THE PROTECTION OF GEOGRAPHICAL INDICATIONS IN MULTILATERAL SYSTEMS: A CULTURAL CLASH

As a consultant in the Intellectual Property Division of the WTO Secretariat between August and December 2000, I participated in the preparation of the "Note by the Secretariat on the Review under Article 24.2 of the application of the provisions of the section of the TRIPS Agreement on geographical indications". The note was purely factual as the WTO Secretariat is a mere secretariat, and so has no right to interfere directly in the debates and negotiations between the Member governments. In the WTO, power is not delegated to a board of directors, but every Member may attend every committee meeting and the bureaucracy has no influence over individual countries' policies. The Secretariat's main duties are to supply technical support for the various councils and committees and the ministerial conferences, to provide technical assistance for developing countries, to analyse world trade, and to explain WTO affairs to the public and media.
The "Note by the Secretariat on the Review under Article 24.2 of the application of the provisions of the section of the TRIPS Agreement on geographical indications", to which I will refer simply as the "Note", is a technical support which was requested by the Council for TRIPS in order to facilitate the mutual understanding of the different systems existing amongst the Members, with a view to furthering the negotiations on increasing protection for geographical indications.
In my presentation, I would not only like to talk about the Note itself, but also to give a short explanation of the historical and present contexts of multilateral systems of protection for geographical indications, and to offer a personal interpretation of the ins and outs of the matter. I will also try to emphasise those aspects which might not be dealt with in detail in other contributions.

2. INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS PRIOR TO THE TRIPS AGREEMENT

1. Historical background

The need for international protection of geographical indications arose from two phenomena: first, the globalisation of trade, and second, the harmonization of food standards.

Before the end of the 19th century, products bearing a geographical indication were generally not distributed very far from their area of origin, mainly because the existing technology did not allowed perishable goods to be exported. The exceptions were mainly wines and spirits, and some products from colonies, such as tea from India or coffee from Yemen. European wine and spirit producers did not compete with producers from outside Europe, because wine production was only beginning in what was then the British Empire and, in any case, they considered that their appellations were sufficiently protected by the conditions of international trade themselves. Nevertheless, it was no accident that wines and spirits producers were the first to seek for the establishment of a public, national, and then international, system of protection against misuses of their geographical indications. In national and international trade, they sought to prohibit, as acts of unfair competition, misuses of geographical indications. They did not seek protection for geographical indications originating in colonies, because there was no real competition with those products, and the protection of consumers did not focus on that question. In any case, the production and trade in products from colonies was all in the hands of Europeans, who, as colonizers, did not seek to add value to the local system of production or its reputation, but rather used geographical indications referring to their colonies as distinctive elements of their own trademarks. The same applies to countries which were not administrative colonies but economical ones. In new countries such as the United States, South Africa or New Zealand, producers did not have the same

conception of geographical indications as the Europeans: firstly, because many of their geographical names for products had been imported from Europe[1], whereas they had no local tradition and did not recognize the one of the indigenous traditions; secondly, because their ideology of pioneers was generally in opposition with every recognition of local roots: pioneers' main concern was the land. This historical background may explain why some developing countries have only recently realized the need to protection and enhanced the value of their geographical indications.

The harmonization of food standards was required both for the protection of consumers, and to facilitate international trade. In establishing such standards for agri-food products, the multilateral agreements tended to deal also with the protection of geographical indications, preventing deception of the consumer regarding the quality of the product, which can depend mainly on its true origin. Moreover, in establishing definitions of generic terms and allowing their use in compliance with international standards, agreements and organizations such as Stresa Convention on Cheese or the Office international de la Vigne et du Vin can also establish a protection for geographical indications which are not considered generic terms.

2. Agreements on geographical indications prior to the TRIPS Agreement

The Paris Convention, first signed in 1883 and revised seven times since then, most recently at Stockholm in 1967, now has 162 signatory states.
It was the first multilateral agreement to provide specific protection for geographical indications. The Convention applies to "indications of source", appellations of origin being one of the categories of indications of source. It includes geographical indications as a subject of industrial property, and, in so doing, it was the first multilateral treaty to deal with the protection of these intellectual property rights, even if the protection that it requires is very general and limited. Misleading indications of source can be considered, in the treaty language, as acts of unfair competition and, as such, are prohibited by Article 10*bis*, but no remedies are specifically provided in case of infringement.

The Madrid Agreement, 1891: 33 signatory states; only five new states became party to the treaty between 1975 and 2000.
Within the frame of the Paris Convention, the Madrid Agreement was the first multilateral agreement to provide specific rules for the repression of false and deceptive indications of source. The difference between "false" and "deceptive" is that a deceptive indication of source can be the true name of the place where the good originates from, being deceptive in usurping the renown of a famous geographical indication and confusing the purchaser in respect to the true origin and quality of the good. In contrast, a false indication is not, in any cases, the true name of the place where the good originates from, that indication being deceptive or not.

The International Convention for the use of *appellations d'origine* and denominations of cheeses (Stresa Convention), 1951: seven signatory states.

[1] Even if many place names are European words but not place names in Europe, and many other place names are not European words at all

This convention establishes the highest degree of protection for four geographical indications considered as *appellations d'origine*: Gorgonzola, Parmigiano Romano, Pecorino Romano, Roquefort. Article 3 reserves the use of these *appellations d'origine* to cheese manufactured or matured in traditional regions, by virtue of local, loyal and uninterrupted usages, in compliance with the national regulations governing that use, whether these *appellations d'origine* are used alone or accompanied by a qualifying or even corrective term.
The convention also prohibits the use of some denominations, such as Camembert, Danablu, Edam, Emmental, Gruyère, Pinzgauer Bergkäse or Samsö, for products which would not meet the requirements provided by the interested contracting party, referring mainly to the shape, weight, size, type and colour of the rind and curd, as well as to the fat content of the cheese.

The International Agreement on Olive Oil, 1956; the International Olive Oil Council (IOOC), established in 1959. The International Agreement on Olive Oil and Table Olives, signed in 1986 and extended with amendments until now, was the fourth agreement on the subject.

The Lisbon Agreement, 1958: 19 signatory states; only three new states became arty to the treaty between 1978 and 2000. Only two new appellations were registered in 2000.
Within the frame of the Paris Convention, the Lisbon Agreement is exclusively dedicated to the protection of appellations of origin.
The highest level of protection is granted to appellations of origin which are recognized and protected in their country of origin, and have been registered in the international register administered by the WIPO.

Bilateral and regional agreements.
Many of these agreements provide protection for the designation of specific geographical indications in the parties, following two main models:

1). Agreements which establish an open-ended international system for the registration of geographical indications which meet criteria of general application required in the agreement, after compliance with procedures specified in the agreement: e.g. Bangui Agreement, of 1977, Concerning the Establishment of the African Intellectual Property Organization; EC Council Regulation No. 2081 of 1992; Decision No. 486 of the Andean Community.

2). Bilateral and regional agreements which specify list of geographical indications from each of the countries party to the agreement to which protection shall be provided; such agreements do not provide internal mechanisms by which additions can be made to the lists; additions to the lists of protected geographical indications require the conclusion of a new agreement amending the earlier one: e.g. Agreement between Germany and France, of 1960, on the Protection of Indications of Source, Appellations of Origin and Other Geographical Denominations; North American Free Trade Agreement, of 1992; EC-Australia Trade in Wine Agreement, of 1994; EC-Hungary Agreement on trade in wines, of 1992; EC-Switzerland bilateral Agreements, of 1999.

<u>Conclusion:</u> The international agreements with the highest standards of protection of geographical indications have only been signed by a few countries. Bilateral or

regional agreements were only partial solutions for a global problem, because of the lack of a multilateral framework to deal with the issue in international trade. The harmonization of international standards for agri-food products only provided a very limited solution to the problem, because geographical indications were only considered indirectly as part of an attempt to protect consumers against any deceptive information put on products for which the general standard of quality is supposed to be met [misleading indications as to the source of goods]. It is not clearly said that origin is one of the criteria of quality for a product, but it is considered as a possibility. As a result, the international protection of geographical indications prior to the TRIPS Agreement was in a kind of complicated cul-de-sac.
The GATT only dealt with trade in goods ; but, since 1947, trade in services and in goods and services incorporating intellectual property has become more and more important. That is the reason why the Uruguay Round included services and intellectual property in its negotiations. So the WTO, created in 1995, incorporated in a single organization the updated version of GATT, as well as the General Agreement on Trade and Services (GATS), and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). All three are integral parts of the Agreement establishing the WTO and all WTO Members are parties to them. No reservations are permitted under the TRIPS Agreement.

2. PROTECTION OF GEOGRAPHICAL INDICATIONS UNDER THE TRIPS AGREEMENT

1. The TRIPS Agreement

I will not talk in detail about the negotiation of the TRIPS Agreement, in which the Europeans, and in particular the wine-producing European countries, were the proponents for protection for geographical indications and got some results by linking this subject with the agriculture negotiations. Nor will I talk in detail about the question of definitions, except by recalling that the TRIPS definition of geographical indication differs from the one in the Lisbon Agreement because the former disconnects quality and origin; Article 22.1 of the TRIPS Agreement defines geographical indications as follows: “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”. As a result, the quality of the product is only one of the possible criteria according to which the geographical indication that it bears can be eligible for the protection provided by the TRIPS Agreement.

In Section 3 of Part II of the TRIPS Agreement, three different levels of protection are provided for geographical indications.

The first level (Article 22) is a minimum standard of protection for all products. It prohibits any use which constitutes an act of unfair competition in the sense of Article 10*bis* of the Paris Convention, and the misleading of the public as to the geographical origin of the good; it also prohibits the registration of a trademark which would contain or consist of a geographical indication for goods not originating in the territory indicated, but only if such a use would mislead the public as to the true place of origin. This level of protection also applies to geographical indications which, although literally true as to the territory in which the goods originate, would falsely represents to the public that the goods originate in another territory. In conclusion, the minimum protection is in connection with misleading of the consumer, which has to be proved, and unfair competition, which has to judged by a court.

The second level of protection (Article 23, paragraphs 1-2) is only available for wines and spirits. It strictly prohibits the use of an untrue geographical indication, even if it is used in translation or accompanied by an expression such as “kind”, “type”, “imitation”, etc.; and the registration of a trademark containing or consisting of a geographical indication for wines or spirits not having this origin is prohibited, even if the public is not misled as to the true origin of the product. Moreover, paragraph 1 of Article 24 mentions that Members will enter into negotiations aimed at increasing the protection of individual geographical indications for wines and spirits.

The third and highest level of protection (Article 23, paragraphs 3-4) is provided only for wines. Paragraph 3 deals with homonymous geographical indications for wines, granting protection to each of them, but also requiring each Member to determine the practical conditions under which the homonymous indications will be differentiated from each other in order to avoid any misleading of the public. In general, that provision can not really be considered as a higher level of protection for wines.
Paragraph 4 stipulates that, “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”.

2. Review under Article 24.2 of the application of the provisions of the section of the TRIPS Agreement on geographical indications

The origin of that little note of 76 pages, which is as easy to read as a novel, is a request of the TRIPS Council in July 1999, and, following the words of the decision, “its purpose was merely to facilitate an understanding of the more detailed information that had been provided in national responses to the Checklist”. That Checklist had been compiled by the Secretariat during April 1998, after a suggestion from the United States during the informal consultations on how to proceed for the review of the application of the TRIPS provisions on geographical indications which is required by Article 24.2. Thus, the elaboration of the Checklist was the result of the questions proposed by a number of delegations, and, later (July 1998), Mexico asked for four additional questions to be reflected in the Checklist, which appeared in an Addendum. Just to illustrate the fact that the WTO Secretariat has no power at all, and may be to show that geographical indications are a very sensitive issue, it should be noted that even the informal draft checklist prepared by the Secretariat was the subject of informal consultations, before the Council agreed to it in May 1998 and invited those Members already under an obligation to apply the provisions of the Section on Geographical Indications to provide their response by mid-November 1998. Other Members could also furnish relies on a voluntary basis.
At its meeting of December 1998, The Council took note that the Secretariat only had received response from 13 Members (counting the member States of the EC as one Member). The EC delegation made two important statements; the first one was to underline that the responses to the Checklist could also be useful for the future work to be carried out under Article 23.4, that is to say in order to establish a multilateral system of notification and registration of geographical indications for wines. The second one was to suggest that the Secretariat could draft a synopsis (an overview with a short summary) of the responses received, in order to enable progress to be made in the discussions. That suggestion was supported by the US, “given the

volume of information provided and the complexities involved in the various systems among Members". The Secretariat was asked to prepare an informal outline of a possible summary paper, which was discussed in informal consultations.
The Council finally decided at its meeting of July 1999 to request the Secretariat to prepare a paper summarizing the responses to the Checklist on the basis of the outline proposed in April 1999. A preliminary form of that note was circulated just before the TRIPS Council meeting of November 2000. The final version of the note was circulated in the beginning of March 2001, including some comments from Members on the preliminary version, and the new responses received from three Members.
So it took more than a year and a half to the Secretariat to elaborate that note. Indeed, it was a very tremendous and tricky work, for many reasons: the Checklist of questions had not be conceived in a very coherent way, and the quality of the answers often depended on the relevance of the questions for each Member; as the Secretariat wrote in a very allusive way, "the data provided by Members is of varying degrees of comprehensiveness and detail"; and because the Secretariat had to do that job without being entitled to check or to complete the information provided by Members, except in a few cases when Members referred to a national law which had been notified to the TRIPS Council. But, as some laws and the regulations of the laws can be notified in the national language, it was not possible to check the information contained, for example, in all the Icelandic regulations on intellectual property.
These are the reasons why the Note can not be considered as a scientific work in itself; its main interest is in the importance of information provided by Members, and in its influence on the TRIPS Council work on geographical indications. To avoid any misinterpretation, the Secretariat had also to create a new term, "indication of geographical origin" (which, in the backstage talks, unfortunately sounds like "inter governmental organizations), because the term "geographical indication" could have been understood as referring to the TRIPS Agreement. Even that question of vocabulary gave place to some debates in the TRIPS Council.

3. Debates in the TRIPS Council following the circulation of the Note

The debates on geographical indications in the TRIPS Council meetings, not considering all the informal meetings held on that topic, are of an increasing importance: for example, they fulfil 50 of the 89 pages of the minutes of the meeting of November and December 2000, and 30 of the 74 pages of the minutes of the meeting of April 2001.
All delegations welcomed the Note, because it was of a great help to get a global view on the different existing systems of protection. Nevertheless, there was no great change in the disagreements on several questions.
First, the question of extension of additional protection to geographical indications for products other than wines and spirits was discussed in all its legalistic aspects; the Council took no decision, but it appears from the conclusions of the meeting of April 2001 that countries which are the proponents recognize that there is no legal basis to negotiations on an extension in the TRIPS Council framework. Only the Ministerial Conference could move forward on that issue.
Second, the question of the establishment of a multilateral system of notification and registration of geographical indications for wines under Article 23.4 is still discussed.

The main discussed points are, first, the legal value of such a register, and its comprehensiveness; second, the establishment of a dispute procedure to deal with notifications which would be considered as unacceptable by one or several Members. Proposals from the EC and Hungary consist in an opposition/challenge system of notification and registration, whereas proposals from the USA and other Members consist in a simple notification system of geographical indications which are already protected under national systems.
Third, some Members asked questions to other Members about their national system of protection, on the basis of the Secretariat Note. Some Members are also requesting that all Members which are under an obligation to implement the TRIPS Agreement in 2001, that is to say developing countries and some transition economies countries, notify their laws to the TRIPS Council. Last developed countries are not yet under that obligation.

3. POSITIONS OF MEMBER STATES AND CONFLICTS: A MAIN TOPIC FOR THE WTO SYSTEM EVOLUTION IN THE FUTURE?

As I think that the EC and US positions in the WTO negotiations will be subject of other contributions, I will limit myself to explain the positions of other Members.

Position of Bulgaria, the Czech Republic, Iceland, India, Liechtenstein, Slovenia, Sri Lanka, Switzerland, Turkey, supported by other members

These Members, in particular India and Switzerland, have circulated a number of communication to the TRIPS Council, the latest ones in October and December 2000. These Members consider that they were not heard during the Uruguay Round when they claimed for a absolute protection for all products and not only wines and spirits, and that the considerable potential of geographical indications for commercial use has been neglected for a long time. They consider that it would be illogical to limit the mandated negotiations to an improvement of protection of geographical indications for wines an spirits because they already benefit from the highest level of protection. In their view, the provisions of Article 24.1 are of general application to all products and the reference to Article 23 does not relate to products contained therein but to a means of additional protection to be provided. They call for a global approach in the negotiations on the Section 3, instead of dealing with each item separately.

Venezuela

In a communication during the TRIPS Council meeting of November 2000, the Venezuelan delegate claimed for the establishment of a multilateral system of notification and registration for geographical indications for all products, explaining the position of Venezuela. Venezuela considers that the tool of geographical indication is a way to promote diversification and development for little firms, to add value to the exports in getting the reputation and quality of products be recognized in the export markets; to prevent some traditional products to disappear, in connection with the tourist activity which could be derive from their preservation. The delegate gave the example of the appellation of origin “Cacao de Chuao”, registered under the Venezuelan system, and about to be registered under the Andean Community

system, hoping that such a geographical indication could get a strong international protection.

Latest position of Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay and the United States

In a communication in June 2001, these Members summarized their position concerning the extension of the highest level of protection of geographical indications to all products. They went further than the strict legalistic approach on the mandate of the Council. They rather point out the high potential cost of an extension of protection for those Members which do not already have national laws and administrative mechanisms like the EC ones, in comparison with the benefits they suppose could be derived from such an extension. They also consider that the countries which have promoted extension of Article 23.1 have not sufficiently demonstrated how existing TRIPS rules, that is to say Article 22, fail to provide sufficient protection to geographical indications.

Conclusion

For European countries, and particularly for southern European countries, the geographical indication IS the product; for example, the denomination *Beaufort* signifies all the elements which are included in the cheese it designates: area of production, breeds of cows and their food, methods of production, etc., and also all the immaterial substance the denomination is endowed with: tradition, landscape, regional identity value, etc. For countries like the United States, Australia and Argentina, the geographical indication is, in most cases, only considered as one of the distinctive elements of a trademark, the trademark always remaining the dominant means of distinguishing a product in the market, in comparison with geographical indications. The geographical indication is not identified with a particular product, nor reserved to a particular product; but rather it is, in most cases considered as information put on the product, like the name and address of the producer. Thus, the distinction between the designation of wines from outside Europe is based on the trademark and on the *cépage*; the packaging helps also to distinguish them at a basic level. The geographical indication is of secondary importance, if at all. But wine-producing countries outside Europe are becoming aware of the limits of such a conception, especially for wines and spirits, and some geographical indications are becoming so famous that their producers are applying for their protection. Thus, special free trade agreements between Australia and New Zealand, and among the USA, Canada and Mexico include provisions providing protection for geographical indications for wines and spirits.

In my view, protection for geographical indications will remain a major issue in the TRIPS Council agenda over the coming years. This is because, first, the EC, Switzerland, Hungary and other countries from eastern Europe will keep the pressure on the US and Cairn Group countries to improve the protection for their national geographical indications other than wines and spirits. Second, because many of the developing countries have become proponents for that better protection of geographical indications as well. They are mainly interested in increasing the protection for very well-known so-called geographical indications, such as Basmati or

Darjeeling, just to regain the added value which has been created in these terms over a long period of time by importers in developed countries. But they are also beginning to get interested in geographical indication protection as a tool for development, which is the European approach. In addition, the implementation of the TRIPS Agreement provisions by developing countries, now that their transition period has expired, and the adoption of laws on geographical indications drafted with technical cooperation from European countries, and the debates on the protection of traditional knowledge, contribute to making developing countries aware of the social and economic importance of the issue.

On one hand, the traditional export of raw materials appears to be an increasingly risky strategy in the context of globalisation. On the second hand, some European manufacturers of goods made from raw materials from developing countries, such as chocolate and coffee, have begun to sell some of their products with geographical indications, like European appellations of origin, in order to add a value based on a certain quality. Most of those geographical indications were unknown to the consumers. Moreover, some NGOs launched programs for regions of developing countries with the aim to export origin linked finished goods, in connection with fair trade. That development is quickly creating a market in developed countries for origin labelled products from developing countries[2].

[2] I would like to particularly thank Matthijs Geuze and Matthew Kennedy, from the IP Division of the WTO Secretariat, for their helpful comments and information.