



Analysis of the WTO Panels rulings on the EC Regulation 2081/92

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US Analysis vs. EC Analysis

Who's right?



"The WTO issued a crystal-clear ruling that agreed with our view that Europe discriminates against Americans producers... We also welcome the panel's findings that protecting GIs need not and should not harm the rights of trademark owners "

Peter Allgeier, Acting U.S. trade representative.

"I am very pleased with this outcome and look forward to working together with all WTO members to strengthen the protection of quality agricultural production"

Mariann Fischer Boel, EU Agriculture commissioner

Why these two Panels?

- **2 main strategic reasons:**
 - Budweiser case / enlargement of the EC
 - Anti-GI camp's attempt to undermine the EC's position in the WTO on GIs
- **Full support of the US and Australian industries**
 - INTA's 1998 request for action
 - US and Australian Food Industry eager to prevent any enhancement of GI protection
- **First panel on GIs: interpretation of TRIPS Agreement on the relationship between GIs and TMs**

Key Facts about the procedure

- Complainant countries: United States and Australia
- Numerous third parties: Argentina, Australia (in respect of the US' complaint), Brazil, Canada, China, Colombia, Guatemala, India, Mexico, New Zealand, the Separate Customs Territory of Taiwan Penghu, Chinese Taipei (Kinmen and Matsu), Turkey.
- Interim report: 16 November 2004
- Final report: 21 December 2004
- Publication of the panel report : 15 March 2005
- No appeal
- Deadline to comply: 6 April 2006

Main elements discussed by the Panels

1. National treatment claims

EC requirements of reciprocity and equivalence in respect to registration of third countries' GIs with WTO Agreements

2. Trademark claims

Coexistence of GIs and trademarks

National Treatment Claims

- **The US & Australia claimed that Regulation 2081/92 discriminated against third countries' producers on several aspects:**
 - **Availability of protection granted**
 - **Application procedure**
 - **Objection procedures**
 - **Inspection structures**
 - **Labelling requirements**

Panel Conclusion: EC reciprocity and equivalence inconsistent with the WTO Agreements

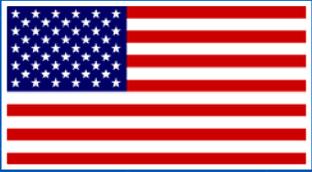
- Equivalence and reciprocity conditions enshrined in Article 12(1) of Reg 2081/92 discriminate against third countries' producers
- = EC must afford protection of third countries' GIs without requiring that third countries also protect European GIs.*
- However, EC can seek reciprocity in bilateral Agreements with third countries.*

- **EC procedures for GI application and objection incompatible with national treatment clause of the TRIPS**
 - = Third countries' producers can send their request for GI registration to the EC directly, i.e. without going through their national authorities*
 - = EC obligation to ensure that objections can be filed directly by a third countries' person or group*
- **Government participation in the inspection structures not justifiable**
 - = EC obligation to accept request for GI registration from third countries' producers even if the inspection structures are private*

Positive conclusions of the Panel on the EC system of GI protection

- Right of the EC to ask for objective assessment of product conformity
- No EC obligation to protect GIs that are not protected in their countries of origin
- EC can require that applications comply with reasonable procedures and formalities consistent with the TRIPS Agreement

Trademark Claim



- The US claimed that Regulation 2081/92 violated the TRIPS AG because it does not ensure that a trademark owner can prevent uses of a GIs which would create confusion with a prior trademark



- The EC defended the right to provide for coexistence of GIs with prior trademarks

Panel Conclusions: Coexistence between GIs and trademarks justifiable

- *The EC sought defence in 3 articles of the TRIPS Agreement:*
 - *Article 24.5: not applicable*
 - *Article 24.3: not applicable*
 - *Article 17*
- *The panel agreed that the coexistence provided for by EC Reg 2081/92 is justifiable only under Article 17*
 - *Article 17 expressly permits Members to provide limited exceptions to the rights conferred by a trademark*

The Panel concludes that coexistence is allowed in a narrow way

Coexistence: an exception to the exclusive right conferred by TRIPS to TMs

- = Acceptance of the principle of "first in time, first in right"*
- = WTO Members can decide whether or not to provide for coexistence*

However, the panel did not take a position as to the weight of the two legal instruments (GIs and TMs).

- = National courts to decide on the relationship between them*
- = The right to reject coexistence is limited to cases when there is a risk of confusion*
- = in a different dispute, producers could invoke Article 24.5 to seek coexistence*

Interpretation of the Panel on the protection of GIs in translation

The Panel stresses:

“The registration of a GI does not confer a positive right to use the name in any linguistic versions not entered in the register”

Does the panel diminish the protection of GIs in translation?

The question of the protection of GI names in translation has not been put as such before the panel.

No conclusion of the Panel on translation: « obiter dictum » and not « ratio decidendi »

The panel does not undermine the protection granted to GIs in the EU by article 13 of Regulation 2081/92 which covers the protection of the name in translation

GIs are also arguably protected in translation in the EC through the labelling Directive

The panel report has a limited impact on the protection of GIs in the EU

What's next?

- **Modification of Regulation 2081/92 underway**
- **EC's options:**
 - **Give back to the Members States more competence to register GIs = End of coherent approach on GI protection**
 - **More centralized approach on GI protection leading to a lesser role of the national authorities = Agency on GIs**

European GI Producers should:

- *Support the creation of a GI Agency*
- *Call on the Commission to include reciprocity and equivalence clause in future bilateral negotiations*

What OriGIn members want?

- An open, transparent and efficient GI registration system
- Limited subsidiarity
- Transfer of the GI register to a European Agency
- Better protection of GIs in the Doha Development Round
 - Extension of article 23 of TRIPS
 - Multilateral register open to all products
- Request a modification of TRIPS provisions = inclusion of exception to the MFN treatment for bilateral agreements
- EC to include reciprocity in future bilateral negotiations

Possible issues for GI Producers

Reverse discrimination vis-à-vis European GI producers?

Attempts by anti-GI lobby to undermine protection in translation?

Number of oppositions to raise significantly?

Thank you very much



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