



SINER-GI Meeting

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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
Doha	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

The WTO functioning

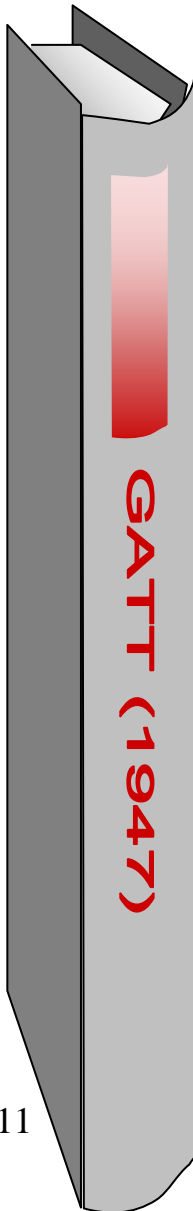
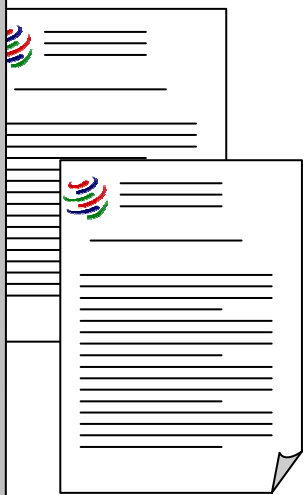
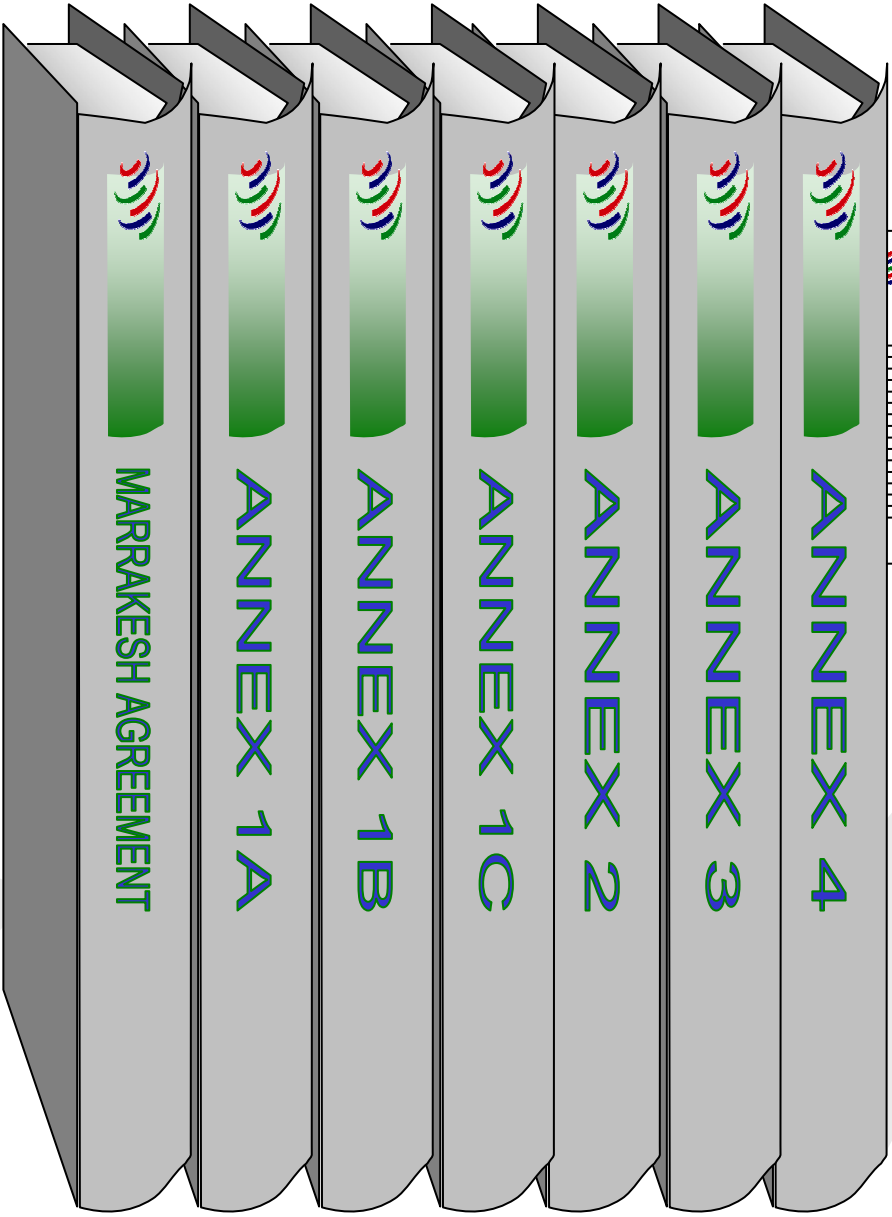
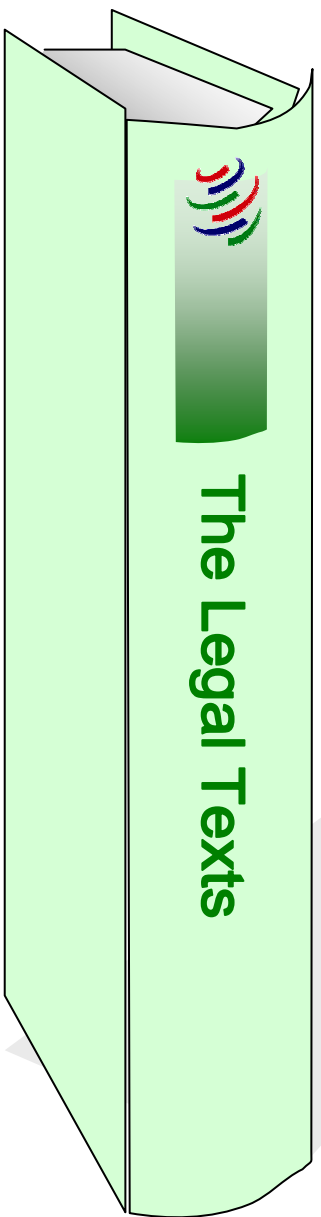
- Member-driven organization
- Single package or undertaking
- Decision-making. Consensus rule

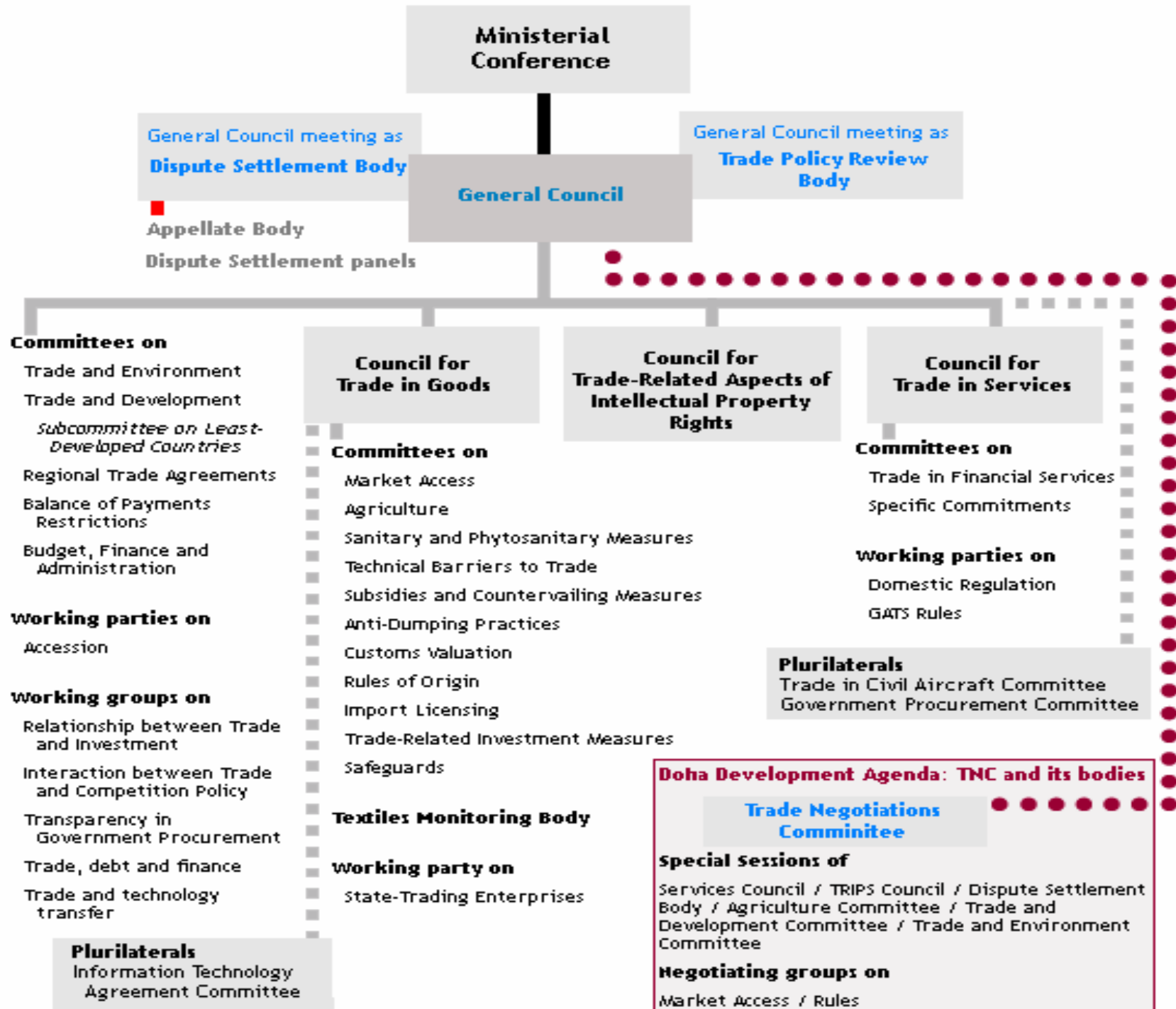
The Main WTO Agreements

- *See: http://www.wto.org/english/tratop_e/tratop_e.htm*
- 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]*



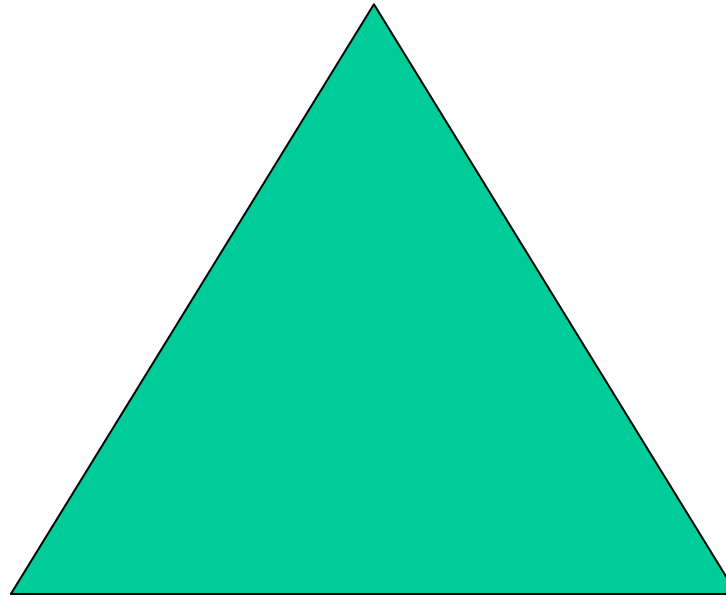


Importance of IPRs

- 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)

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

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

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)

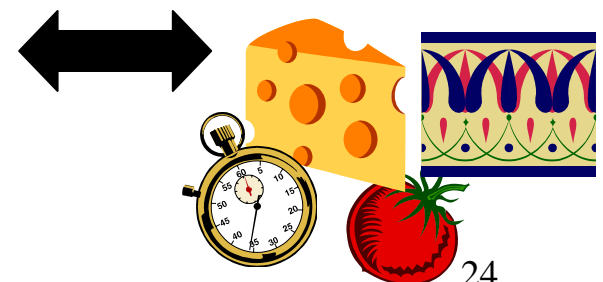
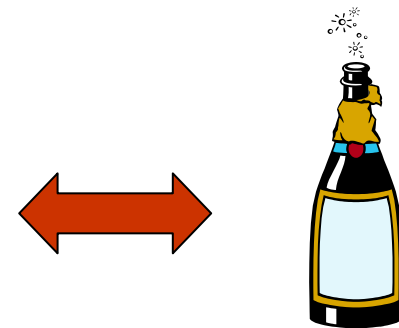
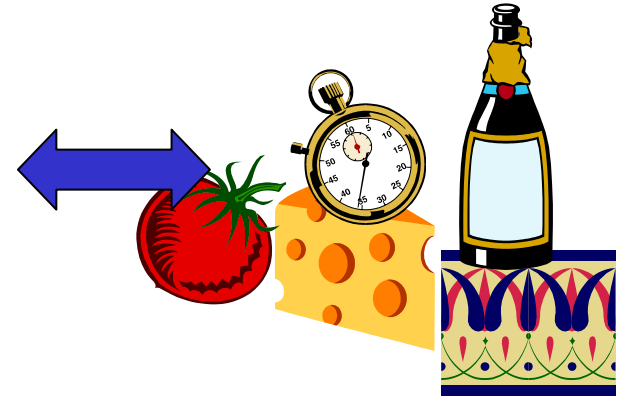
TRIPS and GIs

[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**.*

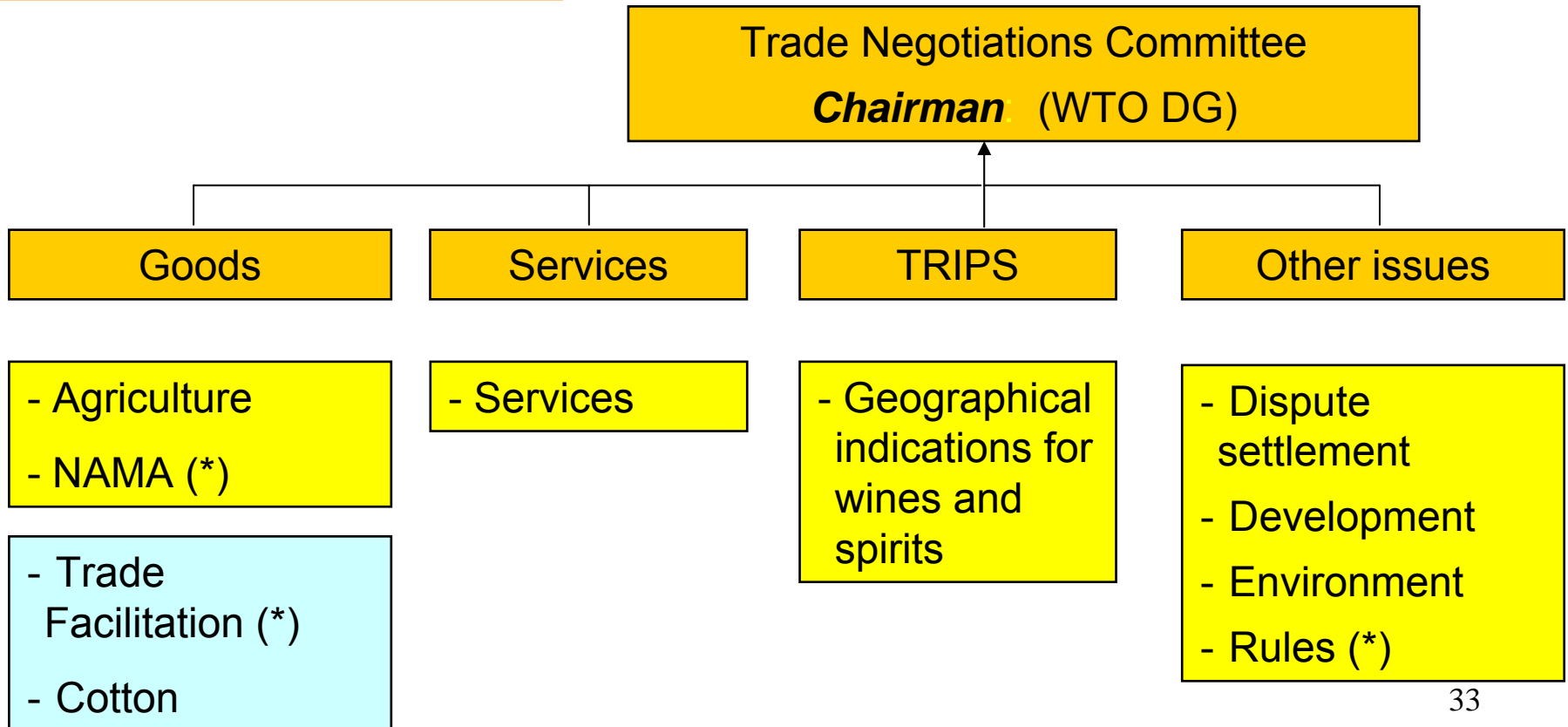
“Unfinished business” from the Uruguay Round

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

- *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



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graph TD; A[TRIPS COUNCIL] --> B[REGULAR SESSION, Review of legislation, public health, Biotech./TK/biodiversity, GIs (extension until end 2002), etc.]; A --> C[SPECIAL SESSION Negotiations /mult. System of notif. & reg. of GIs for wines and spirits];
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**TRIPS
COUNCIL**

REGULAR SESSION,
Review of legislation,
public health,
Biotech./TK/biodiversity,
GIs (**extension until end 2002**), etc.

SPECIAL SESSION
Negotiations /mult. System
of notif. & reg. of GIs
for wines and spirits

July package 2004

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

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

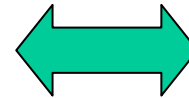
- Competition for the hearts and minds of the agnostic Members
- First dealt with in TRIPS Council regular session
- End 2002: no agreement on report; topic forwarded to TNC as part of "outstanding implementation issues"
- 2003 – prior to Cancun: consultations by DG in his capacity as DG
- Cancun
- July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

Extension: process since Doha

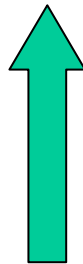
- DG → Deputy Director-General technical level consultations in 2005
- Time horizon of July 2005
- **Secretariat's compilation of points made and issues (WT/GC/W/546 -TN/C/W/25)**
- June 2005: EC proposal in **WT/GC/W547-TN/C/W/26** (and TN/IP/W/11, see register)
- Report of TNC Chairman to GC on 29 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

(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

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