

*Quality of Life and Management of Living Resources*

Key Action n° 5

Sustainable agriculture, fisheries and forestry, and integrated development of rural areas including mountain areas

## **DOLPHINS**

**Development of Origin Labelled Products :  
Humanity, Innovation, and Sustainability**

*Contract QLK5-2000-00593*

**Second Meeting  
Paris, 6-7 May 2002**

**Opening Plenary session**

**06/05/2002 - 11.30**

**Protection of geographical indications  
under the TRIPS agreement.  
WTO negotiations and work program**

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WORLD TRADE ORGANIZATION  
ORGANISATION MONDIALE DU COMMERCE  
ORGANIZACIÓN MUNDIAL DEL COMERCIO

## PROTECTION OF GEOGRAPHICAL INDICATIONS UNDER THE TRIPS AGREEMENT; WTO NEGOTIATIONS AND WORK PROGRAM

Presentation by the WTO Secretariat\*  
(DOLPHINS Meeting, INRA, Paris, 6-7 May 2002)

### I. STANDARDS FOR THE PROTECTION OF GEOGRAPHICAL INDICATIONS UNDER SECTION 3 OF PART II OF THE TRIPS AGREEMENT

#### 1. Definition

The Agreement 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 geographical origin. Thus, this definition specifies that the quality, reputation or other characteristics of a good can each be a sufficient basis for eligibility as a geographical indication, where they are essentially attributable to the geographical origin of the good.

#### 2. General standards of protection

Article 22.2 refers to the general standards of protection that must be available for all geographical indications. In particular, the Agreement provides that legal means must be provided to prevent the use of geographical indications which misleads the public as to the geographical origin of the good.<sup>1</sup> In addition, the Agreement requires that legal means must be provided to prevent use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention.<sup>2</sup> Protection must also be available against the registration of a trademark, which contains a geographical indication with respect to goods not originating in the territory indicated whose use for such goods would be of such a nature as to mislead the public as to the true place of origin.<sup>3</sup>

#### 3. Additional protection for wines and spirits

Article 23 of the TRIPS Agreement provides for a more absolute form of protection in relation to geographical indications for wines and spirits. Pursuant to Article 23.1, interested parties must have the legal means to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by that geographical indication. This applies even where such use might not mislead the public; where it might not amount to unfair competition; where the true origin of the good might be indicated; or where the geographical indication might be accompanied by expressions such as "kind", "style", "type", "imitation" or the like. Protection must also be

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\* This text is based on a presentation made by the WTO Secretariat in the WIPO Symposium on the International Protection of Geographical Indications in Montevideo (Uruguay), 28-29 November 2001.

<sup>1</sup> TRIPS, Article 22.2(a).

<sup>2</sup> TRIPS, Article 22.2(b). Pursuant to Art 10*bis* of the Paris Convention, this includes "any act of competition contrary to honest practices in industrial or commercial matters", in particular:

- "All acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial and commercial activities, of a competitor;

- "False allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial and commercial activities, of a competitor;

- "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 quality of the goods."

<sup>3</sup> TRIPS, Article 22.3.

available against the registration of a trademark for wines, which contains a geographical indications identifying wines, if the wines do not have the origin indicated by the geographical indication.<sup>4</sup> Similar protection must be given to geographical indications identifying spirits. In respect of use of these geographical indications for other products, the general standards of protection under Article 22 apply.

In the case of homonymous geographical indications (that is, different geographical indications which consist of or contain the same identifier),<sup>5</sup> protection must be accorded to each homonymous indication.<sup>6</sup> The Agreement contains a specific rule concerning homonymous geographical indications for wines. In the case of homonymous geographical indications, protection could be claimed for one against the use of the other(s) (there may be more than two) with the possible result that neither or none of them could be used. Therefore, the Agreement lays down a rule that each WTO Member has to apply in respect of such geographical indications.<sup>7</sup> Thus, in each of the Members in which homonymous geographical indications exist, practical conditions must be determined so as to differentiate the homonymous indications, taking into account the need to ensure equitable treatment of the relevant producers and also to ensure that consumers are not misled. However, if use of one of the homonymous geographical indications in a given WTO Member would falsely represent to the public in that Member that the products in question originate in the territory of another of the homonymous geographical indications,<sup>8</sup> the beneficiaries of the geographical indication of the products to which the public in that Member will thus link the other geographical indication used must be entitled to prevent use of this other homonymous identifier.

#### **4. Exceptions balanced by provisions for future negotiations aimed at increasing protection**

Article 24 contains a number of exceptions regarding the protection of geographical indications. However, it also contains provisions concerning negotiations aimed at increasing the protection of geographical indications and which WTO Members are not allowed to refuse to enter into or conclude on the basis of the existing exceptions applied in accordance with Article 24.

There are three main exceptions that are of particular relevance in respect of the additional protection for geographical indications for wines and spirits. The first main exception provides that a Member State is not obliged to protect a geographical indication in cases where a geographical indication has become the generic name in a country for the products in question or for a grape variety.<sup>9</sup>

The second main exception deals with the situation where a geographical indication may conflict with pre-existing trademark rights which have been acquired in good faith. Measures adopted to implement Section 3 of Part II shall not prejudice the 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.<sup>10</sup>

The third main exception allows, under certain circumstances, continued use of a geographical indication that has been used in a WTO Member prior to the conclusion of the Uruguay Round,<sup>11</sup> even where the indication in question has not become generic and a pre-existing trademark right does not exist. The scope of this exception, however, is circumscribed. It only applies to geographical indications identifying wines or spirits. It can only benefit nationals or domiciliaries of the WTO Member using the exception who had previously used the geographical indication in good faith or for at least 10 years prior to the conclusion of the Uruguay Round, and in any case continuously. Moreover, use of the geographical indication under the exception must be "similar" to the previous use.<sup>12</sup> "Similar" use has been taken to mean that the subsequent use must be similar in scale and nature.

The Agreement also provides that the exceptions cannot be used to diminish the protection of geographical indications that existed immediately prior to the entry into force of the TRIPS Agreement.<sup>13</sup>

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<sup>4</sup> TRIPS, Article 23.2.

<sup>5</sup> An example is "Rioja," La Rioja being the name of wine-producing regions that exist in both Argentina and Spain.

<sup>6</sup> TRIPS, Article 23.3.

<sup>7</sup> Subject to the exceptions provisions of Article 24.

<sup>8</sup> TRIPS, Article 22.4.

<sup>9</sup> TRIPS, Article 24.6.

<sup>10</sup> TRIPS, Article 24.5.

<sup>11</sup> 15 April 1994.

<sup>12</sup> TRIPS, Article 24.4.

<sup>13</sup> TRIPS, Article 24.3.

## II. ON-GOING WORK IN THE WTO

### 1. General

There are three current items concerning geographical indications, namely the negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits, issues related to the extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits; and the review of the application of the provision on geographical indications under Article 24.2.

### 2. Negotiations on the establishment of a multilateral system of notification and registration of geographical indications (Article 23.4)

Article 23.4 of the Agreement provides that, in order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken to establish a multilateral system of notification and registration of geographical indications for wines that are eligible for protection in those member countries participating in such a system. In 1997, the TRIPS Council initiated preliminary work on this matter and has since also looked into the possibility of establishing such a system for spirits, pursuant to its mandate for such work as contained in paragraph 34 of its annual report 1996.<sup>14</sup>

Information gathered by the Council in the context of its work on this matter includes 12 submissions from WTO Member countries on systems for the registration of geographical indications which they operate (document IP/C/W/76 and addenda); a background note prepared by the WTO Secretariat on existing notification and registration systems for geographical indications relating to wines and spirits (document IP/C/W/85); a background note prepared by the WTO Secretariat on international notification and registration systems for geographical indications relating to products other than wines and spirits (document IP/C/W/85/Add.1); and information provided by WIPO on the work that had commenced in July 2000 in that Organization in relation to the Lisbon Agreement (IP/C/M/28, paragraph 107).

In July 1998, the European Communities and their member States tabled a proposal in the TRIPS Council regarding the establishment of a multilateral system of notification and registration of geographical indications.<sup>15</sup> In June 2000, they submitted a revised version of this proposal,<sup>16</sup> pursuant to which participating Members would notify geographical indications that identify goods as originating in their respective territories, in accordance with the definition contained in Article 22.1 of the TRIPS Agreement.<sup>17</sup> Notification of such a geographical indication has to be accompanied by certain elementary information concerning protection of the geographical indication in its country of origin as well as prima facie evidence of its protectability under the TRIPS Agreement. Upon publication of a geographical indication thus notified, an 18-month time-limit starts running within which other WTO Member countries can examine and formally challenge protection of the geographical indication. At the end of this 18-month period, the geographical indication will be registered. Challenges made within the 18-month period will be entered in the register as well. The disagreements in question should be solved by direct negotiations between the Members concerned without prejudice to the application of the WTO Dispute Settlement Understanding. Those WTO Members who fail to challenge the protection of a particular geographical indication within the 18-month period will no longer be in a position to refuse its protection on the basis that the geographical indication does not meet the definition contained in Article 22.1 of the TRIPS Agreement; nor to claim that it falls within the exception contained in Article 24.6 relating to generic terms; nor to claim that the geographical indication is false in the sense of Article 22.4. These legal effects would apply under the EC proposal to all WTO Members, whether or not they participate in

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<sup>14</sup> Paragraph 34 of the 1996 Annual Report reads as follows: "... In regard to geographical indications, the Council has agreed that a review of the application of the provisions of the section on geographical indications as provided for in Article 24.2 would take the form outlined in paragraph 27 above, which permits inputs from delegations on the issue of scope, and the Council will initiate in 1997 preliminary work on issues relevant to the negotiations specified in Article 23.4 of the TRIPS Agreement concerning the establishment of a multilateral system of notification and registration of geographical indications for wines. Issues relevant to a notification and registration system for spirits will be part of this preliminary work. All of the above work would be conducted without prejudice to the rights and obligations of Members under the TRIPS Agreement and in particular under the specific provisions of the TRIPS built-in agenda."

<sup>15</sup> IP/C/W/107.

<sup>16</sup> IP/C/W/107/Rev.1.

<sup>17</sup> In December 2000, the EC also included proposals concerning the protection of geographical indications in the comprehensive negotiating proposal they tabled in the Special Session of the Committee on Agriculture (G/AG/NG/W/90).

the system to be established under Article 23.4. Only Members participating in the system to be established under Article 23.4, however, would be obliged to provide the legal means for interested parties to use the registration of a geographical indication under the system as a presumption of the eligibility for its protection.

Hungary has suggested that the system proposed by the EC involving direct bilateral consultations in the case of disagreement regarding registration of a geographical indication should be supplemented with a multilateral procedure that would apply where bilateral negotiations do not yield a settlement.<sup>18</sup> In justification of its proposal, Hungary has stated that, amongst other things, the possibility to seek a solution of a multilateral character is necessary to ensure that smaller WTO Members enjoy the same opportunities for representing their legitimate commercial interests as larger ones. Under the proposal, if, within the 18-month period prescribed under the EC proposal, negotiations following a Member's challenge of a notified geographical indication have not led to a mutually satisfactory result, the dispute will be submitted to binding arbitration. Geographical indications that have been successfully challenged on the basis of the definition contained in Article 22.1 or because they are false pursuant to Article 22.4 will not be registered. Members who successfully challenge protection on the basis of the exception for generic terms (Article 24.6) will not have to protect the geographical indication, even though they cannot prevent entry of the geographical indication in the register on this ground. The same would apply in respect of challenges based on the exceptions contained in Article 24.4 for prior use and Article 24.5 for pre-existing trademarks. Registration will only have effect in Members participating in the system.

Canada, Chile, Japan and the US have together proposed an alternative system, under which WTO Members wishing to participate in the system would submit a list to the WTO Secretariat of domestic geographical indications for covered products recognised as eligible for protection under their national legislation.<sup>19</sup> Further, final decisions regarding ineligibility for protection would also have to be notified. Following receipt of notifications, the Secretariat would be required to compile a database of all notified geographical indications for covered products. As for the legal effect of such registration, according to this collective proposal, WTO Members choosing to participate in the system must refer to the WTO database of notified geographical indications when making decisions as to whether to provide protection for geographical indications under their national legislation. Other WTO Members would also be encouraged to refer to the database. The proposal further provides that appeals from or objections to any decisions granting or rejecting protection for particular geographical indications, whether notified to the WTO or not, shall occur at the national level at the request of appropriate interested parties in accordance with each WTO Member's national legislation. New Zealand, a supporter of this proposal, has tabled a paper in the TRIPS Council explaining that only the collective proposal could accommodate its national system.<sup>20</sup> A comparative table juxtaposing these three proposals was submitted by the EC in the Spring of 2001 and is contained in document IP/CW/259.

The Ministerial Conference is the top-most decision-making body of the WTO. It is required to meet at least every two years, bringing together all the countries and separate customs territories which are Members of the WTO. The fourth WTO Ministerial Conference was held in Doha, Qatar, from 9-13 November 2001. At that conference, Ministers agreed that:

"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."<sup>21</sup>

Notably, the Doha Ministerial Declaration makes it clear that the multilateral system for notification and registration of geographical indications will apply to both wines and spirits. Further, the declaration mandates that negotiations should be completed by the Fifth Ministerial Conference which is due to take place in 2003.

The Trade Negotiations Committee agreed on 1 February 2002 that the negotiations on the register will take place in Special Sessions of the TRIPS Council. The first Special Session was held on 8 March 2002 at which the Council discussed the organization of its work. The Chair suggested that work proceed in two phases: firstly,

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<sup>18</sup> IP/CW/234 and 255.

<sup>19</sup> IP/CW/133/Rev.1; an earlier proposal from Japan and the US is contained in document IP/CW/133.

<sup>20</sup> IP/CW/189.

<sup>21</sup> The Doha Ministerial Declaration is contained in WT/MIN(01)/DEC/1, paragraph 18.

work could be organized on the basis of existing and any new proposals by Members, with a target date of September 2002 for tabling new proposals. A text could then be circulated as a common negotiating basis by the end of 2002 or early 2003 which would begin the final negotiating phase.<sup>22</sup> On 8 March 2002, the United States submitted a list of issues for discussion in the negotiation under Article 23.4 (document TN/IP/W/2).

Three more Special Sessions have been scheduled for 2002 on the days following the regular meetings of the Council: on 28 June, 20 September and 28 November.

### 3. Proposals to extend Article 23 to products other than wines and spirits

In September 2000, a paper was submitted to the TRIPS Council by Bulgaria, the Czech Republic, Iceland, India, Liechtenstein, Slovenia, Sri Lanka, Switzerland and Turkey concerning the issue of the extension of the additional protection under Article 23 of the Agreement to products other than wines and spirits.<sup>23</sup> These countries favour extension of the protection currently accorded to geographical indications for wines and spirits under Article 23 of the TRIPS Agreement to other products. Other proponents of this position include Cuba, Egypt, Georgia, Hungary, Kenya, the Kyrgyz Republic, Moldova, Mauritius, Nigeria, Pakistan and Venezuela.<sup>24</sup>

These Members have pointed out that the WTO Membership already agreed at the Singapore Ministerial Conference that proposals on the scope of the product coverage under Article 23 of the Agreement are allowed and take the view that Article 24.1 provides an avenue for such proposals.<sup>25</sup> They consider that negotiations in relation to this item is built into the TRIPS Agreement and to reinforce their demands, they have linked progress or the lack thereof to other built-in agenda items of WTO Agreements, in particular, those relating to liberalisation of trade in agricultural products. They argue, among other things, that:

- additional protection of geographical indications for all products adds value for exports because it increases the chances of market access for such goods;
- without the additional protection, free-riding is possible<sup>26</sup> and there is a risk that geographical indications will become generic over time;<sup>27</sup>
- the test contained in Article 22, which currently applies to products other than wines and spirits leads to legal uncertainty in the enforcement of protection for geographical indications;<sup>28</sup>
- Article 22 places a costly burden of proof on the producer entitled to use a geographical indication to show that the public has been misled, or that there has been an act of unfair competition.

Advocates of this view have also argued that there is no justification for the differential treatment between, on the one hand, wines and spirits and, on the other hand, other products.

Another position is advocated by, in particular, Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay and the United States.<sup>29</sup> These Members oppose the extension of additional protection to products other than wines and spirits. In their view, extension of the scope of Article 23.1 to products other than wines and spirits goes beyond the mandate contained in Article 24.1 and could only be negotiated in the context of a new Round. In their view, the negotiating mandate in Article 24.1 concerns only "individual geographical indications", not whole product areas, focusing on those geographical indications in respect of which a country is applying an

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<sup>22</sup> The minutes of the March 2002 meeting of the Special Session of the Council for TRIPS have been circulated in document TN/IP/M/1.

<sup>23</sup> IP/C/W/204/Rev.1.

<sup>24</sup> IP/C/W/247/Rev.1.

<sup>25</sup> In its 1996 annual report, the TRIPS Council listed Article 24.1, under which Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23, as one of the built-in agenda items of the TRIPS Agreement.

<sup>26</sup> In particular, it is argued that pursuant to the test contained in Article 22 to which products other than wines and spirits are subject, a producer may use a geographical indication for his product, even if it does not originate in the relevant territory provided that the product's true origin is indicated on the label. Thus, it is argued, a producer can profit from the use of a "famous" geographical indication by arguing that the consumer has not been misled.

<sup>27</sup> It is argued in this respect that since Article 22 does not prevent the use of geographical indications in translation or accompanied by expressions such as "style", "type", "kind", "imitation" or the like, over time, geographical indications may become generic terms.

<sup>28</sup> The supporters of this argument state that the interpretation by national authorities of what constitutes "misleading the public" differs from country to country. This will lead to inconsistent decisions and legal uncertainty regarding the protection granted to geographical indications and its enforcement at the international level.

<sup>29</sup> IP/C/W/289.

exception under Article 24, for the purpose of exploring the scope of discontinuing the application of the exception with regard to a particular geographical indication.<sup>30</sup> Further, they:

- point to the legal and administrative costs associated with extending the scope of Article 23.1;
- argue that there is no evidence of failure of Article 22 to protect geographical indications for products other than wines and spirits and that, similarly, there is no evidence to indicate whether extending the scope of Article 23.1 to products other than wine and spirits would result in more effective protection than is already afforded to those products under Article 22;
- suggest that additional protection could close-off of future market access opportunities for emerging industries and result in uncertainty concerning the continued use in existing markets;
- argue that consumer confusion would be caused through the disappearance of terms customarily used to identify products which will, in turn, increase search and transaction costs for consumers and potentially prices as well.<sup>31</sup>

Advocates of this view argue that differential treatment as between wines and spirits on the one hand and other products on the other is justified since the additional level of protection provided under Article 23 is the result of a negotiating compromise reached in the broader context of the Uruguay Round negotiations.

At Doha, in paragraph 18 of the Ministerial Declaration, Ministers stated that:

"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 of the Ministerial Declaration reads in turn that:

"Negotiations on outstanding implementation issues shall be an integral part of the Work Programme we are establishing... (a) where we provide a specific negotiating mandate in this Declaration, the relevant implementation issues shall be addressed under that mandate; (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."

A controversy as to the interpretation of the Ministerial Declaration in respect of the extension issue surfaced at the Doha Ministerial Conference. Proponents of extension advanced that there was a clear mandate to launch negotiations on this issue,<sup>32</sup> while from the opponents' side it was claimed that there was no agreement to negotiate any extension and that, consensus would be required at the end of 2002 in order to launch any such negotiations.<sup>33</sup> However, all agreed that a report needed to be made to the Trade Negotiations Committee by the end of 2002.

The TRIPS Council discussed this issue at its meeting on 5 and 6 March 2002.<sup>34</sup> Members' views were divided between those which favoured and those which opposed extension. Some of those which favoured extension also called on the Council to agree on modalities for negotiations. The issue will be discussed at the regular meetings of the TRIPS Council. Three regular meetings have been scheduled for 2002 on 25-27 June, 17-19 September and 25-27 November.

#### **4. Review of experience/practice regarding the application of the provisions on geographical indications**

Various WTO Agreements lay down provisions which require further work to be done by WTO Members jointly in the relevant WTO body. This is also the case under the TRIPS Agreement and the Council for TRIPS identified six such built-in agenda items of the TRIPS Agreement. Three of these TRIPS built-in agenda items relate to the protection of geographical indications and are based on Articles 23.4, 24.1 and 24.2.

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<sup>30</sup> See, for example, IP/C/M/29, paragraphs 93 and 96.

<sup>31</sup> A response to these arguments submitted by the proponents of extension is contained in document IP/C/W/308/Rev.1.

<sup>32</sup> WT/MIN(01)/W/9 and WT/MIN(01)/W/11.

<sup>33</sup> WT/MIN(01)/W/8.

<sup>34</sup> The minutes of the March 2002 meeting of the Council for TRIPS have been circulated in document IP/C/M/35.

In November 1996, the TRIPS Council initiated, under Article 24.2 of TRIPS Agreement, its first review of the application of the provisions of the Section of the Agreement pertaining to geographical indications. In the context of this review, a Checklist of Questions was prepared concerning various aspects of national regimes for the protection of geographical indications.<sup>35</sup> Following the submission of 37 sets of responses by Members, the WTO Secretariat issued a summary paper of these responses, as requested by the Council.<sup>36</sup>

This summary paper provides, in its first section, a general overview of the various means of protection that exist in this area of law. The succeeding seven sections of the summary paper enter into the details that Members provided as to the following features of the systems they are employing:

- the various definitions of protectable subject-matter and any other substantive criteria that may need to be complied with in order for an geographical indication to be eligible for protection;
- procedures applied in relation to the *ex ante* recognition of geographical indications as being eligible for protection;
- who is entitled to use a protected geographical indication and any procedures that apply to obtain such an entitlement; the duration of protection of geographical indications; arrangements regarding cancellation or forfeiture of geographical indications; and arrangements for monitoring the use of geographical indications;
- protection available to prevent unauthorised use of geographical indications, including use by those who are not from within the area to which the geographical indication refers and those who are eligible or authorised users but are not using the geographical indication properly;
- enforcement procedures;
- the relationship of geographical indications to trademarks, including protection provided to prevent the registration as trademarks of signs containing or consisting of geographical indications.

The summary paper treats the differing means of protection in relation to which WTO Members provided information in their responses to the Checklist in three broad categories. The first relates to laws focusing on business practices. Typically, the issue at stake in legal proceedings regarding the use of a geographical indication under such laws is not whether the geographical indication as such is eligible for protection but, rather, whether a specific act involving the use of a geographical indication has contravened the general standards contained in laws covering unfair competition, consumer protection, trade descriptions, food standards etc. The second category concerns protection through trademark law. Trademark law may provide two types of protection for geographical indications. On the one hand, protection may be provided against the registration and use of geographical indications as trademarks. On the other hand, protection may be provided through collective, guarantee or certification marks. In contrast to the general means of protection of the first and second categories, the third category of protection concerns means specifically dedicated to the protection of geographical indications. Some of these means provide *sui generis* protection for geographical indications that relate to products with specifically defined characteristics or methods of production; other means apply without such specific definitions.

The delegations of Australia and New Zealand have suggested that the review should continue in a structured fashion.<sup>37</sup> Pursuant to this suggestion, Australia has listed a number of questions concerning the protection of geographical indications to facilitate discussion and clarification of the meaning of the provisions of Section 3 of Part II of the TRIPS Agreement;<sup>38</sup> and analyse the information that has been collected so far in the TRIPS Council. Australia has also posed specific questions to other delegations concerning information provided by these delegations in response to the Council's Checklist as reflected in the Secretariat's summary paper.<sup>39</sup> Some Members intend to make presentations of their national system for the protection of geographical indications at the Council's next meeting in June 2002.

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<sup>35</sup> IP/C/13 and IP/C/13/Add.1.

<sup>36</sup> IP/C/W/253.

<sup>37</sup> It may be noted that specific legal questions relating to the protection of geographical indications have also been raised in other subsidiary WTO bodies, notably the Committee on Rules of Origin (see G/RO/W/65) and the Committee on Technical Barriers to Trade (see G/TBT/W/119).

<sup>38</sup> Documents IP/C/W/211 and IP/C/W/205 respectively.

<sup>39</sup> IP/C/M/30, paragraphs 138 and 140, and IP/C/M/33, paragraph 105 – 107.



### III. AVENUES AVAILABLE TO A WTO MEMBER IN CASE A GEOGRAPHICAL INDICATION IS NOT PROTECTED IN ANOTHER WTO MEMBER

#### 1. At the national level

In situations where protection is available for the geographical indication but the geographical indication is being used by persons not entitled or authorised to use it, the enforcement procedures contained in the Agreement must be available in the country concerned.<sup>40</sup> It may be noted that, while in some countries *ex officio* action may be available for the monitoring and/or enforcement of geographical indications by public authorities, notably in countries where geographical indications are owned by the State, in other countries, initiation of action may only be possible by private parties through civil or criminal proceedings.<sup>41</sup>

As regards the persons entitled to initiate enforcement procedures, reference can be made to the information that Members have provided to the TRIPS Council in response to the Council's Checklist of Questions on the application of the provisions of the Agreement on geographical indications and which has been summarised by the WTO Secretariat in WTO document IP/C/W/253 (See section II.B of this paper). As indicated in paragraphs 116 – 120 and 130 – 132 of this summary paper, enforcement proceedings regarding the misuse of geographical indications may be initiated *ex officio* by administrative or other public authorities, either spontaneously or on the basis of a complaint brought to their attention, but there are also private rights of action. It should be noted that in this area of intellectual property law, misuse may relate not only to use of a geographical indication by those who are not eligible/authorised to use it, but also to use by those who, while having such an entitlement, are using the geographical indication improperly. As mentioned in paragraphs 97 – 99 of the Secretariat's summary paper, under systems for the protection of geographical indications that provide for their *ex ante* recognition, compliance with the requirements for use of a protected geographical indication is usually the subject of monitoring by a public authority; and WTO members employing means for the *sui generis* protection of geographical indications on the basis of definitions specifying characteristics of the product or methods of production have indicated that such monitoring may take the form of quality and quantity controls, for example, through on-the-spot inspections of the production conditions and the products. The public surveillance authorities responsible for such monitoring may, in some countries, also have the authority, or duty, to initiate enforcement proceedings, while in other countries they have to inform other public authorities responsible for initiating enforcement action. The information provided by Members also indicates that *ex officio* action may not always be available for the benefit of foreign geographical indications (see paragraphs 100 and 136 of the summary paper).

Private parties who are beneficiaries of the protection provided for in Articles 22 or 23 of the TRIPS Agreement and want to take action through civil judicial procedures abroad against infringements of their geographical indications may be in a position, in countries whose legal systems provide for direct applicability of TRIPS provisions, to raise questions of interpretation and application of these provisions to the relevant countries' national courts. (See also section III.C of this paper).

#### 2. At the multilateral level

##### (a) Dispute Settlement in the WTO

In situations where a geographical indication does not enjoy protection in a WTO Member contrary to the provisions of Articles 22, 23 or 24, or those of Part I, Part III or Part IV of the Agreement, the country of origin has the right to take the matter up under the WTO Dispute Settlement Understanding.<sup>42,43</sup>

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<sup>40</sup> See Part III of the TRIPS Agreement.

<sup>41</sup> Article 42 of the TRIPS Agreement provides that "Members shall make available to right holders civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement." The term "right holder" is to include federations and associations having legal standing to assert such rights (TRIPS, footnote 11 to Article 42). Footnote 4 to Article 23 ("Additional Protection for Geographical Indications for Wines and Spirits") provides that "Notwithstanding the first sentence of Article 42, Members may, with respect to these obligations, instead provide for enforcement by administrative action."

<sup>42</sup> Regarding the rights that private parties may have in relation to perceived breaches of the TRIPS Agreement, while private parties may be heavily involved in intellectual property disputes between governments, they do not have direct recourse to WTO procedures and bodies. They could file a complaint with their government regarding the alleged non-compliance of another WTO Member with a TRIPS obligation. In some countries, special procedures for filing such complaints are available, for example in the United States and in the European Union.

<sup>43</sup> See the presentation on "WTO Dispute Settlement Mechanism: Cases in the Field of Intellectual Property".

(b) Negotiations under Article 24.1

There are also situations where a particular geographical indication may not enjoy, or may not fully enjoy, the protection provided for in Article 22 or 23, in accordance with the exceptions provisions contained in Article 24 as applied by a country with respect to that geographical indication. The relevant indication may, in that country, for example, be a generic term in accordance with Article 24.6, or the subject of prior trademark rights in accordance with Article 24.5. If the country of origin of the geographical indication in question would like to change such a situation, it will have to resort to bilateral or multilateral negotiations. In this regard, reference should be made to the provisions of Article 24.1 of the TRIPS Agreement, which establish a negotiating right in this respect for the country of origin (see section 4 of Annex 1 to this paper). As to the scope of Article 24.1 and the relevant discussions in the TRIPS Council concerning its implementation, see section II of this paper.

(c) Interpretation of the TRIPS Agreement

Article IX:2 of the Marrakesh Agreement Establishing the WTO, provides that the Ministerial Conference and the General Council have exclusive authority to adopt interpretations of WTO Agreements although in the case of the TRIPS Agreement, these two bodies may exercise their authority on the basis of a recommendation by the TRIPS Council. Further, Article 3.2 of the Understanding on Rules and Procedures Governing the Settlement of Disputes effectively provides that WTO Agreements, including the TRIPS Agreement, should be interpreted in accordance with customary rules of interpretation of public international law.

As mentioned above, certain national legal systems may provide for the direct applicability of TRIPS provisions. In such cases, questions of interpretation and application of the Agreement could be raised in the relevant countries' national courts. These courts are only competent to interpret TRIPS provisions as incorporated in national law. Whether their interpretation of a TRIPS provision is consistent with the relevant country's obligations under the TRIPS Agreement remains a matter to be decided by WTO Members.

#### **IV. REVIEW OF NATIONAL IMPLEMENTING LEGISLATION**

One of the functions of the Council for TRIPS is to oversee the functioning of the TRIPS Agreement and monitoring its operation, in particular Members' compliance with their obligations under the Agreement. One of the key mechanisms for monitoring is the examination of each Member's national implementing legislation by the other Members. Article 63.2 of the TRIPS Agreement requires Members to notify the laws and regulations implementing the TRIPS Agreement to the Council for TRIPS in order to assist the Council in its review of the operation of the Agreement. These notifications are the basis for reviews of implementing legislation carried out by the Council.

The review of implementing legislation takes the form of a "peer group" examination. The legislation is studied by the notifying country's trading partners who are entitled to ask questions through the TRIPS Council. The questions are generally put some two to three months in advance, with responses to these questions provided on the floor of the TRIPS Council and in writing, in principle some two to three weeks in advance of the review meeting. An opportunity is given for follow-up questions.

The records of these reviews may provide useful information on how Members have implemented their obligations under Section 3 of Part II of the TRIPS Agreement. The records consist mainly of the questions put and the responses given, are distributed in a separate document for each country reviewed and for each area. For the area of geographical indications, the relevant documents are those circulated in the IP/Q2/- series. For example, questions put to and answers given by the United States are contained in documents IP/Q2/USA/1 and Add.1; those concerning the EC in IP/Q2/EEC/1; etc. The documents in question can be viewed and downloaded from the WTO's Internet website.<sup>44</sup> In 1996 and 1997, the legislation of 33 members was reviewed and in 1998 and 1999 the legislation of five newly acceded countries. In the course of 2000 and 2001, reviews of the legislation of 74 Members have been initiated, with 23 of these reviews having been completed so far.

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<sup>44</sup> <http://www.wto.org>