



# **SINER-GI Meeting**

## **Parma, 21-22 June 2005**

### **The WTO and geographical indications: ongoing discussions and negotiations**

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# Structure of presentation

- The WTO (predecessor = GATT)
- Intellectual property in general
- Background regarding GIs in GATT/WTO
- TRIPS provisions on GIs (Section 3 of Part II) and other provisions of relevance to GIs
- Ongoing work and negotiations
- Dispute settlement

# Core principles of the WTO multilateral trade system

- Belief that an open, stable and rules-based multilateral trading system is beneficial for welfare of all countries, especially smaller and developing countries
- Recognition of need for flexibility to take account of the trade and development interests of developing countries

# The WTO: Three Basic Functions

- Set of rules for international trade
- Forum for negotiations
- Forum for monitoring implementation and resolution of disputes

# A few dates in GATT/ WTO history (1)

Havana Conference	1947
GATT entered into force	1948
Annecy	1948
Torquay	1950
Geneva	1956
“Dillon Round”	60-61
“Kennedy Round”	64-67
“Tokyo Round”	73-79
“Uruguay Round”	86-93
Marrakesh Conference	1994
WTO established	1995

# A few dates in GATT/ WTO history (2)

Singapore	1996
Geneva	1998
Seattle	1999
<b>Doha</b>	2001 - ...
Hong Kong	2005

# The WTO membership

- Membership: 148 Members, including customs territories = 93.93% world exports of merchandises and 97.35% of world exports of commercial services
- 33 Observers (31 acceding); acceding ones = "participants in the negotiations" in the Doha work programme

*[http://www.wto.org/english/thewto\\_e/thewto\\_e.htm#members](http://www.wto.org/english/thewto_e/thewto_e.htm#members)*

# The WTO functioning

- Member-driven organization
- Single package or undertaking
- Decision-making. Consensus rule

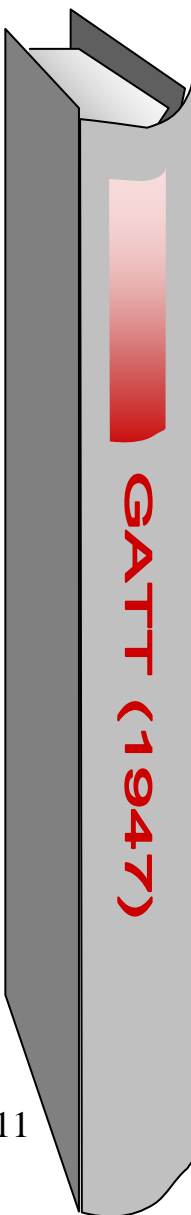
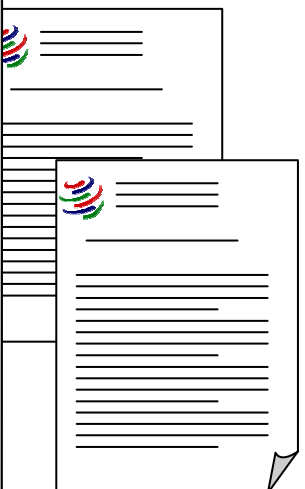
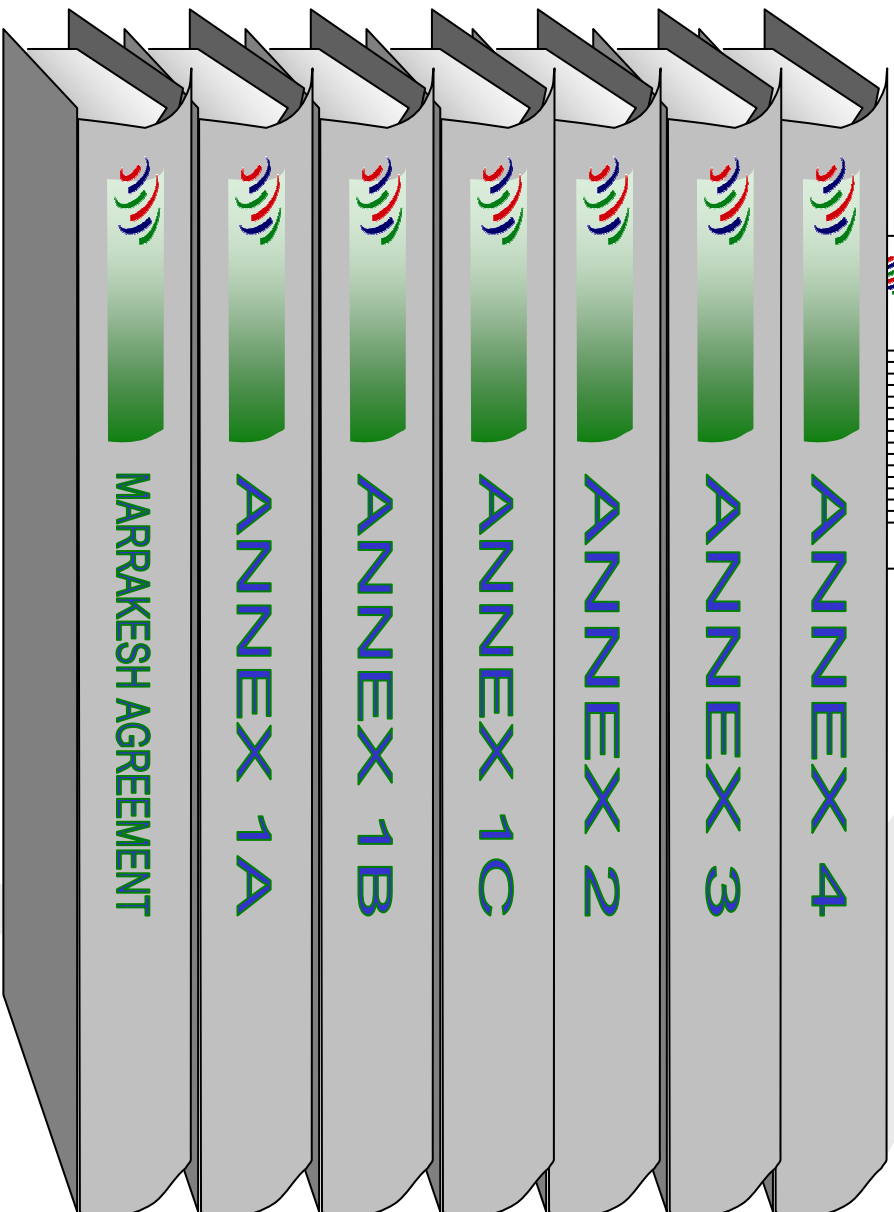
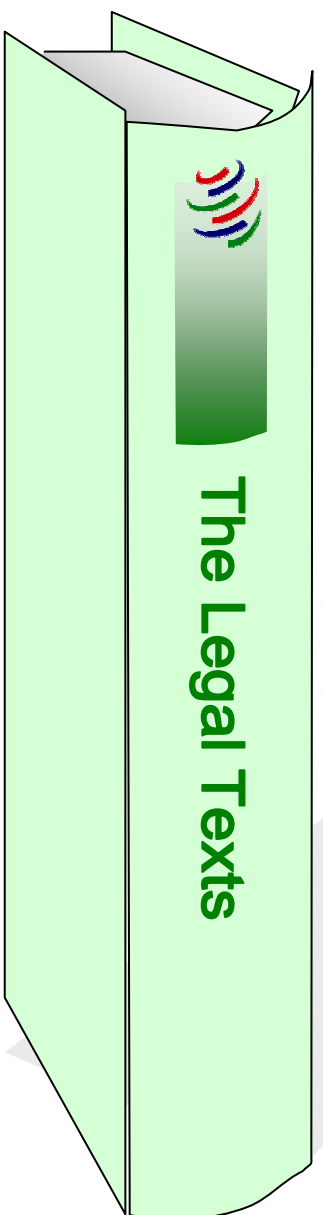


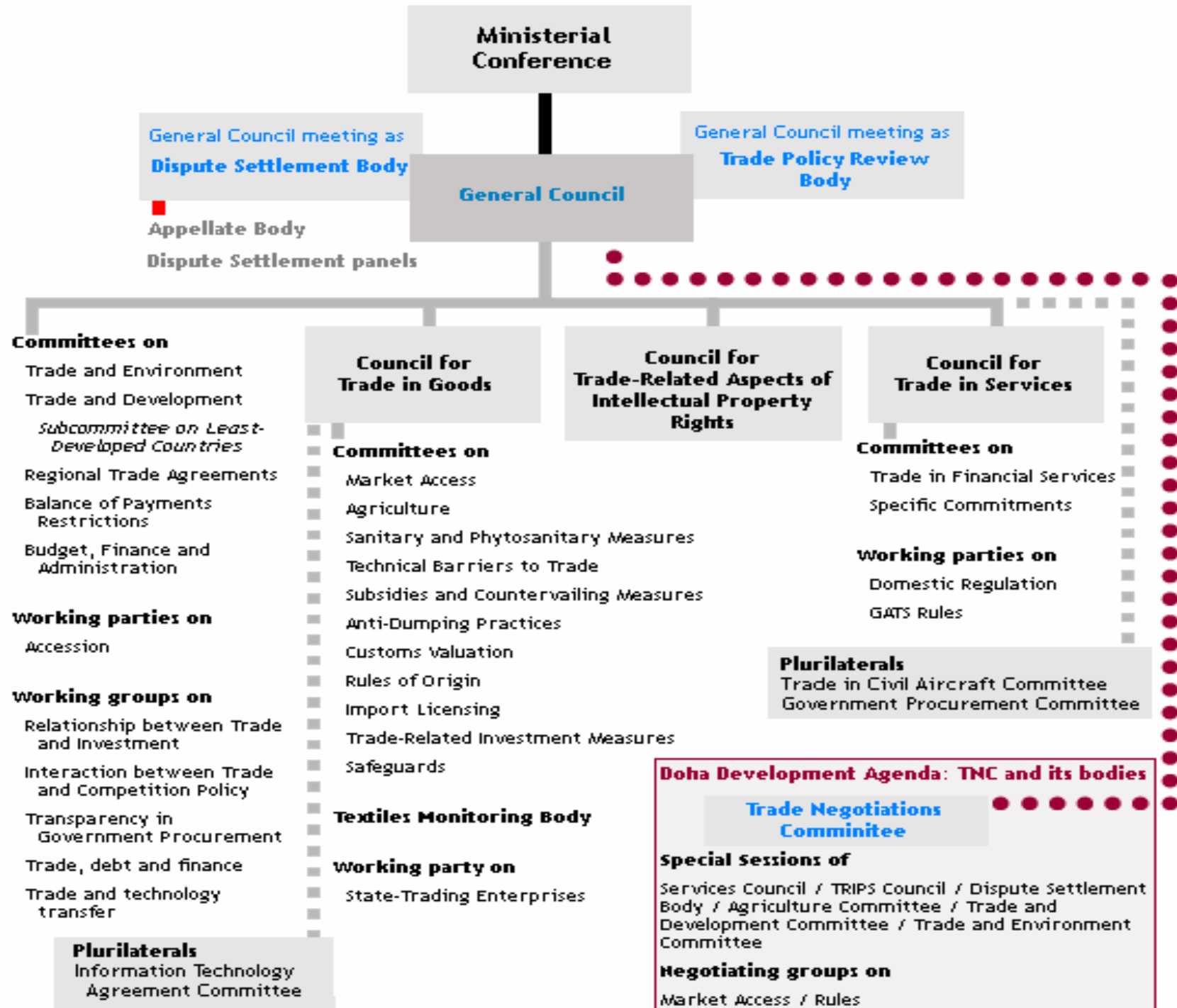
# The Main WTO Agreements

- See: *[http://www.wto.org/english/tratop\\_e/tratop\\_e.htm](http://www.wto.org/english/tratop_e/tratop_e.htm)*
- Uruguay Round results. Package
- The Agreement Establishing the World Trade Organization (Marrakesh Agreement):
  - Multilateral Agreements on Trade in Goods
    - GATT (1994)
    - 13 agreements on specific issues

# The Main WTO Agreements

- The Agreement on Trade in Services
- The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) = Annex 1C
- The Dispute Settlement Understanding
- *[Plurilateral agreements (i.e. not part of the single package) : civil aircraft, government procurement]*



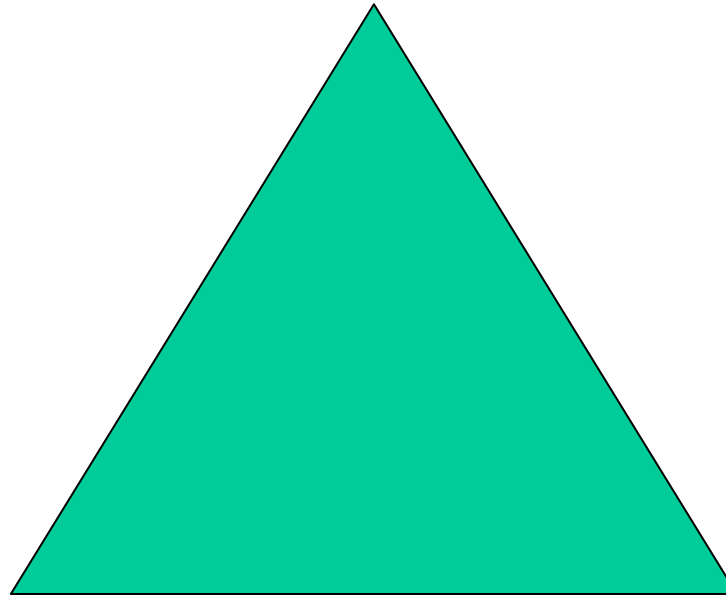


# Importance of IPRs

- Fierce competition for markets and investments
- IPRs = added value for commodities and results and activities
- **Interests of society at large; need to have a balance between interests. Not a new debate. Constant attempt to strike the balance.**
- **What would it be "new" then?**
  - **"Global village", complexity of issues and situations, technology advances**

# Balance of interests

Right owner



Third party (competitor)

Consumer

# The TRIPS Agreement

- TRIPS = ANNEX 1C of the WTO Agreement
- Why in GATT?
- Central body of international rights and obligations in the intellectual property (IP) field. Comprehensiveness.
- In the Uruguay Round: not only N-S issues but also N-N ones

# IPRs under TRIPS Agreement

## Copyright

- Artistic works
- Literary works
  - [computer software and data bases]

## Related (neighbouring) rights

- Performers
- Phonogram producers
- Broadcasters

## Industrial property

- Trademarks
- Geographical indications
- Industrial designs
- Patents
- Plant varieties protection
- Topographies of int. circ.
- Undisclosed information (e.g. trade secrets; test data)



# TRIPS Structure

## **Part I: General provisions and basic principles**

## **Part II: Standards concerning the availability, scope and use of IPRS**

- Section 1: Copyright and related rights
- Section 2: Trademarks
- Section 3: Geographical indications
- Section 4: Industrial designs
- Section 5: Patents
- Section 6: Lay-out designs (topographies) of integrated circuits
- Section 7: Protection of undisclosed information
- Section 8: Control of anti-competitive practices in contractual licenses

## **Part III: Enforcement of IPRs**

- Section 1: General obligations
- Section 2: Civil and administrative procedures and remedies
- Section 3: Provisional measures
- Section 4: Special requirements related to border measures
- Section 5: Criminal procedures

## **Part IV: Acquisition and maintenance of IPRs and related *inter partes* procedures**

## **Part V: Dispute prevention and settlement**

## **Part VI: Transitional arrangements**

## **Part VII: Institutional arrangements; final provisions**

# Some basic concepts and principles in IP law

Often mentioned in the discussions on GIs

- IPR = "intangible" property
  - Territoriality principle
  - Independence of rights
  - Balance of rights and obligations
- etc.

## Annex 1C:

- Agreement on Trade-related Aspects of Intellectual Property Rights
- **Accordo sugli aspetti dei diritti di proprietà intellettuale attinenti al commercio**
- Accord sur les aspects des droits de propriété intellectuelle qui touchent au commerce

*See: [http://www.wto.org/english/docs\\_e/legal\\_e/27-trips.pdf](http://www.wto.org/english/docs_e/legal_e/27-trips.pdf)*

# TRIPS Agreement: main features

- Coverage; basic principles; minimum standards for each category of IPR; enforcement; dispute settlement; transitional arrangements; transition law; administrative provisions
- **Minimum level of protection**, subject to certain provisions for DCs and LDcs

# TRIPS Agreement: general provisions and basic principles (Part I)

- **Freedom** to determine the appropriate method of implementing the Agreement (Art. 1.1)
- Incorporation of existing conventions (e.g. Paris and Berne Conventions)
- **National treatment** (Art. 3)
- **Most-favoured nation treatment (MFN)** (Art. 4, 5)

# GIs: background

- Complex and controversial issue both at national and international levels; commercial, economic, socio-historical, cultural.

"New World – Old World"

- WIPO: Paris Convention revision (draft Art. 10*quater*); Lisbon Agreement
- Stresa Convention (cheese)
- GATT 1947 provisions
- Uruguay Round and the "deal"
- Terminology: diversity; TRIPS definition of a GI

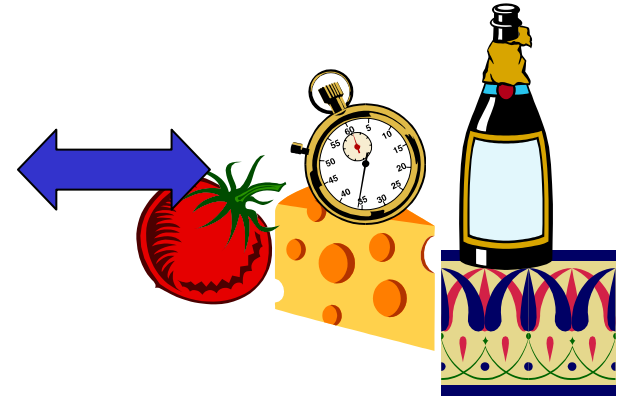
# TRIPS and GIs

## Relevant provisions in TRIPS

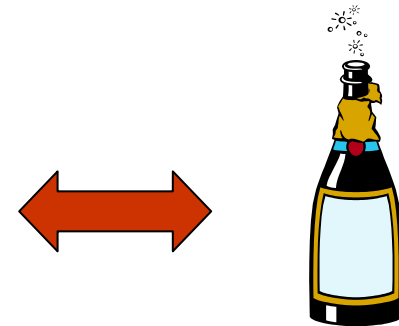
- **Section 3 of Part II**
- National and MFN treatment (Art. 3-5)
- Procedures of acquisition & maintenance of rights if registration is foreseen (Art. 62)
- Enforcement (Part III)
- Transition periods (Art. 65), dispute settlement (Art. 64)

# TRIPS and GIs

[Outside TRIPS: national laws, bilateral, regional and other multilateral agreements]

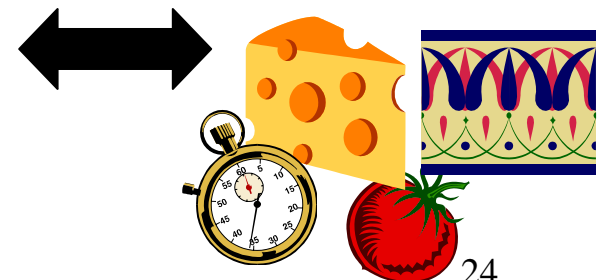


**TRIPS: Article 23 - higher protection for wines and spirits (minimum, mandatory) (+ Art. 24.2-9)**



**TRIPS: Article 22 (minimum, mandatory)**

- *Misleading/confusion test*
- *Unfair competition*





## Article 22.1 Definition

*"...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."*

Wide definition

Reflected in the great majority of WTO Members' laws

# Basic level of protection: Article 22.2 and 22.3

For all products other than wines and spirits

- Against use which:
  - misleads the public as to the geographical origin of the good;
  - constitutes an act of unfair competition (Art. 10bis Paris Convention)
- Against registration as a trademark if use of the GI in the trademark would mislead the public as to origin

# Additional protection for wines and spirits (Art. 23)

- Additional protection against use of a GI for wines on wines (and for spirits on spirits) not originating in the place indicated by the GI:
  - **without requirement to show misleading of the public or act of unfair competition**
  - **even where the true origin of the good is indicated; and**
  - **even where the GI is accompanied by expressions, e.g. kind, type, style, imitation**
- Against registration as a trademark with respect to wines and spirits not having the origin indicated

# Article 24 exceptions

The protection under Article 23 is to be read in conjunction with the exceptions under Article 24.

- Generic terms (“customary”) (Article 24.6)
- Prior trademark rights (Article 24.5):
- Certain other prior uses (Article 24.4) (grandfather clause):
- Personal names (Article 24.8)
- GIs not protected or used in their country of origin (Article 24.9)

# Homonymous GIs (Art. 22.4, 23.3)

## Art. 22.4 (for all GIs)

- protection against use which, though literally true, falsely represents to the public that the goods originated in another country

## Art. 23.3 (for GIs for wines): subject to Article 22.4, coexistence subject to:

- practical conditions under which the indication will be differentiated
- taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled

# Article 24.1

- International negotiations "aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 ... shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. ... "

## Register: 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**.*

“Unfinished business” from the Uruguay Round

# 2001: Doha

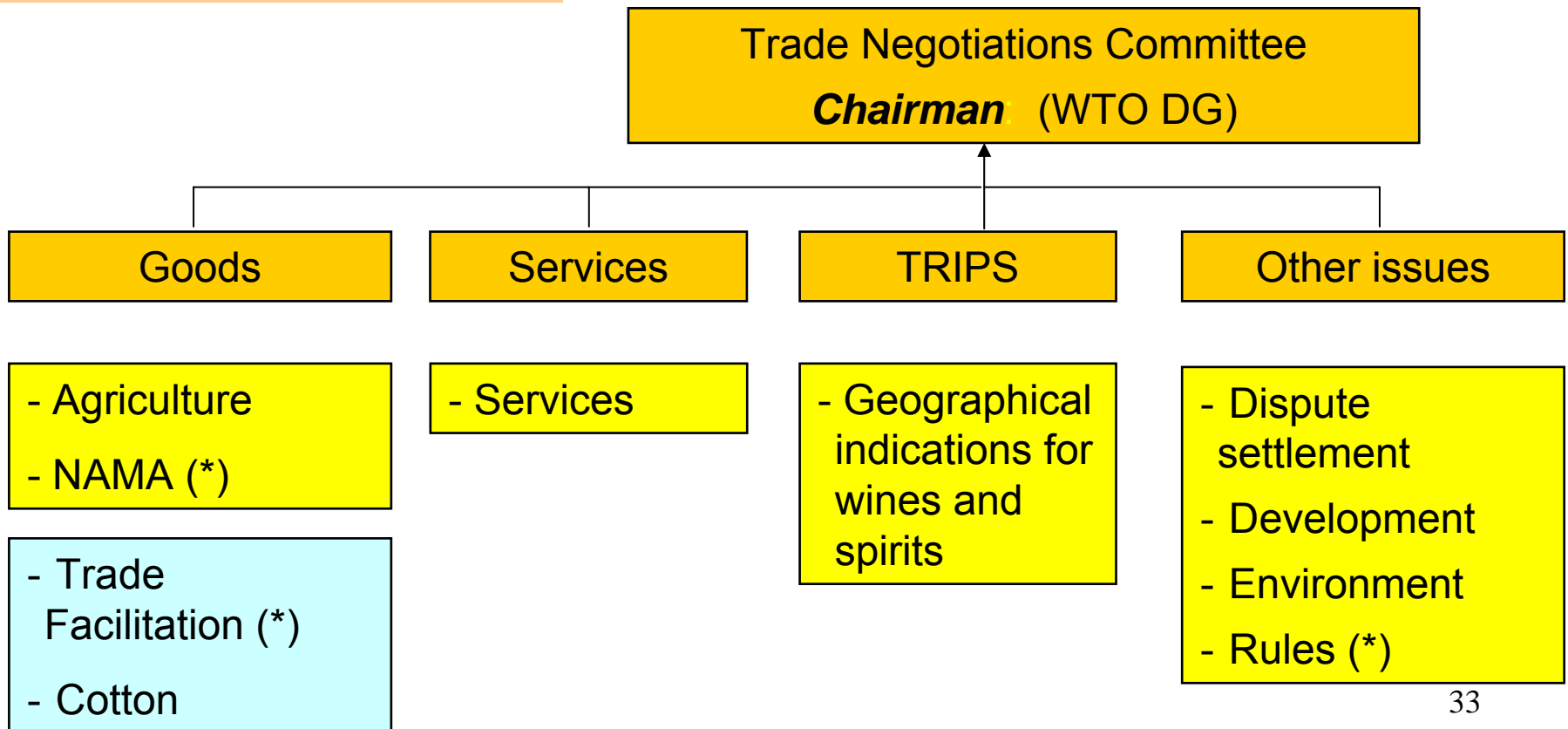
## *Results:*

- *Launch of a new round of negotiations (Doha Development Agenda)*
- Doha Ministerial Declarations and Decision of relevance to TRIPS:
  - WT/MIN(01)/DEC/1
  - WT/MIN(01)/DEC/2 (public health)
  - WT/MIN(01)/17 (→ JOB(01)/152/Rev.1 (outstanding implementation issues))



# Doha Negotiations: Structure

Negotiations take place during special sessions of existing WTO bodies (except those marked (\*))



# Doha Declaration and GIs

*Document WT/MIN(01)/DEC/1*

*See: [http://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm)*

- *Paragraph 18, 1st sentence: negotiation on the establishment of a system of notification and registration of GIs for wines and spirits*
- *Paragraph 18, 2nd sentence: extension (i.e. for other products) + paragraph 12*

# Doha Declaration: register (wines and spirits)

## ■ Paragraph 18, first sentence:

*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**.*

Fifth Ministerial Conference: September 2003

*[Was supposed to be the "early harvest" within the single undertaking]*

# Doha Declaration: "extension"

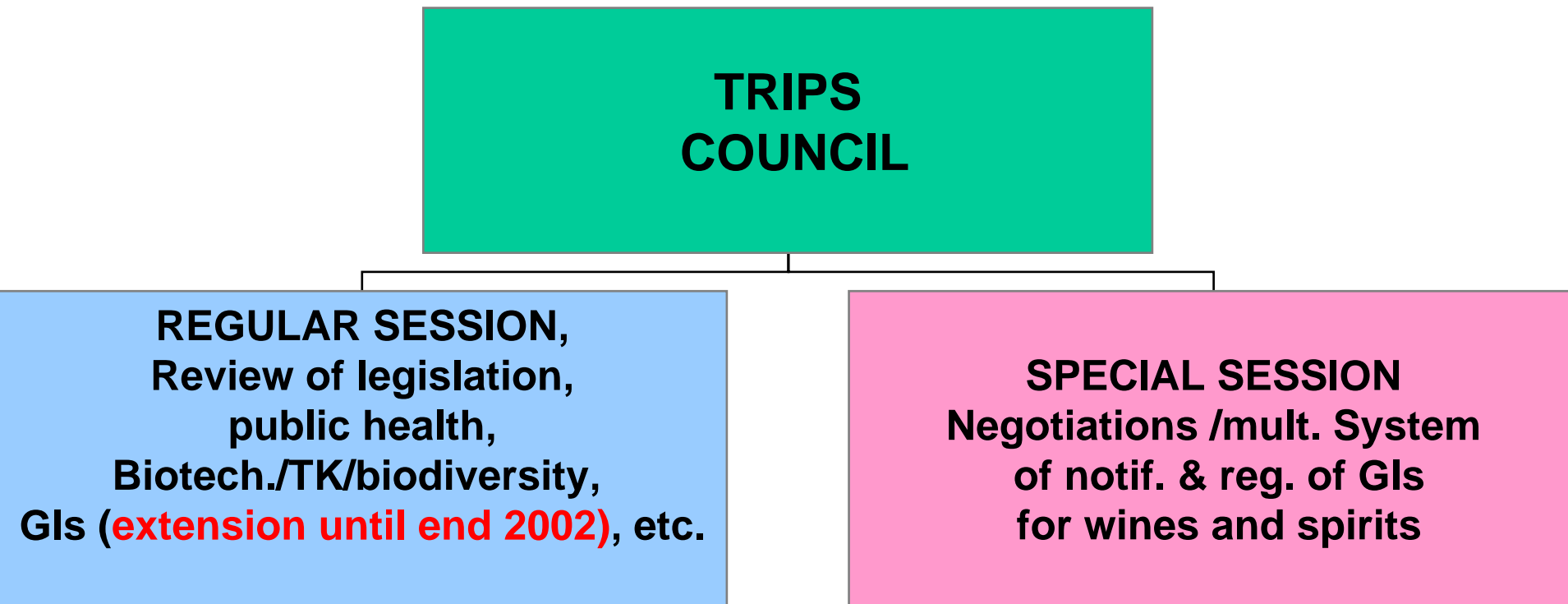
- Paragraph 18, second sentence:

*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."*

- Paragraph 12:

*(b) the other outstanding implementation issues shall be addressed as a matter of priority by the **relevant WTO bodies**, which shall report to the Trade Negotiations Committee, established under paragraph 46 below, by the **end of 2002** for appropriate action.*

# TRIPS Council since Doha: regular session and Special Session



# July package 2004

## July package (Decision of the General Council of 1<sup>st</sup> August 2004 – WT/L/579)

- a. Agriculture and Annex A
- b. Cotton (see agriculture)
- c. NAMA and Annex B
- d. Development (including outstanding implementation issues): inter alia, **extension**
- e. Other negotiating bodies (including **TRIPS Special Session**). For Services, Annex C.
- f. Trade facilitation and Annex D  
Other Singapore issues
- g. Other elements of the Doha Work Programme (moratoria, etc.)

# Ongoing discussion/work and proposals on GIs in the WTO

- |   |  |
|---|--|
| 1. <u>Art. 63.2 notification-review;</u><br><u>Art. 24.2 review (examination) of</u><br><u>implementation</u>   | 1. TRIPS Council<br>(regular session)          |
| 2. <u>Negotiations on the</u><br><u>establishment of a multilateral</u><br><u>system of notification and</u><br><u>registration of GIs for wines and</u><br><u>spirits (Art. 23.4 + Doha)</u> | 2. TRIPS Council<br>Special Session            |
| 3. Issues related to the <u>extension of</u><br><u>the protection of GIs provided in</u><br><u>Art. 23 to products other than</u><br><u>wines and spirits</u>                                 | 3. GC/TNC +<br>DG/DDG<br>consultations         |
| 4. <u>EC proposal in Agriculture</u><br><u>negotiations for "claw-back" of</u><br><u>use of certain GIs (Annex W of</u><br><u>JOB(03)/12) + (JOB(03)12/Add.1))</u>                            | 4. Committee<br>Agriculture<br>Special Session |
| 5. <b>Dispute settlement</b>  | 5. <b>DSB</b>                                  |

# GIs in the TRIPS Council regular session

- Notifications under Article 63.2 (laws, regulations and practices)
  - general laws relevant to IP, patent law, trademark law, GIs, etc. : for GIs, **IP/N/1/[code country/G/..**
- Review of national legislation (laws, regulations and practices)
  - Compilation in **IP/Q/country/..** series



# TRIPS Council, regular session

## Article 24.2 review

- Secretariat Checklist (IP/C/3 and IP/C/3/Add.1))
- Responses: **46** replies so far (IP/C/W117/series)
- Summary (by the Secretariat) of 44 responses to the checklist of questions (IP/C/W/253/Rev.1)

On-going process.

# TRIPS Council regular session

- [GIs "extension" (*until end of 2002*); moved to a higher level; see slide 51]

# Register for wines and spirits (1)

- Work since 1997 in the TRIPS Council regarding Article 23.4: see annex of TN/IP/8
  - Before Doha; documents series IP/C/W/..., IP/C/M/..., JOB... by Members and Secretariat)
  - After Doha, work in the **Special Session** of the TRIPS Council; documents series TN (Trade Negotiations):
    - TN/IP/.. (reports of the Chair to the TNC)
    - TN/IP/W/.. (working documents)
    - TN/IP/M/.. (minutes)
    - JOB...

# Register for wines and spirits (2)

## ■ Main actors:

- Demandeurs: EU, other European countries and certain DCs
- Non-demandeurs („joint proposal group“): Argentina, Australia, Canada, Chile, Dom. Rep., Ecuador, El Salvador, Guatemala, Honduras, Japan, Mexico, New Zealand, Chinese Taipei, United States, etc.

# Register for wines and spirits (3)

- Secretariat papers on multilateral notification and registration systems (TN/IP/W/4 and TN/IP/W/4/Add.1/Rev.1)
- Secretariat compilation of issues and points (TN/IP/W/7/Rev.1 + (Corr.1): delegations' arguments and counter-arguments

# Register for wines and spirits (4)

## Main issues raised and points made (TN/IP/W/7/Rev.1):

- Objective: facilitate or increase level of protection?
- Meaning of "multilateral system"
- Definition and eligibility for protection:
  - country names
  - traditional expressions
  - non-geographical names
  - exceptions

# Register for wines and spirits (5)

- Participation, in particular with regard to effects on participating and non-participating countries
- Legal effects of a registered GI
- Other issues, including translations and administrative and other burdens
- Freedom to determine the appropriate method of implementing GI protection (special system, certification mark, unfair competition law, consumer protection law, etc.)

# Register for wines and spirits (6)

- Two basic approaches:
  - Register with a data base (lists of GIs); commitment of Members to consult for decisions at national level regarding protection of a GI
  - Register with challenges at the multilateral level and with registrations having a legal effect of a presumption of eligibility for protection) [+ arbitration (CH)]
- Proposal by Hong Kong, China: presumption of ownership; voluntary participation; no opposition mechanism



# Register for wines and spirits (7)

Two key issues blocks (legal effects and participation):

- **Legal effects in all WTO Members ?**
- **Legal effects mandatory only in those opting to participate in the system ?**
- **Legal effects, if any, should be left to the national authorities when making a decision concerning the protection of a GI**

**But also other identified problems or difficulties: translations; administrative and other burdens, in particular for developing countries, etc.**

# Register for wines and spirits (8)

- In April 2003: Chairman's JOB(03)/75: text in treaty language: single text for less controversial points and options for controversial ones.
- **July package (WT/L/579)** of 1 August 2004 on the overall process/program of negotiations: paragraph f ("the Council reaffirms Members' commitment to progress")

# Register for wines and spirits (9)

## Change of gears in 2005

- In March 2005: Proposal for a Draft Decision by Argentina, Australia, Canada, Chile, Dom. Rep., Ecuador, El Salvador, Honduras, Mexico, NZ, Chinese Taipei and US; in June 2005, joined by Guatemala and Japan (**TN/IP/W/10**))
- June 2005: EC proposal (**TN/IP/W/11**) (Annex: "Multilateral System of Notification and Registration of Geographical Indications"). Also circulated as WT/GC/547 – TN/C/W/26

# Extension: the proposal

- = Extension of the higher protection of GIs for wines and spirits to other products.
- What do proponents want? (**TN/C/W/14** of 2003)
  - Article 23 to apply to all GIs
  - Article 24 exceptions to apply *mutatis mutandis* (by analogy)
  - Multilateral register (of GIs for wines and spirits) to apply to all GIs

# Extension: the main actors

- Main actors:
  - EU, other European countries, certain DCs (India, Jamaica, Kenya, Pakistan, Sri Lanka, Thailand, Tunisia, Turkey, etc.)
  - Argentina, Australia, Canada, Chile, Chinese Taipei, Colombia, Ecuador, Guatemala, New Zealand, United States, etc.
- Proposed coverage for products: agricultural, foodstuffs, handicrafts, industrial products

# Extension: process since Doha

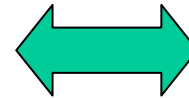
- Competition for the hearts and minds of the agnostic Members
- First dealt with in TRIPS Council regular session
- End 2002: no agreement on report; topic forwarded to TNC as part of "outstanding implementation issues"
- 2003 – prior to Cancun: consultations by DG in his capacity as DG
- Cancun
- July package 2004: development – implementation issue; consultations by DG mandated. Report to be made by July 2005

# Extension: process since Doha

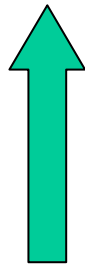
- DG → Deputy Director-General technical level consultations in 2005
- Time horizon of July 2005
- **Secretariat's compilation of points made and issues (WT/GC/W/546 -TN/C/W/25)**
- June 2005: EC proposal in **WT/GC/W/547-TN/C/W/26** (and TN/IP/W/11, see register)
- Report of TNC Chairman to GC on 29 July 2005: TN/C/5, pages 11-12

# Extension: summary of process since Doha

General Council  
TNC



DG /DDG  
Consultations



TRIPS  
COUNCIL

Regular session  
until end of 2002



# Extension: issues discussed (1)

## (Non exhaustive list)

- Discrimination of protection in regard to goods
- National treatment and MFN
- Balance of rights and obligations in TRIPS would be disrupted
- Scope of protection → difficulty of assessing impact, etc.
- Definition and eligibility issues (protection of country names, non-place names, etc.)
- Prior trademarks

## Extension: issues discussed (2)

- Impact on producers in-/outside area indicated by GI
  - Fairness and legitimacy: original producer; migration
  - At domestic level / third countries
- Impact on consumers
- Administrative costs and burdens
  - New legislation / institutions?
  - Procedures
  - Enforcement

# The EU's claw-back proposal

EC proposal in Agriculture negotiations for "claw-back" of use (or "market access" for) of certain GIs in August 2003 (Annex W of JOB(03)/12): roll-back of EU 15 Members' names being generic or grand-fathered

- Wines and spirits
- Foodstuffs

[Cancun: Derbez text JOB(03)/150/Rev.2, Annex A as "issues of interest but not agreed"]

# GIs and dispute settlement (1)

- Complaints by US and Australia
- EC Regulation 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.
- WT/DS174/R and WT/DS290/R

# GIs and dispute settlement (2)

## ■ Discrimination

- Protection contingent upon another country adopting equivalent system and offering reciprocal protection (including factual question about the proper interpretation)
- Requires certain systems from other governments; hence foreign nationals don't have guaranteed access to the EC system

# GIs and dispute settlement (3)

## ■ "Co-existence"

- Sufficiently constrained to qualify as a limited exception under Art. 17 TRIPS
- TRIPS does not allow unqualified co-existence of GIs with prior trademarks

# GIs and dispute settlement (4)

- Agreement US-Australia-EC that reasonable period of time for the EC to implement recommendations and rulings of DSB = 11 months and 2 weeks, i.e. → 3 April 2006 (WT/DS174/29 and WT/DS290/22)

# Challenges and difficulties(1)

- Complex and hot issue; complexity of negotiations in the UR
- Economic and historical background; New world - Old world
- Difficult questions proper to the negotiations of the register: key issues of legal effects and participation; administrative and other burdens for Members, in particular DCs, etc.



# Challenges and difficulties (2)

- Linkage with extension
- EC claw-back proposal in agriculture
- Negotiations/work:
  - Emotional, especially with regard to extension
  - High stakes?
  - Empirical evidence?



**Consult our website**

**[www.wto.org](http://www.wto.org)**

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