible scope of Community regulation.)

The requirement that a geographical indication mislead the public as to the origin of a good places considerable discretion in the hands of national authorities to determine how the “public” will be defined and how strong an association there must be to establish that the public is “misled”.

Article 22.2(b) refers to “any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).”³⁷³ As noted in Section 2.1.1.1 of this chapter, the Paris Convention establishes a general frame of reference regarding the doctrine of unfair competition, rules on which are found in all legal systems, though legislated and implemented in different ways. As noted in the introductory discussion, common law systems allowed causes of action against the misleading use of geographical names under the doctrine of “passing off” (or, in essence, representing that goods were those of a competitor), or as a tort of unfair competition. Since unfair competition is not a rigidly defined concept, Article 22.2(b) appears primarily intended to bring forward the causes of action previously found in common and civil law legal systems with respect to geographical indications, but without attempting to more precisely regulate how those causes of action are defined or implemented. For example, Article 10*bis*(3)(3), Paris Convention, provides that acts prohibited under the doctrine of unfair competition shall include “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.” It is not clear the extent to which this provision adds to the obligation established by Article 22.2(a) of TRIPS to prevent the use of geographical indications in a way that would mislead the public as to the origin of goods,

³⁷² See *SMW Winzersekt GmbH v. Land Rheinland-Pfalz*, ECJ, (C-306/93), [1995] 2 CMLR 718.

³⁷³ The subject of unfair competition is also treated in this book in respect to trade secrets, which rely on Article 10*bis* as the legal ground for protection in Article 39.1, TRIPS Agreement. See Chapter 28.

especially since the protectable characteristics include the quality, reputation or “other characteristics” associated with the goods. The reference to Article 10*bis* may be intended to indicate that Article 22.2(a) should not be understood as a limitation on causes of action previously available under Article 10*bis*, Paris Convention, regarding geographical indications. It may also be argued that Article 22.2(b) extends the scope of protection provided under Article 22.2(a) because it protects against misleading the public regarding the “nature or characteristics of goods”, thus encompassing more directly the situation where a geographic indication is used along with a qualifier or disclaimer (e.g., California Chablis). This situation may already be within the scope of potentially misleading consumers concerning “origin”, because qualifiers and disclaimers in trademark law (by way of analogy) are not necessarily a barrier to a finding of consumer confusion. The fact that a consumer may ultimately recognize that “California Chablis” does not originate in a region in France does not mean that the consumer’s initial interest was not attracted by a misleading suggestion of origin. Ultimately this is a question of fact.

As noted earlier, Article 23 provides additional protection for wines and spirits and expressly limits the flexibilities inherent in Article 22. Moreover, Article 22.2 must be read in connection with Article 24 that establishes exceptions to some generally applicable rules.

3.1.3 Article 22.3

A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

Article 22.3 should be read in conjunction with Article 24.5. The practical effect of Article 22.3 is substantially affected by Article 24.5.

Article 22.3 essentially establishes that trademarks should not be registered if they contain or consist of a geographical indication in a manner “as to” mislead the public as to the origin of goods. It refers both to future applications for registration, which should be denied, and to existing registrations, which should be invalidated. Article 22.3 relies on the “mislead the public” language of Article 22.2(a). It is not clear why the drafters of Article 22.3 chose not to refer back to Article 22.2(a) as the definitional context for marks that should be precluded from registration or should be invalidated, though perhaps it was thought that Article 22.2(b) would expand the potential range of indications that should be subject to Article 22.3.

Article 22.3 places substantial discretion in the hands of trademark registration authorities since (a) it provides that they should act *ex officio* if permitted under national law and (b) it places in their hands at least an initial determination whether the public will be misled by use of a geographical term. Article 22.3 appears to place an affirmative duty on trademark registration

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authorities to examine the records of issued trademarks for evidence of conflict with geographical indications for purposes of potential purging of misleading marks, though it seems unlikely that trademark authorities would in fact be prepared to undertake such a retroactive review of registered marks. Moreover, since Article 24.5 excludes marks registered or acquired by use in good faith prior to entry into force of TRIPS Agreement provisions in the respective Member, there would be grounds only to look back at trademarks acquired in “bad faith”. The actions of trademark authorities are in any event subject to the requirements of Part IV, TRIPS Agreement, regarding the acquisition and maintenance of rights (see Part 4 of this book).

3.1.4 Article 22.4

The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

Article 22.4 is directed to the circumstance in which a territory or locality in Member A has taken the same name as a territory or locality in Member B, and a person in Member A uses a corresponding geographical indication to take advantage of the reputation of a good built up in Member B. This might, for example, apply to a locality in the Americas that used the name of a European locality when it was established. It is in effect an anti-circumvention measure. It may be argued that producers of an identically-named region should not be precluded from using their own geographical name in commerce, provided that they adequately indicate the actual geographical origin of goods through labelling.

3.2 Article 23 (Wines and Spirits)

3.2.1 Article 23.1

Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like.*

[Footnote]* Notwithstanding the first sentence of Article 42, Members may, with respect to these obligations, instead provide for enforcement by administrative action.

It is important to observe at the outset of discussion of Article 23 that obligations under it are significantly qualified by exceptions set out in Article 24. These

exceptions are detailed in discussion of Article 24 (see below, Section 3.3 of this chapter).

Article 23 is limited in its scope of application to “wines”³⁷⁴ and “spirits”.³⁷⁵ There is considerable scope for defining wines and spirits more and less inclusively. Although the most common reference to “wine” is to a product made from grapes, there are other distilled alcoholic beverages that use the term “wine”, including “rice wine” and wines made from various fruits other than grapes (for example, “peach wine”). Uruguay Round negotiators manifested their understanding that wine may include more products than grape-derived wine when in Article 24.6 they specifically referred to “products of the vine” and “grape varieties”. The term “spirits” may be limited to beverages with a higher alcoholic content which is perhaps the most common understanding of that term. A narrow definition of “wines” and “spirits” may exclude certain intermediate alcoholic beverages between wines (which generally have a lower alcohol content) and spirits (which generally have a higher alcoholic content), such as certain liqueurs. It appears that the text of Article 23.1 does not include “beer”,³⁷⁶ which is certainly not wine, nor is it within the common understanding of “spirits” (because, *inter alia*, the alcohol content of beer is typically low). The intention of the drafters as regard the scope of “wines” and “spirits” is not clear from the text of Article 23.1, leaving to Members some discretion as to the scope of coverage for these terms.

As with respect to Article 22.2, the use of the term “legal means” in Article 23.1 leaves to the discretion of each Member the manner in which it will implement its obligation to allow “interested parties” to prevent use. Also, the “interested parties” who are entitled to bring an action may be defined in national law. Because wine growing regions commonly impose conditions on local producers to be considered authorized users of the regional denomination, this may account for restrictions in some national laws regarding who is entitled to bring an action as an “interested party”.

Unlike Article 22.2(a), Article 23.1 does not impose the requirement that use of the geographical indication mislead the public. The difficulties inherent in demonstrating consumer association between the product and the place are dispensed with. Furthermore, Article 23.1 goes a step further and addresses the potential cure by labelling. Neither indicating the true origin of the good, nor use of the terms “kind”, “type”, “style”, “imitation” or “the like”, in conjunction with the geographical indication is acceptable as a cure for use of the indication.

The preclusion of cure by accurate labelling is not so unusual in the context of protection of identifiers. In trademark law, for example, use of a third person’s mark for commercialization purposes is not generally cured if accompanied by

³⁷⁴ The New Shorter Oxford English Dictionary defines wine, as a noun: “1 Alcoholic liquor produced from fermented grape juice; (with specifying wd) a type of this; a drink of this. 2 Alcoholic liquor resembling wine made from the fermented juice of other fruits, or from grain, flowers, the sap of various trees, etc. Usu. w. specifying wd”.

³⁷⁵ The New Shorter Oxford English Dictionary defines “spirit”, as a noun: “13c Strong distilled alcoholic liquor for drinking”.

³⁷⁶ The New Shorter Oxford English Dictionary defines “beer”, as a noun: “1 Alcoholic liquor produced by fermentation of malt etc. and flavoured with hops or other bitters, *esp.* the lighter kind of liquor so produced; a type of this; a drink of this”.

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an indication of the actual producer of the good. This is because the consumer is drawn to the good by the mark. The mark has confused the consumer, even if that confusion is eventually dispelled.

Yet the preclusion of cure by additional labelling does not resolve all questions relating to association between a product and a place. The definition of “geographical indication” in Article 22.1, which also applies to Article 23, requires that there be a link between the product – whether by quality, reputation or other characteristic – and the place. While under Article 23.1 the person asserting rights in a geographical indication for wines or spirits need not demonstrate that consumers have been misled by a third party’s use, the person asserting rights must still demonstrate that there is a link between the wine or spirit and the territory – to the exclusion of the other’s potential claim to a *bona fide* use (although, as noted below, homonymous indications may be enforced, raising the possibility that more than one claimant may have rights to prevent use). That is, the capacity to enforce a geographical indication depends on holding a geographical indication to the exclusion of others.

Footnote 4 provides that Members may enforce the obligation under Article 23.1 through administrative action, despite the first sentence of Article 42. The latter provides:

“Members shall make available to right holders* civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement”.

[Footnote] “*For the purpose of this Part, the term ‘right holder’ includes federations and associations having legal standing to assert such rights.”

This suggests that holders of geographical indications in wines and spirits may have a more limited set of judicial remedies available than other IPR holders under TRIPS. However, this should not be understood to reduce the protections afforded to defendants to protect their interests, as already provided in Article 49 regarding administrative procedures, which states:

“To the extent that any civil remedy can be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent in substance to those set forth in this Section.”³⁷⁷

3.2.2 Article 23.2

The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if a Member’s legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

Article 23.2 should be read in conjunction with Article 24.5. The practical effect of Article 23.2 is substantially affected by Article 24.5.

³⁷⁷ For more details on this provision, see Chapter 30.

Article 23.2 is similar to Article 22.3, except it dispenses with “if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin”. In this regard, the scope of inquiry by the trademark registration authorities under Article 23.2 should be significantly more limited than under Article 22.3. Again, however, it remains for the claimant to demonstrate that it is the holder of a geographical indication – linking a product to a place – and this imposes a burden of proof on the claimant.

3.2.3 Article 23.3

In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

“Homonymous” is defined by the New Shorter Oxford English Dictionary (as an adjective) as

“1 Employing the same name for different things, equivocal, ambiguous 2 Having the same name”.

Article 23.3 addresses the situation in which two different geographic regions use the same name for a wine or spirit, and where each such use is *bona fide*. (The reference back to Article 22.4 excludes the circumstance in which a second-user has adopted a geographic name to take unfair advantage of the original user of that name.) It is left to each Member to determine “practical conditions under which the homonymous indications in question will be differentiated from each other”. This instruction is decidedly vague and leaves each Member with substantial discretion as to how it might require producing regions to distinguish their products. This might include, for example, requiring that the country of origin be stated on the label in a particular way (in addition to the more specific geographical indication). The direction to take into account equitable treatment of producers suggests that measures should not be used to discriminate in favour of producers of one region over another. The direction to protect consumers suggests that whatever system is adopted should clearly inform the consumer.

3.2.4 Article 23.4

In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

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Article 23.4 placed on the built-in agenda of the TRIPS Council a negotiation limited to the subject matter of wines.³⁷⁸ This paragraph refers to Members “participating in the system”, and it might well be understood as envisioning the possibility of a plurilateral agreement.³⁷⁹ Alternatively, it might be suggested that since not all Members are wine producers, even if there is true multilateral agreement on a register, not all Members would be understood to “participate” in the system. (This interpretation suffers from the fact that protection for wine exporters depends on recognition of rights in importing Members, so that Members without producers would still be required to “participate” in the system if it is to work on a multilateral basis.) Or, the negotiations might result in a multilateral agreement as to which Members could choose to participate or not, although this would seem mainly in the nature of a plurilateral agreement.

The term “notification” indicates that part of the negotiations should concern only a system for providing information. Of course, notification may have a beneficial effect for those seeking to protect geographical indications since, for example, trademark authorities may be required under Article 23.2 to take *ex officio* action to revoke trademarks that consist of geographical indications. With a notification system in place, trademark authorities might avoid a search for potentially relevant geographical indications.

The term “registration” implies steps toward a more enforcement-oriented system, since registration of IP rights generally establishes a presumption in favour of the registered right holder. Whether registration creates a presumption of rights might depend on whether registration is predicated upon substantive review by relevant authorities, or is automatic based on application. If registration is automatic, a good case can be made for denying such act a presumption-creating effect.

In the TRIPS Council, Members have expressed differing views on the interpretation of this provision.³⁸⁰

In any event, Article 23.4 does not obligate Members to do anything other than to undertake negotiations in the TRIPS Council.

3.3 Article 24 (International negotiations; exceptions)

3.3.1 Article 24.1

Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context

³⁷⁸ Note that the scope of these negotiations was later extended to cover also spirits. See Section 6.4, below.

³⁷⁹ Under WTO law, a plurilateral agreement is an agreement to which not every WTO Member is a party. Adherence is optional (e.g. the WTO Agreement on Government Procurement). Most of the WTO Agreements are multilateral agreements: participation is mandatory and an integral part of a country's membership in the WTO (“single undertaking”).

³⁸⁰ See below, Section 6.4 of this chapter.

of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

Article 24.1 provides a basis for future negotiations. The reference in the first sentence to “individual geographical indications” suggests that Members intended to address indications on an identifier-by-identifier basis, as opposed to a product class-by-product class basis. The term “individual” is an adjective or noun referring to a single item.³⁸¹ It would be difficult to construe the term “individual geographical indications” as referring to something other than particular names suggesting territories.

The latter issue being uncontested, the interpretation of this provision has nevertheless been the source of considerable controversy in the TRIPS Council. Delegations disagree on the question whether Article 24.1 is limited to geographical indications for wines and spirits, or whether it authorizes negotiations to extend the additional protection available under Article 23 TRIPS to goods other than wines and spirits.³⁸²

Members opposing such extension argue that the terms “individual geographical indications under Article 23” relate exclusively to the goods covered by Article 23, i.e. wines and spirits. According to this view, the reference to increased protection of those indications relates to the possible abolition of the current exemption under Article 24.4.³⁸³ Consequently, the authorization for negotiations under Article 24.1 would be limited to ‘individual indications for wines and spirits’.³⁸⁴ Therefore, there would be no mandate for negotiations on the extension of the Article 23 protection to products other than wines and spirits. Such negotiations would re-open TRIPS without any legal basis.³⁸⁵

Members favouring the extension contend that “provisions of Article 24.1 are of general application to all products and the reference to Article 23 does not relate to products contained therein but to a means of additional protection to be provided.”³⁸⁶ To support their view, those Members refer to Article 24.2, which authorizes the TRIPS Council to keep under review the application of the provisions

³⁸¹ The New Shorter Oxford English Dictionary defines “individual” as a noun and adjective as “3 Existing as a separate indivisible identity; numerically one; single, as distinct from others of the same kind; particular. 4 Of, pertaining or peculiar to a single person or thing, rather than a group; characteristic of an individual.”

³⁸² For a detailed discussion of the opposing arguments in the TRIPS Council and an overview of the positions taken by WTO Members, see Rangnekar, *Geographical Indications. A Review of Proposals at the TRIPS Council: Extending Article 23 to Products other than Wines and Spirits*, UNCTAD-ICTSD, Geneva, 2003 [hereinafter Rangnekar] (also available at <<http://www.iprsonline.org/unctadictsd/projectoutputs.htm#casestudies>>). The following paragraphs are based on that study.

³⁸³ See the Communication from New Zealand (IP/C/W/205, paragraph 23).

³⁸⁴ Ibid., paragraph 22; see also the TRIPS Council Minutes of Meeting of 6 March 2001 (IP/C/M/29, point G).

³⁸⁵ See the Communication from Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay, and the USA (IP/C/W/289, paragraph 3).

³⁸⁶ See the Communication from Bulgaria, the Czech Republic, Egypt, Iceland, India, Kenya, Liechtenstein, Pakistan, Slovenia, Sri Lanka, Switzerland and Turkey (IP/C/W/204, paragraph 12).

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on geographical indications. With respect to this mandated review, the TRIPS Council reported to the 1996 Singapore Ministerial that inputs from delegations on the issue of scope were permitted.³⁸⁷ The supporters of extension consider this reference by the TRIPS Council to the “scope” of the review to support³⁸⁸ negotiations on extension in the above sense.³⁸⁹

So far, this interpretative issue has not been settled.

The second sentence of Article 24.1 refers to the exceptions of Article 24.4–8, and indicates that the exceptions should not be used as the basis for refusing to conduct future negotiations. Some Members apparently considered that other Members would argue that because certain geographical indications are not currently protected, they should not be protected in the future. That is, that an agreement to exclude those indications *ab initio* barred the future consideration of their protection. As a practical matter, allowing for the future consideration of matters initially excepted does not affect what Members might otherwise negotiate over, since future negotiations might relate to any matters already addressed by an agreement. Nonetheless, the provision appears aimed at clarifying the initial intent.

Some Members also were concerned that the exceptions would be used by some other Members to refuse negotiations on protection of geographical indications in the bilateral or multilateral context outside the WTO TRIPS Agreement framework. Although Members may pursue negotiations regarding IPRs matters not covered by TRIPS, the potential for concluding bilateral or multilateral negotiations on geographical indications outside the Council for TRIPS context raises some difficult questions under the principle of non-discrimination embodied in Article 4 regarding most favoured nation (MFN) treatment.³⁹⁰ If Member A agrees on a bilateral basis to protect certain geographical indications of Member B, but does not agree to protect other geographical indications of Member C, it would appear that Member A is discriminating in favour of Member B and against Member C. From a TRIPS standpoint, failure of reciprocity is not an adequate defence to an allegation of discrimination. TRIPS Agreement rights and obligations are not based on reciprocity. Nevertheless, extending bilateral rights in geographical indications to other Members could prove to be quite complex, where bilateral protection has been negotiated for individual indications, as authorized under Article 24.1, and not for an entire product class.³⁹¹ If Member A affords TRIPS-plus protection to a particular indication from Member B, it cannot simply extend the protection of this particular indication to Member C, because the protected good is not produced in C, and producers from C must not use the indication protected in B.³⁹² Instead, Members A and C would have to agree, in bilateral

³⁸⁷ See document IP/C/8, paragraph 34.

³⁸⁸ Rangnekar, p. 45, with further arguments and discussion.

³⁸⁹ See the Communication (Revision) from Bulgaria, the Czech Republic, Egypt, Iceland, India, Kenya, Liechtenstein, Pakistan, Slovenia, Sri Lanka, Switzerland and Turkey (IP/C/W/204/Rev.1, paragraph 14).

³⁹⁰ Discussed in Chapter 4.

³⁹¹ See Article 24.1 TRIPS, which refers to “individual geographical indications”. See above, the interpretation of the first sentence of Article 24.

³⁹² For example, the USA could not just extend the protection granted to “Champagne” to producers in Argentina, who do not and must not produce “Champagne”.

negotiations, which particular geographical indication from Member C would enjoy, in Member A, a protection comparable to the one afforded to the indication from Member B.³⁹³ It remains for Members to clarify this situation.

The final sentence of Article 24.1 essentially brings Members back to the starting point. That is, the Members who might have refused to negotiate on grounds that certain geographical indications were exempted under Articles 24.4–8 may yet decide that they wish to see those exemptions maintained. There is no presumption in favour of extending the scope of protection.

3.3.2 Article 24.2

The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

Article 24.2, first sentence, places review of the “application” of Part II, Section 3, on the built-in agenda of the TRIPS Council, with the first review scheduled to take place prior to December 31, 1996. The reference to “application” suggests that it is the conduct of Members in implementing provisions, rather than the provisions themselves, that are the subject of the review. The second sentence entitles a Member with a complaint concerning compliance with the provisions to bring the matter to the attention of the TRIPS Council for consultations and, following failed bilateral or plurilateral consultations, the Council will consult with a Member or Members that are complained about. The third sentence provides that the Council “shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.” This third sentence presumably relates to both of the two preceding sentences, that is, the Council’s general obligation to review application of the Section and specific complaints raised by Members. There are several interesting aspects to the third sentence. First, action is limited to matters that may be “agreed”. This suggests that no Member could be directed to take measures to which it objects, assuming that the Council for TRIPS continues to operate by consensus. Second, the action should involve steps that may

³⁹³ This is the reason why in the Anell Draft, the provision on bilateral agreements (paragraph 4.2b, see above, Section 2.2) proposed “to require each PARTY belonging to such an agreement to be ready to extend such advantage, favour, privilege or immunity, on terms equivalent to those under the agreement, to any other PARTY so requesting *and to enter into good faith negotiations to this end.*” (emphasis added). This problem is particular to geographical indications. In the case of other intellectual property rights, bilateral TRIPS-plus protection is usually negotiated for an entire category of rights (i.e. patents) and not for individual products. Therefore, the extension of such protection to other WTO Members does not depend on further negotiations. If, for instance, Member A accords TRIPS-plus protection to patent holders from Member B, it can extend the same type of protection to patent holders from Member C.

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“facilitate the operation and further the objectives” of the Section. Such action might be a recommendation to one or more Members regarding compliance with the agreement, or it might involve making a broader recommendation regarding amendments or modifications to the Section. Although the text is not a model of clarity, it seems doubtful that the third sentence is intended to confer authority on the Council for TRIPS to take measures regarding changes to TRIPS in a manner different than that prescribed by the WTO Agreement.

3.3.3 Article 24.3

In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.

This provision appears to be directed to preventing Members from taking advantage of the flexibility inherent in Section 3 to the detriment of parties claiming rights in geographical indications. Although it is similar to Article 65.5, TRIPS, precluding developing Members enjoying a transition period from reducing consistency with TRIPS provisions,³⁹⁴ it is worded differently. Article 65.5 does not suggest that laws should remain unchanged, provided that the result is consistent with the Agreement. Article 24.3 implies that there is a standard by which the protection of geographical indications may be measured, and that future actions should not place geographical indications below that standard. This is an ambiguous approach or concept since it presumes a measurement of the strength of protection that is not otherwise found in TRIPS, and it is unclear what the benchmarks for such measurement would be.

3.3.4 Article 24.4

Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.

Article 24.4 establishes a critical exception from the scope of Article 23. A Member is not required to prevent “continued and similar use” of particular geographical indications for wines and spirits. The exclusion applies to “goods and services”. This is significant because Section 3 otherwise establishes rules only respecting

³⁹⁴ Article 65.5 provides:

“A Member availing itself of a transitional period under paragraphs 1, 2, 3 or 4 shall ensure that any changes in its laws, regulations and practice made during that period do not result in a lesser degree of consistency with the provisions of this Agreement.”

For a detailed analysis of this provision, see Chapter 33.

“goods”. The services might include, for example, advertising of wines and spirits, or listing them on restaurant menus. The rule applies not only to persons who are nationals, but also to persons domiciled in the Member, who have used the indication. The first of two criteria for qualifying for exception is that the indication has been used continuously, and in respect to the same or related goods and services in the territory of the Member, since at least 15 April 1984 (that is, ten years prior to 15 April 1994).³⁹⁵ This first criterion is not qualified by a requirement of good faith. The similar or identical geographical indication may have been deliberately adopted to take advantage of the reputation of foreign producers.

A second (alternative) criterion is that the geographical indication has been used prior to 15 April 1994 “in good faith”. The “good faith” element is a potential source of controversy. From the standpoint of the party that adopted the geographical indication, “good faith” might mean a belief that its action did not violate a legal rule, even if it knew that producers in a foreign territory used the same indication. From the standpoint of a complaining producing region, “good faith” might suggest that the party adopting the indication was not aware, or did not have reason to be aware, of the indication that was adopted. If use of a foreign geographical indication was permitted under national law prior to 15 April 1994, it may be difficult to succeed with a case that its use was in bad faith. Action in bad faith implies wrongful conduct, and in the commercial context wrongful conduct is typically that which is contrary to legal norms.³⁹⁶

The two criteria of exclusion for wines and spirits suggest that much of the protection afforded by Article 23 will be prospective in nature, rather than reaching back to practices ongoing as of the time of the Marrakesh Ministerial.

3.3.5 Article 24.5

Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

- (a) before the date of application of these provisions in that Member as defined in Part VI; or
- (b) before the geographical indication is protected in its country of origin; measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

Article 24.5 excludes from the application of Article 22.3 and Article 23.2 trademarks (i) that have been applied for or registered in good faith or (ii) that have been acquired by use in good faith. The criterion of “good faith” is not specifically

³⁹⁵ 15 April 1994 is the date on which the Uruguay Round Agreements were adopted at the Marrakesh Ministerial. Members adopted this date in Article 24.3 presumably to prevent commercial operators from taking advantage of the delay until 1 January 1995 to initiate “good faith” use of indications.

³⁹⁶ Article 39, TRIPS Agreement, refers to actions contrary to “honest commercial practices”, but includes a list of practices that are contrary to legal norms.

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defined, but may mean that an intention to take unfair advantage of a competitor was absent, or that the applicant or registrant had a reasonable belief that its actions were not contrary to existing legal principles within its own jurisdiction.

The exception is limited in time to two circumstances. Registration must have been applied for or granted, or use must have been commenced, prior to entry into force of this section of TRIPS for the subject country (so, for example, on 1 January 2000, for developing countries), or before the indication is protected in its country of origin. Although the text is inelegantly drafted, it would appear that the temporal limitations established by subsections (a) and (b) apply both to registered marks and common law marks because the phrases following these subsections qualify registered marks as well as common law marks, and there is no indication that common law and registered marks are to be treated differently.

3.3.6 Article 24.6

Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.

Article 24.6 recognizes that some terms claimed as geographical indications are the common name for goods and services in Members, and provides a general exception for providing protection against the usage of such names. Article 24.6 does not rely on the term “generic”, which is an important term in trademark law, to describe the subject terms, but rather uses the phrase “the term customary in common language as the common name”. The term “generic” (or “non-generic”) was proposed for use in parts of this Section during the negotiation phase. Perhaps it was rejected because negotiators did not want the specialized trademark law meaning to be transposed to this context (recognizing that the term “generic” may be defined differently in Members), or perhaps it was rejected because the term “generic” tends to apply to the broad class of a product, while geographical indications may typically apply to a specialized product. In any case, whether a term is the common name for goods and services is a factual question that is analogous to the trademark law factual question whether a term is generic. An inquiry may rely on dictionaries, books and periodicals, consumer surveys and the knowledge of the judge.³⁹⁷

The second sentence is inelegantly drafted. The sentence is ambiguous because it uses the term “Member” three times, but it is not completely clear to which “Member” the third reference to “that Member” is intended to apply. The sentence

³⁹⁷ In trademark cases where a term is argued to be generic, if the term is sufficiently familiar, *e.g.*, “chair”, a judge may determine genericness as a matter of his or her own knowledge.

could be construed such that if, in Member A, wine is produced from and given the name of grapes that are customarily known in Member A by the name of a geographic region in Member B, protection need not be provided to the name of the geographic region in Member B. Article 26.3 of the Brussels Text (see Subsection 2.2.6 above), would suggest that this first construction is intended. Alternatively, the second sentence may provide an exception from protection in Member A as to a geographical indication for grape wine which is, as to Member B, both the geographic name associated with the wine and the customary name of the grape variety from which it is made.³⁹⁸

3.3.7 Article 24.7

A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.

A request regarding a trademark under this Section would be directed to the trademark authorities asking that the mark be refused registration or invalidated because it conflicts with a protected geographical indication. A “request” might be made in connection with “use” to the extent that an application for registration is based on use in commerce, and a request for refusal is based on the use.

Article 24.7 allows a Member to provide, first, that a “request” must be made within a 5-year period after the geographical indication “has become generally known” in the Member where the request is made. The concept of “generally known” is employed because a geographical indication might be protected by unfair competition rules (rather than registration) so that knowledge would not arise as a presumption from registration.

Second, a Member may require that a request be made within five years of the registration of a trademark (so the request would be for invalidation), if that were shorter than the period during which adverse use of the geographical indication was generally known. This second option is limited to the extent that the trademark holder must not have registered the geographical indication in bad faith. A geographical indication might be registered as a trademark in bad faith, for example, as a means to prevent a competitor from entering the market without a *bona fide* intention on the part of the registrant to enter the market under that name.

The limitation on the time for requests need not be adopted by Members. It is set out as an option.

³⁹⁸ So, for example, if in Member B wine is made in the “X” region from the “X” grape, wine growers in Member A may make and sell “X” wine because it is named for the “X” grape, even if “X” might otherwise be protected as a geographical indication.

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3.3.8 Article 24.8

The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.

Article 24.8 appears directed to the situation in which a personal name is also used as the name of a business or product, and such name is also a geographical indication. A person retains the right to use their name in business, but not in "such a manner as to mislead the public." This problem arises also in trademark law when a personal name is also a trademark, and the personal name is used for business purposes. It is in fact a question whether the person using the personal name is attempting to unfairly exploit the trademark.

3.3.9 Article 24.9

There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

Article 24.9 effectively provides that geographical indications, at the option of the Member where protection is sought, are dependent on their treatment in the country of origin. This is different, for example, than the treatment of patents which are independent of their treatment in the country of invention. It reflects the nature of the geographical indication which depends on a link to a territory. If the link is broken, protection is lost. The rule presents some risks to the holders of geographical indications that are dependent on the actions of administrative bodies in their territories since action or inaction by those bodies may deprive the holders of rights they might have asserted based on public association of the geographical indication with the product. The last phrase indicates that a geographical indication may be lost through disuse in the country of origin. This is analogous to the treatment of trademarks, although trademarks are generally maintained or lost in their country of registration or use (not in the country of origin).³⁹⁹

4. WTO jurisprudence

4.1 EC – Protection of Trademarks and GIs

Following separate requests by Australia⁴⁰⁰ and the USA,⁴⁰¹ the WTO Dispute Settlement Body (DSB) at its meeting on 2 October 2003 established a single

³⁹⁹ Although under the Madrid registration system a mark may during a limited period be lost based on invalidation in the country of origin.

⁴⁰⁰ WT/DS290/18 of 19 August 2003.

⁴⁰¹ WT/DS174/20 of 19 August 2003.

panel⁴⁰² to examine complaints with respect to EC Council Regulation (EEC) No. 2081/92 of 14 July 1992⁴⁰³ on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. The complaints are based, *inter alia*, on alleged violations of TRIPS Articles 22.1 (definition of GIs), 22.2 (a) and (b) (obligation to provide the legal means for the prevention of misleading use of GIs and the prevention of any use of GIs constituting an act of unfair competition), and 24.5 (good faith application, registration or use of trademarks).⁴⁰⁴

Article 2 of the above EC Regulation provides definitions for “designations of origin” and “geographical indications”.⁴⁰⁵ The former appears to be narrower than the latter: as opposed to “geographical indications”, “designations of origin” does not refer to a product’s reputation as an independent element of protectable subject matter. In addition, the requirement of the link between the product’s characteristics and its origin appears to be stricter under “designations of origin”: the reference to a particular geographical environment includes a reference to the “inherent natural and human factors”, which is not the case for “geographical indications”.

The definition of “geographical indications” under Article 22.1 refers to “indications which identify a good as originating in the territory of a Member, or a region or locality . . .” The above EC Regulation defines “geographical indications” as “the name of a region, a specific place or, in exceptional cases, a country . . .”

As to the rights conferred by a GI, Article 22.2 (a) establishes the requirement of consumer confusion (“...in a manner which misleads the public as to the

⁴⁰² *European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* [hereinafter “EC – Protection of Trademarks and GIs”], WT/DS174/21 and WT/DS290/19 of 24 February 2004, Constitution of the Panel Established at the Requests of the United States and Australia.

⁴⁰³ See above, Section 2.1.

⁴⁰⁴ See the above requests by Australia and the USA for the establishment of a panel. The alleged violation of Article 22.1 (definition of GIs) was invoked solely by the USA. Australia, on the other hand, asserted a violation of both letters (a) and (b) under Article 22, whereas the USA referred expressly only to misleading use of GIs (letter (a) of the same provision). Note that the same complaint was also based on other TRIPS provisions, in particular relating to the national treatment and most-favoured nation treatment obligations and to trademark protection. See Chapters 4 and 14.

⁴⁰⁵ The provision provides in part: “2. For the purposes of this Regulation: (a) designation of origin: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country, and
- the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area;
- (b) geographical indication: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:
- originating in that region, specific place or country, and
- which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.

3. Certain traditional geographical or non-geographical names designating an agricultural product or a foodstuff originating in a region or a specific place, which fulfil the conditions referred to in the second indent of paragraph 2 (a) shall also be considered as designations of origin. [. . .]”

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geographical origin of the good”). The EC Regulation in Article 13.1 (b) provides that names registered as a “geographical indication” or a “designation of origin” shall be protected against

“(b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’ or similar”

This provision makes the exercise of the rights conferred independent of actual consumer confusion.⁴⁰⁶

The above EC Regulation in Article 14 provides protection against the registration of trademarks corresponding to protected geographical indications. According to this provision,⁴⁰⁷ such trademarks relating to the same product shall be refused registration or declared invalid

- in case the application for registration of the trademark was submitted after the application for GI registration was published;
- or in case the application for registration of the trademark was submitted before the application for GI registration was published, provided that that publication occurred before the trademark was registered.

Thus, the only situation under which a corresponding trademark may remain valid is where the application for GI registration is published only after the *bona-fide* registration of the trademark. But even under those circumstances, use of the trademark will be discontinued where⁴⁰⁸

- the trademark consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods;
- or where the trademark is of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;
- or where the trademark, after the date on which it was registered, in consequence of the use made of it by the proprietor of the trademark or with his consent in respect of the goods or services for which it is registered, is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

4.2 Japan – Alcoholic Beverages

As noted in Section 2.1, above, Article IX, GATT 1947, was interpreted by a panel in the *Japan – Alcoholic Beverages* case.

⁴⁰⁶ Note that in this respect, the above provision is similar to Article 23.1, TRIPS Agreement, which provides an enhanced form of protection for GIs for wines and spirits.

⁴⁰⁷ See Article 14.1 of the above EC Regulation.

⁴⁰⁸ See Article 14.2 of the above EC Regulation, referring to the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks.

5. Relationship with other international instruments

5.1 WTO Agreements

5.1.1 The GATT

In Section 2.1, *supra*, it was noted that Article IX, GATT 1947, addressed geographical indications in a non-obligatory manner, and Article IX continues in force as part of GATT 1994. In light of the non-obligatory character of Article IX, and the more specific treatment of geographical indications in TRIPS, it is doubtful that there will be any conflict in operation of the relevant provisions.

5.1.2 The TBT Agreement

The Agreement on Technical Barriers to Trade (“TBT Agreement”), on the other hand, may have more concrete application to geographical indications, and it raises the possibility for potential conflict of norms. Annex 1, paragraph 1, of the TBT Agreement defines a “technical regulation” as a:

“Document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.”

Annex 1, para. 2, of the TBT Agreement defines a “standard” as a:

“Document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.”

Provisions by which WTO Members have regulated entitlement to appellations of origin,⁴⁰⁹ geographical indications⁴¹⁰ and certification marks⁴¹¹ commonly set forth quality standards that producers within a territory must satisfy in order to use the identifier.

⁴⁰⁹ As discussed, *supra* Section 2.1.2.3, appellations of origin typically are allowed to be affixed only on the basis of meeting quality or characteristic standards.

⁴¹⁰ For example, the EC Council Regulation on the common organization of the market for wine, discussed *infra*, Section 6.3.1, includes details on wine quality standards.

⁴¹¹ For example, the U.S. Trademark (Lanham) Act, 15 U.S.C. §1127, defines “certification mark” as follows:

“The term ‘certification mark’ means any word, name, symbol, or device, or any combination thereof—

(1) used by a person other than its owner, or

(2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this Act, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.”

6. New developments

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The TBT Agreement regulates technical regulations, standards, certification procedures and related matters in a comprehensive way. It applies in different ways to governmental and non-governmental bodies. The basic objective is avoidance of use of technical regulations and standards as disguised barriers to trade. It is possible that rules adopted in a Member governing the recognition of geographical indications could discriminate against producers from other Members in a manner inconsistent with the TBT Agreement, whether or not such rules are compatible with TRIPS. It will therefore be important to consider potentially applicable rules of the TBT Agreement in adopting, implementing and enforcing rules concerning the protection of geographical indications.

5.2 Other international instruments

WIPO conventions that contain provisions relevant to geographical indications are discussed in Section 2.1, above, including the Paris Convention, the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration. Each of these agreements remains in force. Provisions of the Paris Convention relevant to geographical indications are incorporated by reference in TRIPS (see Chapter 3).

6. New developments

6.1 National laws

6.2 International instruments

The WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications is pursuing an active work program on geographical indications largely directed toward identifying common legal principles that might be recommended for adoption in national law.⁴¹²

6.3 Regional and bilateral contexts

6.3.1 Regional

6.3.1.1 European Union. The EC has regulated extensively on the subject of geographical indications. As noted in Section 2.1, prior to conclusion of TRIPS, the EC adopted Council Regulation (EEC) No. 2081/92 of 14 July 1992 on the protection of geographical indications of origin for agricultural products and foodstuffs.

In addition, in 1999 the EC adopted a detailed Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organization of the market in wine. The 1992 Regulation (dealing with products other than wine and spirits) is essentially limited to protection of identifiers. The 1999 Regulation, in contrast, deals broadly with the wine industry, and includes the protection of geographical indications as one major element of a broader regulatory framework. Chapter II (Description, Designation, Presentation and Protection of Certain Products), along

⁴¹² See, e.g., Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, SCT 8/4, 9/4 & 9/5.

with Annexes VII and VIII, deal *inter alia* with geographical indications and labelling (see Article 47(e) and (f)). Article 48 establishes the basic standard of protection for geographical indications, providing:

“Article 48

The description and presentation of the products referred to in this Regulation, and any form of advertising for such products, must not be incorrect or likely to cause confusion or to mislead the persons to whom they are addressed, particularly as regards:

- the information provided for in Article 47. This shall apply even if the information is used in translation or with a reference to the actual provenance or with additions such as ‘kind’, ‘type’, ‘style’, ‘imitation’, ‘brand’ or the like;
- the characteristics of the products, and in particular, their nature, composition, alcoholic strength by volume, colour, origin or provenance, quality, the vine variety, vintage year or nominal volume of the containers,
- the identity and status of the natural or legal persons or group of persons who have been or are involved in the production or distribution of the product in question, in particular the bottler.”

Article 49 provides a rule against marketing non-conforming wines, stating, *inter alia*:

“Article 49

1. Products whose description or presentation does not conform to the provisions of this Regulation or the detailed rules adopted for its implementation may not be held for sale or put on the market in the Community or exported.” [provision for derogation through export is later addressed]

Article 50 provides the rule for treatment of imports:

“1. Member States shall take all necessary measures to enable interested parties to prevent, on the terms set out in Articles 23 and 24 of the Agreement on Trade-Related Aspects of Intellectual Property Rights, the use in the Community of a geographical indication attached to the products referred to in Article 1(2)(b) for products not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.

2. For the purposes of this Article, “geographical indications” is taken to mean indications which identify a product as originating in the territory of a third country which is a member of the World Trade Organisation or in a region or locality within that territory, in cases where a certain quality, reputation or other given characteristic of the product may be attributed essentially to that geographical place of origin.

3. Paragraphs 1 and 2 shall apply notwithstanding other specific provisions in Community legislation laying down rules for the designation and presentation of the products covered by this Regulation.”

6. New developments

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Article 50, unlike Article 12 of the 1992 Regulation, does not include a material reciprocity requirement (see above, Section 2.1). It is interesting to note, however, that wines which comply with the EC's internal regulatory scheme for geographical indications for wines are directly protected against competitors being placed on the market, whereas third country wines are subject to rules to be adopted by the member states. It is an interesting question whether EU and third country producers of wine are receiving equivalent treatment in terms of protection.

According to two recent judgements of the European Court of Justice (ECJ), not only the production of a protected good, but equally its further preparation (such as the grating of certain protected cheeses, the cutting of certain protected hams, and the packing of those products) has to take place in the indicated region, if this is expressly provided in the specification of the protected indication. The Court reasoned that those processes, if done incorrectly, could negatively affect the quality of the respective products and thus endanger their genuineness.⁴¹³

6.3.1.2 NAFTA. Article 1721, "Definitions", of NAFTA Chapter Seventeen on Intellectual Property defines geographical indication in a manner essentially identical to that of Article 21, TRIPS Agreement, providing:

"geographical indication means any indication that identifies a good as originating in the territory of a Party, or a region or locality in that territory, where a particular quality, reputation or other characteristic of the good is essentially attributable to its geographical origin."

Article 1712 addresses the rights of interested persons with respect to geographical indications, stating *inter alia*:

"Article 1712: Geographical Indications

1. Each Party shall provide, in respect of geographical indications, the legal means for interested persons to prevent:

(a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a territory, region or locality other than the true place of origin, in a manner that misleads the public as to the geographical origin of the good;

(b) any use that constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention.

[...]"

In addition, NAFTA Chapter Three on National Treatment and Market Access of Goods includes the following:

"Article 314: Distinctive Products

Each Party shall comply with Annex 314 respecting standards and labelling of the distinctive products set out therein."

⁴¹³ See ECJ cases C-469/00 and C-108/01 (concerning "Grana Padano" cheese and "Prosciutto di Parma"/Parma ham), and *Belgium v. Spain*, C-388-95 [2000] ECR I-3123 (concerning "Rioja").

“ANNEX 314**Distinctive Products**

1. Mexico and Canada shall recognize Bourbon Whiskey and Tennessee Whiskey, which is a straight Bourbon Whiskey authorized to be produced only in the State of Tennessee, as distinctive products of the United States. Accordingly, Mexico and Canada shall not permit the sale of any product as Bourbon Whiskey or Tennessee Whiskey, unless it has been manufactured in the United States in accordance with the laws and regulations of the United States governing the manufacture of Bourbon Whiskey and Tennessee Whiskey.
2. The United States and Mexico shall recognize Canadian Whiskey as a distinctive product of Canada. Accordingly, the United States and Mexico shall not permit the sale of any product as Canadian Whiskey, unless it has been manufactured in Canada in accordance with the laws and regulations of Canada governing the manufacture of Canadian Whiskey for consumption in Canada.
3. The United States and Canada shall recognize Tequila and Mezcal as distinctive products of Mexico. Accordingly, the United States and Canada shall not permit the sale of any product as Tequila or Mezcal, unless it has been manufactured in Mexico in accordance with the laws and regulations of Mexico governing the manufacture of Tequila and Mezcal. This provision shall apply to Mezcal, either on the date of entry into force of this Agreement, or 90 days after the date when the official standard for this product is made obligatory by the Government of Mexico, whichever is later.”

6.3.1.3 The Andean Group. The Andean Group Decision 486 provides for the protection of the exclusive right to make use of officially recognized “appellations of origin”.⁴¹⁴

6.3.1.4 The Bangui Agreement. This Agreement of 1977, which was revised in 1999, relates to the creation of the African Intellectual Property Organization (OAPI). It includes regional protection for different categories of intellectual property rights including appellations of origin.

6.3.1.5 The Group of Three⁴¹⁵. The Agreement establishing the Group of Three lays down the right of member countries to protect “designations of origin”⁴¹⁶ and geographical indications. However, it is left to domestic legislation to determine the conditions for protection.⁴¹⁷

⁴¹⁴ See Title XII, Chapter I of Decision 486 of 2000.

⁴¹⁵ This is a free trade agreement between Colombia, Venezuela and Mexico. It aims to achieve a free trade area by 2005. The full text of the agreement in English is available at <<http://www.sice.oas.org/Trade/G3.E/G3EC1.asp>>.

⁴¹⁶ This term is often used instead of “appellation of origin”.

⁴¹⁷ See C. Correa, *Protection of Geographical Indications in the CARICOM Countries*, September 2002 (manuscript).

6. New developments

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6.3.1.6 MERCOSUL/R. A 1995 Protocol on Harmonization of Rules on Intellectual Property in Relation to Trademarks, Geographical Indications and Denominations of Origin contains a general obligation for parties to protect both geographical indications and appellations of origin. However, the Protocol does not determine the scope of protection.⁴¹⁸

6.3.1.7 The Revised Central American Convention for the Protection of Industrial Property. This 1994 Convention requires the protection of geographical indications, using the same definition of that notion as employed by Article 22.1.⁴¹⁹

6.3.2 Bilateral

The protection of geographical indications has increasingly become the subject matter of bilateral trade and investment agreements. Particularly by creating an agreed register of protected indications, countries avoid subsequent disputes as to particular terms. It is not so clear the extent to which such bilateral agreements serve the interests of consumers since they are likely to reflect the influence of producers in the negotiating process. Moreover, to the extent that such bilateral agreements establish protection for producers from one country, they may effectively foreclose producers from another country to challenge the decision to confer protection. In this way, bilateral protection agreements may undermine the MFN principle by conferring more extensive protections to some Members over others.⁴²⁰

There are a large number of bilateral and mini-lateral agreements that incorporate protection of geographical indications, either in a general provision or through the acceptance of an agreed-upon register. It is in particular the EC that has been very active in this respect. Recently, the EC has concluded several bilateral agreements referring to the protection of GIs, in particular with Australia, Chile, Mexico and South Africa. A more detailed discussion of these agreements would, however, go beyond the scope of this book.

6.4 Proposals for review

As discussed earlier, Part II, Section 3 of TRIPS places further negotiation regarding geographical indications on the work program of the TRIPS Council in two ways. First, Article 23.4 refers to a multilateral system for notification and registration for wines. Second, pursuant to Article 24.1, "Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23". In addition to further negotiations, Article 24.2 calls for continuing review of the application of provisions under this Section.

⁴¹⁸ Ibid.

⁴¹⁹ Ibid.

⁴²⁰ As to the complex relationship between the MFN obligation and bilateral TRIPS-plus provisions on individual geographical indications, see above, Section 3.

Both Articles 23.4 and 24.1 were reflected in the Ministerial Declaration adopted in Doha on 14 November 2001,⁴²¹ which stated:

“18. With a view to completing the work started in the Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPS) on the implementation of Article 23.4, we agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference. We note that issues related to the extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits will be addressed in the Council for TRIPS pursuant to paragraph 12 of this Declaration.”

Prior to and following the Doha Ministerial, Members have made extensive submissions to the TRIPS Council regarding the establishment of a register and extending protection under Article 23 to additional geographical indications.

6.4.1 The Multilateral Register

The WTO Secretariat prepared a Note of 18 February 2003 (TN/IP/W/7) on *Discussions on the Establishment of a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits: Compilation of Issues and Points*. That Note illustrates that Members disagreed on virtually all aspects of establishing a multilateral system, especially with respect to the legal effects of registration. In particular, some points of discussion included: (1) the meaning of the terms “notification” and “registration”, (2) the procedures that might be followed in using a system, including whether and how an “opposition” procedure might operate, (3) whether disputes at the registration or opposition phase might be resolved by an arbitration mechanism of some kind, (4) the effect that registration would have in terms of establishing presumptions, (5) how the costs of a new system would be borne, in the contexts of costs to governments, costs to producers, costs to consumers, and costs to an administering body, and (6) what role WIPO might play in the administration of a new system.

6.4.2 The Extension Debate

Following the Doha Ministerial Declaration, negotiations on the extension of protection under Article 24.1 TRIPS are considered an “outstanding implementation issue”.⁴²² As far as the scope of those negotiations is concerned (i.e. whether or not they cover the possible extension of the Article 23 protection to products other

⁴²¹ WT/MIN(01)/DEC/1, 20 November 2001. Note that the Declaration expressly extended the scope of the negotiations on the multilateral register to spirits (Article 23.4 refers only to wines). Prior to this express reference to spirits, Members had disagreed whether spirits were actually covered by the negotiations. For details, see Rangnekar, p. 41.

⁴²² See paragraph 12 (b) of the Doha Ministerial Declaration of 20 November 2001, WTO document WT/MIN(01)/DEC/1, and *Tiret* 87 of the *Compilation of Outstanding Implementation Issues*. (This compilation was set up on the basis of paragraph 13 of the Ministerial Decision on Implementation-related Issues and Concerns, adopted at Doha on 14 November 2001, WTO document WT/MIN(01)/17. It is contained in WTO document Job(01)/152/Rev.1, which can be consulted at <<http://www.ictsd.org/ministerial/doha/docs/imp.iss.pdf>>.)

7. Comments, including economic and social implications

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than wines and spirits), delegations have not yet been able to come to a compromise solution.⁴²³

7. Comments, including economic and social implications

The subject of geographical indications attracted only modest interest in the course of the Uruguay Round TRIPS negotiations. Since that time, interest has gradually intensified, so that today the subject is one of the most intensely argued in the Doha Development Round. The arc of interest may be explained by developments in the world economy over the past decade, in particular in the field of agriculture.

Although geographical indications do not pertain solely to agricultural products, the most common field of application and potential application is in regard to basic and processed agricultural products. The field of agriculture is one in which competitive advantage depends on factors that may favour highly mechanized large-scale producers, on one side, and low-cost labour intensive producers on the other.

For Members pursuing agricultural policies that favour substantial subsidization of smaller scale farming and food production, competitive advantage might be maintained by the differentiation of products based on “ephemeral” characteristics, such as names evocative of exotic locales. While consumers may be relatively indifferent to an alcoholic beverage identified as a “quality sparkling wine produced in a specified region”, they are not indifferent to “Champagne”, a name which can be heavily advertised and promoted. The post-Uruguay Round attention to geographical indications is occurring contemporaneously with efforts, not yet successful, to reduce or eliminate agricultural subsidies. Geographical indications might serve as a basis for competitive advantage in a newly liberalized agricultural trading environment.

For developing WTO Members the continuing negotiations on geographical indications present difficult analytic questions. At the moment, Europe stakes the greatest number of claims to geographical indications. In a static economic sense, wider acceptance of these claims is likely to result in increased IP-rent payments from developing countries to Europe, at least in the short and medium term. Yet there are some important geographical indications existing in developing Members, and over time as developing Member exporters become more sophisticated in their approaches to developed country markets, there may be increasing interest in product differentiation on the basis of locale. Predicting the economic impact on developing Members of agreeing to enhanced protection for geographical indications is rather difficult.

Much will depend on the characteristics of a given country's economy. If the country is not an agricultural producer or exporter, the possibilities for gain from providing additional protection for geographical indications is rather limited. More likely, increased costs to consumers for protected goods will be the result.

If a developing country produces agricultural products for export, it still faces a dilemma in respect to additional protection of geographical indications. If, for

⁴²³ For a detailed analysis of the extension debate, see Rangnekar.

example, European wine and cheese producers are better able to protect the traditional names of products in the EU and foreign markets, one effect may be to make it more difficult for emerging developing country exporters from entering those markets. A grocery store has limited shelf space. If a substantial part is devoted to “speciality” goods protected by geographical indications, it is not so easy for other producers to find marketing space.

Some developing countries presently export products they consider not to be adequately protected in overseas markets by geographical indications. Producers in these countries might be more aggressive in taking advantage of existing legal opportunities to protect their identifiers.⁴²⁴ In some cases, an apparent lack of protection may indicate that the right avenues for protection are not yet explored. It should be noted, however, that in countries where the protection of geographical indications is based on unfair competition concepts (rather than on the registration of protected names), there may be additional costs of litigation that will make these avenues more expensive.

Over time developing country producers may generate new geographical indications that will help them penetrate foreign markets, and protect their local markets. If developing country producers are willing and able to invest in the creation of protectable geographical names, this would be a reason for favouring additional protection.

On a static basis, it seems likely the major beneficiaries of extending protection for geographical indications will be countries already having a competitive edge in this sector. It is less certain when dynamic gains will accrue to developing country producers.⁴²⁵

⁴²⁴ Japan, by way of illustration, was quite critical of Section 337 of the U.S. Trade Act of 1930 until its producers learned that effective lawyers in the United States could turn Section 337 into a strong mechanism for the protection of Japanese industry.

⁴²⁵ For a detailed assessment of the economic impact of protecting geographical indications see D. Rangnekar, *The Socio-Economics of Geographical Indications. A Review of Empirical Evidence from Europe*, UNCTAD-ICTSD, Geneva, 2004 (also available at <<http://www.iprsonline.org/unctadictsd/projectoutputs.htm#casestudies>>).

Annex 1 Excerpt from WIPO, SCT/8/4, April 2, 2002

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

Eighth Session

Geneva, May 27 to 31, 2002

DOCUMENT SCT/6/3 REV. ON GEOGRAPHICAL INDICATIONS: HISTORICAL
BACKGROUND, NATURE OF RIGHTS, EXISTING SYSTEMS FOR PROTEC-
TION AND OBTAINING PROTECTION IN OTHER COUNTRIES

III. Attempts to Revise the Multilateral System of Protection after 1958

...

(b) Revision of the Paris Convention

72. As indicated, during the time the WIPO draft treaty on geographical indications was being prepared, the process for the revision of the Paris Convention was initiated. In the course of the discussions on the revision of the Paris Convention, a working group on conflicts between an appellation of origin and a trademark prepared a proposal to include in the Paris Convention a new article on the protection of appellations of origin and indications of source. Under the Rules of Procedure of the Diplomatic Conference on the Revision of the Paris Convention, the said proposal became a basic proposal for the revision of the Paris Convention.[29]⁴²⁶ In the proposal, the terminology used in the WIPO draft treaty of 1975 was adopted; thus the term “geographical indication” was used. The purpose of the new article of the Paris Convention, which was provisionally numbered Article 10*quater*, was twofold. First, the article would ensure more extensive protection of appellations of origin and indications of source against their use as trademarks. Second, a special provision in favour of developing countries would be included, which would allow those countries to reserve a certain number of potential geographical indications for the future so that, even if they were not yet used as geographical indications, they could not be used as trademarks.

73. Draft Article 10*quater* established in its paragraph (1) the principle that a geographical indication which directly or indirectly suggested a country of the Paris Union or a region or locality in that country with respect to goods not originating in that country may not be used or registered as a trademark, if the use of the indication for the goods in question was of a nature as to mislead the public as to the country of origin. Draft paragraph (2) extended the application of draft paragraph (1) to geographical indications which, although literally true, falsely represented to the public that the goods originated in a particular country.

74. Draft paragraph (3) contained an additional provision in respect of geographical indications which had acquired a reputation in relation to goods originating in a country, region or locality, provided that such reputation was generally known in the country where protection was sought by persons engaged in the production of goods of the same kind or in trade in such goods. This additional provision would have established a reinforced protection for certain generally known geographical indications without the requirement of misleading use.

⁴²⁶ [29][renumber following in order] PR/DC/4

75. Draft paragraph (4) allowed the continuation of use which had been begun in good faith. Draft paragraph (5) required that all factual circumstances must be considered when applying the preceding provisions. Draft paragraph (6) reserved the possibility of bilateral or multilateral negotiations between member countries of the Paris Union.

76. Finally, draft paragraph (7) provided that each developing country may notify the International Bureau of up to 200 geographical names denominating the country itself or a region or a locality on its territory, with the consequence that the International Bureau would notify all Paris Union member States and that these States would be obliged to prohibit the registration or use of trademarks containing or consisting of the notified names. The effect of the notification would last for 20 years. During this period, any developing country having made a notification would have the possibility of making known and protecting the geographical indication as referring to a geographical area in its territory from which certain goods originated so that subsequently the general provisions on protection of geographical indications would apply.

77. Draft Article 10*quater* was discussed in the four sessions of the Diplomatic Conference as well as in some of the subsequent consultative meetings. Although, initially, the Group of industrialized market economy countries was divided in respect of the protection of geographical indications which had acquired a certain reputation, in 1984, those countries agreed on a proposal for a new Article 10*quater*, which can be summarized as follows:⁴²⁷

78. Draft paragraphs (1) and (2) were similar to draft paragraphs (1) and (2) of Article 10*quater*, as contained in the basic proposals for the revision of the Paris Convention, subject to some minor changes; draft paragraph (3) dealt with the special case of any “geographical indication generally known in a country to consumers of given products or of similar products as designating the origin of such products manufactured or produced in another country of the Union,” and provided that the protection would not, as in the basic proposal, be directed against the use as a trademark but against a development of such an indication to a designation of generic character for the said product or similar products;

79. Draft paragraph (4) contained an amended version of the special provisions in favour of developing countries; in contrast to the basic proposal, the number of geographical indications which could be reserved was up to 10, and they could only be reserved if the goods for which the name was or was going to be used had been indicated; draft paragraphs (5) to (7) contained slightly amended versions of the provisions of the basic proposal in respect of acquired rights, the consideration of all factual circumstances and the possibilities of concluding bilateral and multilateral agreements. However, this proposal was never discussed in the sessions of the Diplomatic Conference itself.

80. It should also be mentioned that in 1982 the competent Main Committee of the Diplomatic Conference on the Revision of the Paris Convention adopted an amendment to Article 6*ter* of the Paris Convention.⁴²⁸ That Article, in its text as applicable at present, contains a prohibition on using as trademarks state emblems, official marks or emblems of intergovernmental organizations. The

⁴²⁷ PR/DC/51

⁴²⁸ PR/DC/INF/38Rev.

Annex 1 Excerpt from WIPO, SCT/8/4, April 2, 2002

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proposed amendment concerned the inclusion of the official names of States in the list of emblems, etc., which may not be used as trademarks. This would be of importance for protection of geographical indications since official names of States would always have to be excluded from use as trademarks.

81. Since the Diplomatic Conference for the Revision of the Paris Convention was never concluded, the two proposals for addressing geographical indications within that framework Convention described above were never fully discussed and remained drafts.

(c) The 1990 Committee of Experts on the International
Protection of Geographical Indications

82. In 1990, the WIPO Committee of Experts on the International Protection of Geographical Indications considered the establishment of a new treaty dealing with the international protection of geographical indications.⁴²⁹ The main reasons for a perceived unsatisfactory situation concerning the international protection of geographical indications were the limited scope of the provisions of the Paris Convention, and the limited acceptance of the Madrid Agreement on Indications of Source and the Lisbon Agreement. It was felt that this situation could only be overcome through the establishment of a new worldwide treaty.

83. In order to make the treaty attractive to all States party to the Paris Convention, the replacement of the concepts of “appellation of origin” and “indication of source” by the notion of “geographical indication” was evoked. It was felt that this notion could cover all existing concepts of protection. Furthermore, a need was perceived to establish a new international registration system, which would be more widely acceptable than the Lisbon Agreement. To that end, a basic principle was that Contracting Parties should be free to choose the manner of protection of a geographical indication in its country of origin, rather than requiring a specific form of protection. In addition, the new treaty should provide for effective protection of geographical indications against degeneration into generic terms, and ensure effective enforcement of protection.

84. The Committee of Experts discussed the following three groups of issues pertinent to the establishment of a new treaty, namely: What should be the subject matter of protection? What should be the general principles of protection, including the conditions of protection, its contents, and the mechanisms for its enforcement and for setting disputes arising under the new Treaty? Should there be a system of international registration and, if so, what should it consist of?⁴³⁰

85. The Committee did not reach a common position on those questions. At the end of its first session, the Chair concluded that a number of delegations had expressed the wish for the preparation of a new treaty, whereas other had expressed reservations. Those reservations concerned, in particular, whether the new treaty should provide for a registration system or for the establishment of lists of geographical indications protected by Contracting Parties.⁴³¹ The work concerning the establishment of a new treaty was not continued, since the Committee of Experts on the International Protection of Geographical Indications did not meet for any further session.

⁴²⁹ GEO/CE/I/2

⁴³⁰ GEO/CE/I/2, paragraph 64

⁴³¹ GEO/CE/I/3, paragraph 122