



SYMPOSIUM ON THE INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS IN THE WORLDWIDE CONTEXT

**Eger, Hungary
October 24 and 25, 1997**



**WORLD
INTELLECTUAL
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ORGANIZATION**



HUNGARIAN PATENT OFFICE



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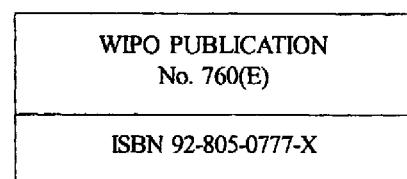
SYMPOSIUM ON THE PROTECTION OF GEOGRAPHICAL INDICATIONS IN THE WORLDWIDE CONTEXT

organized by
the World Intellectual Property Organization (WIPO)

in cooperation with
the Hungarian Patent Office

Eger (Hungary), October 24 and 25, 1997

Geneva 1999



WIPO 1999
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FOREWORD

This publication contains the texts of the lectures given, and a summary of the discussions that took place, at the Symposium on the Protection of Geographical Indications in the Worldwide Context, held in Eger (Hungary) on October 24 and 25, 1997.

The Symposium was organized by the World Intellectual Property Organization (WIPO) in cooperation with the Hungarian Patent Office.

The Symposium dealt with current questions concerning the protection of geographical indications under national, regional and international laws, in particular the relationship between the protection of geographical indications and the protection of trademarks.

Over 100 participants from the public and private sectors from 50 countries, three intergovernmental organizations and six non-governmental organizations took part.

Lectures were presented at the Symposium by nine experts from Australia, Belgium, France, Hungary, Mexico, the United States of America and from the European Commission, the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO).

The World Intellectual Property Organization expresses its thanks to the Hungarian Patent Office for its cooperation and warm hospitality.

Geneva, February 1999

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PROGRAM

Friday, October 24, 1997

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 Opening address by Mr. Miklós Bendzel, President of the Hungarian Patent Office
 Opening address by Mr. Arpad Bogsch, Director General of WIPO
- 09.30 - 10.15 Protection of Geographical Indications Under WIPO Treaties and Questions Concerning the Relationship Between Those Treaties and the TRIPS Agreement
 Presentation by Mr. Ludwig Baeumer, Director, Industrial Property Law Department, WIPO
- 10.15 - 10.45 Protection of Geographical Indications Under the TRIPS Agreement and Related Work of the World Trade Organization
 Presentation by Mr. Matthijs Geuze, Counsellor, Intellectual Property and Investment Division, World Trade Organization
- 10.45 - 11.15 Coffee Break
- 11.15 - 12.00 Protection of Geographical Indications in the Central and Eastern European Countries
 Presentation by Mrs. Éva Szigeti, Attorney at Law, Budapest
- 12.00 - 14.00 Lunch Break
- 14.00 - 15.00 Protection of Geographical Indications in the European Union
 Presentation by Ms. Susana Pérez, Lawyer, Quality Policy Unit, Directorate-General VI, Agriculture, European Commission, Brussels
- 15.00 - 15.30 Coffee Break
- 15.30 - 16.30 Topical Issues of the Protection of Geographical Indications
 Presentation by Mr. Florent Gevers, Industrial Property Attorney, President of the Belgian Group of AIPPI, Brussels

Saturday, October 25, 1997

- 09.00 - 10.00 Protection of Geographical Indications in the United States of America
Presentation by Mr. Vincent O'Brien, Attorney at Law, New York, United States of America
- 10.00 - 10.30 Geographical Indications in Recent Treaty Law in the Americas: NAFTA, the Latin American Free Trade Agreement, Mercosur, the Andean Community and the Central American Protocol
Presentation by Mr. Horacio Rangel Ortiz, Lawyer, President of the International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP), México D.F.
- 10.30 - 11.00 Coffee Break
- 11.00 - 12.00 Protection of Geographical Indications in France and Protection of French Geographical Indications in Other Countries
Presentation by Professor Jacques Audier, Faculté de droit, Université de droit, d'économie et des sciences, Aix-en-Provence, France
- 12.00 - 13.00 Protection of Geographical Indications in Australia and New Zealand
Presentation by Mr. Desmond Ryan, Industrial Property Attorney, Melbourne, Australia

INFORMATION ON THE SPEAKERS OF THE SYMPOSIUM

by

International Bureau of WIPO¹

LUDWIG BAEUMER

Ludwig Baeumer, a national of Germany, is the Director of the Industrial Property Law Department of the World Intellectual Property Organization (WIPO). His responsibilities include work concerning the preparation of new international treaties in the field of patents, trademarks and other areas of industrial property, and giving advice to governments on questions of industrial property legislation. He has participated in conferences of WIPO in Europe, North and South America, Africa, Asia and Australia, and has represented WIPO in numerous meetings of other organizations.

Before joining WIPO, Mr. Baeumer worked as a Research Associate in the Max Planck Institute for Foreign and International Patent, Copyright and Competition Law in Munich. He holds a Doctor Juris degree from the University of Münster in Germany and a Master of Laws degree from the University of California at Berkeley. He has published various monographies and articles on intellectual property issues and has acted as a lecturer on such issues in conferences organized by WIPO and other organizations.

MATTHIJS GEUZE

Matthijs Geuze, a national of the Netherlands, is Counsellor in the Intellectual Property and Investment Division of the World Trade Organization (WTO) Secretariat and Secretary of the Council for TRIPS.

Mr. Geuze holds a Law degree from the University of Leyden, the Netherlands. Following graduation, he was employed as a lawyer by the Dutch Patent Office from 1981 to 1989, on behalf of which he was also involved in legislative work on industrial property and in international negotiations on intellectual property matters, in particular trademarks, within the framework of the European Communities and the World Intellectual Property Organization. In 1989, he joined the GATT Secretariat in Geneva, where he assisted in servicing the Uruguay Round Negotiating Group on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

¹ The 9 lecturers of the Symposium are listed in the order in which they lectured.

ÉVA SZIGETI

Éva Szigeti, a national of Hungary, is the Deputy Managing Partner of Danubia, (Patent & Trademark Attorneys). She has been head of the trademark branch since 1990.

She obtained her Doctorate Law degree at Eötvös Lóránd University of Sciences, Budapest (L.L.D., 1975) and was admitted as an attorney at law in 1978.

Mrs. Szigeti is a member of a number of professional associations such as: the Presidial Board of the Hungarian Trademark Association, the Hungarian Association for the Protection of Industrial Property and Copyright Law, the International Association for the Protection of Industrial Property (AIPPI), and the International Committee of the International Trademark Association (INTA). She is also a Council Member of *Marques*, an Associate Member of the European Communities Trademark Association (ECTA) and of the Pharmaceutical Trademarks Group (PTMG) and an Overseas Member of the Institute of Trademark Agents.

SUSANA PÉREZ FERRERAS

Susana Pérez Ferreras, a national of Spain, has been an official of the European Communities since 1992. She is a Lawyer in the Quality Policy Unit, in the Directorate-General VI (Agriculture) of the European Commission. Her role has included preparing European Community (EEC) Law, in particular, the Council Regulation (No. 2081/92) on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. She has also been involved in negotiations of bilateral agreements, between the European Communities and third countries, and multilateral agreements. Mrs. Pérez has managed administrative and enforcement matters, and court cases before the European Court of Justice concerning the above-mentioned EEC Regulation.

Mrs. Pérez holds a Law degree from the University Complutense of Madrid, participated in the Erasmus program in the University of Sorbonne, Paris, and was awarded a Doctorate in European Community Law by the Université Libre, Brussels.

Mrs. Pérez is currently Secretary of the Scientific Committee for designations of origin, geographical indications and certificates of specific character. The task of the Committee is to examine all legal and technical problems relating to the application of Council Regulation (EEC) No. 2081/92 and Council Regulation (EEC) No. 2082/92 on certificates of specific character, agricultural products and foodstuffs, with regard to the regulation of names of agricultural products and foodstuffs and cases of conflict between Member States.

FLORENT GEVERS

Florent Gevers, a national of Belgium, is the President of the patent and trademark firm of attorneys, Bureau Gevers. He is a Benelux trademark attorney, a registered European Community Trademark attorney and a registered European and Belgian patent attorney.

Mr. Gevers is currently the President of the Official Advisory Group to the Belgian Government on Industrial Property; President of the Belgian Group of the International Association for the Protection of Industrial Property (AIPPI); and a Member of the Scientific Committee for designations of origin, geographical indications and certificates of specific character at the European Communities.

He obtained his university degree at the University of Louvain in Belgium and a Masters degree in Industrial Property at the University of Strasbourg in France, where he regularly teaches. He is also a visiting professor on trademark law and appellations of origin at the University of Alicante.

Mr. Gevers is also a member of the Institute of Trade Mark Agents (ITMA), International Trademark Association (INTA), *Association française des praticiens du droit des marques et des modèles* (APRAM), and Pharmaceutical Trademarks Group (PTMG). In the past, Mr. Gevers has been President of Licensing Executives Society (LES) Benelux, President of the Association of Benelux Trade Mark and Design Practitioners (BMM), and President of the European Communities Trademark Association (ECTA).

Mr. Gevers has written many papers concerning appellations of origin and given many lectures on this subject at conferences such as the Symposiums organized by WIPO at Santenay (1989) and Melbourne (1995). He has also lectured all over the world on the European Community trademark.

E. VINCENT O'BRIEN

E. Vincent O'Brien, a national of the United States of America, is a Senior Partner in Buchman & O'Brien's New York office. He is a *magna cum laude* graduate of Fordham University (B.S.-valedictorian), a *summa cum laude* graduate of the New York University Graduate School of Business (M.B.A.-valedictorian), a *cum laude* graduate of Fordham Law School (J.D.-salutarian) and a graduate of the New York University Graduate School of Law (L.L.M. in Taxation).

Mr. O'Brien has practiced beverage alcohol law since 1963, when he joined the Wall Street law firm of White & Case and was assigned to its Seagram account. He was elected General Counsel, Vice President and Director by Seagram, and later in his career was further elevated to Executive Vice President, while maintaining his roles as General Counsel and Director.

Mr. O'Brien also served as Executive Vice President and Executive Committee Member of the Distilled Spirits Council of the United States (DISCUS), as a Director and Executive Committee Member of the National Association of Beverage Importers (NABI), and as a member of the US Delegation to the International Federation of Wines & Spirits (FIVS).

Mr. O'Brien has also served for many years as a member of the US Delegation to the Office International de la Vigne et du Vin (OIV), the international association of wine regulators, where he has served as a representative of both the Federal Bureau of Alcohol, Tobacco and Firearms (BATF), and the Wine Institute, on the Wine Law, Regulations and Controls, and Appellations of Origin working groups.

Mr. O'Brien is a Charter Member of the International Wine Lawyers Association and has frequently lectured at major international wine and spirits conferences and trade shows, such as the annual Impact seminars, VinItaly, VinExpo (France), Intervitis (Germany) and the Pacific Rim Wine Festival (Australia). He has also represented the United States of America with presentations at the World Intellectual Property Organization (WIPO) and at several OIV sponsored international wine symposia.

Mr. O'Brien represents several trade associations of the United States of America including the Wine Institute, Presidents' Forum of the Beverage Alcohol Industry, and American Brandy Association.

HORACIO RANGEL-ORTIZ

Horacio Rangel-Ortiz, a national of Mexico, is a partner with the Mexico City intellectual property law firm Uhthoff, Gomez Vega & Uhthoff, S.C. He is the President of the International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP).

Mr. Rangel is a former President of the Mexican Group of the International Association for the Protection of Industrial Property (AIPPI) and a former President of the Mexican Association for the Protection of Industrial Property (AMPPI). He is a former Chairman of the Intellectual Property Committee of the Mexican Bar.

Mr. Rangel holds several law degrees: his first Law degree is from the Universidad Iberoamericana in Mexico City; he obtained a Master of Comparative Law in Intellectual Property Law at the George Washington University in Washington, D.C.; and was awarded the Diploma of Doctor of Laws from the Universidad Panamericana, in Mexico City.

Mr. Rangel has been teaching intellectual property law at the Universidad Panamericana in both Mexico (since 1982) and Guadalajara. He has also participated in the work of UNESCO's International Bioethics Committee.

Mr. Rangel is the author of the doctoral dissertation *Usurpación de patentes* (Patent Infringement) and of more than 70 articles and legal studies regarding domestic and international aspects of intellectual property law. He has presented more than 90 papers and lectures on this topic in seminars organized by universities, bar associations and international organizations such as WIPO, UNESCO, AIPPI, ATRIP and INTA. A new book by Mr. Rangel-Ortiz, concerning patent law fundamentals, will be published shortly.

JACQUES AUDIER

Professor Audier, a national of France, is a professor at the Faculty of Law of Aix-Marseille, Director of Adult Education and Director of a post-graduate diploma of Vine and Wine Law. He has been the legal advisor of the Office International de la Vigne et du Vin (OIV) since 1987, and a member of the European Communities scientific committee for designations of origin, geographical indications and certificates of specific character since 1993. Professor Audier is also a member of the Board of the International Wine Law Association.

Professor Audier has published books concerning country and forest law (*Droit rural-Droit forestier*, Economica, Paris, 1996. 3^{ème} éd.: *Droit rural, Memento*, Dalloz, Paris, 1995), and several studies in the field of vine and wine law and geographical indications.

DESMOND J. RYAN

Desmond J. Ryan, a national of Australia, is a registered patent attorney and a barrister and solicitor of the Supreme Court of Victoria and the High Court of Australia. He has been in practice as a patent attorney for thirty-eight years. Mr. Ryan was the Senior Partner of Davies Collison Cave, which he joined in 1954, and founded the firm Davies Ryan De Boos in 1981. His major areas of practice include advice and litigation in intellectual property matters, international technology transfer agreements and licensing, international licensing, trademarks and unfair competition.

Mr. Ryan was awarded a Diploma of Mechanical Engineering at the Royal Melbourne Institute of Technology. He also holds a Bachelor of Laws (Hons.) from the University of Melbourne.

Mr. Ryan has held the positions of: International President of the Licensing Executives Society; President of the Licensing Executives Society, Australia and New Zealand; President, Institute of Patent Attorneys; President of the International Association for the Protection of Industrial Property - Australian Group; Chairman of the Intellectual Property Committee-Law Council of Australia; and Co-Chairman of the Intellectual Property Standing Committee of Lawasia.

He was the Chairman of the Legal Issues Group, Prime Minister's Science and Engineering Council Report on Intellectual Property in Innovation, Member of the Trade Negotiations Advisory Committee to the Minister for Foreign Affairs and Trade during the Uruguay Round, and Member of the Industrial Property Advisory Committee to the Minister for Science. He is currently Member of the Trade Policy Advisory Council to the Minister for Foreign Affairs and Trade and of its APEC Committee.

Mr. Ryan has published a number of articles on intellectual property matters and has lectured widely both in Australia and internationally. He is also a member of, and has delivered papers to, societies such as the Chartered Institute of Patent Agents (London), the International Trademark Association, and the International Wine Law Association.

Mr. Ryan has also acted as a consultant to the World Intellectual Property Organization (WIPO) and to the Government of the People's Republic of China. He is a trained mediator (Harvard Law School), a member of LEADR, and is on the panel of accredited mediators of the Law Institute of Victoria and of the WIPO Arbitration and Mediation Center.

OPENING ADDRESS

by

Dr. Arpad Bogsch
Director General
World Intellectual Property Organization (WIPO)

Mayor of the City of Eger, Mr. György Ringelhann,

Ladies and Gentlemen,

We are meeting for a two-day Symposium on the Protection of Geographical Indications in the Worldwide Context organized by the World Intellectual Property Organization in cooperation with the Hungarian Patent Office.

Similar events took place in France (Bordeaux in 1988, Santenay (Burgundy) in 1989), in Germany (Wiesbaden in 1991), in Portugal (Funchal, Madeira, in 1993) and in Australia (Melbourne in 1995). In response to the continued interest in this subject, the World Intellectual Property Organization, in cooperation with the Hungarian Patent Office, decided to organize another Symposium here in Eger, the home of fiery wines and thermal waters.

For more than a hundred years, WIPO (and its predecessor organization, BIRPI) has been active in promoting the international protection of geographical indications and, more specifically, appellations of origin and other indications of source. The Paris Convention for the Protection of Industrial Property, which is the basic substantive international convention in this field, mentions appellations of origin and indications of source as elements of industrial property. Already in its original version of 1883, the Paris Convention provided for protection against the use of false indications of source. In addition to the Paris Convention, two special agreements have been concluded, which offer international protection to appellations of origin and indications of source, namely, the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (1891) and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958). Hungary is party to the Paris Convention, to the Madrid Agreement and to the Lisbon Agreement.

Three years ago, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) was concluded. In its Articles 22 to 24, it contains important provisions on the protection of geographical indications. Hungary is also party to that Agreement. The term "geographical indications," as will be explained later today, covers all appellations of origin and most of the other indications of source protected under the WIPO treaties.

The present Symposium is of particular importance since it will enable us to discuss in depth the concept of geographical indications at the national, regional and global levels. In this context, the various forms of protection of geographical indications will be examined, as well as other important questions such as the definition of geographical indications, the settlement of conflicts between trademarks and geographical indications and the possibilities of improving existing protection of geographical indications.

I wish, already now, to express my gratitude to the speakers who have kindly accepted the invitation from WIPO to lecture in the Symposium. I shall name them in their order of appearance in the program:

Mr. Matthijs Geuze, Counsellor, Intellectual Property and Investment Division, World Trade Organization

Mrs. Éva Szigeti, Attorney at Law, from Hungary

Ms. Susana Pérez Ferreras, Lawyer, Quality Policy Unit, European Commission

Mr. Florent Gevers, Industrial Property Attorney, from Belgium

Mr. E. Vincent O'Brien, Attorney at Law, from the United States of America

Mr. Horacio Rangel-Ortiz, Lawyer, from Mexico

Professor Jacques Audier, from France

Mr. Desmond J. Ryan, Industrial Property Attorney, from Australia

And you will also hear my colleague, Ludwig Baeumer, Director of the Industrial Property Law Department of WIPO.

I wish to thank the Hungarian Patent Office and its new and former Presidents, Dr. Miklós Bendzsel and Dr. Ernö Szarka, for their assistance in the organization of this Symposium. Our gratitude, naturally, also extends to the Hotel Eger-Park where this Symposium is held and to its Director, Mrs. Lászlóné Szebeni.

It is a pleasure and a privilege for me to welcome to the Symposium participants from all over the world and from various professional fields.

The choice of Hungary for holding this Symposium on the Protection of Geographical Indications in the Worldwide Context is not fortuitous. Some of the Hungarian appellations of origin in respect of wines are the subject of international registrations under the Lisbon Agreement. This shows that Hungary has always been

very active in contributing to the increasing awareness of the need for improved protection of geographical indications at the international level.

After the Bordeaux and Burgundy areas in France and the Rheingau area in Germany, the Island of Madeira in Portugal, the State of Victoria in Australia, Eger was chosen for this Symposium because of the great renown it enjoys throughout the world on account of its wines.

The fame of the wines from Eger like "Bikaver," "Egri Kádárka," and "Egri Leányka" has, for centuries, spread far beyond their country of origin, Hungary, and is due, to a large extent, to the particular know-how developed in this area for using a product of nature and refining it to its ultimate perfection, in particular, the combination resulting from the rich soils, the favorable microclimate and the viticulture dating from the 13th century. This will be demonstrated in the wine tasting organized by our Hungarian hosts, tomorrow in Eger and on Sunday in Tokaj.

I am sure that everything has been done to ensure that this Symposium on the Protection of Geographical Indications in the Worldwide Context will be rich in teachings for all of us and that your stay in Eger will be most pleasant.

It is thus, with great pleasure, that I declare this Symposium open.

• • •

OPENING ADDRESS

by

Dr. Miklós Bendzel
President
Hungarian Patent Office

Ladies and Gentlemen,

It is with great pleasure that I greet, on behalf of Mr. Szabolcs Fazakas, Minister of Industry, Commerce and Tourism, Mr. Frigyes Nagy, Minister of Agriculture, and Mr. György Ringelhann, Mayor of Eger, all participants in this Symposium on the Protection of Geographical Indications in the Worldwide Context. My special welcome goes to Dr. Arpad Bogsch, Director General of WIPO and to the speakers who have accepted the invitation and arrived here from distant parts of the world to contribute to the success of the Symposium. May I wish you all, Ladies and Gentlemen, a very pleasant stay in Hungary and here in Eger, and interesting discussions during the coming two days.

I would like to stress how grateful the Hungarian Patent Office is that WIPO has decided to continue the series of symposia on the subject of the protection of geographical indications—which started in Bordeaux in 1988, and was followed by symposia held in Santenay, Wiesbaden, Madeira and Melbourne—and that it has chosen Eger for this occasion. All the regions mentioned enjoy a worldwide reputation on account of their wines. Hungary also possesses very old traditions of wine growing, and some of our wines—among them those originating from Tokaj and Eger—are well known throughout the world. Tokaj wines are in fact considered part of the national heritage, since even the national anthem refers to them, where the poet Kölcsény lists the nectar of Tokaj's vines among God's gifts to the Hungarian people. Here in Eger, wine growing and wine making go back to the twelfth century and, according to history, were considerably influenced by Walloon settlers. Ever since, the production of wine has always played an important part not only in the economy of these two sites, but in the whole Hungarian economy. Besides Tokaj and Eger, there are numerous other wine regions such as Badacsony, Villány and Sopron, to mention but a few, which contribute to the reputation of Hungarian wines. Traditions exist as well for the appropriate legal framework governing wine production and marketing. However, in order to harmonize the national law in this respect with the norms of the European Community, and to set up a modern law corresponding to the present economic system of our country, the wine law—which originated in the nineteen-seventies—is undergoing a complete review. Accordingly, the draft of a new wine law has already been submitted to Parliament this year.

Having said the foregoing, I consider it appropriate that this Symposium should be held in Eger. I do hope that your experiences here—and those offered by the possibility of an excursion to Tokaj—will convince you of this.

As to the topic of the Symposium, I am convinced that the strengthening of the protection of geographical indications is an issue of vital importance both at the national and at the international level. An exchange of information and views on this is therefore necessary to achieve progress.

In Hungary, where the agriculture and food industry, as well as wine production, are very important to the national economy, the role of geographical indications, also as a means of protection against acts of unfair competition, cannot be underestimated. Together with the manifold cultural values of the country, geographical indications like Szeged for paprika, Gyula for sausages, Mako for onions and of course Tokaj and Eger for wines are equally part of the country's image. Nevertheless, the particular legal means for the protection of geographical indications have only been created recently. Although the protection provided by the Paris Convention for the Protection of Industrial Property against misleading practices as to the origin of products has traditionally been ensured by the Law on the Prohibition of Unfair Market Practice, it has for many reasons not been sufficient. Furthermore, Hungary is party to the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, yet there are fewer than 30 appellations of origin currently enjoying protection under this Agreement. The recent reform of our Trademark Law has offered an excellent opportunity to remedy these deficiencies. As a result of long and thorough preparatory work, a new law on the protection of both trademarks and geographical indications, Act No. XI. of 1997, entered into force on July 1, 1997.

A special part (Part five) of this law contains provisions on the definition of the geographical indications eligible for protection, on entitlement to the protection, on the establishment, duration, scope and expiration of the protection and on infringement and procedural matters. Since you will hear more in detail of this law during the Symposium, I should like to point out here only one aspect. This aspect is the public interest consideration which had been taken into account when drafting the law. Accordingly, not only the proprietors of the protected geographical indications but also the organizations for consumer protection may initiate proceedings in case of infringement. I believe this is a very important feature of the new Hungarian law, and that it reflects an essential difference as compared with the possible protection of geographical indications by other means such as collective marks. The historical aspects, namely the value of indications that form part of the national heritage, merit protection which takes into account not only the individual but also public interest considerations.

Finally, Ladies and Gentlemen, I should like to draw your kind attention back to the place chosen for holding this Symposium, namely Eger. I hope that you will have an opportunity to do a little sightseeing and to enjoy the beauty offered by the

natural surroundings, the historical atmosphere and the cultural monuments of this region. The atmosphere of this pleasant place would not be complete, however, without the traditional wine growing. This is, in my view, a precious element of Eger's history and indeed that of the whole of Hungary. It seems that this is not only my opinion: in 1867, when a voluminous Album about the Tokaj wine region was published, the editor wrote the following in the preface on the importance of wine growing associations to the improvement of agriculture:

"It would also be necessary for the Press to do what it can to aid the efforts of those different Associations, and spread far beyond the limits of the land the knowledge of these excellent wine districts.

"The wonders performed by steam, which eliminates space and brings distant nations into close proximity to each other, must, in every nation possessing at least a modicum of energy, call for an interchange not only of their particular products but also of ideas, and thus awaken in them the wish to increase their prosperity and influence."

It goes without saying that these words are also true today, after more than 100 years and, at the eve of the twenty-first century, well worth considering.

It is with these thoughts that I wish that this Seminar may be blessed with every success and profitable work.

Thank you.



PROTECTION OF GEOGRAPHICAL INDICATIONS UNDER WIPO TREATIES AND QUESTIONS CONCERNING THE RELATIONSHIP BETWEEN THOSE TREATIES AND THE TRIPS AGREEMENT

by

Ludwig Baeumer, Director, Industrial Property Law Department, WIPO

I. INTRODUCTION

1. The protection of geographical indications under the treaties administered by WIPO has been dealt with in practically all the preceding symposiums organized by WIPO on the international protection of geographical indications. Nevertheless, there are at least two reasons to revisit this topic in this Symposium, which is the first of its kind taking place in a country in transition to market economy, and to which all countries in transition to market economy have been specially invited.
2. The first of those reasons is—and that reason not only applies to the countries in transition to market economy—that the awareness of the need for efficient protection of geographical indications has considerably increased following the adoption, in April 1994, of special provisions on this matter in the Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter referred as the “TRIPS Agreement”). Those special provisions are contained in Articles 22, 23 and 24 of that Agreement; they provide for a minimum of protection to be established in each of the currently more than 130 Members of the World Trade Organization (WTO).
3. Unlike in the fields of patents and trademarks, where the concepts of protection are practically the same in all countries of the world, there is no such uniform approach in respect of the protection of geographical indications. Different countries have developed systems of protection, and many countries have not yet even developed such a system. This is mainly due to the fact that the system of protection in each country takes into account specific needs with respect to the products for which geographical indications are used. Of course, in many countries, this product is wine in its innumerable specialities. But in other countries, other agricultural products such as rice, coffee, tea, etc., play a major role, not to speak of industrial products such as beer, porcelain and laces.
4. The diversity of approaches adopted at the national level is currently under review by the TRIPS Council. Our colleague from the WTO Secretariat, Matthijs Geuze, has kindly agreed to give information on the provisions of the TRIPS Agreement and the work of WTO in this area.

5. The second reason why it is worthwhile to re-examine the existing international treaty obligations under the WIPO Convention and the TRIPS Agreement stems from the fact that many countries, and in particular the countries in transition, currently study possibilities of establishing a system for the protection of geographical indications or reinforcing the existing protection. In this context, not only the geographical indications referring to geographical areas in the country but also geographical indications belonging to other countries have to be taken into account. WIPO is ready to cooperate in this task, not only by taking into account the provisions of the treaties administered by it but, at the request of the country in question, by also taking into account the provisions of the TRIPS Agreement.

6. It is therefore appropriate to consider in this Symposium the legal obligations which each country has in respect of the protection of geographical indications, both under WIPO treaties and the TRIPS Agreement.

II. TERMINOLOGY

A. GENERAL

7. The terminology used in respect of the protection of geographical indications has created a number of problems for the international protection of such indications because of diverging approaches adopted at the national and regional levels. Unlike patents and trademarks, where the basic concepts are practically the same worldwide, geographical indications are protected at the national and regional levels in different forms so that, at the international level, it has been difficult to establish a uniform approach. However, since the conclusion of the Uruguay Round of GATT and the adoption of the TRIPS Agreement, it has become usual to only use the term "geographical indications," based on the definition contained in paragraph 1 of Article 22 of the TRIPS Agreement.

8. Nevertheless, it is necessary to consider the special terminology which has been used for a long time in the treaties administered by WIPO and which is still to some extent relevant, as will be shown in the following chapters.

B. THE TRADITIONAL WIPO TERMINOLOGY

(a) General

9. The terminology used in the treaties administered by WIPO follows a historical pattern. Those treaties are, by order of their adoption, the Paris Convention for the Protection of Industrial Property of 1883 (hereinafter referred to as the "Paris Convention"), the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891 (hereinafter referred to as the "Madrid Agreement on Indications of Source"), and the Lisbon Agreement for the Protection

of Appellations of Origin and their International Registration of 1958 (hereinafter referred to as the "Lisbon Agreement"). Whereas the terminology in the Paris Convention and the Madrid Agreement on Indications of Source is the same, since both treaties use the term "indication of source," the Lisbon Agreement refers to a different term, namely "appellation of origin," and establishes a specific kind of international protection for that special category of geographical indications.

(b) Definition of Indication of Source

10. The term "indication of source" is used in Articles 1(2) and 10 of the Paris Convention. It is also used throughout the Madrid Agreement on Indications of Source. There is no definition in those two treaties of that term, but Article 1(1) of the Madrid Agreement contains language which clarifies what is meant by the said term. That Article reads as follows:

"All goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries."

Consequently an indication of source can be defined as an indication referring to a country or to a place situated therein as being the country or place of origin of a product. What is important here is that the indication of source relates to the geographical origin of a product and not to another kind of origin, for example, an enterprise which manufactures the product in question. Moreover, this definition does not require that the product in question has a certain quality or characteristics which are derived from its geographical origin.

(c) Definition of Appellation of Origin

11. As already stated (see paragraph 9, above), the Lisbon Agreement protects a special category of indications of source, namely "appellations of origin." Article 2 of the Lisbon Agreement contains the following definition:

- *"(1) In this Agreement, 'appellation of origin' means the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.*
- *"(2) The country of origin is the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its reputation."*

Under this definition, an appellation of origin can be regarded as a special kind of indication of source as referred to in the Paris Convention and the Madrid Agreement

on Indications of Source because the product for which an appellation of origin is used must have a quality and characteristics which are due exclusively or essentially to its geographical environment.

C. THE TERMINOLOGY OF THE TRIPS AGREEMENT

(a) Definition of Geographical Indications

12. Article 22.1 of the TRIPS Agreement contains the following definition of geographical indications:

“Geographical indications are, for the purposes of this Agreement, 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.”

This definition is obviously based on the definition of appellation of origin in Article 2 of the Lisbon Agreement, but is in one respect broader, namely, by conferring protection to goods which merely derive a reputation from their place of origin without possessing a given quality or other characteristics which is due to that place. In contrast, the Lisbon Agreement requires that the quality and the characteristics of the product in question are due, exclusively or essentially, to the geographical environment, including natural and human factors. Goods which owe merely a certain reputation, but not a specific quality, to their place of origin are thus not covered by the Lisbon Agreement. The TRIPS Agreement provides for an alternative, namely that either the quality or the reputation or other characteristics of the product is attributable to its geographical origin. Thus the TRIPS Agreement covers, for example, products which have a certain reputation due to their geographical origin even if they do not have a particular quality or characteristic because of that geographical origin.

(b) Relationship of Definitions of Geographical Indication with Definitions of Indication of Source and Appellation of Origin

13. When comparing the definitions of indication of source, appellation of origin and geographical indication, it becomes clear that indication of source is the broadest term. It comprises geographical indication and appellation of origin. As already stated, geographical indications are more broadly defined than appellations of origin, so that all appellations of origin are geographical indications but some geographical indications are not appellations of origin. Indications of source only require that the product has been produced in a certain geographical area. Thus, there are some (but probably only very few) indications of source which seem not to be covered by the definition of geographical indication under the TRIPS Agreement, namely those which do not imply a particular quality, reputation or characteristics of the product in question.

14. It is important to note that, since the adoption of the TRIPS Agreement, the term "geographical indication" is to be understood according to the definition of that Agreement and no longer as comprising both indications of source and appellations of origin.

III. WIPO TREATIES

A. GENERAL

15. As already stated, there are three WIPO treaties which provide for the protection of appellations of origin and other indications of source, namely the Paris Convention, the Madrid Agreement on Indications of Source and the Lisbon Agreement. Those treaties do not use the term "geographical indication," and that expression is therefore not used in the following explanations concerning those treaties.

16. There is one common feature of these treaties, which is also common for all the different approaches adopted at the national level. This common feature is the fact that protection of geographical indications and other indications of source may be of two different kinds.

17. The first kind of protection is against use of the appellation of origin or other indication of source for products not originating from the geographical area to which the indication refers, where such use misleads the public.

18. The second kind of protection is against use of an appellation of origin or other indication of source regardless of any risk of misleading the public, for example, where the protected geographical indication is used with an additional indication which refers to the true origin of the product. In this case, any misleading of the public is avoided by making an express reference to the true origin of the product. However, such use would dilute the reputation of the genuine products and would amount to a free ride on the reputation of those products which is considered to be against honest commercial practices.

19. For both forms of protection there is a common principle which distinguishes the protection of appellations of origin and other indications of source from the protection of other objects of industrial property: whereas the owner of a trademark or the owner of a patent has the right to authorize the use of the mark or of the patented invention by others, in the case of appellations of origin and other indications of source, there is no such owner who would be free to either authorize, or not authorize, the use of the appellation or indication for products originating from a geographical area other than the area referred to by the appellation of origin. Such authorization would be contrary to the purpose of the protection, since use of the indication for products not originating from the area to which the indication refers

could entail a risk of misleading the public. This latter consideration even applies where protection is granted not because of misleading of the public but—through the second kind of protection referred to in paragraph 18, above—individually of any misleading of the public because there is no owner of a right who could grant such an authorization. The legitimate users of an appellation of origin or other indication of source are only beneficiaries of the fact that the area in which they produce is referred to by such an appellation or indication. An authorization granted to producers whose products have not been produced in the designated area would be contrary to this concept of appellation of origin and other indications of source and is therefore not foreseen in the said treaties.

B. PROTECTION AGAINST MISLEADING USE OF GEOGRAPHICAL INDICATIONS

(a) The Paris Convention for the Protection of Industrial Property

20. As regards protection against misleading use of geographical indications, Article 10 of the Paris Convention contains the following provisions:

- “(1) *The provisions of the preceding Article shall apply in cases of direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant.*
- “(2) *Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.”*

Article 9, which is referred to in Article 10, reads as follows:

- “(1) *All goods unlawfully bearing a trademark or trade name shall be seized on importation into those countries of the Union where such mark or trade name is entitled to legal protection.*
- “(2) *Seizure shall likewise be effected in the country where the unlawful affixation occurred or in the country into which the goods were imported.*
- “(3) *Seizure shall take place at the request of the public prosecutor, or any other competent authority, or any interested party, whether a natural person or a legal entity, in conformity with the domestic legislation of each country.*
- “(4) *The authorities shall not be bound to effect seizure of goods in transit.*

- *“(5) If the legislation of a country does not permit seizure on importation, seizure shall be replaced by prohibition of importation or by seizure inside the country.”*
- *“(6) If the legislation of a country permits neither seizure on importation nor prohibition of importation nor seizure inside the country, then, until such time as the legislation is modified accordingly, these measures shall be replaced by the actions and remedies available in such cases to nationals under the law of such country.”*

Moreover, Article 10ter contains the following provisions:

- *“(1) The countries of the Union undertake to assure to nationals of the other countries of the Union appropriate legal remedies effectively to repress all the acts referred to in Articles 9, 10 and 10bis.*
- *“(2) They undertake, further, to provide measures to permit federations and associations representing interested industrialists, producers, or merchants, provided that the existence of such federations and associations is not contrary to the laws of their countries, to take action in the courts or before the administrative authorities, with a view to the repression of the acts referred to in Articles 9, 10, and 10bis, in so far as the law of the country in which protection is claimed allows such action by federations and associations of that country.”*

21. In essence these provisions mean that goods in respect of which a false indication of source is used have to be seized upon importation (Article 9(1)), or seized in the country into which the goods were imported where the false indication has been affixed in that country (Article 9(2)) or barred from importation (Article 9(5)) or subject to other actions and remedies available in such cases to nationals under the law of the country in question (Article 9(6)).

22. Article 10(2) establishes the right, for any producer or manufacturer engaged in the production or manufacture of the goods to which the geographical indication refers to, to take action against the use of the false indication. Article 10ter(1) contains a general obligation that “appropriate legal remedies” must be available. Article 10ter(2) guarantees that federations and associations of producers, etc., have a right to take legal action.

23. In view of the wording of Article 10, two questions require clarification, namely:

- ◊ What is a false indication?
- ◊ What is a direct use and what is an indirect use?

24. As regards the term "false indication," this is an indication which does not correspond to the facts, namely, an indication relating to a geographical area for products not originating in that area. However, it is important to note that an indication is only to be considered "false" where the indication of source is understood as such by the public in the country where the indication is used for such other products. If the indication does not or no longer has such a meaning, for example, because it is or has become a generic name for the products in question, Article 10 of the Paris Convention does not apply.

25. As regards the term "direct use," this is a use made expressly by words. Indirect use is a use without words, for example, by a reference to a picture, which suggests a certain geographical origin (for example, the building of the Hungarian Parliament in Budapest).

26. In addition to Articles 10 (in combination with Article 9) and 10*ter*, the member States of the Paris Convention are obliged, under Article 10*bis*, to grant "effective protection against unfair competition." Although Article 10*bis*(3), in its list of examples of acts of unfair competition, does not expressly refer to the case of misleading in respect of the geographical origin of a product, such a practice may be considered as an act of unfair competition under the general provision of Article 10*bis*(2), according to which any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.

27. As compared with the protection under Articles 10 (in combination with Article 9) and 10*ter*, the protection conferred by Article 10*bis* against misleading practices does not cover any cases which are not already covered by Articles 10 and 10*ter*. However, there is another case which may be considered as an act of unfair competition and thus be covered by Article 10*bis*, namely, the case of dilution of a geographical indication. This other case will be dealt with in Chapter III.C(a), below (see paragraph 31).

(b) The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods

28. The Madrid Agreement on Indications of Source, which currently has 31 member States,² does not add much to the provisions under the Paris Convention. Essentially, it extends the protection to "deceptive" indications of source, in addition to false indications, and also contains a special provision concerning "regional appellations concerning the source of products of the vine."

29. Deceptive indications are those which, although literally true, may be misleading. For example, where two geographical areas, possibly in two different countries, have the same denomination but only one of them so far has been used for the purposes of an indication of source for certain products, and such indication is used for products originating from the other geographical area in a way that the public believes that the products originate from the first area, namely, the area to which the indication of source traditionally referred, then such use is to be considered as a deceptive use because the public believes that the products originate from the geographical area for which the indication traditionally has been used. This kind of protection is not provided for under Article 10 of the Paris Convention, which only covers "false" indications, but it is covered by the protection against acts of unfair competition under Article 10bis of the Paris Convention.

30. The special provision for "regional appellations concerning the source of products of the vine" in Article 4 of the Madrid Agreement on Indications of Source constitutes an exception to the rule that in each country the courts are free to decide that an indication of source is to be considered as a generic term. However, this exception in favor of such regional appellations has not gained much practical importance because it is not clear what kind of indications of source would have the benefit of this provision.

C. PROTECTION AGAINST USE FOR PRODUCTS NOT ORIGINATING FROM THE DESIGNATED AREA REGARDLESS OF MISLEADING

(a) The Paris Convention for the Protection of Industrial Property

31. As stated before (see paragraph 27, above), there is a case of use of a geographical indication or other indication of source which does not entail a misleading of the public but rather what could be called a "dilution" of the indication.

² On October 1, 1997, the Agreement had the following Member States: Algeria, Brazil, Bulgaria, Cuba, Czech Republic, Dominican Republic, Egypt, France, Germany, Hungary, Ireland, Israel, Italy, Japan, Lebanon, Liechtenstein, Monaco, Morocco, New Zealand, Poland, Portugal, San Marino, Slovakia, Spain, Sri Lanka, Sweden, Switzerland, Syria, Tunisia, Turkey, United Kingdom.

misleading of the public but rather what could be called a “dilution” of the indication. In this case, the particular reputation of a geographical indication is diminished by a use of that indication as a generic term and/or for products which are different from the products to which the indication normally refers. The doctrine of dilution, with respect to geographical indications, has been applied, for example, in the case where a perfume manufacturer wanted to use the indication “champagne” for perfume. In this respect, Article 10bis of the Paris Convention would be applicable to the extent that the act of dilution is considered as an act of unfair competition (see Article 3 of the WIPO *Model Provisions on Protection Against Unfair Competition*).

(b) The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration

32. The Lisbon Agreement provides for a strong protection of the special kind of geographical indications which is called “appellation of origin.” This protection is based on an international registration of an appellation of origin effected by the International Bureau of WIPO.

33. Since the Lisbon Agreement only applies to appellations of origin which meet the specific definition of its Article 2 (see paragraph 11 above), only a relatively small number of countries were able to join that Agreement. In fact, there are so far only 18 States³ members of the Lisbon Agreement, most of which joined in the twenty years following its adoption in 1958, and only one country, namely Costa Rica, joined in the subsequent twenty years.

34. Under Article 1(2) of the Lisbon Agreement, an appellation of origin must be protected as such in the country of origin before it can be registered by the International Bureau. Although this condition is not examined and enforced by the International Bureau, it can be invoked as a ground in a declaration of refusal of protection by the other member States of the Lisbon Agreement (see paragraph 35, below). International registration of the appellation of origin has the effect that all member States of the Lisbon Agreement (in addition to the country of origin) have to grant protection under Article 3 against any usurpation or imitation of the appellation of origin, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as “kind,” “type,” “make,” “imitation” or the like.

35. According to Article 5, international registration is effected on request by the government of the member State, in which the area to which the appellation of origin refers is located. The government of any other member State may declare within a

³ Algeria, Bulgaria, Burkina Faso, Congo, Costa Rica, Cuba, Czech Republic, France, Gabon, Haiti, Hungary, Israel, Italy, Mexico, Portugal, Slovakia, Togo, Tunisia.

period of one year from the receipt of the notification of registration that the appellation of origin whose registration has been notified cannot be protected on its territory by indicating the grounds therefore.

36. The registration is valid without any limitation in time. However, if the appellation of origin ceases to be protected as such in the country of origin, the other member States of the Lisbon Agreement become free to consider such an appellation as a generic term (see Articles 6 and 7).

37. Article 5(6) of the Lisbon Agreement contains a provision concerning use of an appellation of origin as a generic term and also concerning possible conflicts between trademarks and appellations of origin. It reads as follows:

"If an appellation which has been granted protection in a given country pursuant to notification of its international registration has already been used by third parties in that country from a date prior to such notification, the competent Office of the said country shall have the right to grant to such third parties a period not exceeding two years to terminate such use, on condition that it advises the International Bureau accordingly during the three months following the expiration of the period of one year provided for in paragraph (3), above."

This provision means that where, in a State which is a party to the Lisbon Agreement, the internationally registered appellation of origin is already used as a generic term or a trademark, that State can decide either to refuse protection to that internationally registered appellation (within the one-year time limit) or to accept to protect it (by not refusing protection within that time limit) and then take appropriate measures for phasing out the use of the conflicting sign within two years.

38. So far the International Bureau of WIPO has registered 738 appellations of origin from the following countries: France (472), Czech Republic (70)⁴, Bulgaria (48), Slovakia (37)³, Hungary (28), Italy (26), Algeria (19), Cuba (18), Tunisia (7), Portugal (6), Mexico (4), Israel (1). Most of those registrations have been effected during the years 1967 to 1985 (more than half—440 registrations—already in 1967, the year after the entry into force of the Lisbon Agreement).

39. Altogether 90 refusals of protection have been pronounced in respect of international registrations, by the following countries: Mexico (35), Israel (16), Cuba (11), Czechoslovakia (9), France (6), Haiti (6), Portugal (4), Hungary (2), Italy (1). All these refusals were made during the years 1967 to 1981. No refusal has been pronounced after 1981.

⁴ Of the 108 appellations of origin which had been registered in the name of the former Czechoslovakia, 70 were attributed to the Czech Republic and 37 to Slovakia, whereas one was canceled.

Agreement: once an appellation of origin has been internationally registered, it is protected without any limitation in time, thus without any need for renewal. The effect of the Agreement continues in respect of the internationally registered appellations of origin without any need for further action.

IV. QUESTIONS CONCERNING THE RELATIONSHIP BETWEEN THE PROTECTION UNDER THE WIPO TREATIES AND THE PROTECTION UNDER THE TRIPS AGREEMENT

A. GENERAL

41. As already stated, the treaties administered by WIPO have to be considered together with the provisions of the TRIPS Agreement. The latter was concluded in 1994, that is to say, after the adoption of the last revisions of the Paris Convention, the Madrid Agreement on Indications of Source and the Lisbon Agreement in 1967.

42. As regards the relationship between the relevant provisions of the Paris Convention and the relevant provisions of the TRIPS Agreement, the authorities of the States which are party to both treaties are competent to determine the said relationship. The International Bureau of WIPO does not have such a competence. This reservation also applies to the relationship between the Madrid Agreement on Indications of Source and the Lisbon Agreement on the one hand and the TRIPS Agreement on the other.

43. Bearing in mind the reservation in paragraph 42, the principal question concerning the relationship between the Paris Convention and the TRIPS Agreement is whether the latter, as the most recent text, supersedes the provisions of the Paris Convention. In this connection, attention is to be drawn to Article 2.2 of the TRIPS Agreement, according to which the existing obligations under the Paris Convention continue to apply. Moreover, if any of the provisions of the TRIPS Agreement were to "contravene" the provisions of the Paris Convention, the question would arise whether this would be compatible with Article 19 of the Paris Convention, according to which Paris Union member States may conclude special agreements for the protection of industrial property, in so far as these agreements do not contravene the provisions of the Paris Convention.

44. As regards the Madrid Agreement on Indications of Source and the Lisbon Agreement, there is no provision of the kind as contained in Article 2.2 of the TRIPS Agreement and Article 19 of the Paris Convention. Subject to the reservation in paragraph 42, above, the question arises whether the TRIPS Agreement prevails both over the Madrid Agreement on Indications of Source and the Lisbon Agreement, because the TRIPS Agreement is the more recent agreement and, if so, whether this means that the provisions of the TRIPS Agreement prevail not only where they increase the protection provided for in the WIPO treaties but also where they reduce such protection. In the latter respect the question would arise whether the provisions

of the WIPO treaties, or at least of the Lisbon Agreement, do not have to be considered as a special regulation of the subject matter so that they would continue to apply without a reduction of the protection of geographical indication. In this connection, attention is to be drawn to Article 5 of the TRIPS Agreement, which exempts WIPO treaties "relating to the acquisition or maintenance of intellectual property rights" from the most-favored nation treatment under Article 4 of the TRIPS Agreement. Of course, according to the reservation in paragraph 42 above, all these questions are raised without taking any position.

45. In the following explanations the TRIPS Agreement will not be analyzed in detail but only to the extent that it raises questions concerning treaty obligations existing under the three mentioned WIPO treaties. It is again recalled that the reservation in paragraph 42, above, applies to all those explanations.

B. RELATIONSHIP BETWEEN THE PROTECTION UNDER THE PARIS CONVENTION AND THE MADRID AGREEMENT ON INDICATIONS OF SOURCE AND THE PROTECTION UNDER THE TRIPS AGREEMENT

(a) Coverage and Conditions of Protection

46. As regards the impact of the TRIPS Agreement on the Paris Convention and the Madrid Agreement on Indications of Source, it is to be noted that the TRIPS Agreement, as already explained, only applies to geographical indications in the sense of Article 22.1 of that Agreement. Therefore, any indications of source which are not covered by that definition do not benefit from the protection under the TRIPS Agreement but only from the protection provided by the Paris Convention and the Madrid Agreement on Indications of Source.

(b) Scope of Protection and Exceptions

47. As regards the scope of protection, the TRIPS Agreement goes beyond the Paris Convention and the Madrid Agreement on Indications of Source in that it requires, in addition to protection under Article 22 against misleading use of a geographical indication and against acts of unfair competition, such as diluting use of a geographical indication, protection under Article 22.3 against the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods is of such a nature as to mislead the public as to the true place of origin.

48. In addition to protection against misleading practices, which is regulated in Article 22 of the TRIPS Agreement, Article 23 contains special provisions in favor of geographical indications for wines and spirits. Under Article 23.1 and 2, such indications enjoy protection against any use and against registration as a trademark, even if such use does not mislead the public, in particular, even where the true origin

of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind," "type," "style," "imitation" or the like. The latter language follows the wording of Article 3 of the Lisbon Agreement. It clearly extends the scope of protection beyond what is required under the Paris Convention or the Madrid Agreement on Indications of Source.

49. Article 23.3 of the TRIPS Agreement deals with the case of homonymous geographical indications for wines, that is, the use of the same indication for two or more different geographical areas. That Article provides that several such indications may coexist and will have to be protected according to Article 23.1 and 2, provided that they are differentiated from each other so that the consumers are not misled. A comparable provision does not exist under the Paris Convention and the Madrid Agreement on Indications of Source.

50. As regards exceptions from protection, reference is to be made to Article 24.4 to 8 of the TRIPS Agreement. Those exceptions are particularly relevant to the protection conferred by the Lisbon Agreement and will therefore be analyzed in connection with that Agreement (see paragraphs 54 to 59, below). In respect of the Paris Convention, the question arises whether those exceptions have an impact on the protection of geographical indications conferred by that Convention because they might be considered as "contravening" the provisions of the Paris Convention (see paragraph 43, above). This question will not be further examined in this document.

C. RELATIONSHIP BETWEEN THE PROTECTION UNDER THE LISBON AGREEMENT AND THE PROTECTION UNDER THE TRIPS AGREEMENT

(a) Coverage and Conditions of Protection

51. As regards the conditions of protection under the TRIPS Agreement in comparison to those under the Lisbon Agreement, it follows from Article 24.9 of the TRIPS Agreement that protection of a geographical indication in the country of origin is required in the same way as under the Lisbon Agreement. However, in contrast to the Lisbon Agreement, the TRIPS Agreement in its Articles 22 and 23 provides for protection without any international registration, pending the adoption of any international registration system under Article 23.4. On the other hand, Article 62.1 of the TRIPS Agreement permits its Members to provide for compliance with reasonable procedures and formalities, for example, registration of geographical indications at the national level. Since the strong protection under Article 23 only applies to geographical indications for wines and spirits but not to geographical indications for other products, international registration under the Lisbon Agreement is required to establish an international obligation for such strong protection in respect of those other products.

52. As already stated (see paragraphs 9 and 11, above), the TRIPS Agreement provides for a broader definition than the definition of appellation of origin contained in the Lisbon Agreement, since the TRIPS Agreement applies to geographical indications for products which do not have any particular quality due to their geographical origin but merely a particular reputation based on that origin. The latter kind of geographical indications is not covered by the Lisbon Agreement.

(b) Scope of Protection and Exceptions

53. When comparing the scope of protection of internationally registered appellations of origin under the Lisbon Agreement and of geographical indications under the TRIPS Agreement, it appears that, although there are some differences in terminology, basically, Article 23.1 of the TRIPS Agreement grant the same protection as the Lisbon Agreement, however, only for geographical indications for wines and spirits. The differences in terminology exist, for example, in that Article 3 of the Lisbon Agreement uses the terms "usurpation" or "imitation," whereas Article 23.7 of the TRIPS Agreement uses the term "use." In addition, Article 23.2 grants protection against registration of a geographical indication as a trademark, a case which is not expressly mentioned by the Lisbon Agreement.

54. As regards exceptions from protection under the TRIPS Agreement, Article 24 contains in paragraphs 4 to 8 (see Annex IV) five important exceptions which limit the protection under Articles 22 and 23. The question arises whether those exceptions also have an impact on internationally registered appellations of origin under the Lisbon Agreement. In this connection, particular attention is drawn to the reservation in paragraph 42, above. One exception (in paragraph 4) only covers wines and spirits; one exception (in paragraph 6, second sentence) only concerns products of the vine. The other exceptions are independent of the nature of the product in question.

55. The first exception (in paragraph 4) concerns the use of an indication which is identical with, or similar to, a protected geographical indication for wine or spirits of another Member State, where such use is for the same or related goods or services and has started earlier than 10 years before the adoption of the TRIPS Agreement on April 15, 1994, or in good faith preceding that date. Such use may be continued. The question arises whether this is a deviation from Article 5(6) of the Lisbon Agreement, which provides for a two-year time limit to phase out the use of such conflicting indications (see paragraph 37, above).

56. The second exception (in paragraph 5) concerns the possible conflict between a protected geographical indication and a trademark. Where a trademark has been acquired in good faith before the date of application of Articles 22 to 24 in a member State or before the geographical indication is protected in the country of origin, the trademark is—despite such conflict—to be registered, or its registration is to be maintained, and its owner has the right to continue to use it. This, too, could be considered as a deviation from Article 5(6) of the Lisbon Agreement, but the

question arises whether there is such an impact on the Lisbon Agreement because paragraph 5 concerns “measures to implement this Section,” i.e., to implement Articles 22 to 24 of the TRIPS Agreement.

57. The third exception (in paragraph 6) concerns terms customary in the common language as the common names for certain goods or services or customary names of grape varieties. Those terms and names may continue to be used despite the protection of an identical or similar geographical indication. This, too, could be considered as a deviation from Article 3 of the Lisbon Agreement, but again there is the question whether the Lisbon Agreement is affected because of the expression “Nothing in this Section” appearing twice in paragraph 6.

58. The fourth exception (in paragraph 7) concerns again (as paragraph 5) a conflict between a geographical indication and a trademark, namely where the geographical indication under Article 22.3 or 23.2 would be a reason to refuse or cancel the registration of a trademark (see paragraphs 47 and 48, above). Paragraph 7 establishes a time limit of five years from the time when the adverse use of the protected indication has become generally known in a WTO Member or from the date of registration of the trademark in that Member, provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith. Such a provision is not contained in the Lisbon Agreement, and the question arises whether paragraph 7 applies to international registration effected under the Lisbon Agreement.

59. The fifth and last exception (in paragraph 8) concerns the right of any person to use, in the course of trade, that person’s name or the name of that person’s predecessor in business, except where such name is used in such a manner as to mislead the public. A corresponding exception is not provided for in the Lisbon Agreement and the question arises whether paragraph 8 applies to international registration effected under the Lisbon Agreement.

V. CONCLUSION

60. The foregoing explanations have shown that the WIPO treaties, namely, the Paris Convention, the Madrid Agreement on Indications of Source and the Lisbon Agreement, are still, although to a limited extent, relevant for the international protection of geographical indications and other indications of source, whereas the TRIPS Agreement to some extent has created new obligations in addition to those contained in the WIPO treaties. In particular, the WIPO treaties are still relevant for any indications of source which are not covered by the definition of geographical indications in Article 22.1 of the TRIPS Agreement and for appellations of origin for products other than wines and spirits in respect of which Article 23 of the TRIPS Agreement does not apply so that the kind of protection provided for in that Article

can be obtained, at the international level, only through international registration under the Lisbon Agreement.

61. The provisions of the TRIPS Agreement and their application by the Members of the WTO will be explained in the following presentation of this Symposium. It will be of particular interest to see how the provisions of Article 23.1 to 3 are applied by the WTO Member States in the absence of a system of international registration. Should it become clear in the review of the application of those provisions that the establishment of a multilateral system of notification and registration of geographical indications for wines is desirable, the question arises whether the appellations of origin registered under the Lisbon Agreement would have to be re-registered under the new system, and whether it would not be appropriate to involve the International Bureau of WIPO in the management of the new system. A precedent for such involvement—although in another area of activities—is the agreement concluded between WIPO and WTO on December 22, 1995, concerning the collection of intellectual property laws and the protection of State emblems and emblems of intergovernmental organizations under Article 6^{ter} of the Paris Convention. That agreement entered into force on January 1, 1996, and has led to a considerable saving of resources. Of course, any decision on cooperation between WIPO and WTO will have to be taken by the members of both organizations.

[Annexes follow]

ANNEX I

PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY
as last revised at Stockholm on July 14, 1967,
and as amended on September 28, 1979

Articles 1, 9, 10, 10^{bis} and 10^{ter}

Article 1

[Establishment of the Union; Scope of Industrial Property]⁵

- (1) The countries to which the Convention applies constitute a Union for the protection of industrial property.
- (2) The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.
- (3) Industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers, and flour.

- (4) Patents shall include the various kinds of industrial patents recognized by the laws of the countries of the Union, such as patents of importation, patents of improvement, patents and certificates of addition, etc.

Article 9

[*Marks, Trade Names* : Seizure, on Importation, etc., of Goods Unlawfully Bearing a Mark or Trade Name]

- (1) All goods unlawfully bearing a trademark or trade name shall be seized on importation into those countries of the Union where such mark or trade name is entitled to legal protection.

⁵ Articles have been given titles to facilitate their identification. There are no titles in the signed (French) text.

Annex I, page 2

(2) Seizure shall likewise be effected in the country where the unlawful affixation occurred or in the country into which the goods were imported.

(3) Seizure shall take place at the request of the public prosecutor, or any other competent authority, or any interested party, whether a natural person or a legal entity, in conformity with the domestic legislation of each country.

(4) The authorities shall not be bound to effect seizure of goods in transit.

(5) If the legislation of a country does not permit seizure on importation, seizure shall be replaced by prohibition of importation or by seizure inside the country.

(6) If the legislation of a country permits neither seizure on importation nor prohibition of importation nor seizure inside the country, then, until such time as the legislation is modified accordingly, these measures shall be replaced by the actions and remedies available in such cases to nationals under the law of such country.

Article 10

[*False Indications* : Seizure, on Importation, etc., of Goods Bearing False Indications as to their Source or the Identity of the Producer]

(1) The provisions of the preceding Article shall apply in cases of direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant.

(2) Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.

Article 10^{bis}

[*Unfair Competition*]

(1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.

Annex I, page 3

(2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.

(3) The following in particular shall be prohibited:

1. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
3. 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 quantity, of the goods.

Article 10^{ter}

*[Marks, Trade Names, False Indications,
Unfair Competition: Remedies, Right to Sue]*

(1) The countries of the Union undertake to assure to nationals of the other countries of the Union appropriate legal remedies effectively to repress all the acts referred to in Articles 9, 10, and 10bis.

(2) They undertake, further, to provide measures to permit federations and associations representing interested industrialists, producers, or merchants, provided that the existence of such federations and associations is not contrary to the laws of their countries, to take action in the courts or before the administrative authorities, with a view to the repression of the acts referred to in Articles 9, 10, and 10bis, in so far as the law of the country in which protection is claimed allows such action by federations and associations of that country.

[Annex II follows]

ANNEX II

**MADRID AGREEMENT FOR THE REPRESSION OF
FALSE OR DECEPTIVE INDICATIONS
OF SOURCE ON GOODS**
as last revised at Lisbon on October 31, 1958

Articles 1 to 4

Article 1

- (1) All goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries.
- (2) Seizure shall also be effected in the country where the false or deceptive indication of source has been applied, or into which the goods bearing the false or deceptive indication have been imported.
- (3) If the laws of a country do not permit seizure upon importation, such seizure shall be replaced by prohibition of importation.
- (4) If the laws of a country permit neither seizure upon importation nor prohibition of importation nor seizure within the country, then, until such time as the laws are modified accordingly, those measures shall be replaced by the actions and remedies available in such cases to nationals under the laws of such country.
- (5) In the absence of any special sanctions ensuring the repression of false or deceptive indications of source, the sanctions provided by the corresponding provisions of the laws relating to marks or trade names shall be applicable.

Annex II, page 2**Article 2**

(1) Seizure shall take place at the instance of the customs authorities, who shall immediately inform the interested party, whether an individual person or a legal entity, in order that such party may, if he so desires, take appropriate steps in connection with the seizure effected as a conservatory measure. However, the public prosecutor or any other competent authority may demand seizure either at the request of the injured party or ex officio; the procedure shall then follow its normal course.

(2) The authorities shall not be bound to effect seizure in the case of transit.

Article 3

These provisions shall not prevent the vendor from indicating his name or address upon goods coming from a country other than that in which the sale takes place; but in such case the address or the name must be accompanied by an exact indication in clear characters of the country or place of manufacture or production, or by some other indication sufficient to avoid any error as to the true source of the wares.

Article 3bis

The countries to which this Agreement applies also undertake to prohibit the use, in connection with the sale or display or offering for sale of any goods, of all indications in the nature of publicity capable of deceiving the public as to the source of the goods, and appearing on signs, advertisements, invoices, wine lists, business letters or papers, or any other commercial communication.

Article 4

The courts of each country shall decide what appellations, on account of their generic character, do not fall within the provisions of this Agreement, regional appellations concerning the source of products of the vine being, however, excluded from the reservation specified by this Article.

[Annex III follows]

ANNEX III

LISBON AGREEMENT FOR THE PROTECTION OF APPELLATIONS OF ORIGIN AND THEIR INTERNATIONAL REGISTRATION as revised at Stockholm on July 14, 1967, and as amended on September 28, 1979

Articles 1 to 8

Article 1

[Establishment of a Special Union; Protection of Appellations of Origin Registered at the International Bureau]⁶

(1) The countries to which this Agreement applies constitute a Special Union within the framework of the Union for the Protection of Industrial Property.

(2) They undertake to protect on their territories, in accordance with the terms of this Agreement, the appellations of origin of products of the other countries of the Special Union, recognized and protected as such in the country of origin and registered at the International Bureau of Intellectual Property (hereinafter designated as "the International Bureau" or "the Bureau") referred to in the Convention establishing the World Intellectual Property Organization (hereinafter designated as "the Organization").

Article 2

[Definition of Notions of Appellation of Origin and Country of Origin]

(1) In this Agreement, "appellation of origin" means the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

(2) The country of origin is the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its reputation.

⁶ Articles have been given titles to facilitate their identification. There are no titles in the signed French text.

Annex III, page 2

Article 3
[Content of Protection]

Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as "kind," "type," "make," "imitation," or the like.

Article 4
[Protection by virtue of Other Texts]

The provisions of this Agreement shall in no way exclude the protection already granted to appellations of origin in each of the countries of the Special Union by virtue of other international instruments, such as the Paris Convention of March 20, 1883, for the Protection of Industrial Property and its subsequent revisions, and the Madrid Agreement of April 14, 1981, for the Repression of False or Deceptive Indications of Source on Goods and its subsequent revisions, or by virtue of national legislation or court decisions.

Article 5
[International Registration; Refusal and Opposition to Refusal; Notifications; Use Tolerated for a Fixed Period]

(1) The registration of appellations of origin shall be effected at the International Bureau, at the request of the Offices of the countries of the Special Union, in the name of any natural persons or legal entities, public or private, having, according to their national legislation, a right to use such appellations.

(2) The International Bureau shall, without delay, notify the Offices of the various countries of the Special Union of such registrations, and shall publish them in a periodical.

(3) The Office of any country may declare that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, but only in so far as its declaration is notified to the International Bureau, together with an indication of the grounds therefor, within a period of one year from the receipt of the notification of registration, and provided that such declaration is not detrimental, in the country concerned, to the other forms of protection of the appellation which the owner thereof may be entitled to claim under Article 4, above.

Annex III, page 3

(4) Such declaration may not be opposed by the Offices of the countries of the Union after the expiration of the period of one year provided for in the foregoing paragraph.

(5) The International Bureau shall, as soon as possible, notify the Office of the country of origin of any declaration made under the terms of paragraph (3) by the Office of another country. The interested party, when informed by his national Office of the declaration made by another country, may resort, in that other country, to all the judicial and administrative remedies open to the nationals of that country.

(6) If an appellation which has been granted protection in a given country pursuant to notification of its international registration has already been used by third parties in that country from a date prior to such notification, the competent Office of the said country shall have the right to grant to such third parties a period not exceeding two years to terminate such use, on condition that it advise the International Bureau accordingly during the three months following the expiration of the period of one year provided for in paragraph (3), above.

Article 6
[Generic Appellations]

An appellation which has been granted protection in one of the countries of the Special Union pursuant to the procedure under Article 5 cannot, in that country, be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin.

Article 7
[Period of Validity of Registration; Fee]

(1) Registration effected at the International Bureau in conformity with Article 5 shall ensure, without renewal, protection for the whole of the period referred to in the foregoing Article.

(2) A single fee shall be paid for the registration of each appellation of origin.

Annex III, page 4

Article 8
[Legal Proceedings]

Legal action required for ensuring the protection of appellations of origin may be taken in each of the countries of the Special Union under the provisions of the national legislation:

1. at the instance of the competent Office or at the request of the public prosecutor;
2. by any interested party, whether a natural person or a legal entity, whether public or private.

[Annex IV follows]

ANNEX IV

**AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL
PROPERTY RIGHTS (TRIPS AGREEMENT)
(1994)**

*Article 22
Protection of Geographical Indications*

1. Geographical indications are, for the purposes of this Agreement, 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.
2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:
 - (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
 - (b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).
3. A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.
4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

Annex IV, page 2

Article 23
Additional Protection for Geographical Indications for
Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.⁷
2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.
3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.
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.

⁷ [TRIPS Agreement note] Notwithstanding the first sentence of Article 42, Members may, with respect to these obligations, instead provide for enforcement by administrative action.

Annex IV, page 3

Article 24
International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.
2. The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.
3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.
4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.
5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:
 - (a) before the date of application of these provisions in that Member as defined in Part VI; or
 - (b) before the geographical indication is protected in its country of origin;

Annex IV, page 4

measures adopted to implement this Section shall not prejudice 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.

6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.

7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.

8. The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.

9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

**PROTECTION OF GEOGRAPHICAL INDICATIONS
UNDER THE TRIPS AGREEMENT AND RELATED WORK
OF THE WORLD TRADE ORGANIZATION**

by

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I. INTRODUCTION

**A. INTELLECTUAL PROPERTY PROTECTION AS AN INTEGRAL PART
OF THE MULTILATERAL TRADING SYSTEM**

1. Through the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the protection of intellectual property has become an integral part of the multilateral trading system as reflected in the World Trade Organization (WTO). Indeed it is one of the three pillars of the WTO, the other two being trade in goods (the area traditionally covered by the 1947 General Agreement on Tariffs and Trade (GATT)) and the new agreement on trade in services. The fact that the protection of intellectual property has thus moved to the center stage of international economic relations is not surprising given its major and growing importance for the conditions of international competition in many areas of economic activity. Let me stress the importance of three consequences of the place that intellectual property has thus acquired, in view of their likely impact on implementation of the TRIPS Agreement.

2. The first point is that it explains why it was possible to negotiate in the context of the Uruguay Round such a major advance in the international protection of intellectual property. It became accepted, at least from the half-way point of the Uruguay Round negotiations, that a major agreement on intellectual property was a necessary component of a successful conclusion to the negotiations and therefore, in a certain sense, to the maintenance and strengthening of the multilateral trading system as a whole.

3. The second consequence of the place of the TRIPS Agreement within the trading system is that there is a good prospect that, in due course, there will be something near to universal acceptance of the obligations of the TRIPS Agreement. One of the important changes in the WTO compared to the GATT is that all countries that wish to be Members, and to enjoy the market access it provides, will have to accept all the main WTO Agreements including the TRIPS Agreement. The WTO currently has 132 Members and many other countries are expected to become Members in the near future, once they have completed necessary domestic

procedures, or somewhat further down the line, when their accession negotiations will have been concluded.

4. The third consequence of the place of TRIPS within the multilateral trading system is that, under the WTO dispute settlement mechanism, a link may be made between a country's compliance with its TRIPS obligations and its enjoyment of the benefits that the WTO provides to it, including in regard to market access. In other words, in case of non-compliance with a TRIPS obligation, a WTO Member country could ultimately be faced with sanctions of significance to its economy.

B. SUMMARY OF THE CONTENTS OF THE TRIPS AGREEMENT

5. Before moving to the provisions on geographical indications in the TRIPS Agreement, first a few words about the contents of the Agreement as a whole. The TRIPS Agreement covers each of the main areas of intellectual property—copyright and related rights, trademarks, geographical indications including appellations of origin, industrial designs, patents including plant variety protection, layout-designs of integrated circuits and undisclosed information including trade secrets. Most substantive provisions of the main pre-existing international intellectual property conventions have also been incorporated in the TRIPS Agreement, so that non-compliance with any of these provisions will also be subject to dispute settlement within the framework of the WTO. But the TRIPS Agreement goes much further than that, since it establishes, unlike for example the Paris Convention for the Protection of Industrial Property (Paris Convention), also obligations on the essential features of intellectual protection such as what subject matter must be protected, what rights must be conferred upon right holders, what exceptions to these rights are permitted or what must be the minimum term of protection. And when a country decides to provide more extensive protection than specified in the Agreement, the national treatment and most-favored-nation clauses prohibit discrimination between right holders that are nationals of a WTO Member, subject to a few exceptions only. The Agreement also specifies, in a fair amount of detail, the procedures and remedies that must be available so as to allow right holders to effectively enforce their rights with the assistance of the judicial authorities. All these obligations apply equally to all Member countries, except that developing countries and least-developed countries have a transitional period until 2000 and 2006 respectively before most of their obligations enter into effect.

II. GEOGRAPHICAL INDICATIONS

A. INTRODUCTION

6. In respect of geographical indications, the TRIPS Agreement reflects a very sensitive compromise in an area that was one of the most difficult to negotiate. In that regard, I think that it is important to note the following first.

7. The WTO system, of which the TRIPS Agreement is an integral part, builds upon the over nearly half a century's experience under the system of the GATT. This system was designed to establish conditions of competition, aimed at regulating the opportunities for goods from its Member States in the competitive environment of their markets and liberalizing trade in goods. The system of the WTO builds further on this principle of the protection of conditions of competition flowing from multilateral trade agreements, with the aim of bringing its goal nearer. A good example to illustrate this is the TRIPS Agreement, but I could also refer to another agreement in the WTO framework relevant to many products covered by geographical indications, namely the WTO Agreement on Agriculture. Under that Agreement, trade in agricultural products is meant to come under the discipline of a rule-based system and a consequence thereof is believed to be that this might encourage moves towards added value in agricultural production and exports, since market shares will be increasingly determined by basic competitiveness rather than the ability and inclination to subsidize. Consequently, investments for the developments of quality products like high-value consumer-ready food preparations and other food and drink items might increase. At the same time, however, the demands for protection against misappropriation of the names or trademarks under which these products are marketed will be stronger as well as demands for the protection of other forms of intellectual property. In the Uruguay Round, the existence of such a connection has been recognized and, especially in the area of geographical indications, a link was made by some delegations between the negotiation of obligations in respect of trade in agricultural products and the negotiation of obligations to provide protection for geographical indications in the context of the TRIPS Agreement. It may be assumed that this link is not likely to be forgotten by delegations whenever further work in either area is at issue.

B. STRUCTURE OF THE SECTION ON GEOGRAPHICAL INDICATIONS

8. Like most of the provisions of the TRIPS Agreement, also the text of those resulting from the TRIPS negotiations in the area of geographical indications did not change between the date of the issuance of the negotiated draft of the Agreement in December, 1991 and the conclusion of the substantive negotiations in the Uruguay Round as a whole on 15 December, 1993. As already set out at various occasions since December, 1991, the structure of the Agreement's Section on geographical

indications is such that its provisions can be outlined by dividing them into four main parts:

- ⇒ first, a definition of geographical indications, which 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;
- ⇒ second, the general standards of protection that must be available for all geographical indications; these concern the protection against use that misleads the public and against use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention. They also provide for action against the registration of a trademark which uses a geographical indication in such a way as to mislead the public;
- ⇒ third, the additional protection that must be accorded to geographical indications for wines and spirits;
- ⇒ fourth, the provisions concerning, on the one hand, future negotiations aimed at increasing the protection of geographical indications and, on the other, permissible exceptions to the protection required under the Agreement.

9. Article 23 of the TRIPS Agreement provides for a more absolute form of protection for geographical indications for wines and spirits. This Article should be read in conjunction with the exceptions provisions of Article 24, which I will come to later. Under Article 23, interested parties must have the legal means to prevent the use of a geographical indication identifying wines for wines not originating in the place indicated by that geographical indication. This applies even where the public is not being misled, there is no unfair competition and the true origin of the good is indicated or the geographical indication is accompanied by expressions such as "kind", "style", "type", "imitation" or the like. Similar protection must be given to geographical indications identifying spirits when used on spirits. Protection against registration of a trademark must be provided accordingly.

10. Article 24 represents a delicate balance between, on the one hand, the concerns of some delegations that enhanced protection of geographical indications, especially for wines and spirits, should not upset what they would refer to as "acquired rights" in their countries and, on the other hand, the concerns of some other delegations that what they would refer to as "the sins of the past" should not be legitimized for all posterity. These latter concerns are addressed by providing for further negotiations aimed at increasing the protection of geographical indications; and the former concerns by allowing for a number of exceptions to the protection required for geographical indications as laid down in the Agreement.

11. There are three main exceptions. The first that I would like to refer to is the one dealing with situations where a geographical indication has become the generic

name in a country for the products in question or for a grape variety. A Member State is not obliged to bring such a geographical indication under protection.

12. The second main exception deals with the situation where a geographical indication may conflict with a pre-existing trademark, rights to which have been acquired in good faith. It is required that measures adopted to implement the TRIPS provisions on geographical indications shall not prejudice such trademark rights.

13. 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, even where the term in question has not become generic and a pre-existing trademark right does not exist. The scope of this exception, however, is quite heavily circumscribed. It only applies to geographical indications identifying wines or spirits; can only benefit nationals or domiciliaries of the WTO Member in question 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; this was understood to mean that it must be similar in scale and nature.

14. These exceptions provisions are balanced by provisions which oblige WTO Members to be willing to enter into negotiations aimed at increasing the protection of individual geographical indications for wines or spirits. The exceptions provisions must not be used to refuse to conduct such negotiations or to conclude bilateral or multilateral agreements, and in the course of these negotiations Member countries must be willing to consider the continued applicability of these exceptions provisions to individual geographical indications. The TRIPS Council of the WTO shall keep under review the application of the provisions on the protection of geographical indications, including, of course, those which I have just mentioned concerning further negotiations.

III. MECHANISMS IN THE WTO SERVING TO PRESERVE WTO MEMBERS' RIGHTS AND OBLIGATIONS

15. According to Article 1.1 of the TRIPS Agreement, WTO Members "shall give effect to the provisions of the Agreement" and are "free to determine the appropriate method of implementing these provisions within their own legal system and practice." Let me briefly outline what ways are available within the WTO framework to address issues arising from WTO Members not giving effect to the provisions of the Agreement or doing so in a way which other WTO Members consider insufficient or inappropriate.

A. MAIN FEATURES OF THE WTO DISPUTE SETTLEMENT SYSTEM

16. WTO Members are committed, if they wish to seek redress of a violation of a TRIPS obligation (or any other WTO obligation), to have recourse to, and abide by, the multilateral WTO dispute settlement procedures. In such cases, they undertake not to make a determination that a violation has occurred except in accordance with these procedures and not to retaliate except in accordance with authorization from the WTO's General Council (i.e., all WTO Members together) acting in its capacity of Dispute Settlement Body.

17. The WTO dispute settlement system is a strengthened version of the pre-existing GATT mechanism. Disputes which cannot be settled through consultations can be brought to a panel of three or five independent persons who, after hearing the parties to the dispute and obtaining such advice as they find appropriate, will make findings on the legal consistency of the contested measures. The major element of strengthening that has been introduced is the elimination of the means by which it has been possible for defending or losing countries to delay or block the dispute settlement process. This has been done, on the one hand, by the introduction of stricter time limits for the different stages of the dispute settlement process and, on the other hand, by laying down that panel reports will be adopted, unless there is a consensus against their adoption in the Dispute Settlement Body (DSB).¹ Thus, the system has become considerably more juridical in nature than hitherto. In the light of this more binding and automatic nature of panel findings, provision has been made for recourse to an Appellate Body (AB) whose findings are also subject to adoption by the DSB according to the same decision-making rule. Review by the Appellate Body shall be limited to issues of law covered in the panel report and legal

¹ Elements of the dispute settlement procedure:

- ◊ Consultations aimed at a mutually agreed solution.
- ◊ Request by the aggrieved party to the Dispute Settlement Body (DSB) for the establishment of a panel, which should make recommendations to the DSB unless a mutually agreed solution is found.
- ◊ Possibility of appeal to the WTO's Appellate Body (seven persons, of which three serve on any one case). Appeal suspends decision by DSB on panel report. Mutually agreed terminates the proceedings.
- ◊ DSB adopts panel or AB report unless it decides by consensus not to adopt the report (12 to 15 months after consultations started).
- ◊ WTO Member is to inform DSB as to how it intends to comply with the ruling (60 days). Disagreement subject to binding arbitration (90 days). A disagreement about whether the intended implementation is consistent with the panel of Appellate Body ruling is to be decided by the DSB after dispute settlement proceedings before, wherever possible, the original panel (90 days).
- ◊ In case of non-compliance with ruling, possibility of request by the aggrieved party for authorization to retaliate. Objection to level of suspension is subject to binding arbitration (60 days).
- ◊ Implementation of the ruling kept under surveillance in the DSB.

interpretations developed by the panel. Adoption of a panel report by WTO Members, acting through the Dispute Settlement Body, shall take place within 60 days after its circulation, unless a party to the dispute decides to appeal or the DSB decides by consensus not to adopt the report. The same rule applies with respect to Appellate Body reports, except that the time period for adoption is shorter, namely 30 days after the report's circulation.

18. Another important feature of the dispute settlement system should also be mentioned. This concerns what is often referred to as cross-retaliation; that is the extent to which it should be possible for an aggrieved Member country to withdraw concessions or obligations in another area of the WTO from a country failing to comply with a dispute settlement finding within a reasonable period of time, for example to curtail market access for textile or agricultural products as a result of a failure to comply with a TRIPS panel ruling. As can be imagined, this was a particularly delicate part of the negotiations, but a necessary component of an institutional link between the TRIPS Agreement and the other results of the Uruguay Round. Clearly, a system of world trade rules designed to be effective is only viable, if there is too much at stake for the countries involved in not complying with any of those rules or in not giving way to multilateral discipline. At the same time, it should be said that the dispute settlement system is very much designed so as to help the parties find a mutually agreed solution and has, in the more than 45 years of experience under the GATT, only once led to an authorization to retaliate, which the country in question, in the end, did not carry out. This element of the system is more a threat that gives credibility to the system than anything else.

B. EXPERIENCE WITH WTO DISPUTE SETTLEMENT IN THE TRIPS AREA

19. Before discussing the experience so far with the formal use of the system, it should be emphasized that what surfaces by way of formal invocations is only the tip of the iceberg: in a very large number of cases, concerns about compliance are discussed and resolved through informal consultations between the interested WTO Members. It is normally only if such informal mechanisms do not yield satisfactory results that a WTO Member will have formal recourse to the dispute settlement system of the WTO.

20. Issues concerning the protection of geographical indications have not yet come up in dispute settlement. Nevertheless, the following brief summary of cases that have been initiated may be illustrative for how the system could function in the area of geographical indications.

21. In regard to the TRIPS Agreement, the dispute settlement system has been formally invoked, to date, on ten occasions in respect of eight separate matters (i.e. in respect of each of two matters, separate complaints were made by two Members). In respect of the mailbox and exclusive marketing right arrangements in India for

pharmaceutical and agricultural chemical products, a panel was established which terminated its work recently and whose report has become (publicly) available on 5 September, 1997. According to the Panel, India was not in compliance with its obligations under Articles 70.8 and 70.9 of the TRIPS Agreement. However, adoption of the Panel's Report has not yet been up for decision by the WTO's Dispute Settlement Body, since India has appealed the Panel Report. A panel has also been established and is presently working on certain Indonesian measures affecting the automobile industry; the issues before this panel include a complaint relating to trademarks. In respect of three matters, the issues were resolved successfully as a result of the first stage of the formal procedures (consultation); these were the complaints about the protection of existing sound recordings in Japan, the mailbox and exclusive marketing right arrangements in Pakistan for pharmaceutical and agricultural chemical products and the term of protection for existing patents in Portugal. In respect of three other matters—copyright and neighboring right protection in Ireland, and the availability of provisional measures in the context of civil proceedings in Denmark and Sweden—bilateral consultations are underway. In all the cases referred to above, the United States was the complainant, with the European Community also making complaints in respect of two of the matters (those relating to the Japanese and Indian measures referred to).

22. So far, we believe that the experience with dispute settlement under the TRIPS Agreement, and indeed with the WTO dispute settlement system as a whole, has been promising. The system has been quite intensively used, although in the TRIPS area predominantly by one country, and does seem to be leading to a high proportion of cases which are resolved through a mutually satisfactory bilateral solution. Provided that such solutions are consistent with WTO rules, they are the solutions which are preferred. Incidentally, it would seem that constraints on the use of the system are more related to the availability of resources within WTO Members and within the WTO Secretariat than with the number of cases which potentially would be susceptible to resolution this way. Experience in the GATT is that, where international rules are seen as creating private rights, the pressures on governments to ensure that those international rules and thus private rights are respected tends to be particularly high.

C. MONITORING OF COMPLIANCE WITH TRIPS OBLIGATIONS BY THE COUNCIL FOR TRIPS

23. One of the characteristics of the GATT and now of the WTO is the effort made to continuously monitor compliance with the obligations entered into. This is done through a combination of mechanisms. One involves the right of WTO Members to raise, at any time, either bilaterally and/or on the floor of the TRIPS Council (which meets five to six times per year), any concern that it has about compliance on the part of any other Member. In this connection, a number of issues have been raised in the Council. By way of illustration of such issues, I have annexed the TRIPS Council's 1996 Report to this paper.

24. There are also mechanisms aimed at a more systematic monitoring of compliance. These involve, first, notification requirements under which Members are required to notify their national implementing legislation and various other pieces of information (for example, to respond to a checklist of questions on their enforcement procedures and remedies); and, secondly, the review of their legislation by other Members in the TRIPS Council. Because of the transitional arrangements of the Agreement the notification and review mechanisms have been largely only applicable so far to some 30 developed country Members. Recognizing the magnitude of this task, the Council decided to divide the work into four components. It started with the area of copyright and related rights in July, 1996. Legislation on trademarks, geographical indications and industrial designs was reviewed in November, 1996, while the areas of patents, layout-designs of integrated circuits, undisclosed information and the control of anti-competitive practices in contractual licenses were up for review in May, 1997. The area of enforcement will be the subject of review in November of this year. The review process consists of countries giving advance notice in writing of questions they wish to put on the legislation of other Members, written responses to those questions and follow-up questions and answers on the floor of the Council in the week-long meetings devoted to the reviews. The records of these reviews are circulated in a special series of WTO documents, one for each country, which will be progressively made available to all, including through the WTO home page on the Internet (<http://www.unicc.wto.org>). Such country-specific records relevant to the area of geographical indications are circulated in the IP/Q2/- series of documents.

25. The review process should be seen primarily as a "dispute prevention" mechanism. In this regard, it has a number of functions:

- * first, the prospect of it may have a useful *ex ante* effect on legal drafters;
- * second, it can and does help remove misunderstandings about a country's legislation;
- * third, it leads to the identification of areas of differences of interpretation as well as deficiencies in Members' legislation. Sometimes these matters will be pursued bilaterally. They may eventually be taken up by the dispute settlement system, or constitute part of the issues that will be addressed when the TRIPS Agreement as a whole comes up for review after the year 2000. Of course, if the matter is not felt to be of commercial significance, it may simply be put aside, at least for the time being;
- * the fourth benefit which we believe has flowed from the process is that it is an important educational tool for developing and transition economy WTO Members still in the process of bringing their legislation into TRIPS conformity.

26. One thing should be emphasized: the review does not, either explicitly or implicitly, lead to the granting of a "bill of clean health" to a Member's legislation. The fact that a matter was not raised or, if raised, not pursued in the follow-up to the review does not in any way prejudice a Member's right to raise the matter subsequently and, ultimately, have recourse to dispute settlement. Nevertheless, the monitoring mechanisms can serve a useful purpose in respect of issues which governments, for whatever reason, do not wish to subject to dispute settlement in the WTO.²

D. PRIVATE PARTY ACTION

27. Private party involvement in intellectual property disputes between governments is normally high. Yet, private parties do not have recourse to WTO procedures and bodies. Two possibilities would seem to be available to them:

- * They could file a complaint with their government about another WTO Member's non-compliance with a TRIPS obligation. In the United States and the European Union, special procedures for filing such complaints are available.
- * In countries whose legal system provides for direct applicability of TRIPS provisions, questions of interpretation could be subjected to such countries' courts. Of course, these courts are only competent to interpret the TRIPS provisions in question as incorporated in the law of the country in question. Whether their interpretation of a TRIPS provision, as national case law, is or is

² According to Article IX:2 of the Marrakesh Agreement Establishing the World Trade Organization, the Ministerial Conference and the General Council shall have the exclusive authority to adopt interpretations of covered Agreements. In the case of the TRIPS Agreement, they shall exercise this authority on the basis of a recommendation by the Council overseeing the functioning of that Agreement, i.e., the TRIPS Council. The same provision also stipulates that the authority "shall not be used in a manner that would undermine the amendment provisions" of the Marrakesh Agreement Establishing the WTO.

Decision-making in the TRIPS Council requires consensus, i.e., that no WTO Member present at the meeting when the decision is taken formally objects to the proposed decision. However, according to the rules of procedure which the TRIPS Council has adopted for its meetings, where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the General Council for decision. Decision-making in the Ministerial Conference and the General Council is governed by Article IX of the Marrakesh Agreement. Although an effort must be made to reach consensus, in these bodies the legal option of a vote has been provided for. Once the interpretation of, for example, a TRIPS provision will be up for a decision in the Ministerial Conference or the General Council, Article IX:2 of the Marrakesh Agreement applies, which requires a three-fourth majority for such a decision.

not compatible with the country's obligations under the WTO remains a matter between WTO Members.

IV. WORK DONE IN THE TRIPS COUNCIL IN RELATION TO GEOGRAPHICAL INDICATIONS

REVIEW OF NATIONAL IMPLEMENTING LEGISLATION

28. I have already referred to the functioning of this standard WTO mechanism for monitoring the operation of an agreement and its application in the TRIPS area. Examination of each Member's national implementing legislation by the other Members takes place in the TRIPS Council on the basis of legislation notified by Member governments as legislation implementing obligations under the TRIPS Agreement. This detailed follow-up in the TRIPS Council of the implementation of obligations, which is an innovation in most of the international intellectual property world, has started in relation to the area of geographical indications last autumn with respect to the odd 30 countries that are obliged to comply with all TRIPS obligations since January 1, 1996. As regards the substance of the hundreds of questions posed by Members to other Members, many of them addressed issues such as:

- * how conflicts between pre-existing trademark rights and protected geographical indications were dealt with;
- * whether protection of geographical indications available does not conflict with the Agreement's provisions on national and most-favored-nation treatment.
- * (in regard to the European Community (EC)) what are the roles and responsibilities respectively of the Commission and the Member States in giving effect to obligations on geographical indications.

(a) Article 24.2

29. Article 24.2 TRIPS requires the Council for TRIPS to keep under review the application of the provisions of the Section of the Agreement on geographical indications, and states that the first such review shall take place within two years of the entry into force of the Agreement. The TRIPS Council took up work on this matter at its meeting of November 11-15, 1996 after taking into account the review of legislation I referred to a moment ago. At that time, the European Communities and their Member States had already made some proposals for the modalities of the special review of Article 24.2, but it was agreed to give further consideration in 1997 to how the issue of this review would be handled, once other delegations that had foreshadowed proposals in this regard would have made these available. Further proposals from the Community were submitted to the Council this summer and concerned a suggestion that synoptic tables be produced as a model to summarize

WTO Members' laws on geographical indications, as part of a fact-finding exercise. The EC suggestion was supported by Switzerland, Hungary, the Czech Republic and India, who also tabled their own input, including the issue of the scope of Article 23 of the Agreement. The idea was countered by the United States, Canada, Australia and New Zealand.

(b) Article 23.4

30. The TRIPS Council also agreed last autumn to 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 would be part of this preliminary work.

31. At its meeting in February, 1997, the TRIPS Council agreed to proceed as follows:

- ⇒ First, the Council would invite WTO Members to submit information on any systems for the registration of geographical indications which they operate. The target date for these submissions is end July and, to date, 12 delegations have made available such information to the Council (the EC and their Member States counting as one). The Council commenced consideration of this information at its meeting in September, 1997.
- ⇒ Secondly, the Council would ask the WTO Secretariat to prepare a factual background note on existing international registration systems for geographical indications relating to wines or spirits. This note will principally focus on multilateral agreements relevant to the issue concerned, notably the Lisbon Agreement, but will also address those elements of regional and bilateral agreements that relate to notification and registration systems. In preparing the note, the WTO Secretariat will, of course, consult with WIPO and other relevant organizations, as necessary.
- ⇒ The aim of this preliminary work is to gather any information relevant to the work that the Council is obliged to undertake under Article 23.4. Although these obligations are limited to the area of wines, it has been recognized that information about registration systems for other areas could also serve a useful purpose in the context of this work.

(c) Article 24.1

32. Also Article 24.1 of the Agreement has been identified by the TRIPS Council as an area where further work is called for by the TRIPS Agreement itself. In its 1996 Report, the Council reported to the Singapore Ministerial Conference that under Article 24.1 Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23.

No time-frame is specified for such negotiations and no specific suggestions have been made as yet in the Council with regard to such negotiations.

V. CONCLUSION

33. I hope to have given a picture of how the WTO system functions in relation to obligations under the TRIPS Agreement, notably those in the area of geographical indications. Work continues and much remains to be done. Some areas of further work have been stipulated in the Agreement itself. Articles 23.4, 24.2 and 24.1 establish parts of the built-in agenda³ of the TRIPS Agreement. Although, from a legal point of view, the provisions in question address separate issues, cross linkages are being made by some delegations as to the handling of these issues, notably those who would like to see the strong protection stipulated in the Agreement in respect of geographical indications for wines and spirits paralleled in respect of other products. However, their enthusiasm for pursuing this work in this area at the multilateral level has not yet found the same spirit among all.

[Annex follows]

³ See Section III of the TRIPS Council's 1996 Report, which is annexed to this paper.

ANNEX

**WORLD TRADE
ORGANIZATION****IP/C/8
6 November 1996**(96-4704)

**Council for Trade-Related Aspects
of Intellectual Property Rights****REPORT (1996) OF THE COUNCIL FOR TRIPS****I General**

1. Since the period covered by its last report¹, the Council for TRIPS has held six formal meetings, on 11 December 1995 and on 22 February, 9 May, 22-25 July, 18 September and 5 November 1996. The minutes of these meetings are to be found in documents IP/C/M/5-10.² This report covers this period, but also contains references to the work done by the Council for TRIPS in 1995.
2. The first two of the meetings referred to above were chaired by Mr. Stuart Harbinson (Hong Kong). The remainder were chaired by Ambassador Wade Armstrong (New Zealand).
3. Meetings of the Council were open to all WTO Members. In addition, government observers to WTO bodies were invited. WIPO was invited to all meetings, in accordance with the recommendation of the Preparatory Committee as confirmed by the General Council. Pursuant to the interim procedure on observer status for intergovernmental organizations evolved under the auspices of the General Council, the FAO, the IMF, the OECD, UNCTAD, the United Nations, UPOV (International Union for the Protection of New Varieties of Plants), the World Bank and the WCO were invited to meetings of the Council.

II Implementation

- (i) Notifications and Notification Procedures
 - (a) Article 63.2

4. At its meeting in November 1995, the Council adopted the following decisions to give effect to the obligation to notify implementing legislation under Article 63.2: Procedures for Notification of, and Possible Establishment of a Common Register of, National Laws and Regulations under Article 63.2 (document IP/C/2); Format for Listing of "Other Laws and Regulations" to be Notified under Article 63.2 (document IP/C/4); and Checklist of Issues on Enforcement (document IP/C/5).

5. These procedures require that, as of the time that a Member is obliged to start applying a provision of the TRIPS Agreement, the corresponding laws and regulations shall be notified without delay. A very substantial volume of legislation has been notified under these procedures. As of the date of this report, 30 Members have notified some or all of their implementing legislation. Most

¹Document WT/GC/W/25, Section VI

²Document IP/C/M/10 to be issued

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of the material to be notified by Members whose legislation, in the area of copyright and related rights, was the subject of review at the Council's July meeting (see paragraph 14 below) has been notified; three other countries have notified some of their legislation while indicating that this is without prejudice to their transition period under the provisions of Article 65; and 11 Members have notified legislation relating to the implementation of Article 70.8 and, in some cases, Article 70.9 of the TRIPS Agreement. These notifications are circulated in the IP/N/1/COUNTRY/- series of documents.

6. At its November 1995 meeting, the Council also agreed that Members would provide responses to a checklist of issues on enforcement (IP/C/5). In recognition of the fact that preparation of the responses would take time, the procedures require them to be submitted "as soon as possible" after the time that a Member is obliged to start applying the provisions of the TRIPS Agreement on enforcement. Eight Members have notified responses. These responses have been circulated in the IP/N/6/COUNTRY/- series of documents. At the July 1996 meeting of the Council, the Chairman urged the Members concerned to provide their responses soon and in any case before the end of 1996.

7. The national treatment and MFN obligations of Articles 3, 4 and 5 of the TRIPS Agreement became applicable to all Members from 1 January 1996. So far, no notifications have been received under Article 63.2 relating specifically to the implementation of these provisions, except in so far as such notifications have formed part of the comprehensive notifications by developed country Members of their general implementing legislation. The Council has considered whether there may be technical difficulties with meeting this notification requirement. At the Council's July meeting, a proposal was made for a simplified procedure in this connection and the Council agreed that the matter be taken up in informal consultations. Following these informal consultations, the Council agreed at its September meeting that the Members concerned had a range of options as to how to meet these notification requirements in a way best suited to their national circumstances. Three options were identified in particular:

- notifying the specific provisions of laws and regulations that implement the obligations set out in Articles 3, 4 and 5;
- notifying all intellectual property laws and regulations; or
- making a general statement that nationals of other WTO Members enjoy non-discriminatory treatment, together with a list of any exceptions to that principle.

The Council invited the Secretariat to prepare a paper which would recognize these three options and contain a draft format for the last option. This paper will be considered by the Council at its meeting scheduled for 11-15 November 1996.

(b) Articles 1.3 and 3.1

8. Articles 1.3 and 3.1 of the TRIPS Agreement, relating to the definition of beneficiary persons under the Agreement and to national treatment, allow certain exceptions to the normal rules on these matters, provided that notifications are made to the Council for TRIPS. 24 Members have submitted notifications under these provisions. These notifications are contained in the IP/N/2/COUNTRY/- series of documents.

(c) Article 4(d)

9. Article 4(d) of the TRIPS Agreement requires a Member seeking to justify an exception to the MFN rule on the basis of an international agreement relating to the protection of intellectual property which had entered into force prior to the entry into force of the WTO Agreement to notify that agreement

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to the Council for TRIPS. At the meeting of the Council in November 1995, the Chairman drew the attention of Members to the need to make notifications under Article 4(d) by 1 January 1996 if Members wished to have legal cover from that date for any exceptions to MFN treatment that they seek to justify by reference to the provisions of Article 4(d). To date, 28 Members have made notifications under this provision. These notifications are contained in the IP/N/4/COUNTRY/- series of documents.

10. In discussions at the Council's meetings of February, May and July 1996, some Members expressed concern about some of the notifications made, in particular that the absence of sufficient guidelines for such notifications meant that the notifications did not always enable the other Members to understand the specific element of discrimination that was being sought to be justified. As agreed at the Council's February meeting, the Chairman held informal consultations on this matter. To facilitate these consultations, he circulated an informal background note by the Secretariat. It was generally felt in the Council that it would be valuable to continue work on the development of criteria that could assist individual Members in making or reviewing their notifications, but that such criteria could not add to or diminish the rights and obligations of WTO Members under the provisions of Article 4(d). Further consultations on this matter will be held.

(d) Article 69

11. Article 69 of the TRIPS Agreement requires Members to establish and notify contact points for the purposes of cooperating with each other with a view to eliminating international trade in goods infringing intellectual property rights. Procedures for such notifications were agreed by the Council in September 1995. To date, 67 Members have notified contact points. The most recent compilation of these is contained in document IP/N/3/Rev.2.

(e) Notifications Under Other Provisions of the Agreement

12. A number of notification provisions of the Berne and the Rome Conventions are incorporated by reference into the TRIPS Agreement but without being explicitly referred to in it. At its meeting in February 1996, the Council invited each Member wishing to make such notifications to make them to the Council for TRIPS, even if the Member in question had already made a notification under the Berne or the Rome Convention in regard to the same issue, and drew the attention of Members to the discussion relating to the timing of such notifications in paragraphs 16 through 21 of document IP/C/W/15, a Secretariat background note on the subject. To date, one Member has made a notification under this procedure. Notifications of this kind are being circulated in the IP/N/5/COUNTRY/- series of documents.

(ii) Monitoring the Operation of the Agreement

(a) Review of National Laws and Regulations

13. At its meeting in November 1995, the Council adopted a "Schedule for the Consideration of National Implementing Legislation in 1996/1997" (IP/C/3). This provided for legislation in the area of copyright and related rights to be reviewed by the Council in July 1996. Following informal consultations, the Council agreed at its May 1996 meeting on procedures for the Council's review of legislation in this area. These procedures provided for written questions and replies prior to the review meeting, with follow-up questions and replies during the course of the meeting.

14. At the Council's meeting of 22-25 July 1996, the legislation in the area of copyright and related rights of 29 Members was reviewed. A number of these Members indicated that they still had steps to take to comply fully with their TRIPS obligations in this area. The record of the introductory statements made by delegations, the questions put to them and the responses given is being circulated

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in the IP/Q/COUNTRY/- series of documents. At subsequent meetings of the Council, an opportunity will be given to follow-up points emerging from the review session which delegations consider have not been adequately addressed. In this connection, it was recognized that the review of national implementing legislation implied quite a heavy workload and that it was important to allow an adequate opportunity, consistent with the provisions of Article 63 of the Agreement, for a follow-up to all Members, in particular to developing country Members that had constraints on their resources affecting their ability to analyse and digest some of the material.

15. The procedures adopted by the Council for the review provided that the review would apply to the copyright and related rights legislation of Members obliged to comply with the TRIPS Agreement under Article 65.1 and of any other Members not still availing themselves in respect of this area of legislation of any longer transition period to which they may be entitled. During the course of the review, questions were put to a number of Members which did not consider that they fell into either of these categories and which did not provide answers in the Council's meeting.

16. In accordance with the "Schedule for Consideration of National Implementing Legislation in 1996/1997" (IP/C/3), the Council will review legislation in the areas of trademarks, geographical indications and industrial designs at its meeting scheduled for 11-15 November 1996. Legislation in the areas of patents, layout-designs of integrated circuits, undisclosed information and the control of anti-competitive practices in contractual licences is scheduled for review in the first half of 1997, and that in the area of enforcement in the second half of 1997.

(b) Implementation of Article 70.8 and 70.9

17. At its meetings in February, May, July and September 1996, the Council considered the implementation of Article 70.8 and the related provisions of Article 70.9. At these meetings the Council took note of statements by some Members of their concern that not all Members to which these provisions applied were giving effect to them or, in the event that they had done so, had not notified the relevant legislation under Article 63.2. At the Council's meetings of May and July 1996, some Members informed the Council that they were engaged in dispute settlement proceedings on this matter with two other Members (IP/D/2 and IP/D/5).

(c) Implementation of Article 70.2

18. At the Council's February meeting, statements were made concerning compliance with Article 70.2 in regard to the patent term and in respect of rights in sound recordings. Dispute settlement proceedings initiated in connection with these matters have been notified to the TRIPS Council in documents IP/D/1, 3 and 4. On 3 October 1996, the Council was informed of a mutually agreed solution reached between the parties on the first of these issues (document IP/D/3/Add.1). In this notification, which was made to the Council for TRIPS for its information and without prejudice to the rights and obligations of other Members, the parties involved expressed their understanding that Article 70.2 in conjunction with Article 33 requires developed country parties to provide a patent term of not less than 20 years from the filing date for patents that were in force on 1 January 1996, or that result from applications pending on that date. The notification also indicates that the affected party has taken the necessary steps to confirm that all affected patents will enjoy a term that is the longer of 15 years from the date of grant or 20 years from the date of filing.

(iii) Revocation of Patents

19. At the Council's July and September meetings, a number of Members stated their views on the grounds that could justify the revocation of a patent. The Council took note of the statements.

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(iv) Technical Cooperation

20. In accordance with a decision taken by the Council in November 1995, the Chairman made available for the February 1996 meeting of the Council an informal discussion note outlining and structuring the issues which had been raised in the Council's various discussions on the subject of technical cooperation and identifying possible options for carrying forward the Council's work in this area (subsequently distributed as IP/C/W/21). As a result of the ensuing discussion, the Council agreed on the following:

- that the Council would seek the annual updating by developed country Members of information on their technical cooperation activities pursuant to Article 67 of the Agreement, and that in 1996 the updating would be sought in time for the Council's meeting scheduled for September 1996;
- that the Council's September 1996 meeting would have a special, but not exclusive, focus on the issue of technical cooperation;
- that the Secretariat would prepare an analytical summary of the information on technical cooperation activities already presented and, on this basis, consideration would be given to whether Members would be invited to use a common list of basic headings in presenting an overview of their technical cooperation activities;
- that the Secretariat would be invited to present a suggestion for a specific pilot project for a workshop, to be held in the margins of the Council meeting, that would permit a more in-depth, thematic discussion of a particular aspect of technical cooperation.

21. At its May meeting, the Council considered a proposal for a pilot project for an in-depth discussion of a specific aspect of technical cooperation. The Council agreed that the Secretariat should go ahead, hopefully in cooperation with the International Bureau of the WIPO, to organize a workshop on border enforcement, to be held immediately before or after the Council's meeting of 18 September 1996. The workshop, organized jointly by the WTO Secretariat and the International Bureau of WIPO, was held on the afternoon of 17 September 1996.

22. At the Council's July meeting, it was agreed that developed country Members, in submitting updated information on their technical cooperation activities prior to the Council's September meeting, would notify a contact point or contact points which could be addressed by a developing country Member seeking technical cooperation. The contact point could be the same as the one that the developed country Member in question had notified under Article 69 of the Agreement, or it could be different, depending on the structure of the Members' administrations.

23. The Council's September meeting had a special focus on the issue of technical cooperation. For that meeting, nine developed country Members supplied updated information on their technical cooperation activities and information was also supplied by the WTO Secretariat and six intergovernmental organizations. The contact points notified by developed country Members are being compiled in a single document (IP/N/7). In addition to reviewing this information, the Council assessed the experience with the workshop on border enforcement, organized jointly by the WTO Secretariat and the International Bureau of WIPO on 17 September. A number of delegations said that the issue of technical cooperation should be brought to the attention of Ministers at Singapore. The Council has agreed to continue its discussion on technical cooperation at its meeting scheduled for 11-15 November 1996, when it is expected that further information on technical cooperation activities will be available from other developed country Members.

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(v) Cooperation with WIPO

24. Article 68 of the TRIPS Agreement provides that the Council shall, in consultation with WIPO, seek to establish, within one year of its first meeting appropriate arrangements for cooperation with the bodies of that Organization. At its December 1995 meeting, the Council for TRIPS approved a draft agreement drawn up as a result of consultations between the Chairman of the Council for TRIPS, assisted by the WTO Secretariat, and the Chairman of the WIPO Coordination Committee, assisted by the International Bureau of WIPO. The draft agreement was approved by the General Council at its meeting of 13 and 15 December 1995. Following approval by the competent bodies of WIPO and the signature by the Director's-General of the two Organizations, the Agreement between the World Intellectual Property Organization and the World Trade Organization (IP/C/6) entered into force on 1 January 1996. The Agreement provides for cooperation in the following three areas: the notification of, access to and translation of national laws and regulations; the implementation of Article 6^{ter} of the Paris Convention (relating to national emblems) for the purposes of the TRIPS Agreement; and legal-technical assistance and technical cooperation.

25. At its December 1995 meeting, the Council adopted a decision on the implementation of the obligations under the TRIPS Agreement stemming from the incorporation of the provisions of Article 6^{ter} of the Paris Convention 1967 (IP/C/7). This decision has as its purpose giving legal effect under the TRIPS Agreement to the procedures relating to the administration of TRIPS obligations regarding Article 6^{ter} of the Paris Convention that are incorporated in the Agreement between WIPO and the WTO.

III Built-in Agenda

(i) Article 24.1

26. Under Article 24.1, Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. No time-frame is specified for such negotiations. At the July meeting of the Council, some Members addressed Article 24.1, but no specific suggestions have been made as yet in the Council with regard to such negotiations.

(ii) Article 24.2

27. Article 24.2 requires the Council for TRIPS to keep under review the application of the provisions of the Section of the Agreement on geographical indications, and states that the first such review shall take place within two years of the entry into force of the WTO Agreement. At the Council's May and July meetings, the Chairman raised the questions of when and how this review should be undertaken. As mentioned in paragraph 16 above, the Council will review legislation in the areas of trademarks, geographical indications and industrial designs at its meeting scheduled for 11-15 November 1996. The Council at its September meeting received some proposals in connection with the review under Article 24.2. It agreed to take up work on this matter by including on the agenda of the November meeting an item "Review of the Application of the Provisions of the Section on Geographical Indications under Article 24.2" which will be addressed after and taking into account the review of legislation in the areas referred to above, it being understood that this would permit the consideration of the proposals put forward in September together with any other inputs from delegations.

(iii) Article 23.4

28. Article 23.4 calls on the Council for TRIPS to undertake negotiations concerning the establishment of a multilateral system of notification and registration of geographical indications for

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wines eligible for protection by those Members participating in the system, but does not specify a time-frame for such negotiations. At the July and September meetings of the Council, some delegations addressed the question of how and when these negotiations might be initiated.

(iv) Article 27.3(b)

29. Article 27.3(b) states that the provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement. At the Council's meeting in July, some delegations addressed the question of when this work should be initiated.

(v) Article 64.3

30. Article 64.3 requires the Council for TRIPS to examine, during the five years from the date of entry into force of the WTO Agreement, the scope and modalities for the complaints provided for under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 made pursuant to the TRIPS Agreement, and to submit its recommendations to the Ministerial Conference for approval. No suggestions regarding this aspect of the Council's work were made during the course of 1996.

(vi) Article 71.1

31. Article 71.1 requires the Council for TRIPS to review the implementation of the TRIPS Agreement after the expiration of the transitional period referred to in paragraph 2 of Article 65, namely after 1 January 2000.

IV. Issues, Problems and Recommendations to be Brought to the Attention of Ministers

32. Members reaffirm the importance of full implementation of the TRIPS Agreement within the applicable transition periods and that each Member will take the steps which it considers appropriate so that the provisions of the Agreement will be applied.

33. Members also reaffirm the importance of the necessary provision of technical and financial cooperation by developed country Members in favour of developing country and least-developed country Members, in accordance with Article 67 of the TRIPS Agreement, in order to facilitate implementation of the Agreement.

34. Members further reaffirm their commitment to the TRIPS built-in agenda agreed during the Uruguay Round, including any time-frames specified in the relevant provisions, and to carrying out as and when appropriate analytical work and information exchange so as to allow Members a better prior understanding of the issues involved without prejudice to the timing or scope of the reviews or negotiations envisaged in that built-in agenda. 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.

PROTECTION OF GEOGRAPHICAL INDICATIONS IN THE CENTRAL AND EASTERN EUROPEAN COUNTRIES

by

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I. INTRODUCTION

The protection of geographical indications in foreign countries is of particular importance due to the economic and foreign trade situation of the country. The agriculture and food industries play a significant role in the Hungarian economy, the production of wine is also of great importance. We export agricultural products and many products of the food industry to various countries. These products have gained traditional fame all over the world. This fame relates often to the geographical place from which the product originates, since it owes its characteristics and quality to the natural and human factors of the place. In such a manner, the wine of Badacsony, of Eger, Sopron, and Villány, the red pepper of Szeged and Kalocsa, the Gyula sausage, the Makó onion, the porcelain of Herend, and the other precious appellations of origin, have become famous, and their unlawful use and imitation can cause significant damage to Hungary. If Hungary wants to compete in the international market with its agricultural products, a significant question is how to regulate the geographical signs and the appellations of origin.

II. LEGAL SITUATION ON PROTECTION OF GEOGRAPHICAL INDICATIONS IN HUNGARY

Until July 1, 1997, there has been no special legislation in Hungary concerning the protection of geographical indications. Geographical indications enjoyed protection:

(a) by virtue of the Law on the prohibition of unfair market conducts

It shall be prohibited to manufacture or distribute goods and services (hereinafter "goods") without the consent of competitors if such goods have a characteristic presentation, packaging or labeling (including designation of origin), or to use a name, mark or designation, by or for which respectively a competitor's goods are usually recognized.

(b) by virtue of international treaties

Hungary is a member of the Paris Convention for the Protection of Industrial Property, the Madrid Agreement for the Repression of False or Deceptive Indications

of Source on Goods, and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration. The Paris Convention and the Madrid Agreement do not prevent that the geographical indication becomes generic.

The Lisbon Agreement, concluded under Article 19 of the Paris Convention, protects appellations of origin and their international registration. Only 18 States are members of this Agreement, including Hungary. Those States have undertaken to provide protection for appellations of origin against any usurpation or imitation. The appellations concerned must be subject to regulations in their country of origin and registration with the International Bureau. Except where protection is refused, registration provides protection for the appellation of origin in the countries concerned for as long as it is protected in its country of origin. For as long as that protection continues, the appellation may not be deemed to have become generic.

(c) by virtue of bilateral treaties

Hungary concluded bilateral treaties with Switzerland, Portugal and Spain, with respect to the protection of geographical indications. Further, Hungary concluded an Agreement with the European Communities relating to the protection of wine names only.

Law No. XI on the Protection of Trademarks and Geographical Indications of 1997 contains a separate part including special provisions on the latter type of protection.

The essential features of these provisions are the following:

The term of geographical indication, as defined by the said law, includes geographical signs and appellations of origin.

Geographical Sign means the geographical name of a region, locality or, in exceptional cases, a country which serves to designate a product originating therein the specific quality, reputation or other characteristics of which are due essentially to that geographical origin, and the production, processing and preparations of which take place in the defined geographical area.

Appellation of Origin means the geographical name of a region, locality or, in exceptional cases, a country which serves to designate a product originating therein, the specific quality, reputation or other characteristics of which are due exclusively, or essentially, to the geographical environment, with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area.

Geographical Indications of agricultural products and foodstuffs are protectable if the product on which they are used comply with their product

specification. In this context, agricultural products and foodstuffs are interpreted so as to include wines and spirits as well.

Any natural or legal person which produces, processes or prepares in the defined geographical area a product, for the designation of which the geographical indication is used, may apply for the protection thereof.

The protection of the geographical indication is established with registration at the Hungarian Patent Office for an unlimited period of time. After the registration, a geographical indication may not become the generic name of a product.

The protection confers the exclusive right for the proprietor to use the geographical indication. On the basis of the exclusive right of use, any of the proprietors shall be entitled to bring action against any person who, in the course of the trade:

- * uses the protected geographical indication or a denomination liable to create confusion with respect to products not originating in the defined geographical area;
- * uses the protected geographical indication with respect to goods not included in the list of products but similar to those and therefore takes unfair advantage or infringes the reputation of the protected geographical indication;
- * imitates or evokes in any manner whatsoever the protected geographical indication, even if the true origin of the product is indicated or if the protected name is translated or accompanied by various affixes;
- * uses any false or misleading indication as to the provenance, origin, nature or essential characteristics of the product, no matter where it is indicated (e.g., on the packaging, advertising material or documents relating to the product concerned);
- * performs any other act liable to mislead the public as to the true origin of the product.

Concerning the possible conflict between trademark protection and the protection of a geographical indication, the general principle under the Law is that rights having an earlier date of priority shall prevail.

The above cited provisions of the Hungarian law are in conformity with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). They even have a broader coverage since protection can be obtained not only for appellations of origin; furthermore, there are no specific rules which are limited to wines and spirits. (It is to be noted, that in my view, the definition under Article 22.1 of the TRIPS Agreement is in conformity rather with the term

“geographical indication” under Article 2(b) of the Council Regulation EEC No. 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs and does not contain all elements of the definition of the appellation of origin according to the Lisbon Agreement.)

According to the *Law No. XI on the Protection of Trademarks and Geographical Indications* of 1997, it is possible to protect geographical indications by means of collective marks; collective mark protection can be granted for a sign, even if it consists exclusively of the indication of the geographical origin of the goods or services.

The use of collective marks is reserved to the members of the organization to which the registration was granted; the use of this kind of mark is to be governed by a special regulation to be filed with the industrial property office concerned at the same time as the application for registration.

If the collective mark consists exclusively of an indication of a geographical origin, the regulations must provide that any person whose goods or services originate in the geographical area concerned is to be a member of the social organization.

Geographical indications may not be protected by certification marks in Hungary.

It is also worth mentioning that, with Cabinet Decree 128/1997 published on July 24, 1997, and effective eight days following its publication (i.e., from August 1), the Hungarian Government issued rules on border measures which can be instituted if certain intellectual property rights are infringed. The decree has been issued on the basis of the authorization in Art. 121, paragraph 1a. of the new Hungarian Trademark Law, effective since July 1, 1997.

The decree relates to the customs procedure of (imported) goods in connection with which trademark rights, or rights to geographical indications, were infringed.

III. THE LEGAL PRACTICE IN HUNGARY (INFRINGEMENT OF AN APPELLATION OF ORIGIN)

I would like to present a legal case, which had been judged before the new Act on geographical indications came into force.

The plaintiff is the owner of the international trademarks **Pilsner Urquell**, **Pilsner Bier**, **Bièvre de Plzen - Pilsen**, **Birra Pilzen - Pilsen**, **Pilsen Beer**, and **Holsten Pilsener** for a list of goods of beer. Further, the plaintiff is the owner of **Pilsener** appellations of origin for the beer producing area of Pilsen.

(*Figure 1.* Copies of the certificates of registration of the “Pilsner” international trademark and appellation of origin.)

The defendant and his licensee produced beer and bottled it using the logos “**holsten pilsener**” on the side label and “**holsten pilsener**” beer on the neck label.

(*Figure 2.* The logos of the trademark of Holsten Pilsener.)

The plaintiff requested the Court to state that the defendants had committed infringement of their trademarks and appellations of origin. The Court refused the trademark infringement action, since in his opinion, the trademark of the plaintiff and one of the defendants were not confusingly similar. However, the defendants were condemned for infringement of an appellation of origin. The Supreme Court said in the judgment that the Lisbon Agreement on the Protection of Appellations of Origin and their International Registration obliges member States to respect appellations of origin, if these appellations are protected in the country of origin and are also registered under the Lisbon Agreement with the World Intellectual Property Organization. According to Article 3 of the Lisbon Agreement, protection should be granted against any misuse or imitation even if a different origin of the product is indicated on the label.

In the given case, the term “**Pilsener**” is registered as an appellation of origin both in the country of origin (former Czechoslovakia) and in the International Register of the World Intellectual Property Organization in Geneva.

Since the plaintiff is the owner of the appellation of origin of **Pilsener** and the defendants used the logo unlawfully, i.e., without the permission of the plaintiff, the infringement of the appellation of origin was established. The argument of the defendants that the appellation of origin **Pilsener** had been transformed to a generic name could not be accepted, because as long as the protection is granted in the country of origin (former Czechoslovakia) such a transformation is legally excluded.

IV. THE LEGAL CASE OF THE TRADEMARK EGRI BIKAVÉR (*FIGURE 3*)

In Hungary there are 20 vineyards (*Figure 4*). The Eger Vineyard comprises the following area: Andornaktálya, Demjén, Eger, Egerbaktá, Egerszalók, Egerszólát, Felsőtárkány, Kerecsend, Maklár, Nagytálya, Noszvaj, Novaj, Ostoros, and a part of Verpelét.

As WIPO has chosen Eger as the venue for this Symposium, I shall take this opportunity to present a case concerning the trademark Egri Bikavér to you, and how it was possible to register the trademark Egri Bikavér in the United States of America.

The United States Patent and Trademark Office issued a provisional refusal against the registration of Egri Bikavér with the following plea:

- * The applicant must submit an English translation of all foreign words in the mark (37 C.F.R. Section 2.61(b); TMEP Section 906).
- * The applicant must indicate whether “Egri” has any significance in the relevant trade, any geographical significance or any meaning in a foreign language (37 C.F.R. Section 2.61(b)).

The applicant must indicate whether “Bikavér” has any significance in the relevant trade, any geographical significance or any meaning in a foreign language (37 C.F.R. Section 2.61(b)).

We obtained a wine expert’s opinion supporting our application for Egri Bikavér. The opinion is as follows:

“The wine sold under the trademark Egri Bikavér is, undoubtedly, the best known Hungarian wine throughout the world.

“The grapes for the wine Egri Bikavér are grown in the Eger wine growing area of Hungary in the foothills of the Bükk Mountains over an area of approximately 550 000 hectares. The area encompasses the Eger district of the province of Heves and the towns Andornak, Ostoros, Kistálya, Noszvaj, Novaj, and Szomolya in Borsod province. The volcanic Nagy Eged Mountain dominates the wine growing area and in front of that mountain are the mildly sloping, grapevine-covered smaller foothills.

“The first red wine variety made from the Kadarka grape was probably brought into this area by the Serbian refugees fleeing the invading Turks. The first group of these refugees arrived during the fifteenth century, at the time when the entire Balkan Peninsula became occupied by the Turks. According to local legend, the wine cellars of Eger were full with red wine when the armies of the pashas Ali and Ahmed joined under the walls of Eger to lay siege to the town.

“There are no contemporaneous written documents attesting to the origin of the Bikavér designator of the most characteristic red wine from Eger. The stories of the origin of the name are based mainly on word-of-mouth historical sources. According to the story, pasha Ahmed established his headquarters under the walls of Eger and was concerned about any possible damage to his hoard of treasures and his female slaves from the constant charge of the defenders of the city beyond its walls. Therefore, he placed his treasures and his female slaves in an old inn at the edge of town and visited them every night.

"When the besieged defenders of Eger, including the women behind the walls, put up a heroic defense, pasha Ahmed gave the order to gather in all women from the surrounding area because they were also great fighters. The captured women included the wife and beautiful daughter of a local miller. When the pasha saw the beautiful daughter, he ordered a festive dinner before inaugurating the miller's daughter into his harem. The miller's wife asked the innkeeper to try to save her daughter from a fate that was for a God-fearing Christian girl worse than death. The innkeeper prepared a sumptuous meal during which a great deal of wine was consumed. After a while the pasha fell asleep and the miller's wife and daughter fled into the woods.

"When the pasha recovered the next morning, he accused the innkeeper of having given him wine, which is prohibited under his religion. The innkeeper replied that the pasha had not been given wine, but bull's blood, which she used in preparing her best roasts.

"According to another legend, the name also derives from the siege of the town of Eger by the Turks. During the most intense attacks by the besieging Turks, the commander of the defenders had the wine cellars opened and the women carried the fortifying red wine to fortify the defenders. The red wine colored in red the beards and armor of the defenders and this generated a fear in the superstitious Turkish attackers who believed it to be blood, as the defenders ardently threw themselves again and again into the defense. The rumor spread among the attacking Turks like wild fire that the defending Hungarians were drinking bull's blood which made them as strong and fierce as bulls.

"These and other similar legends tend to establish that the Egri Bikavér wine derived this name from the mid-sixteenth century siege of the walls of the fortified town of Eger by the Turks.

"The fame of the Egri Bikavér wine has developed through history to such an extent that, during the second half of the 18th century, about two thirds of the population of the substantially enlarged town of Eger made its living from wine growing. Most of the wine was exported to Poland until the economic policies of the Chancery of the Austrian Empire decreased that trade. Austrian wines were exported to Poland duty free, while often as much as 30% duty was levied on Hungarian wines. Therefore, new markets had to be developed for the wines of Eger and this spread the fame of the Egri Bikavér wine to all parts of Western Europe.

"The three main red grape varieties in the Eger wine growing area provide the backbone of the Egri Bikavér wine. The most significant variety is the Kadarka grape, which provides the spicy bouquet to the wine. The Nagyburgundi grape variety contributes the deep red color and its fine tannin taste. The Medoc Noir grape contributes the fieriness and the characteristic

aroma of the Egri Bikavér wine. While the unfermented sugar of the Medoc Noir grape somewhat soothes the harshness of the other wines, the true velvety feel of the Egri Bikavér wine is often obtained by the addition of Oporto and Cabernet grape varieties.

“All of these wine varieties blend in perfect harmony in the Egri Bikavér wine to produce a dark, grenadine red, full-flavored, velvety, slightly tart, spicy smelling and fiery tasting wine. After prolonged storage in the bottle, very special, unique flavors are developed which remind of vanilla and cloves. The alcohol content of the wine is generally between 12.5 and 13 vol.

“Any blend of Eger red wines, which does not meet the high quality requirements of Egri Bikavér wine, is not sold under that trademark, but under the generic name of Egri Bikavér (Eger red). This can clearly be seen in international wine competitions where only about 10 to 15% of the wines from Eger deserve the Egri Bikavér wine trademark. This rigorously high quality standard ensures an Egri Bikavér wine of unique standing and reputation among wine lovers throughout the world.”

On the basis of this expert's opinion, trademark protection for Egri Bikavér was granted in the United States of America.

V. LEGAL PROVISIONS IN THE EX-SOCIALIST COUNTRIES

In the newly independent ex-socialist Eastern European countries, the legislation concerning geographical indications is adequate. These countries are members of the Paris Union and the Madrid Agreement, but not all are members of the Lisbon Agreement.

The texts of the Laws on Geographical Indications of the Federal Republic of Yugoslavia, the Republic of Slovenia, the Republic of Croatia, Bosnia and Herzegovina, the Russian Federation, Poland and the Czech Republic are reproduced in the annex.

A. APPELLATIONS OF ORIGIN IN THE FORMER YUGOSLAV REPUBLICS

Firstly, I would like to provide you with some brief general information about the present legal situation of industrial property in the newly independent States which are the successors of the former Socialist Republic of Yugoslavia.

1. General Remarks

The dissolution of the former Yugoslavia into five independent countries in mid 1991 resulted in the setting-up of intellectual property Offices in each of those States.

Some of them have passed new laws regarding industrial property matters which have now replaced the former Law on the Protection of Inventions, Technical Improvements and Distinctive Signs (passed in 1981 and amended in 1990).

(a) Legal basis

The Federal Republic of Yugoslavia (which now consists of Serbia and Montenegro) passed the following set of four new industrial property Laws on March 21, 1995:

Patent Law,
Trademark Law,
Law on Protection of Models and Designs,
Law on Appellations of Origin.

The other ex-Yugoslav Republics i.e., *Slovenia, Croatia, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia* kept the concept of one integral law, which regulates all aspects of industrial property.

The new integral Laws on Industrial Property came into force in:

Slovenia: on April 4, 1990 (Amended by the Law of May 29, 1992),
The former Yugoslav Republic of Macedonia: on July 15, 1993.

For the time being, the former Law on the Protection of Inventions, Technical Improvements and Distinctive Signs of 1990 has been mainly taken over as a transitional legal text, with some small changes, in the following countries:

Croatia: in force on October 8, 1991,
Bosnia and Herzegovina: published in the Official Gazette of Bosnia and Herzegovina on June 9, 1994.

(b) Re-registration

All industrial property rights valid in the former Socialist Federal Republic of Yugoslavia, with the exception of appellations of origin (expressly excluded only by the Slovenian Law), could be re-registered at the Intellectual Property Offices of Slovenia, Croatia, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia with different established deadlines for re-registration and conditions.

Applications filed before the disintegration of the former Yugoslavia remain valid in the Federal Republic of Yugoslavia and need not be revalidated.

2. Practice and Resources

(a) Practice

Looking at the practice of the Patent Office of the former Socialist Federal Republic of Yugoslavia until 1991, protection of five appellations of origin had been granted.

To date, in the Federal Republic of Yugoslavia, there have been only 14 registrations of appellations of origin and, during 1996, five applications were submitted to the Federal Intellectual Property Office, i.e., applications for:

“Mineralna voda Knjaz Milos, Bukovicka banja, Arandjelovad” (mineral water, produced by D.P: “Knjaz Milos”, Arandjelovac) (*Figure 6* - labels of mineral water produced by D.P. “Knjaz Mikos”, Aranjelovac; wrapper of “Rtanjski caj”/tee produced by Rtanj/, for which protection of appellation of origin is granted), “Pirotski cilim” (rug manufactured in Pirot);

three applications for:

- ◊ “Homoljski ovciji sir” (sheep cheese produced in Homolje),
- ◊ “Homoljski koziji sir” (goat cheese produced in Homolje),
- ◊ “Homoljski kravljci sir” (cow cheese produced in Homolje).

As far as I am informed, in other former Yugoslav Republics (i.e., Slovenia, Croatia, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia), since they have become independent States, no applications for appellations of origin have been filed to date.

(b) Resources

The territory of the former Socialist Federal Republic of Yugoslavia, as a mostly agricultural region, offers the natural resources of the continental and Mediterranean climates as well as a fertile soil as a basis for the manufacturing of specific natural and agricultural products. Also, the long tradition of handicrafts and the development of industry in this region constitute human resources that have established characteristic manufacturing processes in a wide range of branches of economy.

Thus, considering the natural conditions and legal basis for establishing appellations of origin, this field of industrial property has, however, never developed as it should have.

I would like to point out that the protection afforded under the regulations regarding the production of wines and brandies has had the effect that the origin and quality of such products are mainly protected by these particular regulations.

Also, the protection of trademarks which contain a designation of a locality or region of production of goods for which protection is granted, overlaps with the subject matter which can be protected as an appellation of origin. (*Figure 7 - trademark registrations Nos. 28.598. "Fruskorogski Biser", 19.047 "Biser Fruskogorac", 19.048 "Sremski Biser", 22.954 "Banatski Rizling", 30.435 "Daruvarski Rizling", 31.435 "Fruskogorski Biser", 31.562 "Fruskog Orsko Belo").*

Possibly, one of the reasons for the scarce interest in this field is caused by the complicated procedure involved in order to obtain protection, such as obtaining an opinion from relevant institutions and organs of the administration (i.e., the Chamber of Commerce) and submitting a text elaborating on the manner and the special characteristics and quality of the product.

Another reason might be because, although the duration of the indication of origin of a product is unlimited, the prolongation of the registration of the authorized users for five subsequent years must be approved and is subject to the same conditions as those for acquiring the right to use the protected appellation of origin of a product (in particular, as regards the quality conditions).

B. PROTECTION OF GEOGRAPHICAL INDICATIONS IN THE FEDERAL REPUBLIC OF YUGOSLAVIA

I would like to focus on the following report on the regulation of appellations of origin in the Federal Republic of Yugoslavia in this matter. The Federal Republic of Yugoslavia, as opposed to other former Yugoslav Republics, has regulated this matter in separate law and rules, namely:

- ◊ the Law on Appellations of Origin, in force since April 1, 1995;
- ◊ the Rules of procedure for the establishment of appellations of origin, in force since February 17, 1996.

In the above-mentioned Law on Appellations of Origin, the protection of appellations of origin covers two categories, i.e.:

"appellation of origin"—geographical name of a locality in which a product originates and to the geographical environment of which the product's special qualities are due;

"indication of source"—geographical name which is only used to indicate that a certain product originates from a particular country, region or locality.

In comparison to the previous Law, the current Law provides a less complicated procedure of recognition of an appellation of origin and of registration of an authorized user of an appellation of origin.

Competence in this procedure is given solely to the Intellectual Property Office, but only upon obtaining an opinion from the competent Chamber of Commerce.

In this Law, special attention is given to the contents of the right to an appellation of origin as a collective right, as well as to the contents and scope of the to use an appellation of origin. A special provision provides that the transfer of the right to use a protected appellation of origin is not allowed.

The prior Law did not provide for the possibility of cancelling a decision to register authorized users (*ex nunc* cancellation), whereas this possibly appears in the new Law.

The most important novelty in this Law is in the section on judicial protection of appellations of origin. The authorized users are jointly, and severally, plaintiffs, and all legally valid judicial decisions on litigation initiated by one of the users are applicable to all authorized users.

Another important novelty is the special territorial judicial competence, i.e., in cases of infringement of an appellation of origin, the court of domicile or establishment of the authorized users is competent.

In the matter of judicial protection, temporary injunctions have also been provided.

C. PROTECTION OF GEOGRAPHICAL INDICATIONS IN BULGARIA

Bulgaria is a member of the Paris Convention, the Lisbon Agreement, the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

The Bulgarian Law on Trademarks and Industrial Designs of 1968 (which entered into force in 1968) provides for the legal protection of appellations of origin. An appellation of origin is defined as the geographical denomination of a country, region or locality, which serves to designate goods originating from this locality, region or country, when the properties or quality of those goods are exclusively or mainly determined by the geographical environment, including the characteristics or nature of the production traditions of the place. Foreign applicants must present, with the application for registration of an appellation of origin in Bulgaria, a document showing the filing of application for the said appellation of origin in the

country of origin. An appellation of origin may be registered by any person engaged in economic activities in the indicated place, if the quality characteristics of the manufactured goods correspond to the specialties that are characteristic of the appellation of origin. Trademarks containing an appellation of origin may be registered only when the right to use such appellation of origin has been proved. The registration is not limited in time and is canceled when the economic activities of the person using the appellation of origin are terminated. The registration of the foreign appellation of origin is canceled when the appellation of origin has itself been canceled in the country of origin.

The draft new Law on Trademarks and Appellations of Origin also provides for the legal protection of this object. The regulations are more detailed and in compliance with the TRIPS provisions.

D. PROTECTION OF GEOGRAPHICAL INDICATIONS IN THE CZECH REPUBLIC

The legal protection of geographical indications has been introduced in the Czech Republic by the Law concerning the Protection of Appellations of Origin of Products No. 159 of December 12, 1973, and regulations have been provided by the Order of the Industrial Property Office concerning the Procedure in respect of Appellations of Origin of Products No. 160 of December 13, 1973.

Although the legal measures go back to 1973, this has not produced any litigation and there has, so far, been only one case of administrative proceedings relating to Article 1/1,2 of Law No. 159.

The decision rendered in this case on February 22, 1994, rejected the application of another party to be registered in the Register of Appellations of Origin as a user of the appellation of origin, on the ground that the applicant was not a producing company, but only an exporting one. Based on this official standpoint, the applicant's company could not be registered as another user of the said appellation of origin.

In the course of the appeals procedure, the applicant proved that his company was indeed engaged in production, the commercial purposes of the entire joint-stock company consisting of a number of processing enterprises, namely through the mediation of these producers, and that it had dealt in the exportation of the relevant products already for a long time and was among the greatest exporters of these products. The final decision therefore granted the applicant's company the right to be registered as a user of the appellation of origin in question, specifically on the basis of the fact that the applicant's establishment was located in the geographical area which had come to be generally known to designate the relevant products originating therein and that the applicant intended to use the appellation of origin only in connection with the products originating in that region.

E. PROTECTION OF GEOGRAPHICAL INDICATIONS IN POLAND

Under the Law on Trademarks, the protection of geographical indications is subject to a special regime, irrespective of the fact that the marks which are or which consist of such indications are also subject to assessment according to general criteria concerning their distinctive capacity, absolute and relative impediments to registration, as well as similarity with other previously registered marks. Marks containing names and symbols of countries ought to be considered separately.

1. Foreign Geographical Indications

The provisions of the Law do not provide for a general prohibition of using geographical indications or their elements as trademarks. The specific exception is a ban on registration of trademarks containing elements of a geographical character or other elements which:

- * indicate a State, region or locality in a State which is a member of the Paris Union for the Protection of Industrial Property,
- * or elements of a geographical character used for marking goods which do not originate in the territory of the State, if the use of such a mark may mislead the public as to the source of the goods and the prohibition of registration results from international agreements.

In general, we mean here important agreements regarding protection against passing off specific appellations of origin.

2. Polish Geographical Names

To register a trademark containing the name of a Polish district, town or locality (if the trademark fulfills the other registrability requirements), it is necessary to obtain the consent of the relevant State body or administrative unit. If the consent is given by the State, the administrative body competent for the given region or by a unit acting under such a body's authorization, the Polish Patent Office will not interfere with matters of such a body's competence unless there are obvious reasons to do so.

3. Appellations of Origin

A trademark which is protected by or contains an appellation of origin (for given goods) is to be treated as:

- * a generic name of the goods, if the registration of the appellation is applied for by an enterprise authorized to use the name,

-
- * a mark containing data inconsistent with the truth—with respect to enterprises that are not authorized to use the name.

Elements of a geographical character relating to areas which are famous on the market for given goods (services) are to be treated similarly. Therefore, these indications cannot be treated as fancy or invented names (in such cases an expert should give detailed reasons why not). The same relates to every indication which directly indicates the origin (kielecki pâté) unless it is a commonly known generic name (krakowska sausage, Chinese tea). Indications such as "fish à la grecque" should be treated as generic names.

Art. 3.1. An act of unfair competition is an action contrary to the law or customs if it jeopardizes or interferes with the interests of other enterprises or customers.

Art. 3.2. Are, in particular, acts of unfair competition: conducting business under a name which misleads the public, falsely or spuriously indicating a geographical origin of goods or services, using indications of goods or services which mislead the public, violating an enterprise's trade secrets, inducing to breaching or not fulfilling a contract, passing off products, unjustly accusing or unfairly praising, making access to the market difficult as well as unfair or prohibited advertising.

Art. 8. Marking goods or services with false or spurious geographical indications which directly or indirectly indicate a State, region or locality of origin or using such indications in commercial activities, advertising, commercial letters, accounts/bills or other documents is an act of unfair competition.

I have tried to summarize the main features of this legal area in Central and Eastern Europe, but I have found only one case, which was heard by the Appeal Board in Estonia, interesting enough to be presented here.

F. LEGAL CASE OF GEOGRAPHICAL NAMES IN ESTONIA

Tabacofina Vander Elst N.V. from Belgium submitted to the Tallinn Administrative Court a claim to declare the Appeal Board's decision No. 56-o, of June 30, 1995, to be illegal in its entirety. Tabacofina Vander Elst N.V. had applied for the registration of the trademark *Kansas* (*Figure 5.—Kansas trademark*) in class 34—cigarettes. The Patent Office, by decision No. 7/93 00117, had registered the trademark with a disclaimer in respect to the verbal part *Kansas*. The Appeal Board rejected the claim.

The claimant alleged that the decision of the Appeal Board was not motivated and founded. Although it was based on the National Court Resolution of October 6, 1995, the decision of the Appeal Board needed to be founded as this is the

only way to control whether the legal grounds referred to are applied correctly. The decision of the Appeal Board only makes reference to Article 7(1) sub-clause 2 and Article 8(1) p.3 of the Trademark Law. At the same time, the Patent Office, while deciding on the disclaimer for the verbal part Kansas, had made reference to Article 7(1) sub-clauses 1 and 2 of the Trademark Law, which is not mentioned in the decision of the Appeal Board.

The Tallinn Administrative Court ruled, on January 30, 1997, that, due to the fact that the decision of the Appeal Board was not motivated, it was not possible to find whether the Appeal Board did not accept the finding of the Patent Office in respect of the violation of Article 7(1) sub-clause 1 of the Trademark Law, that the trademark was distinctive, or that the Appeal Board did not examine this ground for the refusal of the verbal part of Kansas. In that case, the Court found that statements made by the Appeal Board in its decision were not founded on the decision of the Patent Office.

The complaint was also submitted because the verbal part of the trademark Kansas was not misleading the consumers as to the origin. Misleading means that, for the consumer, the respective product is associated with the geographical place and Kansas, as a geographical name, should therefore be associated with the production of tobacco. According to several encyclopedias, there is no production of tobacco in Kansas. Moreover, Kansas does not have suitable climatic conditions for the production of tobacco. The claim also alleged that the reference to Article 8(1) p.3 of the Trademark Law was not appropriate and not applicable, as Article 8(1) p.3 provides that a trademark cannot consist of actual and historic names of other countries or their symbols. The trademark registration practice in Estonia shows that many trademarks which constitute geographical names are registered. The Tallinn Administrative Court found that the verbal part Kansas as a trademark had been registered without a disclaimer in many other countries and that the trademark registration practice in Estonia showed that geographical names had been registered as trademarks without disclaimers. The Court therefore agreed that the reference to Article 8(1) p.3 of the Trademark Law was unfounded and declared, therefore, the Appeal Board's decision illegal in its entirety.

This case shows that a law suit may take only four months to obtain a decision. This decision was not appealed and the Appeal Board and the Patent Office made new decisions in the case and the verbal part Kansas is now registered without disclaimer.

VI. CONCLUSION

I hope that with my presentation I have given a "taste" of the geographical indications in Central and Eastern Europe, and I hope that in the next WIPO Symposium we will be able to speak about the codification of geographical indications in the Central and Eastern European countries and by that time a new international treaty will have been concluded with the membership of these countries.

[Annex follows]

ANNEX

SLOVENIA

Law on Industrial Property of March 20, 1992

(as amended and supplemented by the Law Amending and Supplementing the Law on Industrial Property of May 29, 1993)*

4. Appellations of Origin

25. Geographical names of products, whose distinctive properties are mainly due to the location or region where they are produced, if such properties are a natural consequence of either the climate or soil or of established manufacturing procedures or processes, shall be protected by appellations of origin.

The name of a product which has become generally known through long-term use in the course of trade as an indication that the product originates from a certain location or region may also be protected by an appellation of origin.

26. Geographical names which have become generally known through long-term use in the course of trade as designations for certain kinds of products may not be protected by appellations of origin.

27. Appellations of origin may be used to designate natural produce, agricultural produce, industrial products and handicraft products.

Geographical names of products protected by appellations of origin may not be employed as generic or common names.

28. The Office shall grant the right to use the appellation of origin after obtaining the expert opinion of the Chamber of Economy of the Republic of Slovenia, which must include: the geographical name of the product to be protected by the appellation of origin; products which may be marketed under that appellation of origin; locations or regions in which products marketed under the appellation of origin originate; production requirements a product must fulfill in order to be marketed under the appellation of origin; the required marking of products and further detailed requirements for grant of the right to use the appellations of origin.

29. An appellation of origin shall be established by entering the geographical name and kind of product to which the name relates in the register of appellations of origin.

An appellation of origin of a product may also be established on behalf of a foreign person, on the basis of an international agreement on reciprocal protection of appellations of origin concluded by the Republic of Slovenia.

30. An appellation of origin is a collective right and may be used as such only by those who produce or market the product for which an appellation of origin has been established.

31. Persons not authorized to use an appellation of origin may not use such appellation even if they add the words "type," "style," "fashion," "produced as" or similar words.

* Entry into force (of the Law Amending and Supplementing the Law on Industrial Property): June 13, 1993.

Source: Translation by the Industrial Property Protection Office of the Republic of Slovenia.

Annex, page 2

RUSSIAN FEDERATION

Law on Trademarks, Service Marks and Appellations of Origin*

(Statutory Grounds for Refusal of Registration)

6.-(1) Trademarks may not be registered that consist solely of signs or indications:

- that are not distinctive;
- that constitute armorial bearings, flags or emblems of States, official designations of States, emblems or abbreviated or full names of international inter-governmental organizations, official signs, assay marks or hallmarks indicating control or warranty or decorations or other honorary insignia, or are confusingly similar to such signs or indications; such signs or indications may, with the authorization of the competent authorities or the owner, be incorporated in trademarks as unprotected elements;
- that have become the customary designation for goods of a particular type;
- that are symbols or terms in common use;
- that specify the type, quality, quantity, properties, function or value of the goods, or the place and time of their manufacture or sale.

The signs or indications referred to in the second, fourth, fifth and sixth paragraphs of this subsection may be incorporated in the trademark as unprotected elements insofar as they do not predominate.

(2) Signs or indications may not be registered as trademarks or as elements thereof:

- that are inaccurate or liable to mislead the consumer as to the product or its producer;
- that are contrary to the public interest, humanitarian principles or morality.

(Other Grounds for Refusal of Registration)

7.-(1) Those signs or indications may not be registered as trademarks that are identical or confusingly similar to:

- trademarks registered or filed for registration earlier in the Russian Federation in the name of a third party for goods of the same type;
- trademarks of third parties protected, without registration, by virtue of international treaties to which the Russian Federation is party;

- appellations of origin protected in accordance with the law of the Russian Federation, except where the signs or indications are incorporated as unprotected elements in a trademark registered in the name of a person authorized to use the said appellation;
- certification marks registered according to the established procedure.

(2) Those signs and indications shall not be registered as trademarks that constitute reproductions of:

- trade names (or parts thereof) that are known on the territory of the Russian Federation and belong to third parties whose rights in the names arose on a date prior to the filing of the application for trademark protection for goods of the same type;
- industrial designs in which the rights are owned by third parties in the Russian Federation;
- titles of scientific, literary or artistic works known in the Russian Federation or names of persons, or quotations from such works, from artistic works or from parts of such works, without the consent of the owner of the copyright or his successors in title;
- family names, forenames, pseudonyms and derivatives thereof, and portraits and other likenesses of known persons without the consent of those persons, their heirs or the competent body, or that of the Supreme Council of the Russian Federation where the signs or indications form part of the historical and cultural heritage of the Russian Federation.

* *Entry into force:* October 17, 1992.

Source: Communication from the authorities of the Russian Federation. English translation prepared by the International Bureau of WIPO on the basis of an English translation furnished by the authorities of the Russian Federation.

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Title II
Appellations of Origin

Chapter 7
The Appellation of Origin and the Legal Protection Thereof

(Appellations of Origin)

30.-(1) An appellation of origin shall be constituted by the name of a country, locality, region or other geographical area (hereinafter referred to as "geographical area") that serves to designate a product whose particular properties are determined exclusively or essentially by natural factors, human factors or both natural and human factors characteristic of the geographical area in question.

The historical name of a geographical area may constitute an appellation of origin.

(2) A designation that, while representing or containing the name of a geographical area, has in the Russian Federation become the usual designation for a product of a particular type, without there being any connection with the place of manufacture of that product, shall not be considered an appellation of origin.

(Source of Legal Protection)

31.-(1) The appellation of origin shall enjoy legal protection in the Russian Federation on the basis of registration effected in accordance with the provisions of this Law or under international treaties to which the Russian Federation is party.

(2) The appellation of origin shall be protected by law.

(3) Registration of an appellation of origin may be applied for by one or more natural persons or legal entities. The person who has an appellation of origin registered gains the right to use it on condition that the product that he manufactures meets the conditions set forth in Section 30(1) of this Law.

The right to use the appellation of origin registered according to the established procedure may be granted to any person, whether a natural person or legal entity, who is located in the same geographical area and manufactures a product having the same properties.

(4) The registration of an appellation of origin shall have an unlimited term.

Chapter 8
Registration and Right of Use of the Appellation of Origin

(Application for Registration and the Right of Use of an Appellation of Origin)

32.-(1) The application for registration and the right of use of an appellation of origin or the application for the right to use an appellation of origin already registered (hereinafter referred to as "the application") shall be filed with the Patent Office by the applicant or applicants in person, or through a patent agent, as provided in Section 8(2) of this Law.

(2) The application shall relate to one appellation of origin only.

(3) The application shall contain:

- a request for registration and the grant of the right of use of the appellation of origin or for the grant of the right to use an appellation of origin already registered, which shall name the applicant or applicants and their headquarters or residences;
- the designation in respect of which the application is made;
- the type of product for the designation of which registration and the right of use of the appellation of origin, or the right to use an appellation of origin already registered, is sought, with a mention of the place of manufacture thereof (limits of the geographical area);
- a description of the particular properties of the product.

The application shall be written in Russian.

(4) The application shall be accompanied by the following:

- a statement from the competent body to the effect that the applicant is located in the geographical area specified and manufactures a product whose particular properties are determined by natural factors, human factors or both natural and human factors characteristic of the geographical area in question;
- in the case of a foreign applicant, proof of his entitlement to the appellation of origin in question in the country of origin of the product;
- proof of payment of the prescribed fee.

The documents accompanying the application may be written in Russian or in another language. If the said documents are written in a language other than Russian, Russian translations shall be filed with the application. The applicant may submit the Russian translations within two months following the date of receipt by the Patent Office of the application containing documents written in another language.

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(5) The conditions to be met by the elements of the application shall be specified by the Patent Office.

(Examination of the Application)

33.-(1) The examination of the application shall be carried out by the Patent Office and shall include a preliminary examination and an examination of the claimed designation.

(2) In the course of the examination of the application, and before a decision is taken thereon, the applicant shall have the right to add to, specify or correct elements of the said application on his own initiative.

Additional elements that alter the substance of the application shall not be taken into consideration, and the applicant may submit them as a separate application.

(3) In the course of the examination, the Patent Office shall have the right to invite the applicant to furnish additional documents without which the examination is not possible.

Where the applicant has been invited by the examiner to furnish additional elements, he shall do so within two months following the date of receipt of the invitation. The said time limit may be extended at the request of the applicant, provided that the request is received before the expiration thereof. Where the applicant fails to observe the prescribed time limit or to respond to the examiner's invitation, the application shall be deemed to have been withdrawn.

(4) The application shall undergo preliminary examination within two months following the date of its receipt by the Patent Office.

The purpose of the preliminary examination shall be to verify the contents of the application, the presence of the necessary elements and the compliance of those elements with the prescribed conditions. Depending on the results of the preliminary examination, the applicant shall be informed that his application either has or has not been taken into consideration.

(5) Where the application is taken into consideration, it shall undergo examination to establish whether the claimed designation meets the conditions set forth in Section 30 of this Law.

(6) The decision of the Patent Office to register the appellation of origin and grant the right to use it or to refuse registration of the appellation of origin and the right to use it, or the decision to grant or refuse the right to use an appellation of origin already registered, shall be based on the results of the examination.

(7) The applicant may withdraw his application at any time during the examination procedure.

(Appeal Against a Decision Relating to the Application and Restoration of Rights Determined by Time Limits)

34.-(1) In the event of disagreement with the decision taken at the end of the preliminary examination or with that taken at the end of the examination of the claimed designation, the applicant shall have the right to appeal against the said decision to the Board of Appeal within three months following the date on which he received notice thereof. The appeal shall be considered by the Board of Appeal within four months following the date of receipt.

(2) In the event of disagreement with the finding of the Board of Appeal, the applicant may, within six months following the date of receipt thereof, lodge a further appeal with the Higher Patent Chamber. The ruling of the Higher Patent Chamber shall be final.

(3) The applicant who fails to observe the time limits provided for in Section 33(3) of this Law or in subsection (1) of this Section may have his rights restored by the Patent Office if he files a request to that end not later than two months after expiration of the time limit concerned, provided that he submits a legitimate excuse and pays the prescribed fee.

(Registration of the Appellation of Origin and Issue of the Certificate Attesting the Right to Use the Appellation of Origin)

35.-(1) On the basis of the decision by the examiner, the Patent Office shall effect the registration of the appellation of origin in the Official Register of Appellations of Origin of the Russian Federation (hereinafter referred to as "the Register"). The Register shall record the appellation of origin, the particulars concerning the owner of the certificate attesting the right to use the appellation of origin (hereinafter referred to as "the certificate"), the type of product for which the appellation of origin is registered and a description of its specific properties, other particulars concerning the registration, the right to use the appellation of origin and the renewal of the validity of the certificate, and also any amendment made later to those particulars.

(2) The certificate attesting the right to use the appellation of origin shall be issued by the Patent Office within three months following the date of receipt of proof of payment of the fee.

(3) The layout of the certificate and the list of particulars appearing therein shall be prescribed by the Patent Office.

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(Term of the Certificate Attesting the Right to Use the Appellation of Origin)

36.-(1) The term of the certificate shall be 10 years from the date of receipt of the application by the Patent Office.

(2) The term of the certificate may be extended at the request of the owner thereof, provided that the competent body confirms in a notice that the owner of the certificate is located in the geographical area in question and manufactures a product having the properties specified in the certificate.

The request shall be filed in the course of the last year of the term of the certificate.

The term of the certificate shall be extended by periods of 10 years.

The owner may, on request and subject to payment of an additional fee, obtain an additional period of six months after the expiration of the term of the certificate for the extension of the said term.

(3) The Patent Office shall record any extension of the term of the certificate in the Register and on the certificate.

(Recording of Amendments in the Register and on the Certificate)

37. The owner of the certificate shall notify the Patent Office of any amendment to his business style, family name, forename or patronymic, and also any other amendment concerning the registration and the right of use of the appellation of origin.

Any amendment shall be recorded in the Register and on the certificate against payment of a fee.

(Publication of Particulars Concerning the Registration and the Right of Use of the Appellation of Origin)

38. The particulars of the registration and of the right of use of the appellation of origin that have been recorded in the Register pursuant to Section 35 of this Law shall be published by the Patent Office in the Official Gazette within six months following the date of recording in the Register.

(Registration of the Appellation of Origin Abroad)

39.-(1) Any natural person or legal entity of the Russian Federation shall have the right to have the appellation of origin registered abroad.

(2) The filing of an application for the registration of the appellation of origin abroad shall not occur until after the registration and the acquisition of the right of use of the said appellation of origin in the Russian Federation.

Chapter 9
Exploitation of the Appellation of Origin

(Exploitation of the Appellation of Origin)

40.-(1) The use of the appellation of origin on a product or on packaging, in advertising, in publicity literature, on invoices, on headed paper or on any other document associated with the marketing of the product shall be deemed to constitute exploitation of the appellation of origin.

(2) Persons not owners of a certificate shall not be authorized either to exploit a registered appellation of origin, even where the true origin of the product is stated or where the appellation is used in translation or accompanied by terms such as "kind," "type" or "imitation," or to exploit for goods of the same type a similar designation liable to mislead consumers as to the place of origin and specific properties of the product.

(3) The owner of a certificate shall not have the right to license third parties to exploit the appellation of origin.

(Notice of Reserved Rights)

41. The owner of a certificate may add a notice alongside the appellation of origin to the effect that the designation used is an appellation of origin registered in the Russian Federation.

Chapter 10
End of Legal Protection of the Appellation of Origin

(Invalidation of the Registration of the Appellation of Origin and of the Certificate Attesting the Right to Use the Appellation of Origin)

42.-(1) The registration of the appellation of origin may be invalidated if, when it was effected, the conditions required by this Law were not met.

(2) The validity of the registration of the appellation of origin may be terminated where the factors characteristic of the geographical area in question are no longer present, making it impossible to manufacture a product with the properties specified in the Register.

Independently of the reasons specified above, the validity of the registration of the appellation of origin effected in the name of a foreign natural person or legal entity shall also be terminated where that person or entity has lost the right to the said appellation of origin in the country of origin of the product.

(3) The certificate attesting the right to use the appellation of origin may be invalidated where the conditions specified in this Law were not met at the time of the issue thereof.

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(4) The validity of the certificate may be terminated:

- where the product no longer has the specific properties recorded in the Register in relation to the appellation of origin in question;
- in the event of cancellation of the appellation of origin;
- in the event of liquidation of the legal entity owning the certificate;
- on renunciation by the owner of the certificate, notified to the Patent Office.

(5) Any person may, on the grounds specified in subsections (1) to (4) of this Section, file opposition with the Board of Appeal to the registration of the appellation of origin and to the grant of the certificate attesting the right to use the said appellation. The opposition shall be considered within four months following the date of receipt thereof. The opponent and the owner of the certificate may take part in the consideration of the opposition.

(6) An appeal from the decision of the Board of Appeal shall lie to the Higher Patent Chamber within a period of six months following the date on which the said decision was taken. The ruling of the Higher Patent Chamber shall be final.

(7) The appellation of origin shall be cancelled and the certificate attesting the right to use the appellation of origin revoked by the Patent Office if they have been invalidated by a decision of the Higher Patent Chamber.

Annex, page 7

FEDERAL REPUBLIC OF YUGOSLAVIA

Law on Geographical Indications*

I. GENERAL PROVISIONS

Art. 1. This Law governs the acquisition and protection of rights in geographical indications.

A geographical indication protects an appellation of origin or an indication of source applied to goods manufactured by natural or legal persons within a specified geographical area.

Art. 2. An appellation of origin is the geographical name of a country, region or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors, and which is produced, manufactured or processed within a limited geographical area.

An appellation of origin may also be a name that is not the official geographical name of a country, a region or a locality, but which has become well-known through long-term use in trade as the appellation of a product that originates in such region, if it satisfies the conditions referred to in the first paragraph.

Art. 3. An indication of source is the geographical name that is used to denote that a given product originates in a given country, region or locality.

If not registered under the provisions of this Law, an appellation of origin shall be protected as an indication of source.

Art. 4. Geographical indications are used to designate natural, agricultural, manufactured or industrial products and products of national handicraft.

Art. 5. The geographical names of products that are protected by a geographical indication in accordance with this Law may not become generic or common names.

II. SUBJECT AND CONDITIONS OF PROTECTION

Art. 6. A geographical appellation shall not be protected if it:

- (1) is contrary to morality or the law;
- (2) has an appearance or content that infringes copyright or industrial property rights;
- (3) has an appearance or content that is liable to create confusion in trade as to the nature, origin, quality, method of fabrication or other characteristics of the products.

Art. 7. Foreign natural and legal persons may apply for protection of a geographical indication and for entry in the Register of Authorized Users if they have acquired corresponding rights in their country of origin and they satisfy the conditions set out by this Law.

Foreign natural and legal persons may also enjoy the rights referred to in the first paragraph if such derives from international agreements on the reciprocal protection of geographical indications concluded or ratified by the Federal Republic of Yugoslavia.

III. PROCEDURE FOR PROTECTION

Common Provisions

Art. 8. Legal protection for appellations of origin and indications of source shall be acquired by means of an administrative procedure prosecuted by the federal body or organization responsible for intellectual property (hereinafter referred to as "the competent federal body").

Decisions taken in accordance with the first paragraph shall terminate the procedure, but shall be subject to administrative appeal.

* *Entry into force:* April 1, 1995.

Source: Official Gazette of the Federal Republic of Yugoslavia, No. 15 of March 24, 1995, pp. 19-23.

Note: Translation by the International Bureau of WIPO on the basis of an English translation supplied by the Yugoslav authorities.

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Art. 9. The competent federal body shall keep the Register of Applications for Registration of Geographical Indications, the Register of Applications for Recognition as Authorized Users, the Register of Geographical Indications and the Register of Authorized Users of Geographical Indications.

The Registers referred to in the first paragraph shall be open to the public and interested persons may consult them free of charge.

The files of registered geographical indications and of the authorized users of such indications may be consulted by interested persons on oral request, but only in the presence of an official.

On the written request of interested persons and on payment of the prescribed fee, the competent federal body may make copies of the documents and the corresponding attestations and certificates with respect to facts entered in the official registers.

Art. 10. The competent federal body shall be required to give access to interested natural and legal persons to the documentation and information on geographical indications and the authorized users of such indications.

Art. 11. Foreign natural and legal persons may only assert rights afforded them by this Law in proceedings before Yugoslav courts or administrative bodies through professional representatives who shall be Yugoslav natural or legal persons.

Art. 12. Natural and legal persons who satisfy the conditions set out in the Federal Patent Law shall be entered in the Register of Representatives kept by the competent federal body.

Initiating the Procedure for Registration of a Geographical Indication

Art. 13. The procedure for registration of a geographical indication shall be initiated by the filing of an application.

The application may be filed only by natural or legal persons who produce within a specified geographical area the products that bear the name of that geographical area.

The application for registration of a geographical indication shall comprise a request for registration of the geographical indication, information on the geographical area and, in the case of an application for an appellation of origin, a report on the method of production and the qualities and characteristics of the product.

The application for registration of a geographical indication may concern only one geographical indication relating to only one type of product.

The procedure before the competent federal body shall be subject to fees in accordance with the Law on Federal Administrative Fees and the Recovery of Costs and Expenditure occasioned by the provision of information services.

Art. 14. The request for registration of a geographical indication shall comprise or state:

- (1) the particulars of the applicant;
- (2) the geographical name protected as a geographical indication;
- (3) a statement to the effect that it is an appellation of origin or an indication of source;
- (4) the type of product to which the geographical indication applies;
- (5) the name of the region or locality in which the product originates;
- (6) the appearance of the geographical indication, comprising words and possible figurative elements, together with the method of marking the products;
- (7) the characteristics of the product if the application is for an appellation of origin;
- (8) name of the body responsible for controlling the product in the case of an application for an appellation of origin;
- (9) the signature of the applicant.

Art. 15. The information on the geographical area of production for a given product shall comprise a precise designation of the geographical area, identification of its administrative boundaries, a geographical map and other prescribed data, whether the application for registration concerns an appellation of origin or an indication of source.

If the application relates to an appellation of origin, the report on the production method and qualities and characteristics of the product shall comprise: particulars of the applicant or of the person authorized to represent him, the geographical name of the product protected by the appellation of origin, information on the methods and processes for production of certain products, information on the qualities and characteristics of the product, rules for the method of marking the product, rules identifying those persons who have the right to use the appellation of origin and the conditions for using it, rules on the rights and duties of a user of the appellation of origin, together with other prescribed data.

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Register of Applications for Registration of Geographical Indications

Art. 16. A Register of Applications for registration of geographical indications shall be kept in which the following information shall be entered: particulars of the applicant, filing date and number of the application for registration of a geographical indication, geographical name protected by the geographical indication, appearance of the geographical indication, statement whether the application concerns an appellation of origin or an indication of source and other prescribed data.

Art. 17. If the application for registration of a geographical indication satisfies the conditions set out in Articles 13, 14 and 15 of this Law, it shall be entered in the Register of Applications for registration of geographical indications.

The day and time of filing with the competent federal body shall be entered on the application and the applicant shall receive a certificate of filing.

Initiating the Procedure for Recognition as an Authorized User of a Geographical Indication

Art. 18. The procedure for recognizing an authorized user of a geographical indication shall be initiated by filing the corresponding application.

The application for recognition as an authorized user shall contain a request for recognition, proof of activity and the product control certificate if the application for recognition as an authorized user relates to an appellation of origin.

The application for recognition as an authorized user may concern one user only.

Filing of an application for recognition as an authorized user of a geographical indication shall be subject to payment of a fee.

Art. 19. The request for recognition as an authorized user of a geographical indication shall contain or state:

- (1) particulars of the applicant;
- (2) the geographical name protected by the geographical indication;
- (3) a statement whether an appellation of origin or an indication of source is concerned;
- (4) the type of product to which the geographical name applies;
- (5) the name of the region or locality in which the product originates;
- (6) the name of the body responsible for controlling the product in the case of an application for recognition as an authorized user of an appellation of origin;
- (7) the signature of the applicant.

Art. 20. For the purposes of this Law, the proof of activity or production of a product and the product control certificate, if the application for recognition as an authorized user relates to an appellation of origin, shall be constituted by certificates issued by competent bodies and shall contain the prescribed information.

Register of Applications for Recognition as Authorized Users of Geographical Indications

Art. 21. A Register of Applications for recognition as authorized users of geographical indications shall be kept in which the following information shall be entered: particulars of the applicant, filing date and number of the application for recognition as an authorized user, geographical name protected by the geographical indication, registration number of the geographical indication and a statement about whether the application relates to an appellation of origin or an indication of source, and other prescribed data.

Art. 22. If the application for recognition as an authorized user of a geographical indication satisfies the conditions set out in Articles 18, 19 and 20 of this Law, it shall be entered in the Register of Applications for recognition as authorized users of geographical indications.

The day and time of filing with the competent federal body shall be entered on the application and the applicant shall receive a certificate of filing.

Examination of Applications for Registration of Geographical Indications or of Applications for Recognition as Authorized Users

Art. 23. An application for registration of a geographical indication shall be deemed regular if it comprises:

- (1) a request for registration of a geographical indication in accordance with Article 14 of this Law;
- (2) information on the geographical area of production of the product in accordance with the first paragraph of Article 15 of this Law;
- (3) a report on the production methods and the qualities and characteristics of the product in accordance with the second paragraph of Article 15 of this Law in the case of an application for an appellation of origin;
- (4) proof of payment of the application fee for a geographical indication;
- (5) any other prescribed documents.

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An application for recognition as a authorized user of a geographical indication shall be deemed regular if it comprises:

- (1) a request for recognition as an authorized user of a geographical indication in accordance with Article 19 of this Law;
- (2) proof of activity in accordance with Article 20 of this Law;
- (3) a product control certificate in accordance with Article 20 of this Law if the application for recognition relates to an appellation of origin;
- (4) proof of payment of the application fee for recognition as an authorized user of a geographical indication;
- (5) any other prescribed documents.

Art. 24. If the competent federal body deems that that the application is not regular, it shall invite the applicant in writing (examination report) to regularize the application within the time limit it shall prescribe.

If the applicant submits a well-founded request, the competent federal body may extend the time limit referred to in the first paragraph for such further period as it considers appropriate.

If the applicant does not regularize his application or does not pay the regularization fee within the prescribed time limit, the competent federal body shall reject the application for registration of a geographical indication or the application for recognition as an authorized user of a geographical indication.

In the case referred to in the third paragraph, the applicant may request restoration of his rights within a period of six months as from the date of receipt of the refusal decision.

Examination of the Requirements for Registration of a Geographical Indication or Recognition as an Authorized User of a Geographical Indication

Art. 25. If examination of the formal regularity of an application for registration of a geographical indication or an application for recognition as an authorized user of a geographical indication ascertains that the application is regular with respect to Article 23 or Article 24 of this Law, the competent federal body shall determine whether it satisfies the requirements set out in the Law for the registration of geographical indications or for recognition as an authorized user.

Art. 26. If the competent federal body deems that the application does not satisfy the conditions for registration of a geographical indication or for recognition as an authorized user of a geographical indication, it shall inform the applicant in writing (examination report) of the reasons for which the geographical indication may not be registered or the authorized user of a geographical indication may not be recognized and shall invite him to submit his comments within a period that it shall prescribe.

If the applicant submits a well-founded request, the competent federal body may extend the time limit referred to in the first paragraph for such further period as it considers appropriate.

If the applicant does not submit his comments or if he does so, but the competent federal body holds that the geographical indication may not be registered or that the person concerned may not be recognized as an authorized user of a geographical indication, it shall reject the request for registration of a geographical indication or for recognition as an authorized user of the geographical indication.

If, in the case referred to in the third paragraph, the application for an appellation of origin satisfies the requirements for registration as an indication of source or the application for recognition as an authorized user of an appellation of origin satisfies the conditions required for recognition as an authorized user of an indication of source, the competent federal body shall inform the applicant thereof and, with his consent, shall register the indication of source or the authorized user of the indication of source.

If the applicant does not submit his comments and the competent federal body takes the decision referred to in the third paragraph, the applicant may request restoration of his rights within a period of six months as from receipt of the date of receipt of the refusal decision.

Decision on Registration of a Geographical Indication or Recognition as an Authorized User of a Geographical Indication and Entry in the Register

Art. 27. If an application for registration of a geographical indication meets the required conditions, the competent federal body shall take a decision to register the indication and to enter it in the Register of Geographical Indications.

If an application for recognition as an authorized user of a geographical indication meets the required conditions, the competent federal body shall invite the applicant to pay the corresponding fee for the first five years and the costs of publishing the information relating to the authorized user of the geographical indication and to submit evidence of payment.

The competent federal body shall reject the application for recognition as an authorized user of a geographical indication if the applicant does not furnish within the prescribed time limit the evidence of payment referred to in the second paragraph.

In the case referred to in the third paragraph, the applicant may request restoration of his rights within a period of six months as from the date of notification of the refusal decision.

Art. 28. When the applicant files the evidence of payments referred to in the second paragraph of Article 27 of this Law, the competent federal body shall take the deci-

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sion to recognize the authorized user of the geographical indication and shall enter the right to use in the Register of Authorized Users of Geographical Indications.

Art. 29. The following particulars shall be entered in the Register of Geographical Indications: the geographical name protected by the geographical indication, a statement about whether it is an appellation of origin or an indication of source, the types of products to which the geographical indication applies, the appearance of the geographical indication, the authorized users of the geographical indication, and any other prescribed data.

Art. 30. The following particulars shall be entered in the Register of Authorized Users of Geographical Indications: the surname and forename, or business name, and address, or headquarters, of the authorized user of the geographical indication, the geographical name protected by the geographical indication, the registration number of the geographical indication and a statement whether it is an appellation of origin or an indication of source, and any other prescribed data.

Publication of Geographical Indications

Art. 31. Registered geographical indications shall be published in the Official Bulletin.

Issue of the Certificate of Recognition as an Authorized User of a Geographical Indication and Publication of the Recognition

Art. 32. The competent federal body shall issue a certificate of recognition to the authorized user of a geographical indication and shall publish the particulars of the rights granted in its Official Bulletin.

IV. CONTENT AND SCOPE OF THE RIGHT TO USE A GEOGRAPHICAL INDICATION

Art. 33. A geographical indication may be used only by those persons entered in the appropriate Register as authorized users of the indication concerned.

Art. 34. The authorized user of a geographical indication shall be entitled to use that geographical indication to mark the products to which it applies.

This right shall extend to use of the geographical indication on packaging, catalogues, prospectuses, posters and other forms of offer, on directives, invoices, correspondence and other forms of trade papers, and to import or export goods bearing that indication.

Art. 35. The effect of a geographical indication protecting a geographical name shall be to prohibit any per-

son not entered as an authorized user of the geographical indication from using that name, its transcription or transliteration, whatever the characters used, the color or mode of expression, in order to mark a product, even with the addition of words such as "type," "fashion," "by the process."

Art. 36. The authorized user of a geographical indication shall have the right to prohibit any person not entered as an authorized user from using the geographical name protected by the geographical indication, even if that geographical name corresponds to his name, a part of the trade name of an enterprise or a previously registered trademark.

Art. 37. A geographical indication may not be the subject of a contract for assignment, licensing, pledge, franchise, or the like.

Art. 38. If a geographical indication is the subject of a trademark that has been filed or registered, such trademark may not be transferred, assigned, pledged, or the like.

A geographical indication for which there are several authorized users may only be the subject of a collective mark.

Art. 39. The term of a geographical indication shall not be limited.

V. ACQUISITION AND DURATION OF THE RIGHT TO USE A GEOGRAPHICAL INDICATION

Art. 40. The authorized user of a geographical indication shall acquire the right to use that indication on entry of recognition of his capacity in the Register of Authorized Users of Geographical Indications.

The right to use a geographical indication shall last for five years as from the day of entry of the user in the Register of Authorized Users of Geographical Indications.

The right referred to in the second paragraph may be extended, at the request of the authorized user, for an unlimited number of times, subject to the prescribed conditions.

VI. LAPSE OF THE RIGHT TO USE A GEOGRAPHICAL INDICATION

Art. 41. The right to use a geographical indication may also lapse prior to expiry of the period referred to in the second paragraph of Article 40 of this Law:

(1) if the authorized user renounces his right on the day after the day on which the competent federal body receives the letter of renunciation;

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(2) as a result of a court decision or a decision by the competent federal body in those cases set out in this Law – on the day set in the decision concerned;

(3) if the legal person who is the holder of the right has been wound up or if the natural person who is the holder of the right has died – on the day of winding up or of death, except where the right has been transferred to the successors in title of the legal person or the heirs of the natural person.

VII. CANCELLATION OF THE REGISTRATION OF A GEOGRAPHICAL INDICATION OR THE RECOGNITION OF AN AUTHORIZED USER

Art. 42. The registration of a geographical indication or the recognition of an authorized user of a geographical indication may be canceled if it is established that, at the time the decision was taken, the requirements of this Law were not satisfied.

Art. 43. The registration of a geographical indication or the recognition of an authorized user may be cancelled at any time during the term of protection, either *ex officio* or at the request of an interested party or of the public prosecutor.

The request for cancellation referred to in the first paragraph shall be accompanied by the appropriate evidence.

Art. 44. If the person who requests cancellation of the registration of a geographical indication or the recognition of an authorized user withdraws his request during the procedure, the competent federal body may continue the proceedings *ex officio*.

VIII. REVOCATION OF THE DECISION TO RECOGNIZE AN AUTHORIZED USER

Art. 45. The decision to recognize an authorized user may be revoked if it is established that the conditions for recognition required by this Law have ceased to exist. The authorized user of the geographical indication shall be required to prove, during the proceedings for revocation of the decision on recognition of the authorized user, that the conditions required for recognition of that capacity were met.

Art. 46. The decision on recognition of an authorized user may be revoked *ex officio* or at the request of an interested party or at the request of the Public Prosecutor.

Art. 47. If the person who requests revocation of a decision on recognition of an authorized user renounces his request during the procedure, the competent federal body may continue the proceedings *ex officio*.

Art. 48. The person entered in the appropriate Register as an authorized user shall lose that capacity on the day on which the decision to revoke enters into force.

IX. CIVIL LAW PROTECTION

Protection in the Event of Infringement of a Geographical Indication

Art. 49. Any person who infringes a geographical indication shall be liable for damages under the general rules on compensation for damages. If the damages have been caused intentionally, compensation may be claimed for an amount up to three times that of the actual damages and of the loss of earnings.

Liability for infringement of a geographical indication as referred to in the first paragraph shall not exclude liability for acts of unfair competition.

The authorized users of a geographical indication that has been infringed may request, in addition to damages, an order forbidding the infringer from continuing the infringing acts and the publication of the decision establishing the infringement, at the expense of the defendant, together with posting of the decision at the entrance to his offices.

Art. 50. Any unauthorized commercial use of a geographical indication within the meaning of Articles 33 and 34 of this Law shall constitute an infringement of the indication.

The imitation of a geographical indication shall also constitute an infringement.

In order to establish infringement of a geographical indication, the court shall ascertain in particular whether there is a similarity within the meaning of Article 35 of this Law.

Art. 51. Proceedings for infringement of a geographical indication may be instituted by the authorized users of the geographical indication, by the consumer associations and by the Public Prosecutor.

Art. 52. Proceedings for infringement of a geographical indication shall be heard by the court within the jurisdiction of which the authorized users of the geographical indication have their place of residence or place of business.

Art. 53. Proceedings for infringement of a geographical indication may be instituted within a period of three years as from the day on which the plaintiff obtained knowledge of the infringement and of the identity of the infringer, but at the latest within a period of five years as from the day on which the infringement was committed.

Art. 54. The plaintiff in proceedings for infringement of a geographical indication may request the court to

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order a provisional injunction on the infringing activities and the provisional seizure or withdrawal from the market of the goods concerned.

Exceptionally, such provisional measures may be requested before the proceedings have been opened on condition that proceedings be instituted within 15 days of the day on which the request for provisional measures was submitted.

In the cases referred to in Article 35 of this Law, the court shall take provisional measures as referred to in the first and second paragraphs of this Article.

An appeal against a decision to order provisional measures shall not have suspensive effect.

Proceedings for infringement of a geographical indication shall be heard under the urgent procedure.

Art. 58. Implementing Regulations under this Law shall be issued within 60 days of the date of entry into force of this Law.

Art. 59. On the day this Law enters into force, the provisions of the Law on the Protection of Inventions, Technical Improvements and Distinctive Signs (Official Gazette of the Federal Republic of Yugoslavia numbers 34/81, 3/90 and 20/90) referring to appellations of origin for products shall be repealed.

Art. 60. This Law shall enter into force on the eighth day after the date of its publication in the Official Gazette of the Federal Republic of Yugoslavia.

X. PENAL PROVISIONS

Art. 55. Any enterprise or other legal person who infringes a geographical indication and thereby causes damages (Article 50) shall be liable to a fine of between 5,000 and 50,000 new dinars for an economic offense.

A person having responsibility in the enterprise or other legal person shall also be liable to a fine of between 500 and 5,000 new dinars with respect to the act referred to in the first paragraph of this Article.

Art. 56. Any enterprise or other legal person who represents without authorization foreign natural and legal persons (Article 11) shall be liable to a fine of between 1,000 and 15,000 new dinars.

A person having responsibility in the enterprise or other legal person shall also be liable to a fine of between 500 and 1,500 new dinars with respect to the acts referred to in the first paragraph of this Article.

Any natural person who represents without authorization foreign natural and legal persons shall be liable to a fine of between 500 and 1,500 new dinars.

XI. TRANSITIONAL
AND FINAL PROVISIONS

Art. 57. The appellations of origin for products registered and valid on the day on which this Law enters into force shall remain in force and the provisions of this Law shall apply to them.

Following entry into force of this Law, the appellations of origin for products referred to in the first paragraph shall be called "geographical indications."

The provisions of this Law shall also apply to applications for registration of appellations of origin for products and to applications for recognition as authorized users filed prior to the date of entry into force of this Law and for which the administrative procedure is pending.

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**Appellations of Origin in the Republic of Croatia and in
Bosnia and Herzegovina (de lege ferenda)**

Quoted please find valid regulations of the Law which regulates appellations of origin.

37. The geographical names of products whose quality is mainly due to the place or district where they are produced, if such qualities are a natural consequence of either the climate or soil or of established manufacturing procedures or processes, shall be protected by appellations of origin.

The name of a product which through long use in economic transactions has become a well-known indication that the product originates from a certain place or district may also be protected by appellations of origin.

38. Geographical names which due to long use in economic transactions have become generally known to designate certain kinds of products may not be protected by appellations of origin.

39. Appellations of origin may be used for marking natural products, agricultural products, industrial products, handicraft products and home-made products.

Geographical names protected by appellations of origin may not be converted into generic or generally known names.

40. Upon securing the opinion of the competent republic or provincial chambers of the economy, the Croatian Chamber of the Economy shall designate: geographical names which shall be protected by appellations of origin; products which may be marketed under a given appellation of origin; locations or regions from which products marketed with appellations of origin originate; production requirements a product must fulfill in order to be marketed with an appellation of origin; the way products should be marked; and further requirements for recognition of the right to use given appellations of origin.

41. An appellation of origin shall be established by registering the geographical name and kind of product to which that name relates in the register of protected appellations of origin.

The registration referred to in the first paragraph of this Section shall be carried out *ex officio* by the Office, acting on the proposal of the Croatian Chamber of the Economy.

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The appellation of origin of a product may also be established in the interest of a foreign person under an international convention on the reciprocal protection of appellations of origin concluded or acceded to by the Republic of Croatia.

42. An appellation of origin may be used only by those who produce or market the product for which an appellation of origin has been established and who are, as the authorized users of that appellation, registered in the register of users of protected appellations of origin.

The registration referred to in the first paragraph of this Section shall be carried out *ex officio* by the Office, acting on the proposal of the republic chamber of commerce in the Republic of Croatia.

43. Those not authorized to use an appellation of origin may not use such appellation even if they add the words "type," "style" or "produced as" or similar words.

Bosnia and Herzegovina has brought forth its own regulations on patents and appellations of origins which also consist of former Yugoslavia regulations together with some small changes:

31. The geographical names of products whose quality is mainly due to the place or district where they are produced, if such qualities are a natural consequence of either the climate or soil or of established manufacturing procedures or processes, shall be protected by appellations of origin.

Geographical names which due to long use in economic transaction have become generally known to designate certain kinds of products may not be protected by appellations of origin.

32. An appellation of origin shall be established by registering the geographical name and kind of product to which that name relates in the register of protected appellations of origin.

The registration referred to in the first paragraph of this Section shall be carried out *ex officio* by the Office.

The appellation of origin of a product may also be established in the interest of a foreign person under an international convention on the reciprocal protection of appellations of origin concluded or acceded to by the Republic.

33. Those not authorized to use an appellation of origin may not use such appellation even if they add the words "type," "style" or "produced as" or similar words.

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CZECH REPUBLIC

I

Law concerning the Protection of Appellations
of Origin of Products

(No. 159/1973 Sb., of December 12, 1973)

1. — Appellation of origin of products (hereinafter, "appellation of origin") means the geographical name of a country, region or locality which has come to be generally known to designate a product originating therein the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

Agricultural and natural products, in addition to products of handicraft or industry, are considered to be products for the purposes of this Law.

2. — The protection of an appellation of origin under this Law shall result from its registration in the register of appellations of origin (hereinafter, "register") kept by the Office of Inventions and Discoveries (hereinafter, "Office").

3. — Only the registered holder of the right to use an appellation of origin may use the registered appellation of origin.

4. — No one shall have the right to misuse a registered appellation of origin, in particular to misappropriate it or to imitate it, even where the true origin of the product is indicated or where the appellation is used in a translated or altered form if despite the difference there is a risk of confusion, or even where the appellation is accompanied by terms such as "kind," "type," "make," "imitation," or the like.

A registered appellation of origin may not be used as the generic name of a product.

The right to use a registered appellation of origin may not be licensed.

In the event of the merger or division of an organization registered as the holder of the right to use an appellation of origin, the right in respect of the registered appellation of origin shall be transferred in the same way as other rights; the transfer shall be recorded in the register. In the event of any other reorganization or of a transfer of production programs, the registered appellation of origin may be transferred by agreement between the organizations with the consent of the Office; the transfer shall become effective when it is entered in the register. In all cases of the transfer of a registered appellation of origin, the products must satisfy the requirements set out in Section 1.

5. — The registered holder of the right to use an appellation of origin may request the competent authority to prohibit infringements of his right and to remedy the unlawful situation, without prejudice to the other rights of the registered holder of the right to use the appellation of origin.

The right referred to in paragraph (1) of this Section shall not be enforceable against a person who, within six months from the publication of the registration of the appellation of origin in the Bulletin published by the Office (hereinafter, "Bulletin"), applies to be registered as another holder of the right to use the appellation of origin (Section 8) and is registered as such.

6. — Applications for the registration of appellations of origin shall be filed with the Office.

7. — Applications for the registration of an appellation of origin may be made by legal entities or natural persons.

The Office shall register the appellation of origin and the holder of the right to use it if it finds that the application contains the particulars required by the Rules and that the appellation of origin fulfills the conditions set out in Section 1. A certificate of registration of the appellation of origin shall be issued to the applicant. The registration shall be published in the Bulletin.

If the application does not contain the required particulars the Office shall invite the applicant to remedy the defects within three months. If the application is not rectified within that time limit, the applicant shall be deemed to have withdrawn the application.

If the appellation of origin does not fulfill the prescribed requirements the Office shall reject the application.

8. — Any person whose products fulfill the requirements laid down for an appellation of origin already registered may apply to the Office for registration as another holder of the right to use that appellation of origin. The procedure for the application shall be governed by the same rules as those for the application for registration of the appellation of origin.

The protection of the rights of another holder of the right to use the appellation of origin under this Law shall result from his entry in the register.

9. — The protection resulting from the registration of an appellation of origin or the registration of another holder of the right to use the appellation of origin shall take effect as from the date on which the application for registration of the appellation of origin or the application for registration of another holder of the right to use the appellation of origin reaches the Office.

The protection shall be of unlimited duration.

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10. — The Office shall cancel the registration of the appellation of origin if it finds that:

(a) the appellation of origin was registered although the requirements set out in Section 1 had not been fulfilled;

(b) the conditions prescribed for the registration of the appellation of origin have ceased to exist;

(c) all the registered holders of the right to use the appellation of origin have renounced the appellation of origin in writing.

The Office shall cancel the registration of an individual holder of the right to use the appellation of origin if the grounds set out in paragraph (1)(b) or (c) hereof apply only to that holder.

In its decision, the Office shall mention the date of the cancellation of the registration of the appellation of origin or of the registration of the holder of the right to use the appellation of origin. The Office shall enter the cancellation in the register and shall publish it in the Bulletin.

11. — The decision of the Office shall be subject to appeal; the appeal may be lodged within one month from the date on which the decision was notified.

12. — Any person may consult the register and request official extracts therefrom.

13. — Applications for the registration of Czechoslovak appellations of origin may be made abroad only after they have been registered in Czechoslovakia and only with the consent of the Office.

The consent of the Office shall also be required for the withdrawal of an application for registration of an appellation of origin made abroad and for the renunciation of protection.

14. — Registered holders of the right to use the appellation of origin shall notify the Office, without undue delay, of any new particulars so that they may be entered in the register of appellations of origin, and of any changes in the particulars already registered.

15. — Legal entities or natural persons whose head office or domicile is not situated in the territory of Czechoslovakia must be represented in proceedings before the Office by a member of an organization authorized to act in such proceedings.

16. — Subject to reciprocity, foreigners shall enjoy the same rights and shall have the same obligations as Czechoslovak citizens.

The first paragraph shall apply *mutatis mutandis* to legal entities.

17. — This Law shall be without prejudice to the protection of appellations of origin based on other regulations or on international agreements.

Czechoslovak appellations of origin registered under the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration on the date of the entry into force of this Law shall be entered in the register by the Office. Appellations of origin so registered shall enjoy protection under this Law as from the date of its entry into force.

18. — Filings (applications for registration, petitions, etc.) made at the Office shall not be admissible unless they are in writing.

Sections 19(5), 29(2) and 49 of Law No. 71/1967 Sb. on Administrative Procedure shall not be applicable.

The general regulations concerning administrative procedure shall, except where this Law provides otherwise, be applicable in respect of proceedings before the Office.

19. — The Office shall make rules concerning:

(a) the particulars which must be contained in an application for the registration of an appellation of origin and in an application for the registration of another holder of the right to use an appellation of origin;

(b) the particulars which must be contained in a petition for the cancellation of the registration of an appellation of origin or of the registration of the holder of the right to use an appellation of origin;

(c) the particulars to be entered in the register of appellations of origin kept by the Office;

(d) the characteristics to be entered in the certificate of registration of the appellation of origin;

(e) relations outside Czechoslovakia and the representation of foreigners before the Office.

20. — This Law shall enter into force on February 1, 1974.

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II

Order

of the Office of Inventions and Discoveries
 concerning
 Procedure in respect of Appellations of Origin of Products
 (No. 160/1973 Sb., of December 13, 1973)

1. — An application for the registration of an appellation of origin of products (hereinafter, "application") shall be filed with the Office of Inventions and Discoveries (hereinafter, "Office") in writing, and may only relate to one appellation of origin.

The application shall indicate clearly that its purpose is the registration of the appellation of origin and of the holder of the right to use the said appellation.

If the application is filed by more than one such holder, without the designation of a common agent, the holders shall state in the application the name and address of the holder to whom the notifications and the decisions of the Office are to be communicated; if this is not done, notifications and decisions shall be communicated to the holder mentioned first in the application.

2. — The application shall state:

(a) the trade name and head office, or the given name, family name and domicile of the applicant and his nationality; in addition, if the applicant is a Czechoslovak legal entity, the name and head office of the supervisory authority and of the competent central authority;

(b) where the applicant is represented by an agent, the trade name and head office, or the given name, family name and domicile of the agent;

(c) the trade name and head office of the undertaking or factory in the locality whose geographical name constitutes the appellation of origin;

(d) the name of the appellation of origin;

(e) the country, region or locality in which the product originates;

(f) the products to which the appellation of origin applies;

(g) the quality and characteristics of the said products.

3. — The application shall be accompanied by:

(a) a document attesting to the name of the applicant and the nature of his activity;

(b) a declaration by the competent central authority or, in the case of an organization administered by the National Committee, a declaration by the competent regional National Committee, concerning the appellation of origin and the products to which the appellation relates;

(c) a receipt showing that the administrative fee has been paid.

If the application is filed by a foreign legal entity or natural person, the applicant shall, in lieu of the above-mentioned declaration, submit a certificate whereby the appellation of origin is recognized in the country of origin, issued in the name of the applicant.

4. — An application for the registration of another holder of the right to use an appellation of origin that has already been registered shall be submitted to the Office in writing and shall include, in addition to the particulars and documents referred to in Sections 2 and 3, paragraph (1)(a) and (c), a declaration by the competent central authority or, in the case of an organization administered by the National Committee, a declaration by the competent regional National Committee, concerning the holder of the right to use the appellation of origin in question and its products.

If the application for registration of another holder of the right to use the appellation of origin is filed by a foreign legal entity or natural person, the applicant shall submit with the application, in addition to the documents referred to in Section 3, paragraph (1)(a) and (c), a document attesting that the person or entity in question is another holder of the right to use the appellation of origin in question in the country of origin.

5. — The declaration concerning an appellation of origin or another holder of the right to use an appellation of origin that has already been registered shall include a statement confirming that the products to which the appellation of origin applies fulfill the requirements established by law (Sections 1 and 6 of Law No. 159/1973 Sb.).

6. — The Office shall indicate on the application the exact time (date, hour and minute) at which it received it. It shall issue to the applicant an acknowledgement of receipt of the application.

The Office shall proceed in the same way in the case of an application for the registration of another holder of the right to use an appellation of origin.

7. — The register of appellations of origin shall record the following:

(a) the registration number of the appellation of origin and the date of the decision by which the Office granted protection;

(b) the name of the appellation of origin;

(c) the date of filing of the application for registration of the appellation of origin;

(d) the country, region or locality in which the product originates;

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(e) the trade name and head office or the given name, family name and domicile of the applicant, and his nationality;

(f) the name and head office of the undertaking or factory which produces the products bearing the appellation of origin in the locality whose geographical name constitutes the appellation of origin;

(g) any other holder of the right to use the registered appellation of origin;

(h) the trade name and head office or the given name, family name and domicile of the agent of the applicant and of any other holder of the right to use the appellation;

(i) the nature of the activity of the applicant and of any other holder of the right to use the appellation;

(j) the time from which the protection of the appellation of origin or of another holder of the right to use the appellation of origin runs;

(k) the transfer of the appellation of origin;

(l) the cancellation of the registration of the appellation of origin or of holders.

The specification of the quality and characteristics of the products to which the appellation of origin relates shall constitute part of the registration.

8. — In its certificate of registration of the appellation of origin or of another holder of the right to use the appellation of origin, the Office shall enter all the particulars given in the register. On request, it shall enter in a certificate that has already been issued, any changes and new particulars subsequently entered in the register.

9. — A petition for cancellation of the registration of an appellation of origin or of the registration of another holder of the right to use such an appellation shall be submitted in writing to the Office.

The petition shall be accompanied by a statement of reasons and shall refer to the evidence furnished or proposed.

The petition may only relate to one appellation of origin. A number of copies corresponding to the number of parties to the proceedings shall be submitted. The Office shall send one to each party, and shall set the time limit within which the parties may comment on the petition. Any failure to do so shall not prevent the Office from taking a decision on the petition.

10. — On the application of a legal entity or natural person that is the registered holder of the right to use an appellation of origin, the Office shall authorize the registration of the appellation of origin abroad, if the appellation is important from the standpoint of the Czechoslovak economy.

11. — An application for the registration abroad of an appellation of origin shall specify the countries in which the appellation is to be registered, the economic justification for the registration abroad, the opinions of the competent central authority or of the National Committee and of the appropriate foreign trade undertaking and the name and head office of the person who will defray the cost of registration of the appellation abroad.

The Office shall take a decision on the application after hearing the opinions of a commission composed, in particular, of representatives of the competent central authorities, the authority responsible for monetary operations abroad, the foreign trade undertaking and the organization authorized to serve as intermediary for the registration of the appellation abroad.

12. — The foregoing provisions shall apply *mutatis mutandis* where the application for registration of the appellation of origin abroad is withdrawn or protection renounced.

13. — Applications for the registration of appellations of origin pursuant to the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of October 31, 1958, must be submitted through the Office.

14. — A list of attorneys' offices and organizations authorized to act as agents pursuant to Section 15 of Law No. 159/1973 Sb. concerning the Protection of Appellations of Origin of Products shall be published in the Bulletin of the Office by the President of the Office in agreement with the competent central authorities.

15. — This Order shall enter into force on February 1, 1974.

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POLAND

Law on Trademarks

(of January 31, 1985)*

Part I
General Provisions

1. This Law regulates legal relations and procedure in respect of the protection and use in economic activities of trademarks for goods and services.

2. The provisions of this Law shall be without prejudice to the provisions of international agreements.

3. Foreign natural and legal persons shall enjoy the rights afforded by this Law in accordance with the international agreements to which the Polish People's Republic is party or under the principle of reciprocity.

4.—(1) For the purposes of this Law, a trademark shall be any sign capable of distinguishing the goods or services of a given enterprise from similar goods or services of another enterprise.

(2) The following, in particular, are considered as trademarks: words, designs, ornaments, combinations of colors, plastic forms, melodies or other acoustic signals, and a combination of such elements.

5. References in this Law

1. to an enterprise shall mean any natural or legal person entitled to carry on economic activities in the field of production, trade or the provision of services,
2. to goods shall also mean services,
3. to trademarks shall also mean service marks.

Part II
Registration of Trademarks

6.—(1) A trademark shall be registrable on behalf of a specific enterprise, but only in respect of goods falling within its field of economic activity.

(2) The registration of a trademark for specific goods shall not prevent registration of other trademarks on behalf of the same enterprise in respect of the same or different goods falling within its field of economic activity.

(3) The registration of a trademark for specific goods shall not prevent registration of the same trademark on behalf of the same enterprise in respect of other goods falling within its field of economic activity.

7.—(1) The only signs that shall be eligible for registration as trademarks are those that possess sufficient distinctiveness in ordinary economic activity.

(2) A sign shall not possess sufficient distinctiveness if it simply constitutes the generic designation of the product, if it simply makes a statement as to the properties, quality, number, amount, weight, price, purpose, manufacturing process, time or place of production, composition, function or usefulness of the goods or any similar information that does not enable the origin of the goods to be determined.

8. A trademark shall not be registrable if:

1. it is contrary to law or to the principles of society;
2. it infringes the personal or economic rights of third parties;

* Polish title: Ustawa o znakach towarowych.

Entry into force: July 1, 1985.

Source: *Dziennik Ustaw* (Law Gazette) No. 5 of February 15, 1985, text No. 17, pp. 37 *et seq.* and a French translation furnished by the Patent Office of the Polish People's Republic.

** Added by WIPO.

Annex, page 21

3. it contains incorrect statements;
4. it contains the name or abbreviated name of the Polish People's Republic or its symbols, emblem, national colors or national anthem, the insignia of the armed forces, the national hallmark of quality or the safety mark;
5. it contains the name or armorial bearings of a Polish voivodship, town or community, the reproduction of a Polish decoration, a distinction, an honorary or military medal or military insignia; in cases where this is justified, such a mark may be registered if the competent State organs or authorities have given their approval;
6. it contains the name, abbreviated name or symbols (armorial bearings, flags, emblems) of a member State of the Paris Union for the Protection of Industrial Property or the name, abbreviated name or symbols of an intergovernmental organization to which one or more of the member States of the above-mentioned Union belong, or the Olympic symbol, where the applicant is unable to establish that he is authorized to use such mark in his economic activities.

9.—(1) Registration of a trademark for goods of the same kind shall not be permissible where:

1. it resembles a mark registered on behalf of another enterprise to such an extent that it could mislead purchasers as to the origin of the goods in ordinary economic activity;
2. it is similar to a trademark that is well known in Poland as a trademark for goods of another enterprise to an extent that it could mislead purchasers as to the origin of the goods in ordinary economic activity;
3. it is similar to a trademark previously registered in Poland of which the protection has expired, if less than three years have lapsed between the date of expiry of the right deriving from the registration of such trademark and the date at which the similar mark is filed by another enterprise;
4. it constitutes the protected denomination of a plant variety;
5. it contains the reproduction of an official stamp or an official control or warranty sign, unless the applicant can establish that he is authorized to use it.

(2) A trademark shall not be registrable if it contains geographical or other elements that refer to or designate a member State of the Paris Union for the Protection of Industrial Property or a region or community within

such State, in respect of goods that do not originate in such State, and if the use of the trademark may mislead purchasers as to the origin of the goods, and if the exclusion of the trademark from registration derives from an international treaty.

Part III
Inception and Content of the
Right Deriving from the Registration
of a Trademark

10.—(1) Protection for a trademark is obtained by registration.

(2) A certificate of protection shall be issued for each trademark that is registered.

(3) The Patent Office of the Polish People's Republic, hereinafter referred to as "the Patent Office," shall be responsible for registering trademarks and issuing certificates of protection.

11. Subject to Section 12, priority for obtaining the right deriving from registration of a trademark shall be determined on the basis of its regular filing for registration with the Patent Office.

12.—(1) In the Polish People's Republic, priority for obtaining the right deriving from registration of a trademark shall be available to any natural or legal person of a member State of the Paris Union for the Protection of Industrial Property and to any natural or legal person of another State if that person has his place of residence, business offices or a real and effective industrial, commercial or service establishment in a member State of the Paris Union for the Protection of Industrial Property:

1. as from the date of the earlier regular filing of the mark for registration in respect of the stated goods in a member State of the above-mentioned Union, on condition that the application for registration of the same trademark is filed with the Patent Office for the same goods within a period of six months as from that date; or
2. as from the date of prior showing of the goods bearing the trademark at a public exhibition held in the Polish People's Republic or in a member State of the above-mentioned Union, on condition that the application for registration of that trademark is filed with the Patent Office for the same goods within a period of six months as from that date.

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(2) The priority right shall be transferable.

(3) The President of the Patent Office shall determine, on request or in agreement with the minister concerned, those public exhibitions and the conditions to be satisfied as regards the showing of the goods bearing a trademark in order to enjoy the priority right under subsection (1).

13.—(1) An enterprise on whose behalf a trademark has been registered shall have the exclusive right to use that trademark throughout the national territory in its economic activities for the goods covered by the registration.

(2) The use of a trademark shall consist, in particular, of affixing the mark to goods of the type registered or to their packaging, of marketing goods marked in that way, or of affixing the mark on documents relating to the marketing of such goods or for the purposes of advertising in the Polish mass media.

(3) The right deriving from registration of a trademark shall last for 10 years as from the regular filing of the application for registration of the trademark with the Patent Office. The term of protection for trademarks may be extended for a further 10-year period at the request of the owner of the right deriving from registration.

(4) The owner may indicate that his trademark has been registered by adding the letter R within a circle next to the trademark.

14.—(1) The protection of a trademark in respect of specific goods shall not prevent another enterprise from registering or using a similar trademark for goods of the same kind where such mark contains the designation of the enterprise, its name, its emblem or the name of the owner of the enterprise, insofar as there exists no risk of misleading purchasers as to the origin of the goods.

(2) In the case referred to in subsection (1), the owner of the right deriving from registration of the trademark may require the user of a mark or the applicant for a mark to make the necessary alteration to the trademark that has been used or is applied for in order to prevent any risk of misleading purchasers as to the origin of the goods.

(3) Section 9(1)3 shall not apply to the case referred to in subsection (1).

15.—(1) The right deriving from registration of a trademark may be assigned.

(2) The contract of assignment of the right deriving from registration of a trademark shall be in writing and shall bear a definite date.

(3) The contract of assignment of the right deriving from registration of a trademark may be invoked in respect of third parties as of its entry in the Trademark Register.

16.—(1) The right deriving from registration of a trademark may only be assigned without the enterprise or a part of the enterprise if there is no risk that purchasers may be misled as to the origin of the goods.

(2) The right deriving from registration of a trademark may not be assigned without the enterprise or a part of the enterprise if other similar trademarks have been registered on behalf of the assignor for goods of the same kind.

17.—(1) The owner of the right deriving from the registration of a trademark may authorize another enterprise to use the mark for goods covered by the registration under a license contract.

(2) Where not otherwise stipulated by the license contract, the licensee may use the trademark in the same way as the owner of the right deriving from registration of the trademark.

(3) The license contract shall be in writing. Section 15(3) shall apply *mutatis mutandis*.

18. The provisions of the Civil Code concerning liability for legal defects relating to selling activities shall apply to the liability of the assignor and licensor of the right deriving from registration of a trademark.

Part IV Protection Provided by the Right Deriving from Registration of a Trademark and the Right in a Well-Known Mark

19. Any person who, without being authorized to do so, uses a registered trademark or a similar mark for goods of the type registered or for similar goods in such way that there is a risk of the purchaser being misled as to the origin of the goods shall be liable in accordance with the provisions of this Part.

20.—(1) The owner of the right deriving from registration of a trademark may require the cessation of acts that infringe or are likely to infringe his right deriving from registration of the trademark.

Annex, page 23

(2) The owner of the right deriving from registration may require, under the general principles of law, payment of damages, surrender of the unlawful profits made from the infringement of the right deriving from registration and also publication of an appropriate statement.

(3) In the event of infringement of the right deriving from registration, the court or arbitration tribunal may order the seizure of goods, packaging and any other objects to which the registered or similar mark is affixed or the seizure of any means used for advertising and for marking the goods with such sign in accordance with the right to removal of the signs before the objects referred to can be placed on the market and also to prevent advertising for such goods.

(4) The limitation period for actions based on the infringement of the right deriving from registration of a trademark shall be three years; that period shall also apply in the relationships between units of the national economy.

21.—(1) The actions referred to in Section 20 may be instituted by the owner of the right deriving from registration of a trademark as from the time the user of the trademark has been notified of the filing of an application for registration of the mark.

(2) Actions under Section 20 cannot be instituted until the trademark has been registered.

22.—(1) The licensee shall be required to advise the owner of the right deriving from registration of any acts by third parties that infringe the right deriving from registration of the trademark.

(2) Actions under Section 20 may be instituted by the licensee.

23. Anyone having a legitimate interest therein may require the Patent Office to determine in litigation that no similarity exists between the registered trademark and the mark that he already uses or intends to use such that the right deriving from registration of that mark could be infringed.

24.—(1) The user of a mark that is well known in the Polish People's Republic may require, where such mark has not been registered:

1. the annulment of the right deriving from a registration obtained in violation of Section 9(1)2;
2. that the use of the mark or of a similar mark by other enterprises for the same goods be prohibited if there exists the risk of purchasers being misled as to the origin of the goods.

(2) The user of a well-known mark may institute an action under subsection (1) within five years of the registration of that mark or of a similar trademark or as from the date on which the use of that mark or of the similar mark by the other enterprise began, whichever period expires last.

(3) After expiry of the period laid down in subsection (2), the user of a well-known mark may only require that the necessary alteration be made in order to exclude any risk of misleading purchasers as to the origin of the goods.

(4) Where the infringer of the right in a trademark that is well known in the Polish People's Republic has acted in bad faith, actions under subsection (1) may also be instituted after the expiry of the five-year period.

Part V

Lapse and Annulment of the Right Deriving from Registration of a Trademark

25. The right deriving from registration of a trademark shall lapse:

1. on expiry of the term of protection;
2. on relinquishment of the right by the person entitled under the registration of the trademark;
3. on failure to use the mark;
4. on loss of sufficient distinctiveness of the trademark;
5. on termination of economic activity on the part of the owner of the right deriving from registration of the trademark.

26. In those cases referred to in Section 25, items 2 to 5, the Patent Office shall cancel the right deriving from registration of the trademark.

27. The owner of the right deriving from registration of the trademark may relinquish his right in whole or in part by filing a written declaration with the Patent Office. Where relinquishment of the right deriving from registration of the trademark would imply a disadvantage to persons whose rights are entered in the Trademark Register, the written consent of those persons shall be required.

28.—(1) The right deriving from registration of a trademark shall expire if the person entitled has not used the mark within a period of three consecutive years in the Polish People's Republic.

Annex, page 24

(2) Where a trademark that is registered for a number of goods is only used for some of them, the right deriving from registration of the trademark shall expire only in respect of those goods for which the mark has not been used.

(3) The right deriving from registration of a trademark shall not expire if the owner of the right can prove that he was unable to use the trademark for a justified reason.

(4) The onus of proof of use of a trademark or the existence of grounds justifying its non-use shall lie with the owner of the right deriving from registration.

29. The right deriving from registration of a trademark may be annulled in whole or in part if the statutory requirements laid down in Sections 4, 6 to 9 and 32 in respect of registration are not met.

30.—(1) Any person having a legitimate interest may submit a request for confirmation of lapse or a request for annulment of the right deriving from registration of a trademark.

(2) The Public Prosecutor of the Polish People's Republic or the President of the Patent Office may, in the public interest, request that a decision on the expiry of the right deriving from registration be taken or that the registration of a trademark be annulled, or may intervene in an action on this matter already in progress.

(3) An entry in the trademark register shall be made in respect of the lapse or annulment of a right deriving from registration of a trademark.

31. The request for annulment of a right deriving from registration of a trademark may be filed within five years of the date of registration. After the expiry of that period, such request may only be filed in respect of an owner who has obtained registration in bad faith.

Part VI

Collective Marks

32. Any organization constituted in order to represent the interests of enterprises in the Polish People's Republic or in a member State of the Paris Union for the Protection of Industrial Property and whose existence is not contrary to the laws of the State in which it undertakes its activities, may obtain registration of a collective trademark, hereinafter referred to as a "collective mark."

33.—(1) The conditions for using in economic activity a collective mark that is used by an organization referred to in Section 32 and by enterprises that are members of the organization shall be determined by rules promulgated by that organization.

(2) The rules referred to in subsection (1) shall determine, in particular, the type of use of the mark, the common properties of the goods for which the mark is intended, the principles for verifying those properties, the consequences of failing to comply with the rules and a list of the enterprises entitled to use the mark.

(3) A collective mark may only be entered in the Register after deposit of the rules referred to in subsection (1).

34.—(1) Where the right deriving from registration of a collective mark is infringed in respect of specific goods, action may be instituted only by the organization in whose favor the collective mark has been registered unless, in compliance with the rules, actions may also be instituted by enterprises that are members of the organization.

(2) An enterprise may institute an action under subsection (1) only after notifying the organization of the infringement of the right deriving from registration of the collective mark and only if the organization does not itself institute such action within a period of two months of notification.

35. The right deriving from registration of a collective mark may only be assigned to an organization of the type defined in Section 32.

36. No mark that is similar to a collective mark may be registered for the same goods on behalf of any other party within five years of the lapse of the right deriving from registration of a collective mark for specific goods.

Part VII

Procedures, Registers, Fees

37. Where not otherwise stipulated by this Law, the Code of Administrative Procedure shall apply to procedural matters before the Patent Office in respect of trademarks.

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38. The time limit for filing an appeal against a decision of the Patent Office shall be two months as from notification of the decision to the party concerned and the time limit for objecting to a determination made by the Patent Office shall be one month as from notification of the order to the party concerned.

39.—(1) An application for registration of a trademark shall be deemed to be made on the day on which it is filed with the Patent Office or is handed in at a Polish post office bearing the address of the Patent Office.

(2) The application for registration of a trademark shall state the name of the applicant, the trademark and the goods for which the trademark is intended.

(3) Priority between applications submitted on the same day shall be determined by their order of receipt at the Patent Office.

(4) The President of the Patent Office shall determine the requirements for a regular application and shall decide on the classification of goods to be applied to trademarks.

40.—(1) Only one mark may be contained in each application for registration.

(2) Where an application for registration contains more than one mark, the Patent Office shall process the application only as regards the first-mentioned mark and shall at the same time invite the applicant to file applications for the other marks within a period of three months. The date of such applications shall be deemed to be the date of the first application. If no such separate applications are filed, the Patent Office shall discontinue the procedure concerned.

41. During the examination procedure, the Patent Office may direct the applicant to remedy any omissions or defects in the application within a period of three months, failing which the procedure shall be discontinued. The time limit may, at the request of the applicant, be extended for a further three months and, in cases where this is justified, for two additional three-month periods, after payment of the appropriate fees.

42. Once an application has been filed, the applicant may not alter the essential characteristics of the mark filed nor extend the list of goods for which the mark is intended.

43.—(1) During the procedure, the Patent Office shall ensure that the mark filed satisfies the statutory requirements for registration and that it does not infringe third party rights.

(2) Where the mark filed does not satisfy the statutory requirements for registration or infringes third party rights, the Patent Office shall notify the applicant and those persons whose rights are infringed and shall invite them to submit their comments within three months.

(3) The Patent Office shall inform the applicant of any comments from third parties and shall invite him to comment thereon within three months.

(4) Where the applicant does not submit comments within the period laid down in subsection (3), the Patent Office shall refuse registration of the mark.

(5) The time periods laid down in subsections (2) and (3) may be extended at the request of the applicant in accordance with the conditions stipulated in Section 41.

44.—(1) After ascertaining that no obstacles to the registration of the mark exist and that the fees laid down in Section 55 have been paid, the Patent Office shall take the decision to register the trademark and shall enter it in the Register referred to in Section 54; where such is not the case, the Patent Office shall issue a refusal.

(2) After entry of the trademark in the Register, the Patent Office shall issue a certificate of protection to the owner of the right deriving from registration.

45.—(1) A trademark may be filed for registration abroad once it has been filed with the Polish Patent Office.

(2) The Council of Ministers shall lay down by decree the procedure for filing trademarks abroad.

46. No changes may be made to a registered trademark nor may the list of goods for which the mark has been registered be extended.

47.—(1) A request for extension of the term of protection deriving from the registration of the trademark for a further consecutive 10-year period shall be filed prior to expiry of the preceding term of protection, but not earlier than one year before expiry of that term.

(2) In cases where this is justified, the request may be made up to six months after expiry of the term of protection.

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(3) When filing a request for extension of the term of protection deriving from registration of the trademark, the owner of the right shall be required to prove that he has used the trademark to the extent required by law. Where the owner of the right is unable to prove that he has used the trademark to that extent or that the trademark could not be used for reasons which are justified, the Patent Office shall refuse extension of the right deriving from registration of the trademark and shall cancel the right.

(4) Extension of the right deriving from registration of a trademark and refusal of extension of such right shall be entered in the Trademark Register.

48. The President of the Patent Office shall lay down the requirements for requests filed with the Patent Office in respect of registered trademarks.

49.—(1) The Patent Office shall give a decision in *inter partes* proceedings in the following instances:

1. when ascertaining that no similarity exists between a registered trademark and a mark that another enterprise uses or intends to use (Section 23);
2. when recognizing the lapse of the right deriving from registration of a trademark where the mark has lost its distinctiveness or the owner of the right deriving from registration has ceased economic activities (Section 25(4) and (5));
3. when annulling the right deriving from registration of a trademark where the statutory requirements for registration have not been met (Section 29) or the right in a mark that is well known in Poland has been infringed (Section 24(1)).

(2) The Patent Office shall take its decisions in the matters referred to in subsection (1) according to the procedures and principles laid down in the Law on Inventive Activity.¹

50. Appeals against decisions and objections to determinations made by the Patent Office shall be heard by the Board of Appeals of the Patent Office, hereinafter referred to as the "Board of Appeals," to be composed as stipulated by the Law on Inventive Activity.

51. A party having his permanent place of residence or business establishment abroad may only be represented in proceedings before the Patent Office or the Board of Appeals through the agency of a unit approved for that purpose by the Minister for Foreign Trade.

52.—(1) The President of the Patent Office, the First President of the Supreme Court, the Public Prosecutor of the Polish People's Republic and the Minister of Justice may initiate an extraordinary procedure for review in the case of any final decision and any final order given by the Patent Office or the Board of Appeals which terminates the procedure and is clearly contrary to law.

(2) The provisions of the Code of Civil Procedure shall be applicable to such extraordinary procedure.

53. Actions concerning claims under Section 20 and other civil law claims in the field of trademarks which are not within the competence of the Patent Office shall be heard by the courts or by arbitration commissions.

54.—(1) The Patent Office shall keep a Trademark Register and a Collective Mark Register in which it shall make the entries required by this Law.

(2) The Registers shall be open to the public. Anyone having a legitimate interest therein may, on payment of the appropriate fee, obtain a copy, an extract or a certificate of a given entry in the Trademark Registers.

(3) Everyone shall be deemed to know the contents of the entries in the Trademark Registers.

(4) The President of the Patent Office shall lay down the rules governing the keeping of the Registers, the conditions and manner of making entries therein, the conditions for consulting a Register and for establishing copies, extracts and certificates of entries in the Registers.

55.—(1) Fees shall be payable in proceedings before the Patent Office and the Board of Appeals in actions concerning trademarks.

(2) The Council of Ministers shall determine by decree the rules for payment, the amount and the time limit for paying fees.

56. The Patent Office shall publish in its official gazette *Wiadomości Urzedu Patentowego*:

1. the registration of a trademark;
2. the extension of a right deriving from registration of a trademark;
3. the transfer of a right deriving from registration of a trademark;
4. the grant of a license;

¹ See *Industrial Property Laws and Treaties*. POLAND — Text 2-001 (Editor's note).

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5. the lapse of a right deriving from registration of a trademark;
6. the annulment of a right deriving from registration of a trademark;
7. changes in respect of the owner of a right deriving from registration of a trademark;
8. changes to the list of goods.

Part VIII
Penal Provisions

57.—(1) Anyone placing on the market goods or services bearing a trademark he is not entitled to use shall be liable to imprisonment of up to one year, limitation of freedom of up to one year or a fine.

(2) In the case of organizational units, the head of such unit shall be liable within the meaning of subsection (1); however, where another person is responsible for the marketing of goods or services within such unit, that person shall be liable.

(3) Proceedings shall be instituted at the request of the injured party.

Part IX
Amendments to Existing Provisions;
Transitional and Final Provisions

58. Section 6 of the Law of May 31, 1962, on the Patent Office of the Polish People's Republic (*Dziennik Ustaw* (Law Gazette) No. 33, text No. 157) is hereby repealed.

59. Rights deriving from registration of trademarks existing at the time of entry into force of this Law shall remain in force.

60.—(1) Legal relationships that existed in connection with the registration of trademarks prior to the entry into force of this Law shall continue to be governed by the previous provisions, subject to the provisions contained in subsection (2), below.

(2) As from the entry into force of this Law, its provisions shall apply to:

1. legal acts in relation to trademarks undertaken after the above-mentioned time;
2. the consequences of non-use of a trademark as laid down in Section 28.

61. Procedures that had begun prior to the time of entry into force of this Law shall be governed by the provisions of this Law.

62. The Law of March 28, 1963, on Trademarks (*Dziennik Ustaw* No. 14, text No. 73) is hereby repealed.

63. This Law shall enter into force on July 1, 1985.

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FIGURE 1

17 novembre 1993 20 ans 2R 172 894

PLZEŇSKÝ PRAZDROJ, NÁRODNÍ PODNIK
CZ-30 497 PLZEŇ
(République tchèque)

PILSNER BIER

Produits et/ou services groupés par classes:

32 Bière.

Origine: Tchécoslovaquie.

Enregistrements internationaux antérieurs: 30 novembre 1933,
84 610.

Pays intéressés: Algérie, Allemagne, Autriche, Benelux, Croatie,
Espagne, Hongrie, Italie, Liechtenstein, Maroc, Monaco, Portugal,
Roumanie, Saint-Marin, Slovénie, Suisse, Yougoslavie.

17 novembre 1993 20 ans 2R 172 895

PLZEŇSKÝ PRAZDROJ, NÁRODNÍ PODNIK
CZ-30 497 PLZEŇ
(République tchèque)

BIERE DE PLZEŇ-PILSEN

Classification des éléments figuratifs:
27.5

Produits et/ou services groupés par classes:

32 Bière.

Origine: Tchécoslovaquie.

Enregistrements internationaux antérieurs: 30 novembre 1933,
84 611.

Pays intéressés: Algérie, Allemagne, Autriche, Benelux, Espagne,
Hongrie, Italie, Liechtenstein, Maroc, Monaco, Portugal, Rouma-
nie, Saint-Marin, Suisse, Yougoslavie.

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17 novembre 1993 20 ans 2R 172 896

PLZEŇSKÝ PRAZDROJ, NÁRODNÍ PODNIK
CZ-30 497 PLZEŇ
(République tchèque)

BIRRA PLZEŇ-PILSEN

Classification des éléments figuratifs:
27.5

Produits et/ou services groupés par classes:

32 Bière.

Origine: Tchécoslovaquie.

Enregistrements internationaux antérieurs: 30 novembre 1933,
84 612.

Pays intéressés: Algérie, Allemagne, Autriche, Benelux, Espagne,
Hongrie, Italie, Liechtenstein, Maroc, Monaco, Portugal, Rouma-
nie, Saint-Marin, Suisse, Yougoslavie.

17 novembre 1993 20 ans 2R 172 897

PLZEŇSKÝ PRAZDROJ, NÁRODNÍ PODNIK
CZ-30 497 PLZEŇ
(République tchèque)

PILSEN BEER

Produits et/ou services groupés par classes:
32 Bière.

Origine: Tchécoslovaquie.

Enregistrements internationaux antérieurs: 30 novembre 1933,
84 613.

Pays intéressés: Algérie, Allemagne, Autriche, Benelux, Espagne,
Hongrie, Italie, Liechtenstein, Maroc, Monaco, Portugal, Rouma-
nie, Saint-Marin, Suisse, Yougoslavie.

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ORGANISATION MONDIALE
DE LA PROPRIÉTÉ INTELLECTUELLE

Union de Madrid (Marques)



Renouvellements

REN/1997/15

Notification

25 février 1997

2R 198 759

Plzeňský Prazdroj, a.s.
U Prazdroje 7,
CZ-304 97 PLZEŇ
(République tchèque).



Classification des éléments figuratifs:
24.3; 25.1; 26.1; 27.5; 29.1.

Couleurs revendiquées: blanc, or, rouge, noir, brun et vert.

Liste des produits et services:

32 Bière.

Enregistrement de base: Tchécoslovaquie, 19.10.1956, 110 974.

Enregistrements internationaux antérieurs: 08.03.1937, 94838.

Désignations selon l'Arrangement de Madrid: Algérie, Allemagne, Autriche, Benelux, Egypte, Espagne, France, Hongrie, Italie, Liechtenstein, Maroc, Monaco, Portugal, Roumanie, Saint-Marin, Suisse, Viet Nam, Yougoslavie.

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15 septembre 1978 20 ans **R 213 034**

PLZEŇSKÝ PRAZDROJ, NÁRODNÍ PODNIK
PLZEŇ (Tchécoslovaquie)



Cl. 31: Malt ★ Cl. 32: Bière.

Pays intéressés: Allemagne, République fédérale d'; Autriche; Benelux; Égypte; Espagne; France; Hongrie; Italie; Liechtenstein; Maroc; Monaco; Portugal; République démocratique allemande; Roumanie; Saint-Marin; Suisse; Tunisie; Viet Nam; Yougoslavie.

Pour l'Espagne, liste limitée à: « Cl. 32: Bière ».

Refus partiel: République fédérale d'Allemagne.

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ROMARIN - - Thu Sep 11 14:30:39 1997

1/7

NUMBER	:	AO0002
REG. DATE	:	22.11.1967
APPO NAME	:	PLZENSKE PIVO PILSNER BIER BIERE DE PILSEN (PLZEN) PILSEN BEER PILSENER PILSNER PILS
OWNER	:	Organisations qui, dans la région, s'occupent de la production des produits mentionnés
PUB. DATE	:	N°1 : mars 1968
ORIGIN	:	CZ
NICECLASS	:	32
PRODUCT	:	Bière
AIRE PROD	:	VILLE DE PLZEN (PILSEN)
REFERENCE	:	MINISTÈRE DE L'INDUSTRIE ALIMENTAIRE ARRETE N° 12.594/66-01/32 DU 3 NOV. 1966
REFUSAL	:	FRANCE - 10 AVR. 1969

* * * * *

ROMARIN - - Thu Sep 11 14:30:25 1997

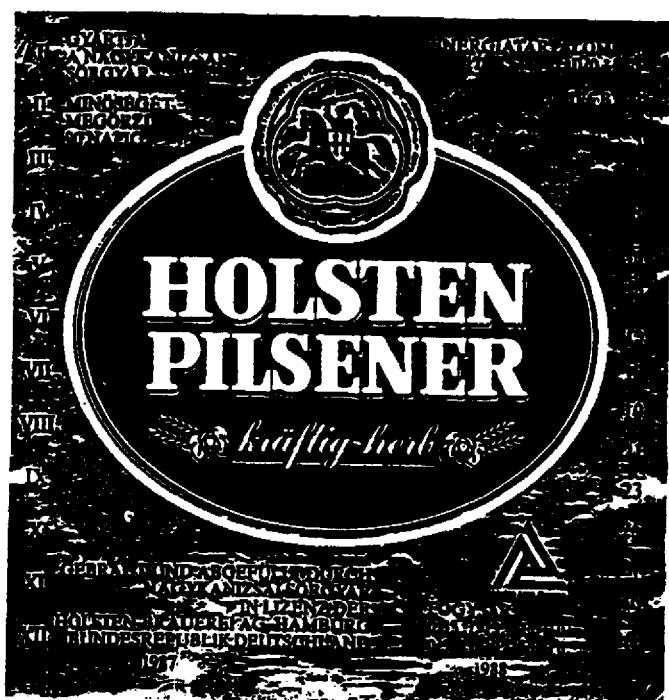
1/8

NUMBER	:	AO0001
REG. DATE	:	22.11.1967
APPO NAME	:	PLZEN PILSEN PILS PILSENER PILSNER
OWNER	:	Organisations qui, dans la région, s'occupent de la production des produits mentionnés
PUB. DATE	:	N°1 : mars 1968
ORIGIN	:	CZ
NICECLASS	:	32
PRODUCT	:	Bière
AIRE PROD	:	VILLE DE PLZEN (PILSEN)
REFERENCE	:	MINISTÈRE DE L'INDUSTRIE ALIMENTAIRE ARRETE N° 12.594/66-01/31 DU 3 NOV. 1966
REFUSAL	:	FRANCE - 10 AVR. 1969

* * * * *

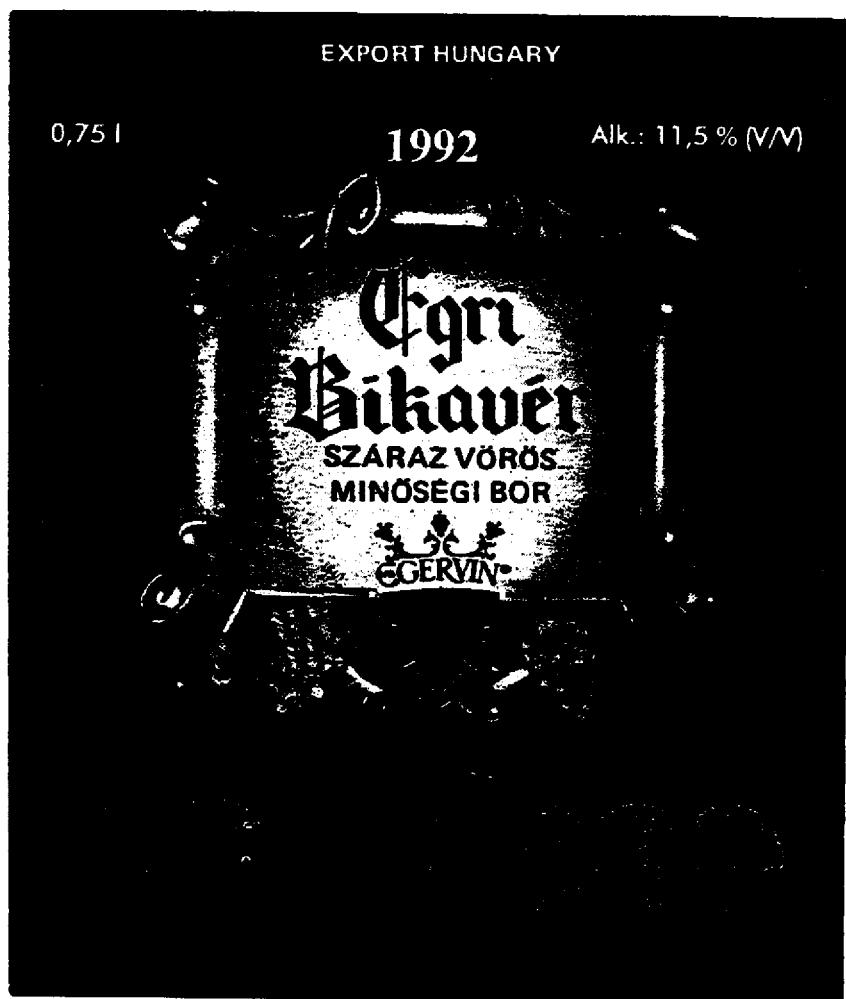
Annex, page 33

FIGURE 2



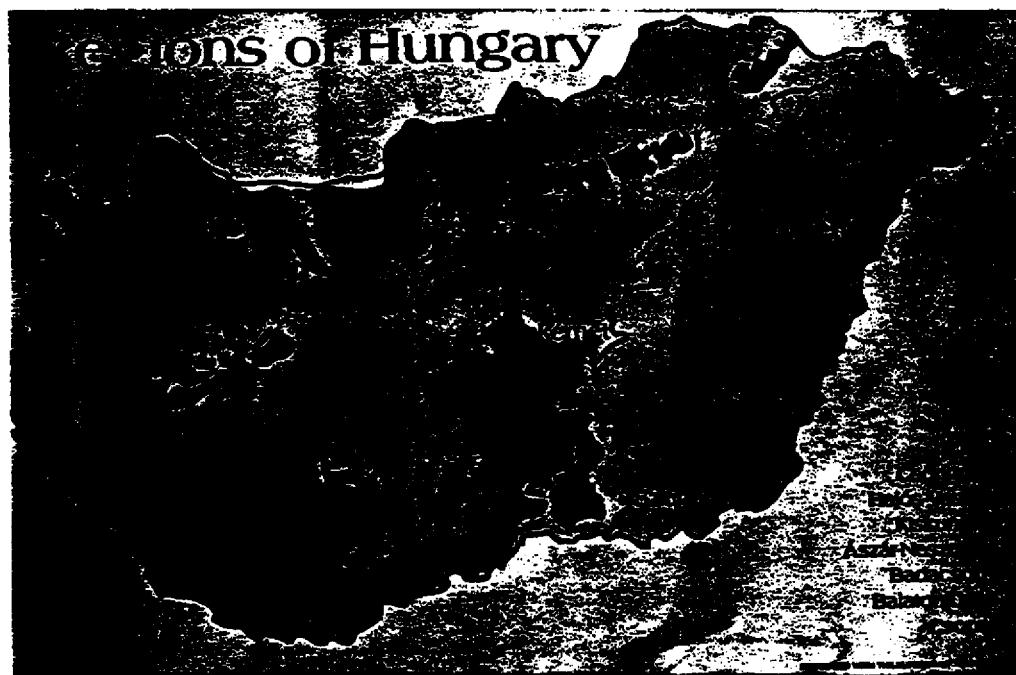
Annex, page 34

FIGURE 3



Annex, page 35

FIGURE 4



Annex, page 36

FIGURE 5

(21) Taotl nr 9300117 (22) Tätilt kuup 13.01.1993
 (30) Prioriteet 13.01.1993

(54)



(21) Taotl nr 9300117 (22) Tätilt kuup 13.01.1993
 (30) Prioriteet 13.01.1993

(54)



(58) Mittenekitstarv osa: kaubamärgi tähise sõnaline osa "Kansas" ei kuulu kaitse alla.
 (71) Taotaja: TABACOFINA-VANDER ELST N.V.,
 Prins Baudewijnlaan 43, B-2650 Edegem, BE
 (74) Volimik: Urmas Kerm, AS A.A.A. Baltic Service
 Co., Registri ptk 1-329A, EE0019 Tallinn, EE
 (51) Klass: 34

(71) Taotaja: TABACOFINA-VANDER ELST N.V.,
 Prins Baudewijnlaan 43, B-2650 Edegem, BE
 (74) Volimik: Urmas Kerm, AS A.A.A. Baltic Service
 Co., Registri ptk 1-329A, EE0019 Tallinn, EE
 (51) Klass: 34

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FIGURE 6



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Annex, page 39



Annex, page 40

FIGURE 7

(11) 31562
 (15) 10.04.85
 (73) NAVIP, ZEMUN, YU
 (51,57) 33: Vina.

(21) 232/85
 (30) 10.04.85

(54)



(11) 30435
 (15) 04.06.85
 (73) BADEL, ZAGREB, YU
 (51,57) 33: Vina.

(21) 401/85
 (30) 04.06.85

(54)

KVALITETNO VINO S GEOGRAFSKIM PORIJEKLOM



Annex, page 41

Br. 22954 Registrovan 15. 02. 1978.
PKB Poljoprivredni kombinat, Padinska Skela
Zast: tehnозавод, Beograd
22954 — Ž 900/71

Banatski Rizling

Kl. 33: vina

Pravo prvenstva od 30. 12. 1971.

Br. 19047—19048 Registrovani 20. 8. 1971.
"Navip" — narodno vinarstvo i podrumarstvo,
izvozno preduzeće, Zemun, SFR Jugoslavija
Zast.: Patentcentar — Beograd

Br. 19047 - Z 131/69

BISER FRUŠKOGORAC

Kl. 33: vina.

Br. 19048 — Z 132/69

SREMSKI BISER

K1 33: vina

Pravo prvenstva od 5. 3. 1969.

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(11) 31561

(15) 10.04.85

(73) NAVIP, ZEMUN, YU

(51,57) 33: Vina.

(21) 231/85

(30) 10.04.85

(54)



Br. 18598

Registriran 22. 7. 1970.

„Narip”, Narodno vinarstvo i podrumarstvo, izvozno preduzeće, Zemun, SFRJ

Zast.: Patentcentar, Beograd

Br. 18598—Z 134/69



Zig je zaštićen u kombinaciji crvene, bele, crne i zlatne boje
 Kl. 33: vina, jaka alkoholna pića, likeri.

Pravo prvenstva od 5. 3. 1969.

PROTECTION OF GEOGRAPHICAL INDICATIONS IN THE EUROPEAN UNION

by

Ms. Susana Pérez, Lawyer, Quality Policy Unit,
Directorate-General VI, Agriculture, European Commission, Brussels

I. INTRODUCTION

II. REGULATION (EEC) No. 2081/92 ON THE PROTECTION OF GEOGRAPHICAL INDICATIONS AND DESIGNATIONS OF ORIGIN FOR AGRICULTURAL PRODUCTS AND FOODSTUFFS. WHY THIS REGULATION? PRINCIPAL IDEAS

When a food product name becomes well known outside its area of origin, it may find itself competing in the market place with imitation products making use of the same name. As a matter of fact, "reputation" has always helped selling food products.

This unfair competition not only undermines the efforts made by the producer or manufacturer to obtain the name in the first place, it leaves consumers confused as to which product is genuine and which is a copy.

All Member States have tried to protect such designations by various means:

- ◊ trademark protection;
- ◊ "appellation d'origine;"
- ◊ through the legal system;
- ◊ the recognition as customary usage and so on.

The European Union introduced legislation on geographical indications and the European designations of origin on July 14, 1992, in an attempt to harmonize this protection at Community level in the case of all food products other than wines and spirit drinks—already covered by earlier Community legislation—in order to bring some clarity to the market and protect the interests of producers and consumers.

The objectives of this legislation are many but, in particular, to promote the development of high quality value added food products which can make an important contribution towards rural development and also agricultural diversification. It also gives protection to the consumer by guaranteeing a certain quality and preventing unscrupulous producers from selling poorer quality imitation products under the same name.

It should be pointed out that while the Community's legislation on geographical indications and designations of origin enables names to be protected, it does not outlaw the manufacture and sale of similar products under other names provided this does not damage the protected designation.

Registration will mean that these products are protected at Community level against competition from imitations and misleading products. This protection is exactly the same as would derive from an industrial property right such as a patent or trademark, in other words, once a geographical indication or designation of origin is registered, only producers in a designated area who comply with strict production rules set out in the product specification may use that name.

Generic names are not protected. A generic name is a name which has become the common name of a product. The manufacture of a product (even a significant one) outside it's area of origin does not automatically mean that the name has become generic.

III. PROTECTION: ARTICLE 13

The protection level of registered names is higher than those already existing. It tries to cover all the situations which can harm a Designation of Origin (PDO) or a Geographical Indication (PGI).

Every registered name is protected against:

- * any direct or indirect commercial use of a name registered in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or in so far as using the name exploits the reputation of the protected name;
- * any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as "style," "type," "method," "as produced in," "imitation," or similar;
- * any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
- * any other practice liable to mislead the public as to the true origin of the product.

This protection is *ex officio*—that is to say, the Member State must itself ensure this protection on its territory.

For that, it is necessary that the Member State has set up structures of control which can check the use of the PDO/PGI and the conformity of the product with the specifications from the production stage (very important) until the final marketing stage. When the Member State calls for certification bodies to ensure this control, those have to comply with the EN 45011 standard which re-adapts the corresponding international ISO standards.

IV. TRANSITIONAL PERIOD

The Council Regulation on PDOs and PGIs foresaw a transitional period of five years starting from the date of the Regulation's publication during which time Member States may, on certain terms, allow the continued use of registered names for products which do not meet the criteria for the registered PDO/PGI.

Since the Regulation was published on July 24, 1992, the transitional period would expire on July 25, 1997.

As the first proposal to register geographical indications and designations of origin was presented only in March 1996, and in order to maintain its intended utility, its commencement date has been changed to that of registration of the names.⁴ This transitional period will, however, apply only to those names which are already the subject of some form of protection in one or more Member States before being registered (Article 17).

Currently, about 400 names have already been registered in the context of the "simplified procedure" (Article 17). 47 new applications for registration, in the context of the "normal procedure" (Articles 5, 6 and 7), have been received by the Commission.

The aim is not to register every geographical name but only "names which comply with requirements provided for in Articles 2 and 4 of Regulation (EEC) No. 2081/92," this is an "exclusive or essential link" between the product and the geographical area in the case of a "PDO" and "a reputation" or a quality or other characteristics in the case of a "PGI."

⁴ Regulation (EC) No. 535/97 of March 17, 1997. OJ No. L 83/3 of March 25, 1997. This Regulation has also established the possibility, for Member States, to adopt a "transitory national protection" of designations proposed for registration until the moment where a community decision on registration has been taken.

V. PROCEDURE TO OBTAIN THIS PROTECTION

This Regulation is a voluntary system. This means that the initiative to apply for a registration concerns a group of producers working with the same product.

The procedure to obtain the registration is established in Articles 5, 6 and 7 of Regulation (EEC) No. 2081/92. In fact, the group of producers or industries prepare a "product specification" complying with the conditions provided for in Article 4 (name, description, justification of a link and inspection system).

The application for registration including the product specification shall be submitted to the competent authority of the Member State in which the group is established. This competent authority shall forward the application for registration to the Commission if it considers that the requirements of Articles 2 and 4 are fulfilled.

If these requirements are fulfilled, the Commission will publish, in the *Official Journal of the European Communities*, the name and other aspects contained in the product specifications. This first publication confers to any national or legal person legitimately concerned the possibility of objecting to this registration.⁵

If no objection is notified to the Commission, the designation is registered. But, in the case of an objection, the Member State concerned must seek an agreement. If no agreement is reached, the Commission shall decide pursuant to the procedure provided for in Article 15 (Regulatory Committee).

When there is no objection, the length of the procedure will, more or less, be of 12 months.

⁵ A statement of objection shall be admissible only if it:

- ◊ either shows non-compliance with the conditions referred to in Article 2;
- ◊ shows that the proposed registration of a name would jeopardize the existence of an entirely or partly identical name or trademark or the existence of products which are legally on the market at the time of publication of this Regulation in the *Official Journal of the European Communities*;
- ◊ indicates the features which demonstrate that the name whose registration is applied for is generic in nature.

VI. WHAT IS A PDO AND WHAT IS A PGI?

PDO - Designation of Origin

This means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- * originating in that region, specific place or country, and
- * the quality of characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area.

PGI - Geographical Indication

This means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- * originating in that region, specific place or country, and
- * which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.

VII. TRADEMARKS

Article 14 provides for solutions for the cases where trademarks and PDO/PGI use the same geographical name and go as far as providing the case of non-registration of the PDO/PGI.

A denomination for which the registered geographical indication or designation of origin was required is not registered when, in view of the reputation of a mark, of its renown and of the length of its homogeneous use, the registration is likely to mislead the consumer regarding the genuine identity of the product (paragraph 3 of Article 14).

Regarding the trademarks (paragraph 2 of Article 14), the use of which involves situations provided for in Article 13, paragraph 1) in relation to geographical indications or in relation to designations of origin, their use can continue only subject to the following conditions:

- * it can be shown that the mark was registered before the date of filing of the request for registration of the geographical indication or of the designation of origin and that it was registered in good faith;

- * it cannot be established that the use of the mark could not be continued in the respect of Community law;
- * it cannot be established that at the time of the registration of the mark, no grounds for nullity provided for in Council Directive 89/104/EEC, of December 21, 1988, to approximate the laws of the Member States relating to trademarks, exist;

in the opposite (paragraph 1 of Article 14), the application for registration of a trademark should be refused, provided that the application was submitted after the date of the publication of a PDO or PGI.

VII. CLARIFICATION

It is important to distinguish the following situations:

The protection pursuant to Article 22 of the TRIPS Agreement, which is guaranteed by the Member States' application of Directive 79/112/EEC concerning labeling (prohibition to mislead the public). In the event of a problem relating to a geographical indication of a World Trade Organization (WTO) Member, the EC Member States must also ensure the possibility for the operators concerned to take legal action in their courts; the *ex officio* protection pursuant to Regulation (EEC) No. 2081/92, for which either:

- * the procedure followed by Community producers as outlined above must be followed, in accordance with the principle of national treatment;
- * or, a bilateral agreement should be concluded as envisaged in Article 12, when the system of protection is equivalent to the Community regime.

IX. CONCLUSION

Taking into account the fact that first names have been registered as geographical indications or designations of origin in June 1996, it is rather early to talk about the efficiency of Regulation (EEC) No. 2081/92.

Anyway, it is clear that the system has been welcomed with a lot of expectation. As a matter of fact, about 1,600 applications for registration have been notified to the Commission⁶ and some third countries have already asked the

⁶ Only at about 400 names have been registered up to now (see Regulations (EC) No. 1107/96, 1263/96, 123/97, 1065/97 and 2400/96).

Commission to conclude bilateral agreements on the protection of geographical indications (e.g., Switzerland). Also, several cases concerning registered names (as "Feta") are in the European Court of Justice. It will be very interesting for anyone to know the interpretation of the European Court of Justice in this matter. Whatever the circumstances, we consider that Article 13 could mean, if it is really applied by the Member States, a real protection of geographical names in the Community. The Commission is working in order to guarantee its correct implementation.

In order to inform producers and consumers regarding the meaning and the interest of the system, the Commission has launched, in 1996, a communication campaign.

[Annex follows]

ANNEX

24. 7. 92

Official Journal of the European Communities

No L 208/1

I

*(Acts whose publication is obligatory)***COUNCIL REGULATION (EEC) No 2081/92**

of 14 July 1992

on the protection of geographical indications and designations of origin for agricultural products and foodstuffs**THE COUNCIL OF THE EUROPEAN COMMUNITIES.**

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43,

Having regard to the proposal from the Commission (¹),

Having regard to the opinion of the European Parliament (²),

Having regard to the opinion of the Economic and Social Committee (³),

Whereas the production, manufacture and distribution of agricultural products and foodstuffs play an important role in the Community economy;

Whereas, as part of the adjustment of the common agricultural policy the diversification of agricultural production should be encouraged so as to achieve a better balance between supply and demand on the markets; whereas the promotion of products having certain characteristics could be of considerable benefit to the rural economy, in particular to less-favoured or remote areas, by improving the incomes of farmers and by retaining the rural population in these areas;

Whereas, moreover, it has been observed in recent years that consumers are tending to attach greater importance to the quality of foodstuffs rather than to quantity; whereas this quest for specific products generates a growing demand for agricultural products or foodstuffs with an identifiable geographical origin;

Whereas in view of the wide variety of products marketed and of the abundance of information concerning them

(¹) OJ No C 30, 6. 2. 1991, p. 9 and OJ No C 69, 18. 3. 1992, p. 15.

(²) OJ No C 326, 16. 12. 1991, p. 35.

(³) OJ No C 269, 14. 10. 1991, p. 62.

provided, consumers must, in order to be able to make the best choice, be given clear and succinct information regarding the origin of the product;

Whereas the labelling of agricultural products and foodstuffs is subject to the general rules laid down in Council Directive 79/112/EEC of 18 December 1978 on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs (⁴); whereas, in view of their specific nature, additional special provisions should be adopted for agricultural products and foodstuffs from a specified geographical area;

Whereas the desire to protect agricultural products or foodstuffs which have an identifiable geographical origin has led certain Member States to introduce 'registered designations of origin'; whereas these have proved successful with producers, who have secured higher incomes in return for a genuine effort to improve quality, and with consumers, who can purchase high quality products with guarantees as to the method of production and origin;

Whereas, however, there is diversity in the national practices for implementing registered designations of origin and geographical indications; whereas a Community approach should be envisaged; whereas a framework of Community rules on protection will permit the development of geographical indications and designations of origin since, by providing a more uniform approach, such a framework will ensure fair competition between the producers of products bearing such indications and enhance the credibility of the products in the consumers' eyes;

Whereas the planned rules should take account of existing Community legislation on wines and spirit drinks, which provide for a higher level of protection;

(⁴) OJ No L 33, 8. 2. 1979, p. 1. Last amended by Directive 91/72/EEC (OJ No L 42, 15. 2. 1991, p. 27).

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No L 208/2

Official Journal of the European Communities

24. 7. 92

Whereas the scope of this Regulation is limited to certain agricultural products and foodstuffs for which a link between product or foodstuff characteristics and geographical origin exists ; whereas, however, this scope could be enlarged to encompass other products or foodstuffs ;

Whereas existing practices make it appropriate to define two different types of geographical description, namely protected geographical indications and protected designations of origin ;

Whereas an agricultural product or foodstuff bearing such an indication must meet certain conditions set out in a specification ;

Whereas to enjoy protection in every Member State geographical indications and designations of origin must be registered at Community level ; whereas entry in a register should also provide information to those involved in trade and to consumers ;

Whereas the registration procedure should enable any person individually and directly concerned in a Member State to exercise his rights by notifying the Commission of his opposition ;

Whereas there should be procedures to permit amendment of the specification, after registration, in the light of technological progress or withdrawal from the register of the geographical indication or designation of origin of an agricultural product or foodstuff if that product or foodstuff ceases to conform to the specification on the basis of which the geographical indication or designation of origin was granted ;

Whereas provision should be made for trade with third countries offering equivalent guarantees for the issue and inspection of geographical indications or designations of origin granted on their territory ;

Whereas provision should be made for a procedure establishing close cooperation between the Member States and the Commission through a Regulatory Committee set up for that purpose,

HAS ADOPTED THIS REGULATION :

Article 1

1. This Regulation lays down rules on the protection of designations of origin and geographical indications of agricultural products intended for human consumption referred to in Annex II to the Treaty and of the foodstuffs referred to in Annex I to this Regulation and agricultural products listed in Annex II to this Regulation.

However, this Regulation shall not apply to wine products or to spirit drinks.

Annex I may be amended in accordance with the procedure set out in Article 15.

2. This Regulation shall apply without prejudice to other specific Community provisions.

3. Council Directive 83/189/EEC of 28 March 1983 laying down a procedure for the provision of information in the field of technical standards and regulations (1) shall not apply to the designations of origin and geographical indications covered by this Regulation.

Article 2

1. Community protection of designations of origin and of geographical indications of agricultural products and foodstuffs shall be obtained in accordance with this Regulation.

2. For the purposes of this Regulation :

(a) *designation of origin* : means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff :

- originating in that region, specific place or country, and
- the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area ;

(b) *geographical indication* : means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff :

- originating in that region, specific place or country, and
- which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.

3. Certain traditional geographical or non-geographical names designating an agricultural product or a foodstuff originating in a region or a specific place, which fulfil the conditions referred to in the second indent of paragraph 2 (a) shall also be considered as designations of origin.

(1) OJ No L 109, 26. 4. 1983, p. 8. Last amended by Decision 90/230/EEC (OJ No L 128, 18. 5. 1990, p. 15).

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No L 208/3

4. By way of derogation from Article 2 (a), certain geographical designations shall be treated as designations of origin where the raw materials of the products concerned come from a geographical area larger than or different from the processing area, provided that:

- the production area of the raw materials is limited,
- special conditions for the production of the raw materials exist, and
- there are inspection arrangements to ensure that those conditions are adhered to.

5. For the purposes of paragraph 4, only live animals, meat and milk may be considered as raw materials. Use of other raw materials may be authorized in accordance with the procedure laid down in Article 15.

6. In order to be eligible for the derogation provided for in paragraph 4, the designations in question may be or have already been recognized as designations of origin with national protection by the Member State concerned, or, if no such scheme exists, have a proven, traditional character and an exceptional reputation and renown.

7. In order to be eligible for the derogation provided for in paragraph 4, applications for registration must be lodged within two years of the entry into force of this Regulation.

Article 3

1. Names that have become generic may not be registered.

For the purposes of this Regulation, a 'name that has become generic' means the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff.

To establish whether or not a name has become generic, account shall be taken of all factors, in particular:

- the existing situation in the Member State in which the name originates and in areas of consumption,
- the existing situation in other Member States,
- the relevant national or Community laws.

Where, following the procedure laid down in Articles 6 and 7, an application of registration is rejected because a name has become generic, the Commission shall publish that decision in the *Official Journal of the European Communities*.

2. A name may not be registered as a designation of origin or a geographical indication where it conflicts with the name of a plant variety or an animal breed and as a

result is likely to mislead the public as to the true origin of the product.

3. Before the entry into force of this Regulation, the Council, acting by a qualified majority on a proposal from the Commission, shall draw up and publish in the *Official Journal of the European Communities* a non-exhaustive, indicative list of the names of agricultural products or foodstuffs which are within the scope of this Regulation and are regarded under the terms of paragraph 1 as being generic and thus not able to be registered under this Regulation.

Article 4

1. To be eligible to use a protected designation of origin (PDO) or a protected geographical indication (PGI) an agricultural product or foodstuff must comply with a specification.

2. The product specification shall include at least:

- (a) the name of the agricultural product or foodstuffs, including the designation of origin or the geographical indication;
- (b) a description of the agricultural product or foodstuff including the raw materials, if appropriate, and principal physical, chemical, microbiological and/or organoleptic characteristics of the product or the foodstuff;
- (c) the definition of the geographical area and, if appropriate, details indicating compliance with the requirements in Article 2 (4);
- (d) evidence that the agricultural product or the foodstuff originates in the geographical area, within the meaning of Article 2 (2) (a) or (b), whichever is applicable;
- (e) a description of the method of obtaining the agricultural product or foodstuff and, if appropriate, the authentic and unvarying local methods;
- (f) the details bearing out the link with the geographical environment or the geographical origin within the meaning of Article 2 (2) (a) or (b), whichever is applicable;
- (g) details of the inspection structures provided for in Article 10;
- (h) the specific labelling details relating to the indication PDO or PGI, whichever is applicable, or the equivalent traditional national indications;
- (i) any requirements laid down by Community and/or national provisions.

Article 5

1. Only a group or, subject to certain conditions to be laid down in accordance with the procedure provided for in Article 15, a natural or legal person, shall be entitled to apply for registration.

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24. 7. 92

For the purposes of this Article, 'Group' means any association, irrespective of its legal form or composition, of producers and/or processors working with the same agricultural product or foodstuff. Other interested parties may participate in the group.

2. A group or a natural or legal person may apply for registration only in respect of agricultural products or foodstuffs which it produces or obtains within the meaning of Article 2 (2) (a) or (b).

3. The application for registration shall include the product specification referred to in Article 4.

4. The application shall be sent to the Member State in which the geographical area is located.

5. The Member State shall check that the application is justified and shall forward the application, including the product specification referred to in Article 4 and other documents on which it has based its decision, to the Commission, if it considers that it satisfies the requirements of this Regulation.

If the application concerns a name indicating a geographical area situated in another Member State also, that Member State shall be consulted before any decision is taken.

6. Member States shall introduce the laws, regulations and administrative provisions necessary to comply with this Article.

Article 6

1. Within a period of six months the Commission shall verify, by means of a formal investigation, whether the registration application includes all the particulars provided for in Article 4.

The Commission shall inform the Member State concerned of its findings.

2. If, after taking account of paragraph 1, the Commission concludes that the name qualifies for protection, it shall publish in the *Official Journal of the European Communities* the name and address of the applicant, the name of the product, the main points of the application, the references to national provisions governing the preparation, production or manufacture of the product and, if necessary, the grounds for its conclusions.

3. If no statement of objections is notified to the Commission in accordance with Article 7, the name shall be entered in a register kept by the Commission entitled 'Register of protected designations of origin and protected geographical indications', which shall contain the names of the groups and the inspection bodies concerned.

4. The Commission shall publish in the *Official Journal of the European Communities*:

- the names entered in the Register,
- amendments to the Register made in accordance with Article 9 and 11.

5. If, in the light of the investigation provided for in paragraph 1, the Commission concludes that the name does not qualify for protection, it shall decide, in accordance with the procedure provided for in Article 15, not to proceed with the publication provided for in paragraph 2 of this Article.

Before publication as provided for in paragraphs 2 and 4 and registration as provided for in paragraph 3, the Commission may request the opinion of the Committee provided for in Article 15.

Article 7

1. Within six months of the date of publication in the *Official Journal of the European Communities* referred to in Article 6 (2), any Member State may object to the registration.

2. The competent authorities of the Member States shall ensure that all persons who can demonstrate a legitimate economic interest are authorized to consult the application. In addition and in accordance with the existing situation in the Member States, the Member States may provide access to other parties with a legitimate interest.

3. Any legitimately concerned natural or legal person may object to the proposed registration by sending a duly substantiated statement to the competent authority of the Member State in which he resides or is established. The competent authority shall take the necessary measures to consider these comments or objection within the deadlines laid down.

4. A statement of objection shall be admissible only if it:

- either shows non-compliance with the conditions referred to in Article 2,
- or shows that the proposed registration of a name would jeopardize the existence of an entirely or partly identical name or trade mark or the existence of products which are legally on the market at the time of publication of this regulation in the *Official Journal of the European Communities*,
- or indicates the features which demonstrate that the name whose registration is applied for is generic in nature.

5. Where an objection is admissible within the meaning of paragraph 4, the Commission shall ask the Member States concerned to seek agreement among themselves in accordance with their internal procedures within three months. If:

- (a) agreement is reached, the Member States in question shall communicate to the Commission all the factors which made agreement possible together with the applicant's opinion and that of the objector. Where there has been no change to the information received under Article 5, the Commission shall proceed in accordance with Article 6 (4). If there has been a change, it shall again initiate the procedure laid down in Article 7;

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- (b) no agreement is reached, the Commission shall take a decision in accordance with the procedure laid down in Article 15, having regard to traditional fair practice and of the actual likelihood of confusion. Should it decide to proceed with registration, the Commission shall carry out publication in accordance with Article 6 (4).

Article 8

The indications PDO, PGI or equivalent traditional national indications may appear only on agricultural products and foodstuffs that comply with this Regulation.

Article 9

The Member State concerned may request the amendment of a specification, in particular to take account of developments in scientific and technical knowledge or to redefine the geographical area.

The Article 6 procedure shall apply *mutatis mutandis*.

The Commission may, however, decide, under the procedure laid down in Article 15, not to apply the Article 6 procedure in the case of a minor amendment.

Article 10

1. Member States shall ensure that not later than six months after the entry into force of this Regulation inspection structures are in place, the function of which shall be to ensure that agricultural products and foodstuffs bearing a protected name meet the requirements laid down in the specifications.

2. An inspection structure may comprise one or more designated inspection authorities and/or private bodies approved for that purpose by the Member State. Member States shall send the Commission lists of the authorities and/or bodies approved and their respective powers. The Commission shall publish those particulars in the *Official Journal of the European Communities*.

3. Designated inspection authorities and/or approved private bodies must offer adequate guarantees of objectivity and impartiality with regard to all producers or processors subject to their control and have permanently at their disposal the qualified staff and resources necessary to carry out inspection of agricultural products and foodstuffs bearing a protected name.

If an inspection structure uses the services of another body for some inspections, that body must offer the same guarantees. In that event the designated inspection authorities and/or approved private bodies shall, however, continue to be responsible *vis-à-vis* the Member State for all inspections.

As from 1 January 1998, in order to be approved by the Member States for the purpose of this Regulation, private bodies must fulfil the requirements laid down in standard EN 45011 of 26 June 1989.

4. If a designated inspection authority and/or private body in a Member State establishes that an agricultural product or a foodstuff bearing a protected name of origin in that Member State does not meet the criteria of the specification, they shall take the steps necessary to ensure that this Regulation is complied with. They shall inform the Member State of the measures taken in carrying out their inspections. The parties concerned must be notified of all decisions taken.

5. A Member State must withdraw approval from an inspection body where the criteria referred to in paragraphs 2 and 3 are no longer fulfilled. It shall inform the Commission, which shall publish in the *Official Journal of the European Communities* a revised list of approved bodies.

6. The Member States shall adopt the measures necessary to ensure that a producer who complies with this Regulation has access to the inspection system.

7. The costs of inspections provided for under this Regulation shall be borne by the producers using the protected name.

Article 11

1. Any Member State may submit that a condition laid down in the product specification of an agricultural product or foodstuff covered by a protected name has not been met.

2. The Member State referred to in paragraph 1 shall make its submission to the Member State concerned. The Member State concerned shall examine the complaint and inform the other Member State of its findings and of any measures taken.

3. In the event of repeated irregularities and the failure of the Member States concerned to come to an agreement, a duly substantiated application must be sent to the Commission.

4. The Commission shall examine the application by consulting the Member States concerned. Where appropriate, having consulted the committee referred to in Article 15, the Commission shall take the necessary steps. These may include cancellation of the registration.

Article 12

1. Without prejudice to international agreements, this Regulation may apply to an agricultural product or foodstuff from a third country provided that:

— the third country is able to give guarantees identical or equivalent to those referred to in Article 4,

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- the third country concerned has inspection arrangements equivalent to those laid down in Article 10,
- the third country concerned is prepared to provide protection equivalent to that available in the Community to corresponding agricultural products for food-stuffs coming from the Community.

2. If a protected name of a third country is identical to a Community protected name, registration shall be granted with due regard for local and traditional usage and the practical risks of confusion.

Use of such names shall be authorized only if the country of origin of the product is clearly and visibly indicated on the label.

Article 13

1. Registered names shall be protected against:

- (a) any direct or indirect commercial use of a name registered in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or insofar as using the name exploits the reputation of the protected name;
- (b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation' or similar;
- (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
- (d) any other practice liable to mislead the public as to the true origin of the product.

Where a registered name contains within it the name of an agricultural product or foodstuff which is considered generic, the use of that generic name on the appropriate agricultural product or foodstuff shall not be considered to be contrary to (a) or (b) in the first subparagraph.

2. However, Member States may maintain national measures authorizing the use of the expressions referred to in paragraph 1 (b) for a period of not more than five years after the date of publication of this Regulation, provided that:

- the products have been marketed legally using such expressions for at least five years before the date of publication of this Regulation,

- the labelling clearly indicates the true origin of the product.

However, this exception may not lead to the marketing of products freely on the territory of a Member State where such expressions are prohibited.

3. Protected names may not become generic.

Article 14

1. Where a designation of origin or geographical indication is registered in accordance with this Regulation, the application for registration of a trade mark corresponding to one of the situations referred to in Article 13 and relating to the same type of product shall be refused, provided that the application for registration of the trade mark was submitted after the date of the publication provided for in Article 6 (2).

Trade marks registered in breach of the first subparagraph shall be declared invalid.

This paragraph shall also apply where the application for registration of a trade mark was lodged before the date of publication of the application for registration provided for in Article 6 (2), provided that that publication occurred before the trade mark was registered.

2. With due regard for Community law, use of a trade mark corresponding to one of the situations referred to in Article 13 which was registered in good faith before the date on which application for registration of a designation of origin or geographical indication was lodged may continue notwithstanding the registration of a designation of origin or geographical indication, where there are no grounds for invalidity or revocation of the trade mark as provided respectively by Article 3 (1) (c) and (g) and Article 12 (2) (b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (1).

3. A designation of origin or geographical indication shall not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.

Article 15

The Commission shall be assisted by a committee composed of the representatives of the Member States and chaired by the representative of the Commission.

(1) OJ No L 40, 11. 2. 1989, p. 1. Amended by Decision 92/10/EEC (OJ No L 6, 11. 1. 1992, p. 35).

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The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the committee.

If the measures envisaged are not in accordance with the opinion of the committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

If, on the expiry of a period of three months from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

Article 16

Detailed rules for applying this Regulation shall be adopted in accordance with the procedure laid down in Article 15.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 14 July 1992.

For the Council

The President

J. GUMMER

Article 17

1. Within six months of the entry into force of the Regulation, Member States shall inform the Commission which of their legally protected names or, in those Member States where there is no protection system, which of their names established by usage they wish to register pursuant to this Regulation.

2. In accordance with the procedure laid down in Article 15, the Commission shall register the names referred to in paragraph 1 which comply with Articles 2 and 4. Article 7 shall not apply. However, generic names shall not be added.

3. Member States may maintain national protection of the names communicated in accordance with paragraph 1 until such time as a decision on registration has been taken.

Article 18

This Regulation shall enter into force twelve months after the date of its publication in the *Official Journal of the European Communities*.

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ANNEX I

Foodstuffs referred to in Article 1 (1)

- Beer,
- Natural mineral waters and spring waters,
- Beverages made from plant extracts,
- Bread, pastry, cakes, confectionery, biscuits and other baker's wares,
- Natural gums and resins.

ANNEX II

Agricultural products referred to in Article 1 (1)

- Hay
- Essential oils.

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EN

Official Journal of the European Communities

No L 83/3

COUNCIL REGULATION (EC) No 535/97

of 17 March 1997

amending Regulation (EEC) No 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission (¹),

Having regard to the opinion of the European Parliament (²),

Having regard to the opinion of the Economic and Social Committee (³),

Whereas Article 13 (2) of Regulation (EEC) No 2081/92 (⁴) provides for a transitional period of up to five years from the publication of that Regulation during which the Member States may maintain national measures authorizing the use of the expressions referred to in paragraph 1 (b) of that Article under certain conditions; whereas the said Regulation was published on 24 July 1992; whereas the transitional period will accordingly expire on 25 July 1997;

Whereas the first proposal for registration of geographical indications and designations of origin was submitted to the Council only in March 1996 whereas the greater part of the five-year transitional period had already passed; whereas, in order to maintain the full effect of that transitional period, the date of commencement of the five-year period should be amended to start on the date of registration of the names; whereas provision should also be made for the transitional period also to apply to point (a) of Article 13 (1) of Regulation (EEC) No 2081/92, given that the prohibition provided for in that point may overlap that provided for in point (b) of the same paragraph;

Whereas the transitional period should apply only to names registered under Article 17 of Regulation (EEC) No 2081/92, since the granting of this adjustment period should not prejudice producers with regard to existing names already used in the Member States;

Whereas it takes some time to process an application for registration of a name as a protected geographical indication or a protected designation of origin under Regulation (EEC) No 2081/92; whereas Member States should be allowed to grant temporary national protection pending a Community decision on the registration of a name;

whereas, in order to settle any conflicts that may arise between producers in a Member State, the Member State concerned may, if necessary, allow a national transitional period that would subsequently have to be confirmed by a Community decision; whereas the consequences of the above national measures must be borne by the Member State which introduced them; whereas, lastly, the said measures must not constitute a barrier to intra-Community trade;

Whereas a transitional period of five years may be laid down on a case-by-case basis for names, registration of which has been applied for under Article 5 of Regulation (EEC) No 2081/92, but solely under Article 7 (5) (b) of that Regulation and on certain grounds,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2081/92 is hereby amended as follows:

1. Article 1 (1), third subparagraph, shall be replaced by the following:

‘Annexes I and II may be amended in accordance with the procedure set out in Article 15.’

2. In Article 5 (5) the following text shall be inserted after the first subparagraph:

‘That Member State may, on a transitional basis only, grant on the national level a protection in the sense of the present Regulation to the name forwarded in the manner prescribed, and, where appropriate, an adjustment period, as from the date of such forwarding; these may also be granted transitionally subject to the same conditions in connection with an application for the amendment of the product specification.

Such transitional national protection shall cease on the date on which a decision on registration under this Regulation is taken. When that decision is taken, a period of up to five years may be allowed for adjustment, on condition that the undertakings concerned have legally marketed the products in question, using the names concerned continuously, for at least five years prior to the date of the publication provided for in Article 6 (2).

The consequences of such national protection, where a name is not registered under this Regulation, shall be the sole responsibility of the Member State concerned.

(¹) OJ No C 241, 20. 8. 1996, p. 7.

(²) OJ No C 33, 3. 2. 1997.

(³) OJ No C 30, 30. 1. 1997, p. 39.

(⁴) OJ No L 208, 24. 7. 1992, p. 1. Regulation as amended by the 1994 Act of Accession.

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The measures taken by Member States under the second subparagraph shall produce effects at national level only; they shall have no effect on intra-Community trade.'

3. The second indent of Article 7 (4) shall be replaced by the following:

— shows that the registration of the name proposed would jeopardize the existence of an entirely or partly identical name or of a mark or the existence of products which have been legally on the market for at least five years preceding the date of the publication provided for in Article 6 (2).'

4. Article 13 (2) shall be replaced by the following:

'2. By way of derogation from paragraph 1 (a) and (b), Member States may maintain national systems that permit the use of names registered under Article 17 for a period of not more than five years after the date of publication of registration, provided that:

— the products have been marketed legally using such names for at least five years before the date of publication of this Regulation,

— the undertakings have legally marketed the products concerned using those names continuously during the period referred to in the first indent.

— the labelling clearly indicates the true origin of the product.

However, this derogation may not lead to the marketing of products freely within the territory of a Member State where such names were prohibited'.

5. The following paragraph shall be added to Article 13:

'4. In the case of names, for which registration has been applied for under Article 5, provision may be made for a transitional period of up to five years under Article 7 (5) (b), solely where a statement of objection has been declared admissible on the grounds that registration of the proposed name would jeopardize the existence of an entirely or partly identical name or the existence of products which have been legally on the market for at least five years preceding the date of the publication provided for in Article 6 (2).'

Such transitional period may be provided for only where undertakings have legally marketed the products concerned using the names in question continuously for at least five years preceding the date of the publication provided for in Article 6 (2).'

Article 2

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 17 March 1997.

For the Council

The President

J. VAN AARTSEN

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Official Journal of the European Communities

21. 1. 93

COMMISSION DECISION

of 21 December 1992

setting up a scientific committee for designations of origin, geographical indications and certificates of specific character

(93/53/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Whereas within the framework of Community protection of designations of origin and geographical indications, registration thereof may involve examining problems concerning the generic nature of a name and the factors to be taken into account when defining the designation of origin and geographical indication for agricultural products and foodstuffs, on the one hand, and the application of criteria regarding fair competition in commercial transactions and the danger of confusing consumers within the meaning of Articles 13 and 14 of Council Regulation (EEC) No 2081/92 (1) in cases where there is a conflict between the designation of origin or geographical indication and the trademark, homonyms or existing products which are legally marketed, on the other hand;

Whereas within the framework of Community protection of certificates of specific character, registration thereof may involve examining problems concerning assessment of the traditional nature of agricultural products and foodstuffs;

Whereas the search for solutions to such problems requires the assistance of highly qualified experts with legal or agricultural backgrounds, and particularly with knowledge of intellectual property rights;

Whereas it is therefore appropriate to set up a scientific committee to assist the Commission,

HAS DECIDED AS FOLLOWS:

Article 1

A scientific committee, hereinafter called 'the Committee', is hereby established to assist the Commission.

Article 2

The task of the Committee shall be to examine, at the request of the Commission, all technical problems relating to the application of Regulation (EEC) No 2081/92

and Council Regulation (EEC) No 2082/92 (2) with regard to the registration of names of agricultural products and foodstuffs and cases of conflict between Member States, in particular:

1. the factors to be taken into account when defining geographical indications and designations of origin and exceptions thereto, particularly exceptional reputation and renown;
2. generic nature;
3. the assessment of traditional nature;
4. the assessment of criteria regarding fair competition in commercial transactions and the risk of confusing consumers in cases of conflict between the designation of origin or geographical indication and the trademark, homonyms or existing products which are legally marketed.

Article 3

1. The members of the Committee shall be appointed by the Commission from among highly-qualified experts with competence in the fields referred to in Article 2.
2. The Committee shall consist of seven members and seven alternate members authorized to participate in the meetings.

Article 4

1. The Committee shall elect a Chairman and a Vice-Chairman from among its members.

They shall be elected on the basis of a simple majority.

2. The Commission shall provide the secretariat of the Committee.

Article 5

The Committee's proceedings shall be valid only when all its members are present. The Committee shall give a favourable opinion when votes in favour exceed votes against. Where votes in favour and against are equal, abstention shall be considered as a vote in favour.

(1) OJ No L 208, 24. 7. 1992, p. 1.

(2) OJ No L 208, 24. 7. 1992, p. 9.

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Article 6

1. Members shall be appointed for a term of five years, which term shall be renewable. However, the terms of office of the Chairman and Vice-Chairman shall be of two years. They may not be re-elected immediately after having performed their duties for two consecutive two-year periods. Members shall not be remunerated for their services.
2. Upon the expiry of the period of five years or two years, as the case may be, the members, Chairman and Vice-chairman shall remain in office until they are replaced or their appointments are renewed.
3. Where a member, Chairman or Vice-Chairman is unable to carry out his duties or in the event of his resignation, he shall be replaced for the remaining period of his term of office, in accordance with the procedure provided for in Articles 3 and 4, as the case may be.

Article 7

1. The Committee shall meet at the request of a representative of the Commission.
2. The Commission's representative and officials and other servants of the Commission concerned shall attend the meetings of the Committee.
3. The Commission's representative may invite leading figures with special qualifications in the subjects under study to attend these meetings.

Article 8

1. The proceedings of the Committee shall relate to matters on which the Commission has requested an opinion.

The Commission may specify a period within which such opinion must be delivered.

2. Where the opinion requested is the subject of unanimous agreement by the members of the Committee, they shall establish their joint conclusions. Failing unanimity, the various positions adopted during the proceedings shall be entered in a report drawn up under the responsibility of the Committee's secretariat.

Article 9

Where the Commission's representative informs members of the Committee that the opinion requested relates to a subject of a confidential nature, such members shall be under an obligation not to disclose information which has come to their knowledge through the work of the Committee.

Done at Brussels, 21 December 1992.

For the Commission

Ray MAC SHARRY

Member of the Commission

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Official Journal of the European Communities

No L 208/9

COUNCIL REGULATION (EEC) No 2082/92
of 14 July 1992
on certificates of specific character for agricultural products and foodstuffs

THE COUNCIL OF THE EUROPEAN COMMUNITIES.

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission (¹),

Having regard to the opinion of the European Parliament (²),

Having regard to the opinion of the Economic and Social Committee (³),

Whereas the production, manufacture and distribution of agricultural products and foodstuffs play an important role in the Community economy;

Whereas, in the context of the reorientation of the common agricultural policy, the diversification of agricultural production should be encouraged; whereas the promotion of specific products could be of considerable benefit to the rural economy, particularly in less-favoured or remote areas, both by improving the income of farmers and by retaining the rural population in these areas;

Whereas, in the context of the completion of the internal market in foodstuffs, economic operators should be provided with instruments which enable them to enhance the market value of their products while protecting consumers against improper practices and guaranteeing at the same time fair trade;

Whereas, in accordance with the Council resolution of 9 November 1989 on future priorities for relaunching consumer protection policy (⁴), account should be taken of increasing consumer demand for greater emphasis on quality and information as regards the nature, method of production and processing of foodstuffs and their special characteristics; whereas, given the diversity of products on the market and the abundance of information concerning them, consumers must, in order to be able to make a better choice, be provided with clear and succinct information regarding the specific characteristics of foodstuffs;

Whereas a voluntary system based on regulatory criteria will help attain these aims; whereas such a system enabling producers to make known the quality of a food-

stuff throughout the Community must offer every guarantee so that any references which may be made to it in the trade are substantiated;

Whereas certain producers would like to derive market value from the specific character of agricultural products or foodstuffs because their inherent characteristics distinguish them clearly from similar products or foodstuffs; whereas, in order to protect the consumer, the certified specific character should be subject to inspection;

Whereas, given the specific character of such products or foodstuffs, special provisions should be adopted to supplement the labelling rules laid down in Council Directive 79/112/EEC of 18 December 1978 on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs (⁵) and whereas, in particular, an expression and, as appropriate, a Community symbol should be devised to accompany the trade description of such products or foodstuffs informing the consumer that it is a product or foodstuff presenting inspected specific characteristics;

Whereas, to guarantee that agricultural products and foodstuffs consistently possess the certified specific characteristics, groups of producers must themselves define the said characteristics in a product specification but whereas the rules for approving inspection bodies responsible for checking that the product specification is complied with must be uniform throughout the Community;

Whereas, in order not to create unfair conditions of competition, any producer must be able to use either a registered trade description together with details and, where appropriate, a Community symbol or a trade description registered as such, as long as the agricultural product or foodstuff he produces or processes complies with the requirements of the relevant specification and the inspection body he has selected is approved;

Whereas provision should be made for allowing trade with third countries offering equivalent guarantees for the issue and inspection of certificates of specific character in their territory;

Whereas, if they are to be attractive to producers and reliable for consumers, expressions relating to the specific character of an agricultural product or a foodstuff must be granted legal protection and be subject to official inspection;

(¹) OJ No C 30, 6. 2. 1991, p. 4 and
 OJ No C 71, 20. 3. 1992, p. 14.
 (²) OJ No C 326, 16. 12. 1991, p. 40.
 (³) OJ No C 40, 17. 2. 1992, p. 3.
 (⁴) OJ No C 294, 22. 11. 1989, p. 1.

(⁵) OJ No L 33, 8. 2. 1979, p. 1. Last amended by Directive 91/72/EEC (OJ N L 42, 15. 2. 1991, p. 27).

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Whereas a procedure should be provided for to establish close cooperation between the Member States and the Commission in a regulatory committee set up for the purpose,

HAS ADOPTED THIS REGULATION :

Article 1

1. This Regulation lays down rules under which a Community certificate of specific character may be obtained for:

- agricultural products listed in Annex II to the Treaty and intended for human consumption,
- foodstuffs listed in the Annex to this Regulation.

The Annex may be amended in accordance with the procedure set out in Article 19.

2. This Regulation shall apply without prejudice to other specific Community provisions.

3. Council Directive 83/189/EEC of 28 March 1989 laying down a procedure for the provision of information in the field of technical standards and regulations (1) shall not apply to certificates of specific character which are the subject of this Regulation.

Article 2

For the purposes of this Regulation :

1. 'specific character' shall mean the feature or set of features which distinguishes an agricultural product or a foodstuff clearly from other similar products or foodstuffs belonging to the same category.

The presentation of an agricultural product or a foodstuff is not regarded as a feature within the meaning of the first subparagraph.

Specific character may not be restricted to qualitative or quantitative composition or to a mode of production laid down in Community or national legislation, in standards set by standardization bodies or in voluntary standards; however, this rule shall not apply where the said legislation or standard has been established in order to define the specific character of a product;

2. 'group' shall mean any association, irrespective of its legal form or composition, of producers and/or processors working with the same agricultural product or foodstuff. Other interested parties may participate in the group;

3. 'certificate of specific character' shall mean recognition by the Community of the specific character of a product by means of its registration in accordance with this Regulation.

Article 3

The Commission shall set up and administer a register of certificates of specific character which will list the names of agricultural products and foodstuffs of which the specific character has been recognized at Community level in accordance with this Regulation.

The register shall distinguish between the names referred to in Article 13 (1) and those referred to in Article 13 (2).

Article 4

1. In order to appear in the register referred to in Article 3, an agricultural product or foodstuff must either be produced using traditional raw materials or be characterized by a traditional composition or a mode of production and/or processing reflecting a traditional type of production and/or processing.

2. Registration shall not be permitted in the case of an agricultural product or foodstuff the specific character of which is due:

- (a) to its provenance or geographical origin;
- (b) solely to application of a technological innovation.

Article 5

1. To be registered, the name must:

- be specific in itself, or
- express the specific character of the agricultural product or the foodstuff.

2. A name expressing specific character, as referred to in the second indent of paragraph 1, may not be registered if:

- it refers only to claims of a general nature used for a set of agricultural products or foodstuffs, or to those provided for by specific Community legislation,
- it is misleading, such as that, in particular, which refers to an obvious characteristic of the product or does not correspond to the specification or to the consumer's expectations in view of the characteristics of the product.

3. In order to be registered, a specific name as referred to in the first indent of paragraph 1 must be traditional and comply with national provisions or be established by custom.

4. The use of geographical terms shall be authorized in a name not covered by Council Regulation (EEC No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (2)).

(1) OJ No L 109, 26. 4. 1983, p. 8. Last amended by Decision 90/230/EEC (OJ No L 128, 18. 5. 1990, p. 15).

(2) See p. 1 of this Official Journal.

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Article 6

1. In order to qualify for a certificate of specific character, an agricultural product or foodstuff must comply with a product specification.
2. The product specification shall include at least:
 - the name within the meaning of Article 5, in one or more languages,
 - a description of the method of production, including the nature and characteristics of the raw material and/or ingredients used and/or the method of preparation of the agricultural product or the foodstuff, referring to its specific character,
 - aspects allowing appraisal of traditional character, within the meaning of Article 4 (1),
 - a description of the characteristics of the agricultural product or the foodstuff giving its main physical, chemical, microbiological and/or organoleptic characteristics which relate to the specific character,
 - the minimum requirements and inspection procedures to which specific character is subject.

Article 7

1. Only a group shall be entitled to apply for registration of the specific character of an agricultural product or a foodstuff.
2. The application for registration comprising the product specification shall be submitted to the competent authority of the Member State in which the group is established.
3. The competent authority shall forward the application to the Commission if it considers that the requirements of Articles 4, 5 and 6 are fulfilled.
4. No later than the date of entry into force of this Regulation, Member States shall publish the particulars of the competent authorities which they have designated and shall inform the Commission accordingly.

Article 8

1. The Commission shall forward the translated application for registration to the other Member States within a period of six months from the date of receipt of the application referred to in Article 7 (3).

As soon as the forwarding referred to in the first subparagraph has been carried out, the Commission shall publish in the *Official Journal of the European Communities* the main points of the application forwarded by the competent authority referred to in Article 7 and, in particular, the name of the agricultural product or the foodstuff, as

prescribed by the first indent of Article 6 (2), and the applicant's references.

2. The competent authorities of the Member States shall ensure that all persons who can demonstrate a legitimate economic interest are authorized to consult the application referred to in paragraph 1. In addition, and in accordance with the rules in force in the Member States, the said competent authorities may provide access to other parties with a legitimate interest.
3. Within five months of the date of publication referred to in paragraph 1, any natural or legal person legitimately concerned by the registration may object to the intended registration by sending a duly substantiated statement to the competent authorities of the Member State in which that person resides or is established.
4. The competent authorities of the Member States shall adopt the necessary measures to take account of the statement referred to in paragraph 3 within the period laid down. Member States may also submit objections on their own initiative.

Article 9

1. If no objections are notified to the Commission within six months, the Commission shall enter in the register provided for in Article 3 the main points referred to in Article 8 (1) and publish them in the *Official Journal of the European Communities*.
2. If objections are notified, the Commission shall, within three months, ask the Member States concerned to seek agreement between themselves in accordance with their internal procedures within a further period of three months. If:
 - (a) such agreement is reached, the Member States in question shall notify the Commission of all the factors which enabled that agreement to be reached and the opinions of the applicant and the objector. If the information received pursuant to Article 6 (2) is unchanged, the Commission shall proceed in accordance with paragraph 1 above. Otherwise, it shall again initiate the procedure laid down in Article 8;
 - (b) no agreement is reached, the Commission shall decide on the registration in accordance with the procedure laid down in Article 19. If a decision is taken to register the specific character, the Commission shall proceed in accordance with paragraph 1 above.

Article 10

1. Any Member State may submit that a criterion laid down in the product specification of an agricultural product or a foodstuff covered by a Community certificate of specific character has ceased to be met.

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2. The Member State referred to in paragraph 1 shall make its submission to the Member State concerned. The Member State concerned shall examine the complaint and inform the other Member State of its findings and of any measures taken.

3. In the event of repeated irregularities and the failure of the Member States to come to an agreement, a duly substantiated application must be sent to the Commission.

4. The Commission shall examine the application by consulting the Member States concerned. Where appropriate, the Commission shall take the necessary steps in accordance with the procedure laid down in Article 19. These may include cancellation of the registration.

Article 11

1. A Member State may, at the request of a group established in its territory, apply for an amendment to the product specification.

2. The Commission shall ensure that the request for amendment and the applicant's references are published in the *Official Journal of the European Communities*. Article 8 (2), (3) and (4) shall apply.

The competent authorities of the Member State shall ensure that any producer and/or processor applying the product specification for which an amendment has been requested is informed of the publication.

3. Within three months of the date of the publication provided for in paragraph 2, any producer and/or processor applying the product specification for which an amendment has been requested may exercise his right to preserve the initial product specification by forwarding a statement to the competent authority of the Member State in which he is established, which must forward it to the Commission together with its comments, if appropriate.

4. If no objection or statement as referred to in paragraph 3 is notified to the Commission within four months of the date of publication laid down in paragraph 2, the Commission shall enter the requested amendment in the register provided for in Article 3 and publish it in the *Official Journal of the European Communities*.

5. If an objection or a statement as referred to in paragraph 3 is notified to the Commission, the amendment shall not be registered. In such case the requesting group, referred to in paragraph 1, may apply for a new certificate of specific character in accordance with the procedure laid down in Articles 7 to 9.

Article 12

In accordance with the procedure laid down in Article 19, the Commission may define a Community symbol which may be used in the labelling, presentation and advertising

of agricultural products or foodstuffs carrying a Community certificate of specific character in accordance with this Regulation.

Article 13

1. From the date of publication provided for in Article 9 (1), the name referred to in Article 5, together with the indication referred to in Article 15 (1), and, where appropriate, the Community symbol referred to in Article 12, shall be reserved for the agricultural product or the foodstuff corresponding to the published product specification.

2. By way of derogation from paragraph 1, the name alone shall be reserved for the agricultural product or the foodstuff corresponding to the published product specification where:

- (a) the group so requested in its application for registration;
- (b) the procedure referred to in Article 9 (2) (b) does not show that use of the name is lawful, recognized and economically significant for similar agricultural products or foodstuffs.

Article 14

1. Member States shall ensure that at the latest six months following the date of entry into force of this Regulation inspection structures are in place, the function of which shall be to ensure that agricultural products and foodstuffs carrying a certificate of specific character meet the criteria laid down in the specifications.

2. An inspection structure may comprise one or more designated inspection authorities and/or private bodies approved for that purpose by the Member State. Member States shall forward to the Commission lists of the authorities and/or bodies approved and their respective powers. The Commission shall publish these particulars in the *Official Journal of the European Communities*.

3. Designated inspection authorities and/or private bodies must offer adequate guarantees of objectivity and impartiality with regard to all producers or processors subject to their control and have permanently at their disposal the qualified staff and resources necessary to carry out inspections of agricultural products and foodstuffs covered by a Community certificate of specific character.

If an inspection structure uses the services of another body for some inspections, that body must offer the same guarantees. However, the designated inspection authorities and/or approved private bodies shall continue to be responsible *vis-à-vis* the Member State for all inspections.

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As from 1 January 1998, in order to be approved by a Member State for the purpose of this Regulation, bodies must fulfil the requirements laid down in standard EN 45011 of 26 June 1989.

4. If a Member State's designated inspection authority and/or private body establishes that an agricultural product or a foodstuff carrying a certificate of specific character issued by that Member State does not meet the criteria of the specification, it shall take the steps necessary to ensure that this Regulation is complied with. It shall inform the Member State of the measures taken in carrying out its inspections. The parties concerned must be notified of all decisions taken.

5. A Member State must withdraw approval from an inspection body where the criteria referred to in paragraphs 2 and 3 are no longer fulfilled. It shall inform the Commission, which shall publish in the *Official Journal of the European Communities* a revised list of approved bodies.

6. Member States shall adopt the measures necessary to ensure that a producer who complies with this Regulation has access to the inspection system.

7. The costs of the inspections provided for by this Regulation shall be borne by the users of the certificate of specific character.

Article 15

1. The following may be used only by producers complying with the registered product specification :

— an indication to be determined in accordance with the procedure laid down in Article 19,
— where appropriate, the Community symbol, and,
— subject to Article 13 (2), the registered name.

2. A producer using, for the first time after registration, a name reserved pursuant to Article 13 (1) or (2), even if he belongs to the group making the original application, shall in due course notify a designated inspection authority or body of the Member State in which he is established thereof.

3. The designated inspection authority or body shall ensure that the producer complies with the published information before the product is placed on the market.

Article 16

Without prejudice to international agreements, this Regulation shall apply to agricultural products and foodstuffs coming from a third country, on condition that the third country :

— is able to provide guarantees identical or equivalent to those referred to in Articles 4 and 6,
— has inspection arrangements equivalent to those defined in Article 14,

— is prepared to give protection equivalent to that available in the Community to corresponding agricultural products or foodstuffs coming from the Community and covered by a Community certificate of specific character.

Article 17

1. Member States shall take the necessary measures to ensure legal protection against any misuse or misleading use of the term referred to in Article 15 (1) and, where applicable, of the Community symbol referred to in Article 12 and against any imitation of names registered and reserved pursuant to Article 13.

2. Registered names shall be protected against any practice liable to mislead the public including, *inter alia*, practices suggesting that the agricultural product or foodstuff is covered by a certificate of specific character issued by the Community.

3. Member States shall inform the Commission and the other Member States of the measures taken.

Article 18

Member States shall take all appropriate measures to ensure that sales descriptions used at national level do not give rise to confusion with names registered and reserved pursuant to Article 13 (2).

Article 19

The Commission shall be assisted by a committee composed of the representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the committee.

If the measures envisaged are not in accordance with the opinion of the committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

If, on the expiry of a period of three months from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

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Article 20

Detailed rules for applying this Regulation shall be adopted in accordance with the procedure laid down in Article 19.

Council a report on the application of the Regulation together with any appropriate proposals.

The report shall cover, in particular, the consequences of applying Articles 9 and 13.

Article 21

Within five years of the date on which this Regulation enters into force, the Commission shall submit to the

Article 22

This Regulation shall enter into force twelve months after its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 14 July 1992.

For the Council

The President

J. GUMMER

ANNEX**Foodstuffs referred to in Article 1 (1)**

- Beer,
- Chocolate and other food preparations containing cocoa,
- Confectionery, bread, pastry, cakes, biscuits and other baker's wares,
- Pasta, whether or not cooked or stuffed,
- Pre-cooked meals,
- Prepared condiment sauces,
- Soups or broths,
- Beverages made from plant extracts,
- Ice-cream and sorbets.

TOPICAL ISSUES OF THE PROTECTION OF GEOGRAPHICAL INDICATIONS

by

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I. INTRODUCTION

‘Topical issues’ is a very broad subject.

A choice must consequently be made.

At the last symposium organized by WIPO in Melbourne in 1995 (after Bordeaux, Santenay, Wiesbaden and Madeira), where I talked about conflicts between trade marks and geographical indications, I compared “appellations of origin” or “geographical indications,” as the words which should be used today, to a sleeping beauty. Born in 1883 with the Paris Convention for the Protection of Industrial Property, the concept started as a toddler in 1891 with the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, and reached maturity through the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 1958. From then on, it fell into a sort of slumber, until recently when four or five “princes” wearing such ugly names as TRIPS, NAFTA (North American Free-Trade Agreement) and EU Regulations did their best, each in their own right, to awaken the Sleeping Beauty. The result thereof is that nowadays we are protecting geographical indications through different means which are so badly coordinated that they do not even use the same terminology and definitions. In the TRIPS Agreement one speaks of “geographical indications,” in the Lisbon Agreement of 1958 and until recently the terminology used was “appellation of origin” and in the Council (Wine) Regulation 2081/92 one speaks of a “designation of origin,” although the French text speaks of “appellation d’origine.” To complicate matters further, “geographical indications” as referred to in the Regulation do not mean the same thing as the “geographical indications” of the TRIPS Agreement. (See further on).

In Council Regulation 2392/89 of 24 July 1989, the stated purpose of which is to “lay down general rules for the description and presentation of wines and grapes musts,” (although in my opinion what it really protected is appellations of origin), these words are not to be found.

I thought, therefore, that it would be of interest to compare these different international legislations and to underline their respective differences and similarities, with the ultimate aim of convincing you of the idea—or at least the dream—that a common approach or text could be agreed upon. In my opinion if some agreement, for instance in the form of a convention, were to be reached, WIPO would have a very important role to play.

Before embarking upon the above-mentioned analysis, I would like to make a few preliminary remarks.

First of all, obvious though it may be, I would like to highlight the fact that I am speaking in my own individual capacity. The views I will express do not in any way reflect the opinions or ideas of any of the associations or institutions of which I am a part, and more especially as President of Commission Q62 and Q118 of AIPPI, which is dedicated to the analysis of appellations of origin and concerning which I had the opportunity to say a few words at the last Melbourne Conference. The same applies to my membership of the Scientific Committee on Appellations of Origin, Geographical Indications, and Certificates of Specific Character (“the Scientific Committee”). This Committee consists of a group of 14 independent experts from different countries which has been set up to give advice on designations of origin and geographical indications within the scope of Council Regulation No. 2081/92 (the “Foodstuffs Regulation”), and also Regulation 2082/92 dealing with “Certificates for Specific Characters for Agricultural Products and Foodstuffs” which will not be discussed here.

My second remark is that, personally, I am a great believer in geographical indications. I am in complete agreement with the second paragraph of the Preamble to the Foodstuffs Regulation which reads as follows “whereas the promotion of products having certain characteristics could be of considerable benefit to the rural economy, in particular to less favored or remote areas, by improving the incomes of farmers and by retaining the rural population in these areas”.

I am, however, also a trade mark attorney, and as such a firm believer in the protection of trade marks. If at some points I criticize some of the aspects of the protection of geographical indications, it is mainly because, in my opinion, trade marks are sometimes treated unfairly at the behest of international legislation. I see no reason why geographical indications should take precedence over trade marks, and vice versa. Both kinds of sign have their merits and should live peacefully side-by-side, and even shoulder each other, to the ultimate benefit of their users and consumers alike.

After all, both types of sign seek the attainment of the same goal vis-à-vis the consumer, i.e., an indication of a certain quality of a product, coming from a specific region for geographical indications, coming from a specific entrepreneur for trade marks.

In saying this, I think I am in good company. I refer here to the Paris Resolution of December 2, 1994, of the General Assembly of the International Vine and Wine Office (OIV) where, by way of conclusion, OIV encourages the Member States to set up "all juridical instruments so as to assure an equal level of protection for appellations of origin, geographical indications, traditional denominations and trade marks."

This leads me immediately to my third remark: Article 1 of the Paris Convention includes appellations of origin as an integral part of industrial property. The same is true of the TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights, including trade in counterfeit goods) which contains a special section dedicated to geographical indications. This is Section 3, Articles 22, 23 and 24. When one looks at the two EC Regulations dealing with geographical indications, namely the Wine Regulation and the Foodstuffs Regulation, it is very clear, especially for the former (where one speaks of "brands" instead of "trade marks"!!), that these Regulations have not been drafted by specialists in intellectual property, even though the Commission and the European Court of Justice agree that geographical indications are a part of intellectual property. In my opinion, however, there is an improvement in the second Regulation where it appears that intellectual property experts influenced the drafting. It must also be added here that, although the Scientific Committee, which advises on the Foodstuffs Regulation, consists mainly of agricultural and foodstuffs experts, there are also a few specialists in intellectual property, more particularly trade marks, such as Mr. Alexander von Mühlendahl, Vice-President of the Office for Harmonization in the Internal Market (Trade Marks and Designs (OHIM) in Alicante and Mr. Hans Molijn who, for many years, was responsible for trade mark matters at Unilever and President of the Trade Mark Committee of the Union of Industrial and Employers' Confederations of Europe (UNICE).

I nevertheless believe that quite a few problems, especially in relation to trade marks, would have been solved in a better way if more attention had been paid to the fact that geographical indications are a full part of intellectual property.

One last remark. I fully understand that analyzing, comparing and proffering suggestions for improvement concerning international legislation dealing with geographical indications is most probably over-ambitious. Indeed, most of the analyzed legislation is brand-new. Its contents evidence very hard bargaining and compromise with the result that the texts are far from being clear and can be interpreted in different ways. They do not benefit from any general explanation as is usual with national legislation. There is little, if any, case law to aid with interpretation. Consequently, my only ambition is to try and pinpoint some of the difficulties and inconsistencies in view of a later, more in-depth analysis, and hopefully the ultimate improvement of the coherence of the different texts which would ensure clarification and improved legal security.

II. THE TRIPS AGREEMENT

I have elected as my starting point the TRIPS Agreement. Indeed, whether we like it or not, but I think I like it, this is now the main rule of the game. I will not make an detailed analysis of this Agreement, but rather would like to touch upon its main attributes.

The TRIPS Agreement is the latest of the texts, and unlike all other existing legislation is destined for worldwide application.

TRIPS has, furthermore, a certain number of advantages and provides for added protection that cannot be found in other texts.

First of all, in relation to our topic, Article 2 of the Agreement embodies all of the substantive articles of the Paris Convention. Furthermore, it contains a specific article on national treatment, the purpose of which is to give foreigners coming from another Member State the same treatment as a national of the Member State concerned. This is a typical, and highly interesting provision of the international protection of industrial property which contrasts starkly with the prevailing provision of reciprocity. There is also a provision (Article 4) concerning the “most favoured nation” treatment.

TRIPS covers all of the important items traditionally comprised in intellectual property—although there is no special chapter dedicated to combating unfair competition, it is however touched upon—and has boosted, upgraded and clarified the protection of intellectual property. The next important fact is that TRIPS is a compulsory part of the overall package offered by the World Trade Organization (WTO). Contrary to other conventions, countries will not have the option to ratify or repeal TRIPS separately from the rest of the package. As you will be aware, however, Articles 65 and 66 allow developing and least-developed countries the possibility of a progressive, step-by-step adherence to TRIPS over a number of years.

Another very important matter is the settlement of disputes and sanctions, which are provided for in Articles 63 and 64.

For all of these reasons we must take cognizance of the TRIPS Agreement, and, further, ascertain the extent to which the other existing agreements are in conformity or otherwise with it. The main focus of my comparison will be the Lisbon Agreement and the two EC Regulations mentioned above. I will not speak about the NAFTA Agreement, primarily because of the lack of knowledge I have concerning it.

III. DEFINITION

Evidently, the first thing we have to look at is the issue of definition: what is meant by "geographical indication" in the various international agreements? The TRIPS definition is given in Article 22 as follows:

"Geographical indications are, for the purposes of this Agreement, 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."

(I have already stressed the differences in the terminology used in the other legislation, and will not come back to this problem.).

It is interesting to see that in the TRIPS Agreement one speaks of a "geographical indication." This is obviously wider than the terminology used in the Lisbon Agreement, where one speaks of a "geographical name."

In the Foodstuffs Regulation there are two kinds of protection afforded, the first for "designations of origin" (PDOs) and the second for "geographical indications" (PGIs). Although PGIs have to adhere to less stringent requirements than do PDOs, they will receive the same level of protection. The Foodstuffs Regulation seems also to be restricted to names, as one reads in Article 2 the following definition:

"designation of origin means the name of a region, a specific place..." and "geographic indication means the name of a region, a specific place...."

Article 2(3) goes on to state that "certain traditional, geographical or non-geographical names designating an agricultural product or a foodstuff...shall also be considered as designations of origin."

In my opinion, it follows from this that the definition of designation of origin is included in the notion of geographical indication such as provided for in the TRIPS Agreement.

However, for unknown reasons the Foodstuffs Regulation has not provided for the same extension in relation to geographical indications (PGIs). (In the interests of clarity, when I speak of geographical indications within the scope of the Foodstuffs Regulation I will always add the abbreviation "PGI"). Evidently, the definition given in the Regulation for geographical indications (PGIs) conflicts with the TRIPS definition. Therefore, in order to align itself with TRIPS and to have a definition which corresponds to the concept "indication" as stated in the Regulation, the Foodstuffs Regulation must be amended so as to provide for the same extension as is described above for designations of origin.

To illustrate, let me give an example and say a few words about the much disputed **feta**, now a recognized PDO for Greek cheese. If the FETA association had asked the Commission to register **feta** as a PGI, the Commission would have refused *per se*, because “**feta**” is a non-geographical name. **Feta** is one of the 318 PDOs and PGIs which have been acknowledged by the Commission as of March 6, 1996. The Decision of the Commission has been widely disputed, and eight of the 15 EU Member States voted against **feta** as a PDO on the ground that it had become generic, viz. Austria, Denmark, Finland, Germany, Ireland, the Netherlands, Sweden, and the United Kingdom (Proposal for a Council Regulation in application of Article 17 of Regulation EEC No. 2081/92, March 6, 1996.) Furthermore, there is a case currently pending before the European Court of Justice.

As regards the Lisbon Agreement, “appellation of origin” is restricted therein to a geographical name (Article 2).

IV. THE PRODUCT MUST ORIGINATE FROM THE REGION

The second requirement under the TRIPS Agreement is that the product must originate from the territory of the Member State which is designated in the geographical indication. There is, in my opinion, not much to be said on this issue either in the Lisbon Agreement or in the Foodstuffs Regulation, although Article 2(4) (of the Regulation) has introduced some exceptions for designations of origin (PDOs) (only) in the sense that a larger geographical area than the one designated can be envisaged. I will not analyze this exception, but when one reads it, it is obvious that it must have been the result of much lobbying.

V. THE LINK BETWEEN THE GEOGRAPHICAL INDICATION AND THE QUALITY

The next item of interest is the link between the designated area on the one hand and the quality of the product covered by the geographical indication on the other. It has long been recognized that this is an essential element of this kind of protected sign. Article 22 TRIPS lays down the following condition:

“...where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”

Whilst the requirement for quality and reputation is understandable, the other characteristics seem to be without limit, and are open to an extremely broad interpretation. In the Lisbon Agreement (Article 2) we find a requirement to the effect that:

“...the quality and characteristics of which are due exclusively or essentially to the geographic environment, including natural and human factors.”

It is my view that these two definitions are compatible: “exclusively” includes “essentially,” and the phrase “including natural human factors” is merely explanatory.

What about the Foodstuffs Regulation? Here we have to look at two different definitions, the first concerning designations of origin, where it is said that:

“...the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors...”

We find the same definition as in the Lisbon Agreement, therefore, no difficulty.

We now come to geographical indications (PGIs) where the requirement is looser than for designations of origin. The standard is that it:

“...possesses a specific quality, reputation or other characteristics attributable to that geographical origin.”

In this definition, one finds the word “reputation,” which is not to be found in the definition of PDOs. However, I do not believe that this will cause difficulties, because “characteristics” obviously includes “reputation;” the omission of the word “reputation” for PDOs is more the result of loose drafting than any deliberate intention on the part of the draftsmen. However, one does not find the word “essentially attributable” but only “attributable” and in my view “essentially attributable” is stronger than “attributable.” Consequently, one wonders whether PGIs, as provided for in the Foodstuffs Regulation, although bearing the same name as that used in the TRIPS Agreement, are in fact compatible therewith. There are two reasons for this: a difference in the requirements, and the fact that as explained above geographical indications (PGIs) only covers names.

VI. COVERED PRODUCTS

Let us now switch to another question which concerns the products covered by the different international legislations.

The TRIPS Agreement, Article 22, allows protection under the scope of geographical indication for any kind of product. There is no distinction made between agricultural

products, industrial products, wines and spirits, etc. All of these items are covered in a general manner. We do, however, have Article 23 entitled "Additional Protection for Geographical Indications for Wines and Spirits." This means that wines and spirits are protected pursuant to Article 22, but by reason of their specific nature they are given additional protection. One of the main differences is that geographical indications are in essence protected against use which could mislead the public or which constitutes an act of unfair competition. These requirements are not necessary for the protection of wines and spirits, for which the following is prohibited:

"...use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated..."

Furthermore, Article 23(4) foresees that a multilateral system of notification for wines and spirits could be envisaged. In my opinion, if it is decided upon, WIPO could play an essential role due to its vast experience.

It is worthwhile to underline at this point that for the protection of geographical indications according to TRIPS, there is no need to have the indication registered and examined. A geographical indication is protected by virtue of its mere existence in the country of origin. Conversely, the other agreements under scrutiny require notification and/or registration.

What about the Lisbon Agreement? This Agreement also applies to any kind of product and there is no special protection foreseen for particular products. The provisions of the Lisbon Agreement are therefore of general application. A condition for protection is registration at the International Bureau of WIPO. The International Bureau does not carry out a substantive examination, nor do the countries where the appellation of origin is to be protected. However, such countries have the possibility, under certain conditions, to refuse protection.

What about the situation in the EC (or should I say the EU)? In fact, here, the situation is totally different. There is no legislation foreseen for the general protection of geographical indications. There exist only two specialized Regulations, one on wines and spirits and the other on agricultural foodstuffs.

The main reason for this situation lies, in my opinion, in the fact that these two Regulations have not been issued by the authority in charge of intellectual property (Directorate General XV), but rather by that in charge of agriculture (Directorate General VI), which obviously could only take care of the products it was in charge of.

So, the situation in the EU is the following: no specific protection for general geographical indications. We do, however, have the TRIPS Agreement by which we must abide, and the decisions of the European Court of Justice where geographical indications have been implied, as for instance in the famous "Turrom" case.

The Lisbon Agreement is still in force but it appears that the Commission has unilaterally decided that it is no longer applicable between the Member States of the EU for any of products which are covered either by the Regulation on Wines and Spirits or by that on Foodstuffs.

The Lisbon Agreement can, therefore, still be depended upon for other kinds of products, for instance industrial products such as crockery (e.g., porcelaine de Limoges).

Bilateral Agreements are also still to be found.

One further criticism of the situation in the EU is that the Wine Regulation and the Foodstuffs Regulation have each been drafted in a completely different way. It is ludicrous to deny, for example, the fact that foodstuffs which include water and beer have many things in common with wine and spirits. It is my view, and I will come back to it at a later stage, that the Wine Regulation should, while providing a specific and higher level of protection, be "upgraded" to incorporate the same terminology and articles as are used in the Foodstuffs Regulation. More particularly, and this will come as no surprise to those who know me, I believe that the Wine Regulation should be aligned to the more peaceful and equitable provisions of the Foodstuffs Regulation concerning relations with trade marks.

VII. FOREIGN DENOMINATIONS

Another important item to be discussed is the protection of foreign denominations. I have already underlined the fact that the rule in industrial property is national treatment. This evidently applies to the Lisbon Agreement, and is underlined in Article 3 of the TRIPS Agreement. Not surprisingly, in the EC Regulation on Trade Marks and on the draft EC Regulation on Industrial Designs one again finds the concept of national treatment. What about the Foodstuffs Regulation? The problem is dealt with in Article 12 which states as follows:

"...without prejudice to International Agreements, this Regulation may apply to an agricultural product or foodstuff from a third country provided that:

- * *the third country is able to give guarantees identical or equivalent to those referred to in Article 4;*

- * *the third country concerned has an inspection arrangement equivalent to those laid down in Article 10;*
- * *the third country concerned is prepared to provide protection equivalent to that available in the Community to corresponding agricultural products for foodstuff coming from the Community.”*

This, as I read it, is not national treatment, but rather the reciprocity system. One would be forgiven, therefore, for wondering whether the contents of this Article are in line with the requirements of the TRIPS Agreement concerning national treatment. Furthermore, foreigners (i.e., those from outside the EU) are treated as second-rate. To illustrate this, an objection to a newly protected denomination can only be made by a Member State and not by a foreign State (Article 11).

VII. PROTECTION AND RELATIONS WITH TRADE MARKS

I now come to the two last questions I would like to discuss, namely, protection and the relation with trade marks.

The TRIPS Agreement provides for two different levels of protection, one in Article 22 concerning all geographical indications, and the second in Article 23 concerning additional protection for wines and spirits. Article 22(2)(a) and (b) protect against use that misleads the public, and against use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention. More particularly, Article 22(3) provides that a Member State must refuse or invalidate the registration of a trade mark which consists of a geographical indication with respect to goods not originating in the territory indicated, in circumstances where it “is of such a nature as to mislead the public as to the true place of origin.” Therefore, within the scope of the provisions on geographical indications, a trade mark which consists of a geographical name (which is particularly possible in the case of collective marks) shall only be refused if the public is misled as to the true place of origin.

There is obviously a problem here, which can occur if, as happens quite often, a trade mark did not originally have a geographical signification, but afterwards appeared to correspond to a specific area. This was the situation in the famous case of **Torres** (a Spanish wine) v. the **Torres Vedras** region in Portugal, concerning which I will say a few words later on. As to additional protection for wine and spirits, one can summarize by saying that the conditions are the same as those provided for in Article 22, except that the sign will be forbidden without the necessity that it misleads the public or constitutes an act of unfair competition. Use will be forbidden:

“...even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind,” “type,” “style,” “imitation.” or the like.”

The same applies to conflicts in relation to the registration of trade marks for wines and spirits.

We now come to the more delicate problem of the relation between geographical indications and trade marks, and more particularly what happens when a trade mark comes before the geographical indication. In principle, as already underlined, a trade mark may consist of a geographical indication or contain a geographical indication (Article 22(3)). However, such a registration would be refused or invalidated if the use of the trade mark misleads the public as to the true place of origin. This Article does not speak about forbidding the use of the said trade mark, but this is covered by Article 22(2) which is of a more general nature.

What happens now in situations where a trade mark exists—has been registered and/or used—before the geographical indication; before the use of the geographical indication or its recognition (registration); or before the enactment of the legislation which deals with geographical indications? Put more succinctly, in what circumstances will a geographical indication take precedence over a trade mark and vice versa, and is there a possibility of coexistence?

It is my view that the TRIPS Agreement is not clear in all situations.

To answer this question we must look at Article 24(5) and at Article 16 which deals with trade marks and the rights conferred thereby. Article 24(5) analyses the situation where a trade mark has been applied for, registered, or used in such a way that rights can be derived therefrom (common law rights), on the obvious condition that these trade marks have been acquired in good faith.

What are the dates to be taken into consideration?

There are two alternative dates. The first is the date of application of the provisions of the TRIPS Agreement in the given Member State. The date of application can change from country to country, particularly in relation to countries falling under the categories of “developing countries” or “least-developed countries” respectively. The second date takes into consideration the date of protection of the geographical indication in its country of origin. The later date is probably much more difficult to ascertain.

Another peculiarity is that nothing is said concerning a registered trade mark which is under use obligation and has not been used (for a certain time).

In the above-mentioned circumstances, the TRIPS Agreement foresees co-existence between the geographical indication and the trade mark without limitation in time and without any other limitations. It also applies to geographical indications in relation to trade marks in the field of wines and spirits.

On the other hand, nothing is said concerning the situation wherein a geographical indication could be refused protection because there exists a prior trade mark with the result that the public would be misled by the geographical indication, or it would constitute an act of unfair competition. There is no clear indication, as in the Wine Regulation, that under no circumstances can an earlier trade mark prevent the registration and use of a later geographical indication. Does the second condition of co-existence where a trade mark has been acquired before the geographical indication is protected in its country of origin exclude that in any circumstances the geographical indication could be denied protection? I do not share this view. On the contrary, it appears that some Members have come to the conclusion that the right to use includes the right to exclude: in such circumstances the trade mark owner could prevent the protection of the later geographical indication. Furthermore, at the end of Article 24(7), the TRIPS Agreement expressly mentions that a geographical indication could be used and acquired “in bad faith.” However, this last provision is not really related to the discussion at hand.

This leads me to think once again of the specific problem of the Torres wine v. the Torres Vedras region in Portugal.

As this situation is not clearly dealt with in Section 3 (Geographical Indications) of the TRIPS Agreement, a text which can help us is Article 16 (Rights Conferred), which states that:

“the owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to...”

Does this apply to geographical indications? In my opinion, the answer is “yes.” Indeed, the use of a geographical indication is the use of a sign in the course of trade.

My personal conclusion, in light of the above, is that the TRIPS Agreement does not exclude the possibility of a trade mark owner excluding the protection of a later coming geographical indication (identical or similar) on condition that the geographical indication is used or has been registered in bad faith or that its use constitutes an act of unfair competition.

Let us now look at the situation in the Lisbon Agreement, which text, it must be reminded, goes back to 1958. Article 3 thereof provides that:

"Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as "kind," "type," "make," "imitation," or the like."

This seems to correspond to the more drastic level protection which, in the TRIPS Agreement, is provided only for wines and spirits.

What is the situation concerning trade marks? Article 5(6) of the Lisbon Agreement deals with this problem and appears to give total supremacy to appellations of origin as against trade marks. The said Article provides that trade marks can be expropriated without compensation, and that the trade mark owner must terminate the use of the trade mark within a period of two years.

No co-existence, no possibility of the trade mark taking priority over the appellation of origin. I therefore take the view that the Lisbon Agreement is in contradiction with the TRIPS Agreement, and, to add a personal note, I will say that it is for this reason that I have never been enthusiastic about the Lisbon Agreement. When one looks at the small number of countries that have ratified the Agreement, one wonders whether this is not the major contributory factor to the relatively minor success of the Agreement.

Let us now switch to the two EC Regulations.

I will begin with the Foodstuffs Regulation where the matter is dealt with in Articles 13 and 14, the contents of which can certainly not be described as crystal clear—some parts of which have been loosely drafted. Article 13 forbids various different uses and ends up with a general provision which states that:

"The registered name shall be protected against any other practice liable to mislead the public as to the true origin of the product."

In the last line of Article 14, we find, in relation to trade marks, the expression:

"...is liable to mislead the consumer as to the true identity of the product," which should probably read "the true origin of the product."

Loose drafting?

Article 13(1)(b) forbids also any "misuse, imitation or evocation even if the true origin of the product is indicated or if the name is translated or is accompanied by an expression such as "style," "type," "method," "as produced in," "imitation," or similar.

One will remember that exactly the same provisions can be found in the Lisbon Agreement and in the TRIPS Agreement, but only for wines and spirits. Article 13(3) ends

by stating that “protected names may not become generic.” This is peculiar to my mind. However, it appears evident that if the requirements of the protected sign are not met, the name will no longer be protected and in such circumstances could become generic. In the Lisbon Agreement, an appellation of origin can become generic if it is no longer protected as an appellation of origin in the country of origin. In the TRIPS Agreement this is an open question. It is foreseen therein that if the geographical indication ceases to be protected in the country of origin, a Member State may decide that it is no longer protected in that country, from which I conclude that it will become generic.

What happens if the trade mark comes after the geographical indication?

Three solutions are provided for in Article 14:

- ⇒ The trade mark application must be refused or canceled in view of the prior existence of a “protected name” (Article 14(1)).

What dates have to be taken into consideration to determine this priority?

Article 14(1) states that refusal or cancellation will occur if the trade mark has been applied for after the publication in the *Official Journal* of the proposed protected name (the publication is made in view of possible opposition to that name and therefore occurs prior to the registration of the protected name). This seems quite normal. There is however a third paragraph which says that the registration of a trade mark must also occur before the publication of the protected name. This is completely unfair because registration of a trade mark can take quite a long time in certain countries. In other countries, such as the Benelux for instance, registration takes place only a few months after application and the date of registration is retroactive to the date of application.

Article 14 applies only to a new protected name. What is the situation concerning existing national protected names which had to be notified to the Commission before January 24, 1994, in accordance to Article 17? These protected names are not published for opposition because it is not possible to oppose them. They will, however, be published once they have been accepted by the European Commission.

- ⇒ The co-existence of the trade mark and the protected name (Article 14(2)).

The conditions for co-existence are the following:

- (i) The trade mark must have been registered in good faith. Consequently, a trade mark which has only been used is not eligible for co-existence.

(ii) The trade mark must also have been used. It is the use which may continue and I suppose this applies also to the registration.

(iii) The registration must have occurred before the application of the proposed EC name. So what happens to a trade mark which is registered after the application of the proposed name but before its publication? Before the first date, there is co-existence and after the second date, the mark is refused.

There is a third condition laid down at the end of Article 14(2) which is in my opinion self-evident and not worth discussing here: the trade mark must be a valid trade mark in accordance with the Harmonization (Trade Mark) Directive of 1988, and now, also, the Community Trade Mark Regulation.

⇒ The third situation: the “proposed name” is refused (Article 14(3)). It is recognized that this paragraph was added at a very late stage of drafting, probably under pressure from those who defend trade mark rights.

A “proposed name” will not be registered in view of an existing trade mark under the following conditions:

(i) There are no dates indicated in Article 14(3). However, it appears that the situation of the trade mark must be considered at the time of the registration procedure of the “protected name” and more specifically at the time of the opposition procedure against such name.

(ii) Article 14(3) only applies to the registration procedure of the protected name. Consequently, it does not apply after the “protected name” has been registered: apparently the contents of Article 14(3) cannot apply to ask for the cancellation of a “protected name”.

(iii) Does Article 14(3) apply to those protected names which are in existence in the Community today and which have been notified in accordance with Article 17? A list of these names exists and was closed on January 24, 1994. The first list of 318 accepted names was published by the Commission on March 16, 1996.

(iv) The prior mark must have a certain “reputation” and “renown.”

(v) It must have been used for a certain length of time.

(vi) Taking into account the above-mentioned requirements, the registration of the new protected name will be refused if it “is liable to mislead the consumer as to the true identity of the product.”

(vii) It must further be added that Article 7(4), which lays down the conditions to be fulfilled to introduce an opposition against a new “proposed name,” states the following:

“A statement of objection shall be admissible only if it: ...shows that the proposed registration of a name would jeopardize the existence of an entirely or partly identical name or trade mark or the existence of products which are legally on the market at the time of publication of this Regulation in the Official Journal of the European Communities;...”

(viii) These requirements are not without their own difficulties:

“jeopardize the existence of an entirely or partly identical name or trade mark or the existence of products...”—what does this mean?

Now what about the compatibility of this text with the TRIPS Agreement? There is obviously one difference between them: the EC Regulation foresees the possibility of a protected name being refused in view of the existence of a prior existing trade mark. This situation, as explained above, is neither expressly provided for nor excluded in the TRIPS Agreement.

Let us now switch to the Wine Regulation. This Regulation comprises 46 articles and is quite incomprehensible to those who are not specialized in the area of wines and spirits.

In the short Preamble which usually accompanies such a Regulation, it appears clearly that the main reason for the Regulation is to harmonize the wide diversity of national legislations existing in the Member States of the European Union in relation to wines. The words “appellation of origin” or “geographical indication” do not appear in the Regulation, in spite of the fact that this is the issue which is treated therein. The main aim of the Regulation is to standardize and give a clear explanation to consumers regarding the quality of wines which are put on the market.

As already explained, this Regulation emanates from the Directorate General in charge of agriculture (DG VI). It is evident when reading the Regulation, and more specifically the small part thereof which is dedicated to the relationship with trade marks, that the Commission specialists in industrial property, in particular trade marks, were not consulted, or, if they were consulted, no attention was paid to their suggestions. The interchangeable use of the word ‘brands’ in some parts of Article 40 and the word “trade marks” in others is clear evidence of this fact.

Summarizing the contents of the Preamble and Article 40(2): if a brand name (please read “trade mark”) comes into conflict with a so-called “wine description,” the trade mark must always disappear. However, in paragraph 14 of the Preamble which is implemented in Article 40(3), it is foreseen that under very limited circumstances, a trade

mark which had been registered before 31 December 1985 (sorry if your trade mark was applied for before that date but was only registered after 1985, or if your rights derive from common law), the trade mark will be allowed to co-exist with the "wine description" until December 31, 2002. However, it is expressly indicated that under no circumstances can such a trade mark forbid the subsequent "use of the names of geographical units used to describe the quality wine PSR or a table wine."

The cut-off date of 31 December 2002 may be pro-longed. As far as I am aware, however, this has not happened. One immediately sees the parallel between this situation and the one provided for in the Lisbon Agreement, discussed previously.

The Regulation has been amended on three occasions. I will confine myself to commenting on the third amendment, which was tailor-made to respond to a very specific situation, one which the Commission must have recognized as being totally unfair. I refer, of course, to the Torres case.

The Spanish firm Miguel Torres is the owner of the trade mark **Torres**—which coincides with the name of the family—since 1911. Please remember this fact when discussing the amendment to the Regulation. It has commercialized millions of bottles of wine under this name and also under its trade mark **Torres** which has been registered for many years (more than 25!) in many countries throughout the world, including Portugal. As a result of the Wine Regulation, the Portuguese Government decided to notify a new wine-producing region, named "Torres Vedras," for quality wines.

It is recognized that these wines are of low and medium-low quality, whilst **Torres** wines benefit from a high reputation and are estimated to be of high quality. Portugal tried to have the full name accepted at European level, but also tried to have the word "Torres" registered alone. Furthermore, when one looks at the way the Portuguese wine has been labeled, the word "Torres" appears on the label alone as if it were a trade mark, and not a geographical indication or appellation of origin.

The result of this situation is that, by the year 2002, **Torres**, who has, may I remind you, produced tens of millions of bottles of wine under its name, will have to renounce its name to the benefit of this little known, later-in-time, low quality, Portuguese wine region. The situation was so patently unfair, not least because it appeared that the **Torres** firm was to be unfairly deprived of its name. The Commission therefore came to the decision to amend the Wine Regulation. This amendment is so peculiar that it has been tailor-made for the **Torres** case. It provides, *inter alia*, that one of the conditions of protection is that "the brand name was registered (for) at least 25 years and that the trade mark coincided with the name of the original holder."

This amendment, which was implemented on December 16, 1991, under Regulation No 3897/91, will in my opinion and because it is so specific, apply only to the **Torres** case.

The result of the amendment is that the Torres firm can now continue to exist under its name. However, this is insufficient, and not only for reasons of equity. In my opinion the Wine Regulation should be redrafted, at least partially, in order to align itself with the TRIPS Agreement which provides for unlimited co-existence under much less stringent conditions. In other words, the Wine Regulation is incompatible with the TRIPS Agreement and should be amended. The best way to achieve this would be to align the trade mark provisions of the Wine Regulation at least with those of the Foodstuffs Regulation where the situation is perhaps neither 100% clear, perfect, nor equitable, but at least trade mark owners have been given a more equitable and just deal.

IX. CONCLUSION

As indicated in my introduction, I have tried to pin-point some of the main discrepancies between the various international legislations with which we are confronted in the field of geographical indications.

Obviously, I have realized that this work was over-ambitious, that it contains some approximations, and some interpretations, with which not all will agree, but if I have been able to underline the fact that there are some problems which should be solved I feel I have achieved my main objective.

If an agreement could be reached to solve this problem, it is my personal belief that there would be no better forum than WIPO to realize it, with the obvious sad consequence that WIPO might cease to organize these wonderful meetings in such lovely surroundings as Bordeaux, Santenay, Wiesbaden, Madeira, Melbourne, and, hopefully not last, Eger.



PROTECTION OF GEOGRAPHICAL INDICATIONS IN THE UNITED STATES OF AMERICA

by

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I. INTRODUCTION

My topic today is "Protection of Geographical Indications in the United States of America." Please understand that I am primarily a specialist in beverage alcohol law, so my remarks will focus particularly on protection for wine related geographical indications and appellations of origin.¹

Although protection for geographical indications is normally found in the Lanham Act, the law governing the registration of trademarks ("Marks") in the United States of America (U.S.), any discussion of protection becomes far more complex when we talk about wine. When discussing protection for wine related geographical indications, or appellations of origin, it is necessary to also include the U.S. Federal Alcohol Administration Act ("FAA Act") and the regulations issued by the Federal Bureau of Alcohol Tobacco & Firearms ("BATF") pursuant to the FAA Act.

To be complete, our discussion must also include the recent global Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS") because this Agreement has had a significant impact upon the extent of protection for geographical indications in the U.S.-and that is true for both wine and non-wine products.

I would first like to talk about U.S. Lanham Act protection for products other than wine—and we will compare protection for these non-wine products both before and after TRIPS related amendments to U.S. law.

We will then: compare protection for wine geographical indications and appellations of origin under both the Lanham Act and the FAA Act; look at the effect of the TRIPS Agreement upon that protection; and conclude with a discussion of a rather astonishing conflict between the Lanham Act and the FAA Act specifically regarding wine (or at least a conflict in the way the Bureau of Alcohol

¹ In the U.S., the terms "geographical indication" and "appellation of origin" are used synonymously and interchangeably. Details of the legal distinctions of these terms in the U.S. are discussed in Section III of this presentation.

Tobacco & Firearms (BATF) interprets the relationship between the Lanham Act and the FAA Act).

II. LANHAM ACT

A. PRODUCTS OTHER THAN WINE

(a) Pre-TRIPS

Before TRIPS, the Lanham Act made no distinction between trademarks for wine and other products; they were all treated the same.

Upon reviewing an application to register a false² geographical indication term, the U.S. Trademark Office must make an initial determination whether the term is arbitrary³ or deceptive.

This requires a goods/place analysis; that is, the examiner must determine whether consumers are likely to believe that the goods could actually come from the geographic area that is part of the proposed mark. For example, the mark Antarctica used on bananas is arbitrary, and therefore not misleading, because consumers do not expect bananas to come from the land of glaciers and icebergs. Arbitrary marks are registrable.

However, if the examiner finds that a goods/place connection does exist, the false geographical indication is considered deceptively geographically misdescriptive.

Prior to TRIPS, the Lanham Act distinguished between false geographical indications which were classified as deceptive *per se* and those which were merely primarily geographically deceptively misdescriptive (“primarily misdescriptive”).

² Identifies or implies a place other than the place of origin of the goods. For purposes of this discussion, I will only be referring to misdescriptive (i.e. false) rather than descriptive geographical indications which are addressed separately by the Lanham Act.

³ For trademark registration purposes, the term “arbitrary” has a positive connotation (unlike the term’s generally negative implication). A trademark is deemed to be arbitrary if the term is completely nondescriptive of the nature or origin of the goods. Geographic terms are arbitrary if consumers are unlikely to understand the term as identifying the geographic origin of the goods, i.e., no place/goods connection.

False geographical indications which were deceptive *per se* were denied registration outright under Section 2(a) of the Lanham Act.

Marks which were merely "primarily misdescriptive" would initially be refused registration under old Section 2(e)(2) [now amended as section 2(e)(3)] of the Lanham Act, but that refusal could be overcome under section 2(f) by showing that the mark had acquired a secondary meaning that was not necessarily connected to the geographic portion of the mark; i.e., consumers had come to understand the mark as designating a specific producer rather than a general geographic origin.

A good example of a registered U.S. trademark that contains a clearly false geographical indication, but which also has developed a secondary meaning unrelated to the geographical indication, is Napa automobile parts. Although Napa Valley is the most widely known and respected U.S. appellation of origin for wine, and the Napa automobile parts company is probably the best known U.S. supplier of replacement auto parts, few if any Americans assume or expect that their Napa auto parts come from Napa Valley, California. Another example would be Cadillac Dog Food which has the same name as the Cadillac automobile which historically has been produced in Cadillac, Michigan. Americans do not expect their dog food to come from the city that produces Cadillac automobiles.

Actually, it is that goods/place connection, or lack of connection which determined whether a false geographic designation was arbitrary, and therefore registrable, or whether there was a deceptive element which rendered the mark unregistrable under section 2(a) or section 2(e) of the Lanham Act. If a goods/place connection existed, the test was one of "materiality;" that is, whether the false geographic portion of the mark affects a consumer's decision to purchase the product. To show that a false indication is material to a consumer's purchasing decision, U.S. Courts have required a determination that:

- ◊ similar goods are a principal product of the named geographic area;
- ◊ consumers are aware of the products-place connection;
- ◊ consumers mistakenly believe that the goods come from the geographic area; and
- ◊ that mistaken belief causes the consumer to purchase the goods.

If all of these requirements are met, the false geographical indication is considered *per se* deceptive and is, therefore, unregistrable under section 2(a). For example, the mark **Paris** used on perfume made in the U.S. would be deceptive because Paris is well known as a center for perfume production and consumers attach a particular cachet to perfume from Paris. If however, the mark **Paris** is used on house

paint produced in the U.S., the false designation is not a material factor. Paris is not famous for its house paint and, even if consumers mistakenly believe the paint is from Paris, that belief would not affect the decision to purchase the goods. Then the mark is merely “primarily misdescriptive” under section 2(e). Prior to the TRIPS amendment, therefore, it was possible to overcome that primary meaning by establishing secondary meaning under section 2(f).

(b) Post-TRIPS

As a result of the TRIPS Agreement though, it is no longer possible to “save” a false geographical indication which is “primarily misdescriptive” by showing that a product has acquired a secondary meaning unless, and there is only one exception, it can be shown under a new Lanham Act “grandfather clause” in section 2(f), that the secondary meaning had already been acquired prior to December 8, 1993. This now means that new products bearing names with false geographical indications which are “primarily misdescriptive,” and entering commerce for the first time after December 8, 1993, can no longer be registered with the U.S. Patent and Trademark Office—regardless of whether or not they have acquired secondary meaning. Thus, today, a new company seeking registration of the name Napa for olives would see that application rejected.

In summary, as a result of the post-TRIPS amendments, there is no longer any distinction between new false geographical indications which are deceptive under section 2(a) or merely “primarily misdescriptive” under section 2(e)(3). Neither category of mark is registrable. The focus is now solely on whether the mark is arbitrary under a goods/place connection analysis. If the public does not make a goods/place association then the mark is merely arbitrary and can be registered (for example, Antarctica Bananas). If however, a goods/place association does exist, the geographic misdescriptiveness is primary and the mark is unregistrable as deceptive *per se* under amended section 2(e)(3); for example, Napa olives.

B. WINE

(a) Pre-TRIPS

As noted above, prior to the TRIPS related amendments, the Lanham Act made no distinction between false geographical indications for wine and other products. As far as the Lanham Act was concerned, the secondary meaning exception was available for wine as well as automobile parts or any other product.

(b) Post-TRIPS

The post-TRIPS amendments now, for the first time, treat wines and spirits differently from other products in section 2(a).

Unlike other products, a goods/place analysis is no longer applicable to false geographical indications for wines and spirits. Now any false geographical indication used on wine will be considered deceptive *per se* and will be refused registration even if the designation is arbitrary. For example, the name Antarctica cannot be registered for wine even though a reasonable consumer does not expect wine to be produced there. (By comparison, as noted previously, Antarctica will be registrable for use on bananas because it is arbitrary).

However, under Post-TRIPS Lanham Act amendments, a more liberal grandfather exception is granted to wine and spirits as compared to other products (Lanham Act §2(a)). A false geographical indication used on wine or spirits can still be registered if it was used in commerce prior to January 1, 1996. By contrast, section 2(f) requires, for registrability, that non-arbitrary false geographical indications for other products must not only have been in commerce, but must have acquired secondary meaning prior to December 8, 1993.

III. FAAACT – WINE

A. U.S. WINES

Section 205 of the FAA Act,⁴ entitled “Unfair Competition and Unlawful Practices,” provides the statutory basis for BATF’s regulations applicable to protection of geographical indications and appellations of origin for wine and spirits products. It is important to note that no wine or spirit product can be sold in the U.S. without a Certificate of Label Approval (“Cola”) issued by BATF. BATF will not issue a Cola for wines and spirits unless they comply with all BATF standards of identity (composition, ingredients, etc.) and labeling requirements, which include the rules and regulations regarding the use of geographical indications and appellations of origin.

Before explaining the application of the rules, we first have to understand the definition of some terms because the phrase “appellation of origin,” for example, has a very different meaning in the U.S. than it does in much of Europe. In France, and other

⁴ Particularly Section 205(e) entitled “Labeling.”

European wine producing regions, the term “appellation contrôlée” connotes more than a geographic location. It also includes highly developed and sophisticated rules and regulations which may, among other things:

- ◊ specify the types of varietal grapes that may be grown in that location;
- ◊ prohibit or limit the use of irrigation;
- ◊ limit allowable yields;
- ◊ specify viticultural practices.

In short, the term “appellation contrôlée” ensures certain standards for the finished fruit as well as for the geographic boundaries. Or, in OIV⁵ definitional terms, the human factors involved in growing wine grapes are regulated as well as the natural factors (for example, physical boundaries).

(a) Appellations of Origin

In the U.S. the term appellation of origin means only the boundaries of the physical location in which the grapes are grown. There are no rules whatsoever governing yield, allowable varietal plantings, irrigation and so forth. Furthermore, the term appellation of origin does not necessarily mean, or imply, anything unique about the location's climate or environment. Rather, it refers solely to the actual physical political boundaries of the appellation. Thus, Section 4.25(a) of BATF's Standards of Identity regulations defines a U.S. appellation of origin as “(i) the United States; (ii) a State; (iii) two or no more than three States which are all contiguous; (iv) a county⁶...; (v) two or no more than three counties in the same States; or (vi) a viticultural area...”

(b) Viticultural Areas

As you can see, all of the above describe purely physical political boundaries with the single exception of a viticultural area. A viticultural area is the closest we come to the classic European definition of appellation of origin. While the human factors are still not regulated in a viticultural area, the boundaries are intended to identify specific geographic features (such as a valley) rather than strictly political areas (such as a county). Thus, a viticultural area is defined in BATF Regulation 4.25a(e) as “A delimited grape growing region distinguishable by geographical features, the boundaries of which have been recognized and defined [by BATF]...” (see Exhibit A for

⁵ International Vine and Wine Office (Office International de la Vigne et du Vin).

⁶ Political subdivision of a State.

the rules applicable to petitions seeking BATF recognition of proposed new viticultural areas).

For U.S. wines then, BATF will only recognize and therefore protect, geographical indications which are either appellations of origin (pre-determined area boundaries) or specifically recognized and approved viticultural areas.

If a vintner uses either an appellation of origin or viticultural area reference on the label, then further BATF regulations require that a minimum of 75% (appellation of origin) or 85% (viticultural areas) of the wine be derived from grapes grown in the designated geographical indication.

B. IMPORTED WINES

The situation for imported wines is more complex and more controversial as well.

Although BATF recognizes, and therefore protects most foreign appellations of origin, geographical indications and viticultural areas, the problem is that there are two major exceptions to U.S. protection and these exceptions are particularly troubling for Europeans. In fact, these exceptions may be one of the major reasons why the U.S. and the European Union ("E.U.") have been unsuccessful in finalizing their Wine Accord treaty negotiations which have been ongoing for almost twenty years.

(a) Generics and Semi-generics

Both exceptions are found in BATF Regulation Section 4.24 which is entitled "generic, semi-generic, and non-generic designations of geographic significance." This regulation provides "A name of geographic significance, which is also the designation of a class or type of wine, shall be deemed to have become semi-generic [or generic] only if so found by the Director [of BATF]." BATF Directors have ruled that only two names have become generic in the U.S.; sake and vermouth. However, Directors have also found that sixteen names have become semi-generic, including such well-known European names as Burgundy, Chablis, Champagne, Chianti, Port, Sauterne, Sherry and Tokay.⁷ The difference between generic and semi-generic is that generic terms may be used on a label with no additional modifying terminology. Semi-generics on the other hand must be modified by a description of the true place of origin of the wine, i.e.,

⁷ The remaining semi-generics include Angelica, Claret, Malaga, Marsala, Madeira, Moselle, Rhine Wine and Haut Sauterne.

California champagne. As most of you know, this is a source of irritation and concern to the European wine trade; a concern that I addressed in detail several years ago during my talk on wine appellations at WIPO's Wiesbaden Symposium.

Although I had become somewhat hopeful in recent years that a U.S./E.U. negotiated solution to the semi-generic problem could be reached in my lifetime, I am now less optimistic (unless perhaps I live to be more than 100). Let me explain. As I am sure you are all aware, the TRIPS Agreement mandates intergovernmental negotiations to enhance protection for geographical indications on a global basis (Article 24.1). In a move which caught many by surprise, a segment of the U.S. wine industry has successfully lobbied the U.S. Congress⁸ to protect the Section 4.24 semi-generics by U.S. law as well as by BATF regulation. Just a few months ago, during the recent marathon negotiations in the U.S. Congress for a balanced budget and income tax reduction, a number of special interest provisions, including the amendment to protect U.S. semi-generics, were added to the final legislation as individual members of Congress traded support for votes on selective issues. Although President Clinton used his new line item veto power (the first President to receive this power from the U.S. Congress) to eliminate several of the special interest "riders," the legislation protecting semi-generics survived and, as of August, 1997, this protection is now embodied in U.S. Federal Law (26 U.S.C. §5388) as well as continuing in BATF regulations. The stated purpose was to make it more difficult for U.S. trade negotiators to trade away the semi-generics in the TRIPS mandated negotiations. There is no question that this will be the case.

(b) Non-generic Designations of Geographic Significance

The second exception I referred to earlier, which also denies U.S. protection to certain foreign geographical indications, concerns non-generic designations of geographic significance. BATF Regulation §4.24(c)(1) provides:

"A name of geographic significance, which has not been found by the Director to be generic or semi-generic may be used only to designate wines of the origin indicated by such name, but such name shall not be deemed to be the distinctive designation of a wine unless the Director finds that it is known to the consumer and to the trade as the designation of a specific wine of a particular place or region, distinguishable from all other wines."

This Regulation is also a source of frustration for E.U. wine regulators. Although the E.U. has been successful in having several thousand names recognized as

⁸ Both the U.S. Senate and the House of Representatives.

"distinctive," and, therefore, protected by BATF, BATF has denied "distinctive" status to several thousand additional names. The problem for the E.U. is found in the requirement that, as a pre-condition to granting "distinctive" status, the Director must find "that it [the name] is known to the consumer and to the trade as the designation of a specific wine of a particular place or region, distinguishable from all other wines (emphasis added)." The requirement that the name be known to the consumer and the trade has been interpreted as meaning known to the U.S. consumer and the U.S. trade. Many of the names that the E.U. has sought to protect with BATF are for wines that have never, or rarely, been sold in the U.S. so it is not possible for the BATF Director to find that they are known to U.S. consumers and the U.S. wine trade.

Fortunately for the E.U., however, this problem is easier to solve than the semi-generic problem. In fact, at a symposium of the International Federation of Wines and Spirits (FIVS) in Brussels not too many years ago, the then Director of BATF, Steve Higgins, specifically invited his E.U. counterparts at the symposium to submit a petition to BATF requesting a change in terminology from "known to U.S. consumers and the trade" to "known internationally to consumers and the wine trade." Mr. Higgins not only invited such a petition but he indicated that he would welcome it. For some unknown reason or reasons (at least unknown to me) I do not believe that the E.U. ever acted on Mr. Higgins' suggestion and the problem remains—and will continue to remain until someone files a formal petition for a change in language like that suggested by Mr. Higgins.

IV. INTER-RELATIONSHIP BETWEEN LANHAM ACT, OIV RESOLUTION AND FAA ACT

A. PRE-TRIPS

Although both the Lanham Act and the FAA Act offer protection for geographical indications, as we have seen, they do so in very different ways.

As long as you receive a certificate of label approval from BATF, as well as necessary permits and licenses, you can sell your wine in the U.S. without seeking trademark registration for the brand name. Many small farm wineries with only local customers do not bother with federal trademark registration. Some will apply only for local statewide protection because that is the extent of their market.

It is also important to note that when BATF considers Cola applications, there is no inquiry whatsoever concerning the similarity of the Cola application brand name to other products already on the market. BATF does not consider any infringement issues in its Cola review and approval process. It is up to the parties affected by infringement questions to resolve those issues outside of BATF. In fact, the Cola application form

specifically states that the Cola is issued for BATF use only and does not constitute trademark protection.

While the issuance of a U.S. trademark registration will prevent others from using that name, it does not authorize sales of the registered product in the marketplace. In the case of wines and spirits, it would be a criminal offense to offer the product for sale without a BATF Cola and BATF and State permits and licenses.

While these jurisdictional lines between the U.S. Patent and Trademark Office and BATF seem clear and very distinct, in actual practice the lines can easily be misunderstood.

In 1973, for example, BATF issued a Cola for a liqueur with the brand name **Scotch-Comfort**. The liqueur was not produced in Scotland. When the Trademark Office subsequently refused registration on the grounds that the mark was geographically deceptive and misdescriptive under section 2(e) of the Lanham Act, the applicant tried to offer the Cola as evidence that a U.S. government agency (BATF) had determined that the name was not deceptive when it approved the Cola. The Trademark Board rejected this argument and stated that BATF “has no authority to concern itself with proprietary rights in brand names.”

A similar situation arose in 1984 when a Cola was issued by BATF for the brand name **Essenia** for wine not produced in Hungary (an appropriate example given the site of this conference). Once again, the recipient of the Cola argued unsuccessfully before the Trademark Board that the issuance of the Cola precluded any finding of deceptiveness.

More recently, the French Institut National des Appellations d'Origine (“INAO”) tried to block registration of the mark “**Chablis with a Twist**” for a packaged wine cocktail by arguing that under BATF regulations Chablis is a semi-generic and semi-generic names must be modified on the label by the true place of origin in direct conjunction with the semi-generic reference; i.e., **California Chablis**. INAO therefore argued that the omission of the BATF-mandated true place of origin on the label was an improper mutilation of the mark. A U.S. Federal Court of Appeals upheld the validity of the mark and the exclusive jurisdiction of the Trademark Office on registration issues. In the words of the Court, the fact that BATF regulations required the word California to appear on the label had “nothing whatsoever to do with the question of what is a trademark.” *The Institut National des Appellations d'origine v. Vintners International Co., Inc.* 958 F.2d 1574 (Fed. Cir. 1992).

B. POST-TRIPS

Theoretically the TRIPS Agreement should have resulted in one significant modification in BATF Regulations; specifically, Regulation 4.39(i) which prohibits the use of brand names of viticultural significance unless:

- * the wine meets the appellation of origin requirements for the geographic area named; and,
- * the brand name was used with an approved **Cola** issued prior to July 7, 1986.

This means that any wine trademarks introduced into the U.S. market after July 7, 1986, will always be subject to possible invalidation by a subsequently recognized geographical indication; regardless of how long the product has been in the market and how many years from now the geographical indication is recognized.

However, the Lanham Act, through the Section 2(a) TRIPS inspired amendment discussed above, established a January 1, 1996 grandfather date for the registrability of false geographical indications which identify "a place other than the origin of the goods..." Furthermore, the U.S. Congressional legislative history to the amendment states clearly that "Any trademark containing a geographical indication that is currently registered or in use, or that is registered or in use [on January 1, 1996] may be maintained." (Statement of Administrative Action, 1994 U.S. Code Cong. & Admin. News 4040 (emphasis added). Congress also recognized that existing BATF regulations did not conform to its intent. Consequently, the Statement of Administrative Action expressly discusses BATF's duty to amend its regulations to treat geographically misdescriptive trademarks on wine labels in the same manner as Congress prescribed: "The United States *will implement* the Agreement's provisions on geographical indications for wine and spirits *through the labeling regulations of the Bureau of Alcohol, Tobacco and Firearms* of the Department of the Treasury (emphasis added)."

I would also like to refer you to an OIV resolution⁹ concerning the relationship between trademarks and geographical indications which was adopted in Paris in April, 1995. The U.S. supported and voted for this Resolution which seeks to provide equal levels of protection for recognized geographical indications, recognized appellations of origin, recognized traditional denominations and trademarks based upon the principle that first in time should have priority in protection. The Resolution specifically considers the necessity to avoid any "prejudice, diminution or weakening"

⁹ See Exhibit B attached.

of the first to be protected by a subsequent recognition. Member States were invited to implement legislation and regulations to “ensure equal levels of protection ... in conformity with the principles set out above.” Furthermore, the OIV Resolution is not conditioned on “grandfather” dates. It promotes superior protection for the “first in time” to be recognized regardless of when that occurs.

Notwithstanding amended Section 2(a) of the Lanham Act, the OIV 1995 Resolution and Congressional statements of intent, BATF has taken the position that, generally, brand names with “viticultural significance” can no longer be used, even if they predated BATF approval of the viticultural area that is responsible for creating the brand name’s “viticultural significance” unless they meet specific and very restrictive requirements.¹⁰

In other words, even though the brand name was in use for a period of years before BATF recognized that the area was viticulturally significant, nonetheless BATF expects the pre-existing brand or brands to cease usage unless they 1) predate July 7, 1986 and 2) use wines from the newly recognized viticultural area regardless of the appellation previously used on the labels of the pre-existing wines; for example, California.

BATF’s refusal to accept any modification of its position is what I referred to at the beginning of my remarks as an astonishing new conflict between the Lanham Act and the FAA Act; at least as interpreted by BATF.

In my personal view, as a result of this “conflict,” BATF now offers, in certain limited circumstances, more protection for geographical indications for wine than is reasonable, necessary or required by either the Lanham Act or the 1995 OIV Resolution—to the serious detriment of pre-existing trademarks.

Let me point out immediately, in the interest of full disclosure, that one of our clients is involved in litigation at the moment challenging the Bureau of Alcohol Tobacco & Firearms on this very point—i.e., that they are consciously ignoring the rights of pre-existing wine trademarks in favor of completely new viticultural areas that have been recently approved by BATF.

Europe has faced the same issue in the Torres case—a case where the very existence of a trademark in widespread usage for generations was threatened by prior European Community Law which could literally have canceled that trademark in favor

¹⁰ See discussion in Exhibit C, Heublein, Inc., Petition To Amend BATF Geographic Brand Name Wine Regulations.

of a newly recognized Portuguese appellation of origin known as Torres-Vedras. Fortunately, the E.U. modified its law to allow for co-existence of the Torres trademark with the new appellation.

The wine industry in the U.S. was very troubled by the Torres case since many of our U.S. wineries were either named after, or carried names similar to, the "old country" homes of the emigrants who brought their cultures, including vineyards, with them to the U.S. several generations ago. For example, one of the best known U.S. wines, Mondavi, is the name of at least two villages in Italy. There is also an area known as Gallo-Nero and a town called Martini in Italy. Mondavi, Gallo and Martini brand California wines are all sold in the E.U. and they offer good examples of why the U.S. wine industry was concerned during the Uruguay Round negotiations.

Had these areas become accepted by the E.U., or member countries, as recognized appellations of origin, the U.S. brands with similar or identical names could suddenly have become legally excluded from the E.U. market regardless of the tens or hundreds of thousands of dollars, or even millions of dollars, of investments that might have been spent in developing markets for those brands.

As a result of this concern, the U.S. wine industry met frequently with U.S. Patent and Trademark Office negotiators to encourage them to seek language in the final Uruguay Round Agreement that would offer equal protection to trademarks and geographical indications. The U.S. did not argue only for co-existence (as in the Torres case). To the contrary, the U.S. industry and negotiators wanted recognition of the principle that the first to be recognized was entitled to full protection—including the right to block subsequent efforts to trade on the goodwill of the protected name.

I must add at this point that the U.S. negotiators understood the industry's concern and the final TRIPS Agreement does, in fact, offer at least partial protection for pre-existing trademarks (when they are confronted by newly recognized appellations of origin or geographical indications) in Article 24(5) which states in relevant part:

"Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith..."

"before the geographical indication is protected in its country of origin;

"measures adopted to implement this Section shall not prejudice 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."

Yet, although the U.S. industry has finally secured this comfort and protection against invalidation in the E.U., and other U.S. export markets, it has not yet achieved similar protection in the U.S. market.

Imagine, after getting the full support of the U.S. Patent and Trademark Office in protecting U.S. brand names abroad, the U.S. industry has been unable to get the same level of protection in the U.S. for domestic brand names sold in the U.S. market. BATF has taken what I consider to be an unnecessarily restrictive view that the Uruguay Round Agreement only requires them to offer protection to pre-existing trademarks for imported products and that they have no corresponding obligation to protect domestic products to the same extent. In effect, what we have is the reverse of protectionism—here we have imported brand names literally enjoying superiority to U.S. brands and those imported brands gaining rights of continued existence in the face of newly recognized geographical indications that are denied entirely to U.S. wine brand names (unless they happened to be around more than 11 years ago as mandated by an arbitrary BATF “grandfather” date of July 6, 1986).

Let me be more specific. Within the past ten years or so, BATF has approved more than 40 new viticultural areas in the U.S. Many, if not most, of these newly approved viticultural areas are subdivisions of other already recognized appellations or geographical indications. Some of them are only a few square miles in size. In other words, BATF keeps recognizing and, in effect, “carving up,” smaller and smaller areas within areas already recognized as appellations of origin or viticultural areas. This continuing practice of “subdividing” appellations of origin and viticultural areas by BATF has been criticized by more than a few U.S. wine writers (for example, see Jerry Mead, “News Flash,” *WineTrader*, December 1996).

It is my opinion that the BATF needs to achieve a better balance in the way it protects trademarks and recognized geographical indications. At the very least the TRIPS inspired Lanham Act “grandfather” date of January 1, 1996 should replace BATF’s current arbitrary cut-off date of July 7, 1986. An even better solution would be for BATF to implement the 1995 OIV Resolution which promotes full and exclusive protection for the “first in time” to be recognized. Specifically, a new viticultural area should not be recognized if it duplicates the name of an established pre-existing recognized trademark.

In the last year, BATF has ordered at least two U.S. wineries to cease the use of pre-existing trademarks in the face of newly recognized viticultural areas because they could not establish that those trademarks and brand names were in existence prior to July 7, 1986 (when only a fraction of today’s U.S. wine brands existed) and because the wines did not originate within the newly recognized viticultural area.

In the U.S., therefore, we have a clear conflict between U.S. Trademark Law (including a 1994 amendment which specifically creates a new "grandfather cut off date" of 1996 for geographically misdescriptive brand names) and the 1995 OIV Resolution on the one hand, both of which support equality between trademarks and geographical indications, and, on the other hand, BATF Regulations which substantially impair the rights of trademarks used after July 7, 1986 if they have the misfortune to resemble or duplicate viticultural areas newly adopted by BATF.

What is the answer for the U.S. wine industry? One winery has chosen to challenge BATF in Federal Court. Another leading multinational company has submitted a formal petition to BATF asking that it eliminate its "grandfather" date entirely and that it be replaced by "first in time" language (See Exhibit C). At least one U.S. wine industry trade association is also considering a petition asking BATF to bring its regulations into conformity with the Lanham Act amendment of 1994; i.e., extending the "grandfather" date from 1986 to 1996. Hopefully, one or more of these initiatives will be effective in encouraging BATF to establish consistency between the Lanham Act, the OIV Resolution and BATF regulations which will then eliminate this conflict which currently threatens a number of well-known U.S. wine trademarks.

V. INTERNATIONAL IMPLICATIONS

What are the international implications for you of this primarily domestic conflict in the U.S.?

- For one, this presentation hopefully highlights the complexity of conducting business in the U.S. market. We have discussed a conflict in Federal law affecting wine and have not considered the additional complexity and conflicts attributable to the entirely distinct wine laws and regulations of each of the 50 states.
- We also need to recognize that trademarks and recognized geographical indications are both forms of intellectual property and neither should be diminished in any way by the subsequent recognition of the other. This principle sounds simple enough but, as you can see from the U.S. example, it is difficult to implement in practice. For regulators the challenge is to implement the OIV Resolution and the TRIPS Agreement in a thoughtful and balanced manner that does not unfairly burden either trademarks or recognized geographical indications. If the OIV "first in time" Resolution is ignored and not implemented, we run the risk of "turning the clock back" to the pre-TRIPS days when a newly recognized appellation of origin could totally negate and invalidate long-standing and pre-existing wine trademarks.

- Finally, with regard to the issue of non-generics with distinctive name status, the current U.S. rule will not change by itself or through the initiative of the U.S. industry. It is up to non-U.S. producers and regulators to petition BATF for a formal rule change that would allow BATF to grant distinctive name status to products known internationally, even if they have never been sold in the U.S.

[Annexes follow]

ANNEX I**EXHIBIT A**

Establishment of American viticultural areas. Petitions for establishment of American viticultural areas may be made to the director by any interested party, pursuant to the provisions of §71.41(c) of this title. The petition may be in the form of a letter, and should contain the following information:

- (i) evidence that the name of the viticultural area is locally and/or nationally known as referring to the area specified in the application;
- (ii) historical or current evidence that the boundaries of the viticultural area are as specified in the application;
- (iii) evidence relating to the geographical features (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas;
- (iv) the specific boundaries of the viticultural area, based on features which can be found on U.S. Geological Survey (U.S.G.S.) maps of the largest applicable scale; and
- (v) a copy of the appropriate U.S.G.S. map(s) with the boundaries prominently marked. (For U.S.G.S. maps, write the U.S. Geological Survey, Branch of Distribution, Box 25286, Federal Center, Denver, Colorado 80225. If the map name is known, request a map index by State).

[Annex II follows]

ANNEX II



Office International de la Vigne et du Vin

O.I.V. - 18 rue d'Aguesseau - F-75008 PARIS - Tel. 33 (1) 44 94 80 80 - Tlx. 33 (1) 42 66 80 63

EXHIBIT B

RESOLUTION ECO 3/94

RELATIONSHIP BETWEEN TRADEMARKS, RECOGNISED APPELLATIONS OF ORIGIN, RECOGNISED GEOGRAPHICAL INDICATIONS AND RECOGNISED TRADITIONAL DENOMINATIONS.

THE GENERAL ASSEMBLY,

At the proposal of Commission III, "Vitivinicultural Economics", taking into account the work of the Group of Experts "Law of Wine and Vine",

CONSIDERING the definition of Recognised Appellations of Origin (RAO) and Recognised Geographical Indications (RGI), ECO 2/92, known as the Madrid Resolution, which equally provides for protection to be given to recognised traditional denominations (RTD).

CONSIDERING the existence in the vitiviniculture sector of trademarks, manufacturer's marks or service marks, including collective marks and certification marks falling within the terms of the Paris Convention on the protection of industrial property of 20 March 1883, revised at Stockholm on 2 October 1979,

CONSIDERING the TRIPS (*) Agreement on intellectual property rights, concluded within the scope of the Uruguay Round negotiations and signed at Marrakesh on 15 April 1994, and particularly Part II Section 2 thereof on trademarks and Part II Section 3 thereof concerning geographical indications and the protection thereof,

CONSIDERING the necessity to provide an equal level of protection to recognized geographical indications, recognized appellations of origin, recognised traditional denominations and trademarks,

CONSIDERING that this protection is, in good faith, determined by priority in recognition of the RAO/RGI/RTD in the country of origin, the registration of the trademark or their use in countries where rights derive from their use, in conformity with national legislation. Account will be taken of the reputation and distinctive character of a RAO/RGI/RTD and of a trademark, in conformity with national legislation (**).

(*) Trade-Related Aspects of Intellectual Property Rights

(**) National legislation is understood to include regulations and other arrangements which apply in various countries by virtue of the Union Treaties.

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CONSIDERING that the trademark or RAO/RGI/RTD cannot use the reputation or other intellectual property rights already acquired by one or other of these to guarantee its own development,

CONSIDERING the necessity to avoid any prejudice, diminution or weakening of the trademark, RGI, RAO or RTD,

CONSIDERING that the choice of the trademark by its entitled owner is subject to the pertinent conditions of trademark law and that the RAO/RGI is the geographical name and RTD the traditional name which designate the provenance of the product,

CONSIDERING that, without prejudice of the examination of litigious cases, the use of the identical or similar designation as both trademark and RGI, RAO or RTD shall not be permitted,

INVITES the Member States to implement appropriate legal instruments under their legislation and regulations in order to ensure an equal level of protection for recognized appellations of origin, recognised geographical indications, recognised traditional denominations and trademarks, in conformity with the principles set out above.

[Annex III follows]

ANNEX III

EXHIBIT C

**HEUBLEIN, INC.'S PETITION TO AMEND BATF
GEOGRAPHIC BRAND NAME WINE REGULATIONS**

Heublein, Inc. ("Heublein") submits this petition for rulemaking by the Bureau of Alcohol, Tobacco and Firearms ("BATF"), pursuant to 27 C.F.R. § 71.41(c), to amend the BATF's geographic brand name wine regulations, 27 C.F.R. § 4.39(i).

Background

BATF regulations place certain restrictions on labeling wine with a geographic brand name that has "viticultural significance." 27 C.F.R. § 4.39(i). The purpose of these regulations is guard against the possibility of a geographic brand name misleading consumers as to wine's geographic origin. *See generally, 51 Fed. Reg. 20480 (June 6, 1986) (adopting amended regulation).*

A wine's geographic brand name has viticultural significance if it includes either:

the name of a state or county (or the foreign equivalents);

the name of an area recognized as an approved viticultural area pursuant to 27 C.F.R. Part 9; or

the name of an area otherwise found by the Director of the BATF to have viticultural significance. (27 C.F.R. § 4.39(i)(3).)

The universe of geographic areas that have viticultural significance is not constant, but increases over time as new areas become officially recognized to have viticultural significance.¹

¹ For example, among the many viticultural areas that have been officially recognized as such by the BATF since 1990 are San Ysidro District (California), Mt. Harlan (California), Rogue Valley (California), Rutherford (California), Oakville (California), Virginia's Eastern Shore

Annex III, page 2

Two different sets of regulatory provisions apply to the use of geographic brand names on wine labels. First, for wine labels having BATF certificates of label approval ("COLAs") issued on or after July 7, 1986 (the effective date of the current regulation), "a brand name of viticultural significance may not be used unless the wine meets the appellation of origin requirements for the geographic area named." 27 C.F.R. § 4.39(i)(1).

A second, and less restrictive, set of regulatory provisions applies to the use of geographic brand names on wine labels having COLAs that were approved prior to July 7, 1986. This less restrictive set of regulatory provisions "grandfathers-in" these wine labels and allows them to retain their geographic brand names provided that certain additional conditions are met to guard against consumers being misled. The regulatory provisions applicable to these grandfathered labels are as follows:

(2) For brand names used in existing certificates of label approval issued prior to July 7, 1986:

(i) The wine shall meet the appellation of origin requirements for the geographic area named; or

(ii) The wine shall be labeled with an appellation of origin in accordance with § 4.34(b) as to location and size of type of either:

(A) A county or a viticultural area, if the brand name bears the name of a geographic area smaller than a state, or;

(Virginia), Texas Hill Country (Texas), Grand Valley (Colorado), Benmore Valley (California), Santa Lucia Highlands (California), Atlas Peak (California), Escondido Valley (Texas), Spring Mountain District (California), Texas High Plains (Texas), Dunnigan Hills (California), Lake Wisconsin (Wisconsin), Hemes Valley (California), Seiad Valley (California), St. Helena (California), Cucamonga Valley (California), and Puget Sound (Washington). 27 C.F.R. §§ 9.130 to 9.151 (April 1, 1996).

Annex III, page 3

(B) A state, county or a viticultural area, if the brand name bears a state name; or

(iii) The wine shall be labeled with some other statement which the Director finds to be sufficient to dispel the impression that the geographic area suggested by the brand name is indicative of the origin of the wine.
(27 C.F.R. § 4.39(j)(2).)

The sensible purpose of these more flexible grandfathering provisions is to protect a winery's legitimate interest in preserving the value of its investment in existing and BATF-approved brand names, while still guarding against misleading consumers. However, the current regulations are flawed because they do not extend the grandfathering provisions to all wine brand names that are deserving of that protection. Specifically, the grandfathering provisions do not extend to a geographic brand name that is properly in use for several years, and only later comes into conflict with the BATF's geographic brand name regulation when the geographic name used in that brand name later becomes an area of viticultural significance.

Heublein's Proposed Amendment

The grandfathering provisions should apply to existing BATF-approved wine labels that were in use prior to the time that the geographic area named in the brand name is first recognized by BATF regulations to have acquired viticultural significance. This is consistent with the goal of those grandfathering provisions, which is to protect a winery's reasonable investment in a BATF-approved brand name from later changes in BATF regulations that would otherwise destroy the value of that reasonable investment, while still providing protection against misleading consumers.

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The grandfathering provisions now inappropriately protect only wine labels in use prior to July 7, 1986. That is inappropriate because the relevant change in BATF regulations that destroys the value of any particular winery's investment in a geographic brand name is not the July 7, 1986, change in the BATF's general geographic brand name wine regulation, but rather is the official recognition of the particular geographic area named in the brand name as being a new area of viticultural significance. The current regulations also unfairly allow some wineries that use geographic brand names to have the flexibility of the grandfathering provisions, while denying it to other competing wineries that have invested in geographic brand names during a time that those geographic names did not have any officially recognized viticultural significance.

Accordingly, Heublein proposes that that portion of the BATF's geographic brand name wine regulations that determines whether the regulations' grandfathering provisions are applicable to a particular brand name should be amended as follows:

Current text of 27 C.F.R. § 4.39(i)(2)

For brand names used in existing certificates of label approval issued prior to July 7, 1986:

Proposed new text for 27 C.F.R. § 4.39(i)(2)

For brand names used in existing certificates of label approval issued prior to the geographic area named in that brand name acquiring viticultural significance within the meaning of subparagraph (3)²:

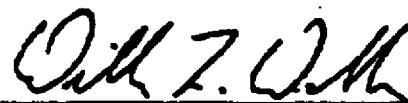
² Subparagraph (3) of 27 C.F.R. § 4.39(i) provides that: "A name has viticultural significance when it is the name of a state or county (or the foreign equivalents), when approved as a

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Conclusion

Heublein requests that the BATF proceed with rulemaking to make the above-proposed amendment to its geographic brand name wine regulations.

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Dated: May 23, 1997

viticultural area in part 9 of this chapter, or by a foreign government, or when found to have
viticultural significance by the Director [of the BATF]." *Id.*

**GEOGRAPHICAL INDICATIONS IN RECENT TREATY LAW IN THE
AMERICAS: NAFTA, LATIN AMERICAN FREE TRADE AGREEMENTS,
MERCOSUR, THE ANDEAN COMMUNITY AND THE CENTRAL
AMERICAN PROTOCOL**

by

Mr. Horacio Rangel Ortiz, Lawyer,
President of the International Association for the Advancement of Teaching and
Research in Intellectual Property (ATRIP), Mexico D.F.

PRELIMINARY NOTE

In recent times, the American nations have joined a number of international instruments governing the subject of geographical indications which deserve examination and commentary. Such legal instruments are represented by TRIPS, NAFTA, MERCOSUR, ANDEAN COMMUNITY, CENTRAL AMERICAN PROTOCOL and other bilateral and regional agreements on the matter executed by the Latin American nations. In this presentation I shall discuss the impact of the adoption of such international instruments in the field of geographical indications.

I. GEOGRAPHICAL INDICATIONS IN TRIPS

The Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPS)¹ is a legal document with many peculiarities, i.e., a number of characteristics not seen before in the drafting of international instruments in the field of intellectual property. One of the most evident peculiarities detected in the provisions dealing with geographical indications in Section 3 of TRIPS is read in the very first provision of this section. Article 22, paragraph 1 of TRIPS includes a definition of *geographical indications* for purposes of TRIPS. There, it is indicated that the expression *geographical indication* should be construed as meaning:

“... 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.”

¹ The full text of TRIPS shows up in Max Planck Institute, ICC, Vol. 25, No. 2/1994 at pp. 209-237 and WIPO publication No. 223.

A. GEOGRAPHICAL INDICATIONS: INDICATIONS OF SOURCE AND APPELLATIONS OF ORIGIN

From the text of such provision it is apparent that the expression *geographical indication* should be construed as comprising *indications of source* on the one hand, and *appellations of origin* on the other. The reference to indications of source is found in the text of the definition that refers to *indications that identify a good originating in the territory of a Member*, whereas the reference to appellations of origin is found in the text of the definition that refers to indications which identify a good as originating ... in a region or locality of the territory of a Member where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

Surprisingly, however, neither the expression *indication of source* nor the expression *appellation of origin* shows up in TRIPS, this making more or less evident that more than one Member had trouble with these two notions, particularly with the *appellations of origin*, which have never been very popular concepts either in domestic or international legal instruments.

Another reason that may explain the absence of express reference to appellations of origin in TRIPS is that the indirect reference to appellations of origin in TRIPS matches with most of the elements comprising the definition of an appellation of origin in the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (Lisbon Agreement).² Yet, it is not exactly the same definition. Acknowledging that the TRIPS text seems to be more flexible than the strict definition in the Lisbon Agreement, the differences between the TRIPS and Lisbon Agreement texts seem to be more formal than substantive, as far as these specific issues are concerned, of course.³

Again, the only place where one finds a text including two notions represented by indications of source on the one hand, and appellations of origin on the other, is in the definition of geographical indications in Article 22, paragraph 1 of TRIPS. No distinction is ever made in the text of the TRIPS provisions dealing with geographical indications. In all cases, permanent references are made to geographical indications with no distinction as to whether the relevant provision is to be applied in a situation involving an indication of source or an appellation of origin.

² The Lisbon Agreement as adopted on October 31, 1958, as revised in Stockholm on July 14, 1967 and amended on September 28, 1979.

³ Article 2 of the Lisbon Agreement reads as follows: "In this Agreement, 'appellation of origin' means the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors."

What seems to matter at this point from the definition of *geographical indication* in the context of TRIPS is that, in some cases, the expression geographical indication is to be construed as meaning an *indication of source*, and in other situations, as an *appellation of origin*.⁴ That will depend on the contents and context of the relevant provision.

From a pragmatic point of view it seems all right to use the expression "geographical indication" to refer both to appellations of origin and indications of source. From a legal perspective both concepts have little in common, apart from the fact that in each case one is dealing with a geographical name. An orthodox approach recommends the adoption of different rules for appellations of origin from those applicable to indications of source.

In effect, an *appellation of origin* conforms an intellectual property institution, which is subject to protection in terms not totally different from those applicable to other trade identifiers or distinctive signs, largely through the implementation of legal provisions that follow the system of the Lisbon Agreement adopted only by 18 States.⁵

⁴ Besides, the notion that *geographical indication* is an expression that is comprised of both appellations of origin and indications of source, is shared by most legal commentators. The latter irrespective of whether or not it is expressly mentioned that such expression is to be construed as comprising both appellations of origin and indications of source. Other legal commentators, however, group these two concepts together by referring to geographical *denominations*—and not geographical *indications*—as encompassing appellations of origin and indications of source. See e.g., SCHMIDT-SZALEWSKI Joana and PIERRE Jean-Luc, *Droit de la Propriété Industrielle*, Éditions Litec, Librairie de la Cour de cassation, 27, Place Dauphine, 75001 Paris, 1996 at p. 256. "les *dénominations géographiques* constituent des droits de propriété industrielle (Convention de Paris de 1883, Article 21), du moins lorsqu'elles répondent à la notion juridique *d'appellations d'origine* ou *indications de provenance*; ils bénéficient alors d'une protection par le droit interne, communautaire et internatinal."

⁵ OMPI, *Propiedad Industrial y Derecho de Autor*, Ginebra Año II- No. 1, enero communautaire et internatinal."/febrero de 1996, at p. 21. There, reference is made to 17 States represented by Algeria, Bulgaria, Burkina Faso, Congo, Cuba, Slovakia, France, Gabon, Haiti, Hungary, Israel, Italy, Mexico, Portugal, Czech Republic, Togo and Tunisia. Costa Rica joined later in 1996, being the 18th State.

In contrast, an *indication of source* is merely the designation of the place where the product (so designated) has been produced or manufactured.⁶ Indications of source are not intellectual property institutions, as is the case of appellations of origin, nor are they distinctive signs subject to legal protection. An indication of source cannot be misappropriated. An indication of source can be misused, particularly when it is used to indicate a source other than the actual source of the product so designated.⁷

Conceivably, there are provisions that may apply both to appellations of origin and to indications of source in some specific situations, but in general one should discourage the adoption of legal provisions indistinctly applicable to appellations of origin and indications of source under the heading *geographical indications*.

Besides, the relation of appellations of origin and indications of source with the pertinent products is clearly different.⁸

Bearing this in mind, as well as time and space limitations, in this presentation I shall now concentrate on the provisions contained in TRIPS and other international instruments recently adopted in the Americas that have to do in a more evident way with intellectual property institutions, specifically with *appellations of origin* as this expression is used in the Lisbon Agreement, irrespective of whether or not such

⁶ See RANGEL-MEDINA David, *La protección internacional de las denominaciones de origen*, en Estudios sobre cuestiones relativas a la revisión del Arreglo de Lisboa o a la conclusión de un nuevo tratado sobre indicaciones geográficas escritos por consultores a invitación del Director General de la OMPI, OMPI, TAO/S/5, enero 1979, p. 12 *et seq.*

⁷ The differences between appellations of origin and indications of source, including the legal consequences that arise as a result of such differences are discussed in MASCAREÑAS Carlos E., *Las denominaciones de origen*, en DE SOLÁ CAÑIZARES Felipe, *Tratado de Derecho Comercial Comparado*, t. II, Montaner y Simón, S.A., Barcelona 1962 at p. 393. See also RANGEL-MEDINA David, *La protección internacional de las denominaciones de origen*, *op. cit.* at p. 12 *et seq.* Both scholars support the proposition submitted herein that indications of source are not distinctive signs. Other scholars, however, when referring to indications of source in their works do classify indications of source as if they were distinctive signs and elements of industrial property. See CHAVANNE Albert and BURST Jean-Jacques, *Droit de la propriété industrielle*, Deuxième édition, Dalloz 1980, at pp. 329, 330 and 617. See also GOMEZ SEGADE José Antonio, *Denominaciones de origen españolas para productos no vinícolas*, *Actas de Derecho Industrial*, t. 8, España, 1982 at pp. 406.

⁸ See GOMEZ-SEGADE José Antonio, "Denominaciones de origen españolas para productos no vinícolas," *op. cit.*, at p. 406. See also RANGEL-ORTIZ Horacio, "El régimen internacional de las indicaciones geográficas: denominaciones de origen e indicaciones de procedencia," *Revista de Investigaciones Jurídicas*, Escuela Libre de Derecho, Año 15, Número 15, México 1991, at pp. 288 *et seq.*

intellectual property institutions are actually identified and labeled as *appellations of origin* in such international instruments recently adopted.

I would like to comment on some specific subjects contained in Section 3 of TRIPS which is conformed by Articles 22, 23 and 24 of TRIPS that, in my opinion, deserve an annotation.

B. BASIC ENGAGEMENTS TO PREVENT THE UNAUTHORIZED USE OF A GEOGRAPHICAL INDICATION

One of the basic engagements of TRIPS in the field of geographical indications is the obligation of Members to provide means allowing to prevent the unauthorized use of a geographical indication. This basic engagement applicable to geographical indications in general is contained in Article 22, paragraph 2 which reads as follows:

"In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

"(a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;

"(b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967)."

It seems that the two situations intended to be addressed in Article 22, paragraph 2 have to do with two basic notions of the law of geographical indications represented by *the law of consumer protection* on the one hand, and by *the law of unfair competition* on the other. Generally, it seems that consumer protection notions are expressed in paragraph (a), whereas unfair competition notions in paragraph (b) of Article 22.2.

Again, it seems that what the drafters of paragraph (a) had in mind, when drafting the relevant rule, was a situation involving basically indications of source. Acknowledging that an unfair competition situation may also take place through the use of a false indication of source, the reference made to unfair competition situations suggests that in paragraph (b) the drafters intended to cover situations involving primarily the unauthorized use of an appellation of origin.

The broad language used both in paragraph (a) and paragraph (b) of this provision suggests that these two rules intend to address the basic engagements applicable to the unauthorized use of geographical indications under applicable law.

C. OBLIGATION TO REFUSE OR INVALIDATE TRADEMARK REGISTRATIONS CONTAINING OR CONSISTING OF A GEOGRAPHICAL INDICATION

The engagement to provide for means to prevent the unauthorized use of a geographical indication in the terms contemplated in Article 22.2, (a) and (b) of TRIPS is supplemented by another engagement whereby Members are compelled to refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, provided use of the indication is of such a nature as to mislead the public as to the true place of origin. The engagement to refuse or invalidate trademark registrations in these circumstances is found in Article 22, paragraph 3.

D. THE OBLIGATION TO PREVENT USE MAY REQUIRE IMPLEMENTING LEGISLATION. THE OBLIGATION TO REFUSE OR INVALIDATE A REGISTRATION IS SELF-EXECUTING

It should be noted that, contrary to the engagement contemplated in paragraph 2 of Article 22, which refers to an obligation to *provide means* to prevent the unauthorized use of a geographical indication, in the case of paragraph 3 of Article 22, the drafters have not referred to an obligation to *provide means*, but rather to a *direct obligation to refuse or invalidate* a trademark registration. In other words, the language used to draft the obligation to prevent use appears to require implementing legislation in those countries where such legislation does not exist yet, whereas in the case involving an obligation to refuse or invalidate a trademark registration, such implementing legislation does not appear to be necessary as the relevant provision has been drafted in what is known as *self-executing* legislation.

One can only speculate as to the reasons that the drafters might have had to draft each engagements in different terms.

E. ADDITIONAL PROTECTION FOR GEOGRAPHICAL INDICATIONS FOR WINES AND SPIRITS UNDER ARTICLE 23 OF TRIPS

Article 23 of TRIPS includes certain engagements on the part of WTO Members that are to be observed in relation to geographical indications specifically associated with wines and spirits. Nothing in Article 23 indicates that such engagements are to be implemented and observed in relation to products other than those specifically mentioned, namely wines and spirits. Acknowledging that a significant number of *geographical indications*, specifically appellations of origin,

are associated to wines and spirits,⁹ clearly there are products other than wines and spirits associated to a geographical indication in the form of an appellation of origin that have not been considered by the drafters of TRIPS. Again, it is apparent that the TRIPS provisions applicable to wines and spirits should apply only to these two types of products and not to other liquors or alcoholic beverages that do not qualify as wines or spirits often associated with an appellation of origin in the context of the Lisbon Agreement.

Also, the text of Article 23 of TRIPS makes it clear that the provisions contained therein are not to be enforced by WTO Members with respect to products other than wines and spirits. This is the case of products associated with an appellation of origin in the context of the Lisbon Agreement such as mineral water, cheese, tobacco, yogurt, honey, butter, oil, paprika, bricks, marble and perhaps also beer.

The provisions of Article 23 of TRIPS, under the heading "Additional Protection for Geographical Indications for Wines and Spirits," are distributed in four paragraphs where permanent references are made to wines and spirits specifically. Thus, both the heading of Article 23 and the contents of the provisions included under this heading make it clear that the engagements contained therein apply only to wines and spirits.

F. PROVISIONS CONTAINED IN ARTICLE 24 OF TRIPS INDISTINCTLY APPLICABLE TO WINES AND SPIRITS AND TO ANY OTHER PRODUCT

The last article of Section 3: Geographical Indications of TRIPS, namely Article 24, has been included in TRIPS under the heading "International Negotiations; Exceptions." The provisions of Article 24 of TRIPS have been distributed in 9 paragraphs. It is of interest to note that some of the texts forming Article 24 once again refer to engagements specifically applicable to wines and spirits. This is the case of Article 24, paragraphs 1 and paragraph 4. The limitations made in paragraph 1 and paragraph 4 of Article 24 to wines and spirits is not found in any of the remaining paragraphs forming Article 24. Therefore, it is submitted that in the absence of a limitation of the nature found in the text of paragraphs 1 and 4 of Article 24, the remaining provisions contained in Article 24 of TRIPS should apply indistinctly to wines and spirits and to any other product capable of being associated

⁹ Appellations of origin are registered by the International Bureau of WIPO in Geneva under the provisions of the Lisbon Agreement. Up to January 1, 1995, 730 registrations for appellations of origin had been obtained, out of which 717 were still in force; of those, 482 concerned, or concerned also, wines. WIPO, *Implications of the TRIPS Agreement on Treaties Administered by WIPO*, WO/INF/127Rev. 2, May 22, 1996 at p. 24.

to a geographical indication whether an appellation of origin or an indication of source.

G. PRIOR USE OF A GEOGRAPHICAL INDICATION FOR AT LEAST TEN YEARS OR IN GOOD FAITH IN ASSOCIATION TO WINES AND SPIRITS

It is worthwhile noting at this point one of the provisions not included in the article devoted to wines and spirits (Article 23) but still directed to wines and spirits specifically, namely the exception to the rule of Section 3 of TRIPS found in Article 24, paragraph 4, in relation to wines and spirits.

In effect, paragraph 4 of Article 24 of TRIPS makes it clear that a Member is not under the obligation to enforce the provisions tending to protect a geographical indication, specifically an appellation of origin, in two specific situations:

(a) first, when the geographical indication identifying wines and spirits has been used by the nationals or domiciliaries of a Member in the territory of a Member *for at least ten years before* the Ministerial Meeting whereby the Uruguay Round of Multilateral Trade Negotiations was concluded, and

(b) second, when the geographical indication identifying wines and spirits has been used in *good faith* by the nationals or domiciliaries of a Member in the territory of a Member *at any time prior* to the Ministerial Meeting whereby the Uruguay Round of Multilateral Trade Negotiations was concluded.

H. SITUATIONS INVOLVING TRADEMARKS FORMED BY GEOGRAPHICAL NAMES (GEOGRAPHICAL INDICATIONS)

Paragraph 5 of Article 24 of TRIPS includes a provision drafted in terms not easy to understand which I will not attempt to clarify in any detail at this point. Suffice it to say that that provision addresses situations involving trademarks formed by geographical names that may take the form of a geographical indication, whether an indication of source or an appellation of origin. There, it is indicated that when trademark rights have been obtained in *good faith*, either through use or registration, in the territory of a Member in relation to a trademark formed by a geographical indication, the Member where trademark rights have been obtained in these circumstances shall not be compelled to implement the provisions of TRIPS dealing with geographical indications in two different situations contemplated in Article 24.5(a) and (b).

One situation is when the corresponding trademark rights were obtained in the territory of the Member where such rights are recognized at any time prior to the date when the geographical indication involved is protected in the country of origin. Article 24.5(b). The reference made to the protection of the geographical indication

in the country of origin suggest that what the drafters had in mind were primarily appellations of origin and not necessarily indications of source.¹⁰

Another situation is when the corresponding trademark rights were obtained in the territory of the Member where such rights are recognized at a time prior to the date when TRIPS provisions, including Section 3 dealing with geographical indications, are enforceable under the transitional periods contemplated in Article 65 of TRIPS (Article 24.5). This means that if trademark rights are obtained in a developing country on a designation formed by a geographical indication before January 1, 2000, such developing country should respect the validity of the trademark rights obtained in the territory of the same developing country prior to the year 2000.

Thus, the key term here is good faith. One would have to wonder whether the situation contemplated in Article 24.5(a) of TRIPS would allow a party who has obtained a trademark registration consisting in an appellation of origin like Tequila in a developing country prior to the year 2000 simply because such registration was obtained in the circumstances noted in the pertinent TRIPS provision. Clearly, the good faith element is what should be controlling this type of situations.

Again, the absence of expressed references to wines and spirits in this provision indicates that it is to be applied to all situations involving a geographical indication irrespective of the product with which the specific appellation of origin or indication of source is associated.

¹⁰ In the past, however, some countries like Spain have passed legislation addressing some limited (*provisional*) forms of protection to geographical designations as *indications of source* and not as *appellations of origin*. This legislation has been criticized by scholars in Spain. See GOMEZ-SEGADE José Antonio, "Denominaciones de origen españolas para productos no vinícolas," *op. cit.*, at pp. 405 *et seq.*

I. GEOGRAPHICAL INDICATIONS AND TERMS CUSTOMARY IN COMMON LANGUAGE AS THE COMMON NAME FOR GOODS OR SERVICES IN THE TERRITORY OF A MEMBER

Article 24, paragraph 6, of TRIPS addresses an issue that has often been the source of difficulties in the enforcement of the law of appellations of origin, namely the case where a trade identifier such as an appellation of origin is not considered as a distinctive sign in the territory of a Member, but rather as a *generic name*.¹¹ The term *generic* does not show up in TRIPS. Instead, reference is made to a *term customary in common language as the common name* for some goods or services.

Thus the TRIPS provision under comment indicates that Members are not compelled to protect a geographical indication (this actually meaning an appellation of origin) of another Member in the territory of a Member where the geographical indication (appellation of origin) is identical with the term *customary in common language as the common name* for some goods or services.¹²

This applies to all kinds of products but also to situations involving the use of a geographical indication of a Member which is identical with the *customary name of grape variety* existing in the territory of another Member at the date of entry into force of the Agreement Establishing the WTO.

In spite of the reference made to a *grape variety* in the text of Article 24, paragraph 6, of TRIPS, as noted, this provision applies to all situations and not only to wines and sprits as in other cases previously discussed. This is so for the reason that the relevant text does not restrict the enforcement discussed in Article 24, paragraph 6, to wines and spirits, but rather refers to two different situations: first, a general situation where no distinction is made by the drafters; and second, a specific

¹¹ For a discussion of the problems that imply the enforcement of the law of appellations of origin in situations involving generic names see LOPEZ BENITEZ Mariano, *Las Denominaciones de Origen*, Cedecs Editorial S.L., Centro de Estudios de Derecho, Economía y Ciencias Sociales, Barcelona 1996, at pp. 75 *et seq.* “Hacia la confusión final de las Denominaciones de Origen: su difícil delimitación con otras figuras. a. Las denominaciones genéricas...”

¹² Some legal commentators have expressed severe criticism towards a provision of the nature found in Article 24, paragraph 6, of TRIPS for such a provision eliminates the possibility to implement a solution to the unauthorized use of appellations of origin under the excuse that the appellation of origin is a generic name in a country other than the country of origin. It has been submitted that a provision along the lines of Article 24, paragraph 6, of TRIPS should not be included in international instruments on these matters, and that only after the appellation of origin has become generic in the country of origin may other countries consider the appellation of origin as generic in their territories as well. See MILAN DEL BOSCH PORTOLES, Iván, *Legislación básica sobre denominaciones de origen*, Tecnos, Madrid 1995 at p. 24.

situation evidently connected with *wines* by reason of the reference made to *grape varieties*.

The situation examined in Article 24, paragraph 6, should be distinguished from that contemplated in Article 24, paragraph 4, specifically applicable to wines and spirits. A paragraph 6 situation necessarily requires a generic or common name, a requirement that is not evident in paragraph 4, where it suffices to have used a geographical indication (appellation of origin) of one Member for at least ten years-whether in good faith or bad faith-in order for another Member to be released from the obligation to protect such geographical indication in its territory.

The second situation contemplated in Article 24, paragraph 4, releases the Member from enforcing the pertinent protective provisions when the geographical indication has been used in its territory at any time prior to the completion of the Uruguay Round, provided such use was in *good faith*. Once again, in a paragraph 4 situation it is not necessary to have a use as a generic or common name of a product as in a paragraph 6 situation. All that is required in a paragraph 4 situation is *good faith*, a term that gives ample room for speculation in real life.

Both situations seem to differ from the notions contemplated in the Lisbon Agreement regarding these issues. While the Lisbon Agreement contemplates the possibility that an appellation of origin not be protected in a Lisbon Member when an indication of the grounds thereof is made within the year of the receipt of the pertinent notification (Article 5(3) of the Lisbon Agreement), the Lisbon Agreement also provides for an alternate situation not present in TRIPS towards protecting the appellation of origin in question in the relevant country allowing for a two-year term in order for third parties to terminate any unauthorized use (Article 5(6) the Lisbon Agreement).

J. FIVE-YEAR PERIOD TO MOVE FOR THE CANCELLATION OF A TRADEMARK REGISTRATION CONSISTING IN A GEOGRAPHICAL INDICATION

The question of the time-limits that may be imposed by Members to institute legal proceedings for the unauthorized adoption of a geographical indication is addressed in Article 24, paragraph 7, of TRIPS, which reads as follows:

"7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith."

Paragraph 7 of Article 24 provides that in situations involving the obligation to refuse or invalidate a trademark registration containing or consisting in a geographical indication or to prevent the unauthorized use of a trademark containing or consisting in a geographical indication, the Member may provide that the pertinent legal action be filed within a five-year term following either the date when the adverse use became generally known in the Member where protection is sought or the date of registration, provided publication of the grant of the trademark registration has already taken place.

The five-year term to institute legal action shall be computed as from the date of registration only when the date of registration is earlier than the date when the trademark has become generally known. It follows that if the registration of the trademark is applied for and granted only after the trademark has become generally known, the five-year period is to be computed as from the date when the trademark has become generally known.

Also, paragraph 7 of Article 24 includes an indication in the sense that in cases of bad faith, the five-year term shall not apply, this meaning that in such cases legal action may be instituted at any time.

Note that the option regarding the introduction of the five-year term is an option for Members and not an obligation. What paragraph 7 of Article 24 is suggesting very strongly is that in the absence of a local rule imposing a five-year statute of limitations, then legal action by the affected party may be filed at any time, regardless of whether or not the trademark was used or registered in bad faith.

K. TIME LIMITS FOR THE INSTITUTION OF LEGAL ACTION MAY BE IMPOSED ONLY WHEN THE GEOGRAPHICAL INDICATION WAS USED OR REGISTERED AS A TRADEMARK BY THE THIRD PARTY

It should be noted that the text of paragraph 7 of Article 24 specifically refers to "any request made under this Section in connection with the use or registration of a trademark." It follows that the five-year term may only be implemented in situations involving the unauthorized use or registration of a trademark comprising or consisting of a geographical indication. If the unauthorized use of the geographical indication has not taken the form of a trademark (e.g., a trade name, a corporate name, etc.), then the rule contemplated in paragraph 7 of Article 24 does not apply. That is to say, for situations that do not involve a trademark, the option referred to in this provision regarding the five-year term is not available, and the Member must allow the institution of legal proceedings at any time, with the exception of the circumstances contemplated in Section 3 like those illustrated in paragraphs 4 and 6 of Article 24, previously discussed.

L. GEOGRAPHICAL INDICATIONS MUST BE PROTECTED IN THE COUNTRY OF ORIGIN

Paragraph 9 of Article 24 makes clear that there shall be no obligation under TRIPS to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

This is a rule that has the approval of legal commentators reflects a notion already contained in Article 6 of the Lisbon Agreement in situations involving appellations of origin and their international protection in other countries members of the Lisbon Agreement.

M. DIFFERENT GROUPS OF PROVISIONS APPLICABLE TO GEOGRAPHICAL INDICATIONS IN TRIPS

The examination of the TRIPS provisions applicable to geographical indications makes it plain that, as far as legal protection is concerned, there are two systems of protection of geographical indications (this actually meaning appellations of origin) in TRIPS. One designed to preserve the *status quo* applicable to appellations of origin already in use before the adoption of TRIPS, and another applicable to appellations of origin that have not been used. Ironically, those deserving less protection in TRIPS are those already in use both by their legitimate holders and by unauthorized third parties. The most beneficial treatment is given to geographical indications that have not yet been used anywhere, that is, to those geographical indications that need no protection at this time.

Another system of protection contemplated in TRIPS has to do with the subject matter associated with the geographical indication in question. There is one group of provisions designed to address geographical indications associated with wines and spirits, and another group of provisions applicable indistinctly to wines and spirits and to any other product.

II. GEOGRAPHICAL INDICATIONS IN NAFTA¹³

It is often said that the provisions of Chapter XVII with the heading *Intellectual Property* of the North American Free Trade Agreement (NAFTA) executed by Canada, the United States of America and Mexico, were copied from TRIPS. This is true, but like so many comfortable generalizations, not totally true. A close examination of the two texts shows undisputed similarities that make the influence of TRIPS evident, as well as significant differences. A good example of this is found in some of the provisions governing geographical indications in NAFTA and TRIPS.

The provisions governing geographical indications in NAFTA show up in paragraphs 1 to 9 of Article 1712: under the heading *Geographical Indications*.

A. DIFFERENCES BETWEEN NAFTA AND TRIPS

There are not many differences between the NAFTA and TRIPS texts. Perhaps the most notable is represented by the absence of provisions directed to geographical indications for wines and spirits, as in the case of Article 23 of TRIPS.¹⁴

¹³ The North American Free Trade Agreement (NAFTA) was signed by Canada, the United States of America and Mexico on December 17, 1992. NAFTA is in force in the three countries as from January 1, 1994. See *Diario Oficial de la Federación* of December 20, 1993, Mexico at p.1. The Spanish version of NAFTA was published in Mexico in the *Diario Oficial de la Federación* of December 20, 1993 (Capítulo XVII Propiedad Intelectual: TLC Parte 3 at pp. 1-15). The English version of the North American Free Trade Agreement (Final Text), shows up in CCH International, the Information Professionals, December 17, 1992, CCH Canadian Ltd., 1992.

¹⁴ The elimination of provisions addressing the protection of geographical indications in the field of wines and spirits which are read in the TRIPS text may be owed to a number of factors including the absence of pressure in NAFTA negotiations coming from a negotiator with a strong interest in this subject represented by the European Community (E.C.). On the role of the E.C. in the adoption of provisions in the field of geographical indications in general including specific provisions related to wines and spirits see ZHANG Shu, *De l'OMPI au GATT, La protection internationale des droits de la propriété intellectuelle*, Éditions Litec, Librairie de la Cour de cassation, 27, place Dauphine, 75001 Paris, 1994 at pp. 336 and 337. Such role, however, is not totally clear. Others assert that to reconcile the E.C. position for a broad protection of all indications of geographical source and the United States negotiating text which attempted to confine the protection to indications of source in relation to wines, Article 22 of TRIPS contains a less rigorous general regulation but with a more comprehensive regulation for wines and spirits in Article 23 of TRIPS. See BLAKENEY Michael, *Trade Related Aspects of Intellectual Property Rights: A Concise Guide to the TRIPS Agreement*, Sweet & Maxwell, London 1996 at pp. 71 and 72.

While one notes the absence of some provisions of TRIPS in the NAFTA text, the reverse is not applicable. There are no NAFTA provisions in the text of Article 1712 that do not have an equivalent in TRIPS.

B. SIMILARITIES BETWEEN NAFTA AND TRIPS

There are important differences between NAFTA and TRIPS on this subject. Yet, it is fair to say that the similarities are greater than the differences. The results of the examination and comparison of each text attests to it. It follows that, with the basic exception already noted, the law of geographical indications as contained in TRIPS previously discussed applies in the same manner to the law of geographical indications as it is contained in NAFTA. With some minor differences, generally of style, the following table shows the NAFTA text and its equivalent in TRIPS:

NAFTA	TRIPS
Article 1712.1	Article 22.2
Article 1712.2	Article 22.3
Article 1712.3	Article 22.4
Article 1712.4	Article 24.4
Article 1712.5	Article 24.5
Article 1712.6	Article 24.6
Article 1712.7	Article 24.7
Article 1712.8	Article 24.8
Article 1712.9	Article 24.9
Article 1721.2 ¹⁵	Article 22.1

As it is known, TRIPS was formally completed and adopted after NAFTA was completed and adopted. It is not that TRIPS was influenced by NAFTA. Instead, the similarities make it clear that, as far as the subject of geographical indications is concerned, the TRIPS document was ready for adoption long before the formal conclusion of TRIPS as one of the appendices of the WTO Agreement. NAFTA was influenced by a document known as the *basic proposal* drafted in the context of the Uruguay Round of Multilateral Trade Negotiations.

¹⁵ Article 1721.2 is not in the chapter devoted to *geographical indications* in NAFTA, but rather in the chapter assigned to definitions. The definition of *geographical indication* found in that part of NAFTA is essentially the same as the definition of *geographical indication* found in Article 22.1 of TRIPS.

C. DISTINCTIVE PRODUCTS IN ANNEX 313 OF NAFTA

Both experts and laymen looking for a provision in the field of geographical indications, whether indications of source or appellations of origin, in NAFTA would most likely go to the chapter dealing with intellectual property in this legal instrument, namely Chapter XVII with the heading Intellectual Property, or any of the appendices of Chapter XVII. After finding the relevant provisions under a sub-heading like *Geographical Indications*, it would be apparent that the pertinent provisions are those found under this sub-heading, particularly if no express reference is made to other provisions in the treaty addressing the same, similar or related questions. The same would be true after checking the appendices of Chapter XVII. Well, this is a deceiving conclusion for NAFTA contains provisions other than those found in Chapter XVII that have an important impact on the subject matter regulated in Article 1712, paragraphs 1 to 9. I am talking about the provisions on similar subjects which are not found in Article 1712 or any of its appendices, but in Annex 313. Annex 313 is not an appendix of the intellectual property chapter, but rather an appendix that has no direct relation with intellectual property, that is, Chapter III, *National Treatment and Access of Goods to the Market*. Annex 313 Distinctive Products, reads as follows:

Annex 313 Distinctive Products

1. Canada and Mexico shall recognize Bourbon Whiskey and Tennessee Whiskey, which is a straight Bourbon Whiskey authorized to be produced only in the State of Tennessee, as distinctive products of the United States. Accordingly, Canada and Mexico shall not permit the sale of any product as Bourbon Whiskey or Tennessee Whiskey, unless it has been manufactured in the United States in accordance with the laws and regulations of the United States governing the manufacture of Bourbon Whiskey and Tennessee Whiskey.
2. Mexico and the United States of America shall recognize Canadian Whisky as a distinctive product of Canada. Accordingly, Mexico and the United States of America shall not permit the sale of any product as Canadian Whisky, unless it has been manufactured in Canada in accordance with the laws and regulations of Canada governing the manufacture of Canadian Whisky for consumption in Canada.
3. Canada and the United States shall recognize Tequila and Mezcal as distinctive products of Mexico. Accordingly, Canada and the USA shall not permit the sale of any product as Tequila or Mezcal, unless it has been manufactured in Mexico in accordance with the laws and regulations of Mexico governing the manufacture of Tequila and Mezcal. This provision shall apply to Mezcal, either on the date of entry into force of this Agreement,

or 90 days after the date when the official standard for this product is made obligatory by the Government of Mexico, whichever is later.

The most significant obligation read in the text of Annex 313 is the engagement whereby the three countries agree in not permitting the sale in their respective territories of any of the products qualifying as *distinctive products* as they are identified in paragraphs 1, 2 and 3 of Annex 313, unless the *distinctive product* has been manufactured pursuant to the laws and regulations existing in the country to whom the *distinctive product* pertains.

Since *distinctive products* are subjected to a legal regime other than that contemplated in Article 1712 for *geographical indications*, then it follows that none of the provisions read in paragraphs 1 to 9 of Article 1712 of NAFTA apply to the *distinctive products* consisting in Tequila, Mezcal, Bourbon Whiskey, Tennessee Whiskey and Canadian Whisky. It also follows that, effective January 1, 1994 the three countries are bound to prohibit the sale of products qualifying as a *distinctive product* under Annex 313 of NAFTA unless it is a *distinctive product* coming from Canada, the United States or Mexico.

Annex 313 contains no criteria governing future access of other products to the limited and exhaustive list of *distinctive products* within the context of Annex 313. Everything indicates that the drafting of a document along the lines of Annex 313 out of Chapter XVII of NAFTA is owed to the fact that at least one negotiator, presumably representing Mexico, was not happy with the application of the provisions on geographical indications as contained in Article 1712 to the most important geographical indication existing in Mexico, the appellation of origin Tequila. Also, everything indicates that the expression appellation of origin is an expression that NAFTA negotiators other than Mexico did not want to see in NAFTA, therefore the incorporation of the appellation of origin Tequila as part of a newly created category of geographical names consisting in distinctive products.

Finally, it is interesting to note that the expressions Tequila, Mezcal, Bourbon Whiskey, Tennessee Whiskey and Canadian Whisky are always written with capitals in the English version of the final text of the Agreement signed on December 17, 1992, by the parties. However, the Spanish version published in the *Diario Oficial de la Federación* of Mexico on December 20, 1993, reproduces the same names without capitals, namely tequila, mezcal, whisky bourbon, whisky canadiense, with one exception represented by whisky Tennessee which is written with capital T.¹⁶

In effect, if the distinctive products contemplated in Annex 313 of NAFTA are to be considered as *distinctive signs*, the appropriate way of presenting things would

¹⁶ See *Diario Oficial de la Federación*, December 20, 1997, Mexico at p. 42 (TLC Parte 1).

recommend the drafting adopted in the English version and not the one reproduced in Mexico that includes no capitals. Irrespective of this, what seems to matter is that appellations of origin as Tequila not protected in Canada nor in the United States of America before NAFTA i.e., because neither Canada nor the United States of America are parties to the Lisbon Agreement, are now expressly considered by these two countries as *distinctive products* and not as the common or generic name of a product.

III. GEOGRAPHICAL INDICATIONS IN LATIN AMERICAN FREE TRADE AGREEMENTS

In recent times, five Latin American nations have completed three free trade agreements which include a chapter devoted to intellectual property in terms not totally dissimilar to those of NAFTA. In all cases, provisions are included addressing questions relative to geographical indications. Having presented the NAFTA pattern *vis à vis* TRIPS, it seems appropriate to refer now to the pattern adopted in Latin American free trade agreements where at least one NAFTA partner, represented by Mexico, is also a party. These free trade agreements are:

- ◊ Free trade agreement between Mexico and Bolivia.¹⁷
- ◊ Free trade agreement between Mexico and Costa Rica.¹⁸
- ◊ Free trade agreement between Mexico, Colombia and Venezuela (G-3).¹⁹

The provisions dealing with geographical indications in each of these agreements are similar, particularly those of the free trade agreements between Mexico and Costa Rica on the one hand, and Mexico and Bolivia on the other.

Most provisions in each of the three agreements have been copied from TRIPS or NAFTA. Contrary to the way the equivalent provisions were drafted by NAFTA negotiators, who incorporated a good part of the TRIPS provisions into NAFTA, the drafters of the Latin American free trade agreements have incorporated into the intellectual property chapters of those instruments only a limited number of TRIPS provisions, four at the most.

¹⁷ The full text shows up in *Diario Oficial de la Federación*, January 11, 1995, Mexico.

¹⁸ The full text shows up in *Diario Oficial de la Federación*, January 10, 1995, Mexico.

¹⁹ The full text shows up in *Diario Oficial de la Federación*, January 9, 1995, Mexico.

**A. GEOGRAPHICAL INDICATIONS IN THE FREE TRADE AGREEMENT
BETWEEN MEXICO AND BOLIVIA**

The Agreement which has relied more heavily on TRIPS is the Agreement between Mexico and Bolivia which is made of six basic provisions contained in Article 16-25, paragraphs 1 to 6. Four of those provisions are taken from TRIPS:

BOLIVIA-MEXICO	TRIPS	NAFTA
Article 16-25, (3)	Article 24.9	Article 1712 (9)
Article 16-25 (4)	Article 22.2	Article 1712 (1)
Article 16-25 (5)	Article 22.3	Article 1712 (2)
Article 16-25 (6)	Article 22.4	Article 1712 (3)

It is of interest to note that the drafters of this Agreement do not consider the expression *geographical indication* as comprising both appellations of origin and indications of source. The heading of the pertinent chapter is not *geographical indications* as in TRIPS and NAFTA. Instead, the expressions *geographical indications* and *appellations of origin* show up, thus clearly suggesting that appellations of origin are not a branch or a form of geographical indications. In any case, no definition of geographical indication or appellation of origin shows up in this Agreement.

Also, the Agreement between Mexico and Bolivia includes an express engagement to the effect that the parties will apply the substantive provisions of the Lisbon Agreement. This is an interesting development for the reason that, unlike Mexico, Bolivia is not a member of the Lisbon Agreement, and in spite of this Bolivia is now bound by the substantive provisions of the Lisbon Agreement in all matters related to the application and enforcement of this Free Trade Agreement with Mexico (Article 16-01 and 16-03).

**B. GEOGRAPHICAL INDICATIONS IN THE FREE TRADE AGREEMENT
BETWEEN MEXICO AND COSTA RICA**

There are five provisions addressing geographical indications in this Agreement (Article 14-18, paragraphs 1 to 5); two of them were taken from TRIPS and one from the Lisbon Agreement:

COSTA RICA-MEXICO	TRIPS	NAFTA
Article 14-18 (3)	Article 24.9	Article 1712 (9)
Article 14-18 (4)	Article 22.3	Article 1712 (2)

Unlike the Agreement between Mexico and Bolivia, the Agreement between Mexico and Costa Rica does contain definitions. Yet, the definitions are not those of TRIPS.

Once again, the drafters of the Agreement between Mexico and Costa Rica do not seem to share the proposition that the expression *geographical indication* encompasses both indications of source and appellations of origin. Instead, the heading of the relevant provisions reads “Geographical Indications or Indications of Source and Appellations of Origin.” This language suggests not only that the drafters do not agree with the proposition that the expression *geographical indications* is to be construed as comprising both indications of source and appellations of origin, but also that the expression *geographical indication* is to be construed as equivalent to indication of source.

All this is confirmed in the provisions devoted to definitions where it is indicated that *geographical indications or indications of source* will be construed as meaning the geographical names used in the presentation of a product to indicate the place of origin, manufacture, production or extraction of the product (Article 14-18, 2).

Appellations of origin are defined as in Article 2 (1) of the Lisbon Agreement.

This Agreement also includes an engagement for the parties in the sense of applying the substantive provisions of the Lisbon Agreement. At this time, both Mexico and Costa Rica are members of the Lisbon Agreement. Yet, Costa Rica was not a member when the Agreement was completed.

C. GEOGRAPHICAL INDICATIONS IN THE FREE TRADE AGREEMENT BETWEEN MEXICO, COLOMBIA AND VENEZUELA

This Agreement includes four provisions dealing with geographical indications (Article 18-16, paragraphs 1 to 4); two of those provisions are taken from TRIPS:

MEXICO-COLOMBIA-VENEZUELA	TRIPS	NAFTA
Article 18-16 (3)	Article 24.9	Article 1712 (9)
Article 18-16 (4)	Article 22.2	Article 1712 (1)

Not unlike the pattern of the two other Latin American Agreements, the drafters of this Agreement do not share the proposition contained in TRIPS in the sense that the expression *geographical indications* comprises indications of source and appellations of origin. This is confirmed when reading the corresponding heading which refers to "Geographical Indications and Appellations of Origin." Yet, no definition is found in either one.

Unlike the other Latin American Agreements, this one does not contain any reference to the Lisbon Agreement. Colombia and Venezuela are not members of the Lisbon Agreement.

From all three Agreements this is the one that reflects a more trivial approach towards geographical indications. This may also reflect the notion that it is more difficult to achieve meaningful results when there are three parties at the table rather than two, as in the other Latin American Agreements.

D. FINAL REMARKS ON THE PROVISIONS OF THE THREE LATIN AMERICAN AGREEMENTS

Surprisingly, all five countries involved in these Agreements share the proposition that the expression *geographical indications* does not comprise indications of source and appellations of origin. This is a common point of disagreement with respect to TRIPS and the observations of most legal commentators. Since of all five countries Mexico is the one that was present in all negotiations, it may be fair to assume that the Mexican Delegation might have had something to do with this.

There is only one TRIPS provision in the field of geographical indications where all five countries are in agreement, namely that contained in Article 24.9 of TRIPS which has been adopted in the three Agreements. This is the provision that provides that appellations of origin of a Member shall be protected by other Members for as long as the appellation of origin is considered as distinctive—and not generic—in the country of origin, a notion inspired by Article 6 of the Lisbon Agreement.

The results disclosed by the examination of the relevant provisions in the three Agreements are somewhat surprising, particularly when considering that all five countries are Members of WTO, and presumably all of them will be bound by the provisions of Articles 22, 23 and 24 of TRIPS upon expiration of the transitional periods contemplated in Article 65 of TRIPS.

IV. GEOGRAPHICAL INDICATIONS IN MERCOSUR

Recently, four South American countries signed a treaty in the field of trademarks, indications of source and appellations of origin: the Protocol for the Harmonization of Intellectual Property Provisions in Mercosur (hereinafter “the Protocol,” “the Mercosur Protocol” or “Mercosur”).²⁰ The Mercosur Protocol was signed by the Governments of Argentina, Brazil, Paraguay and Uruguay.

A. INDICATIONS OF SOURCE AND APPELLATIONS OF ORIGIN IN THE MERCOSUR PROTOCOL

The Protocol contains four basic provisions (Article 19, paragraphs 1 to 3, and Article 20) covering *geographical indications*, this latter expression, however, not showing up in the Mercosur Protocol. Instead, the title of the section of Mercosur where geographical indications are discussed reads: Indications of Source and Appellations of Origin.²¹

²⁰ Actually, a copy of the Spanish version signed by the government representatives of the four countries identifies the Agreement as “*Acuerdo de armonización de normas sobre propiedad intelectual en el Mercosur*.” Earlier drafts, including one in Portuguese, identified this Agreement as “*Protocolo de Harmonização de normas sobre propriedade intelectual no Mercosul em matéria de marcas, indicações de procedência e denominações de origem*.” Therefore, this document is also referred to as the Protocol or the Mercosur Protocol by local experts, which is the expression used herein. The Mercosur Protocol could be considered as an addendum or appendix (a protocol) of the Treaty of Asunción (1991) which created the Common Market of the South (Mercosur) formed by Argentina, Brazil, Paraguay and Uruguay. See RANGEL-ORTIZ Horacio, *MERCOSUR Protocol for the Harmonization of Intellectual Property Provisions in the Field of Trademarks*, paper on the presentation made by the author on March 29, 1996, in the City of New York, as part of a lecture on “*Developments in Mexico and Latin America*,” in the conference *International Trademark Protection and Enforcement* organized by the Institute of International Law & Business, New York, N.Y., 1996.

²¹ While the expression geographical indications is not used in the Mercosur Protocol, such expression is incorporated in the new domestic law of a Mercosur Member represented by Brazil. The new Brazilian Industrial Property Law No. 9279/96 of May 14, 1996 (Published on May 15, 1996) generally in force after one year after its publication (Article 243) provides in Article 176 that a geographical indication is constituted by an indication of source or an appellation of origin. Yet, the text of the definitions of indication of source and appellation of origin found in paragraphs 2 and 3 of Article 19 of the Mercosur Protocol is the same as the text of the definition of the same concepts contemplated in Articles 177 (indication of source) and 178 (appellation of origin) of the new Brazilian Law.

The first of the four provisions simply contains a broad statement in the sense that the parties engage in conferring reciprocal protection to indications of source and appellations of origin (Article 19, paragraph 1).

Paragraph 2 and paragraph 3 of Article 19 are devoted to the definition of indication of source and appellation of origin, respectively.

An *indication of source* is defined as the geographical name of a country, city, region or locality within a territory, that is known as a place of extraction, production or manufacturing of a specific product or the rendering of a specific service.

An *appellation of origin* is defined in terms of Article 6bis of the Lisbon Agreement, previously discussed.

Finally, the Mercosur Protocol includes a provision whereby the parties engage in not registering as trademarks indications of source or appellations of origin as such concepts are defined in Article 19. This understanding is confirmed in a supplementary provision of the Mercosur Protocol dealing with non-registerable subject matter, namely Article 9, paragraph 1, which is similar in more than one respect to the notion contained in Article 22.3 of TRIPS.

B. THE MERCOSUR PROTOCOL AND TRIPS

In effect, there is little resemblance between the text of Mercosur on geographical indications and the text of TRIPS, this suggesting that Mercosur has either departed from TRIPS or simply ignored the pertinent appendix of the WTO Agreement. This may or may not be the case. Apparently not. This is so for the reason that elsewhere in the Mercosur Protocol the parties engage in conferring priority to the text of TRIPS in case a contradiction arises between the provisions of the Mercosur Protocol and those of TRIPS (Article 2, paragraph 2, of the Mercosur Protocol).

The provisions of the Protocol are not yet in force. The date of entry into force of the Mercosur Protocol is expected to be with the Government of Paraguay. After the Mercosur Protocol becomes effective, any other State that deposits an instrument of accession to the Treaty of Asunción (1991) shall be bound by the provisions of the Mercosur Protocol (Articles 26, 27 and 28 of the Mercosur Protocol). The Mercosur Protocol has been ratified only by Paraguay.

V. GEOGRAPHICAL INDICATIONS IN THE ANDEAN COMMUNITY

Decision 344 of the Cartagena Agreement is the legal instrument on industrial property matters by which the Andean Community (formerly Andean Pact) countries are bound since January 1, 1994.²² The members of the Andean Community are Bolivia, Colombia, Ecuador, Peru and Venezuela.²³ Recently, the Peruvian Government has made public its intention to withdraw from the Andean Pact. Nevertheless, in the last meeting of Ministries of Industry, which took place in Bogotá on June 24, 1997, an agreement was finally reached, allowing Peru into reincorporate to the Andean Pact, now called Andean Community.²⁴

The expression *geographical indications* does not show up as a heading of the matters governed by Decision 344. This legal instrument refers only to *appellations of origin*, which are regulated for the first time in the Andean Community through Decision 344 (Articles 129 to 142).²⁵

²² Second Transitory Article of Decision 344. Effective June 3, 1997, the Trujillo Protocol amended the structure of the Andean Pact and approved the change of its name to "Andean Community." See BARREDA MOLLER, *Intellectual Property Peruvian Newsletter*, Lima, Peru, August 1, 1997, at p.1.

²³ The text of Decision 344 of the Cartagena Agreement shows up in *Actas de Derecho Industrial*, Tomo XV 1993, Instituto de Derecho Industrial, Departamento de Derecho Mercantil y del Trabajo, Universidad de Santiago de Compostela, Spain, Marcial Pons, at pp. 682-705. For an examination of the provisions of Decision 344 including those relative to appellations of origin see RONDON DE SANZO Hildegard, *El Régimen de la Propiedad Industrial (con especial referencia a la Decisión 344 de la Comisión del Acuerdo de Cartagena)*, Caracas 1995, at pp. 201 *et seq.* On the same subject see also PACHON Manuel and SANCHEZ-AVILA Zoraida, *El régimen andino de propiedad industrial, Decisiones 344 y 345 del Acuerdo de Cartagena*, Ediciones jurídicas Gustavo Ibáñez, 1995, Santa Fé de Bogotá, at pp. 309 *et seq.*

²⁴ See BARREDA MOLLER, *op. cit.*, at p. 1.

²⁵ This is confirmed through the examination of previous texts governing industrial property matters in the Andean Pact prior to Decision 344, including Decision 313 which was abrogated by Decision 344. Not unlike its predecessors, Decision 313 did not include provisions in the field of appellations of origin either. See Decision 313 - Régimen Común sobre Propiedad Industrial, *Gaceta Oficial del Acuerdo de Cartagena*, Año IX, lunes 14 de febrero de 1992, at pp. 1 *et seq.*

A. APPELLATIONS OF ORIGIN IN DECISION 344 OF THE CARTAGENA AGREEMENT

The first provision of the chapter devoted to appellations of origin includes a definition of an appellation of origin, which in essence is not totally dissimilar to the definition of the Lisbon Agreement. The basic difference between the Lisbon Agreement text and that of Decision 344 consists in that, unlike the Lisbon Agreement, Decision 344 also considers as an appellation of origin *names that are not geographical names but still refer to a specific geographical area*.

Decision 344 devotes 13 provisions, mostly procedural, to the subject of appellations of origin. It should be noted that, unlike other regional instruments, Decision 344 does not contain any engagement on the part of Andean Community Members to protect in the territory of a Member the appellations of origin of another Member. Instead, the relevant provisions address a number of procedural situations on the circumstances under which the national authorities of an Andean Community Member must make official the existence of an appellation of origin of its own territory to be protected in its own territory.

The provisions of Decision 344 on appellations of origin have little to do with the provisions of other legal instruments such as TRIPS, and from a technical perspective, in general, may be regarded as strictly domestic provisions for the recognition of an appellation of origin in each of the Members of the Andean Community. There are, however, two exceptions in Article 142 of Decision 344. First, the case involving the possibility to protect in an Andean Community country an appellation of origin of another Andean Community country and second, the possibility to protect in an Andean Community country an appellation of origin of a third country non-member of the Andean Community. As noted these provisions are contemplated only as a possibility and not as an obligation of Andean Community countries to protect foreign appellations of origin in their territories.

B. PROTECTION OF APPELLATIONS OF ORIGIN OF ANDEAN COMMUNITY MEMBERS

Article 142 of Decision 344 indicates that the national authorities of an Andean Community country may officially recognize the appellations of origin of another Andean Community country, provided the interested party of the other Andean Community country expressly applies for such protection.

What this provision of Decision 344 is actually saying is that in order for an appellation of origin of one Andean Community country to be protected in another Andean Community country, such appellation of origin must be registered in the Andean Community country where protection is sought.

What this provision of Decision 344 is also saying is that it is up to each Andean community country to protect, under the provisions of Decision 344, the appellations of origin of other Andean Community countries, for as noted there is no express obligation addressing this issue, but rather only an option that Andean Community countries may or may not exercise in the terms of Article 142.

C. PROTECTION OF APPELLATIONS OF ORIGIN OF THIRD COUNTRIES NON-MEMBERS OF THE ANDEAN COMMUNITY

The second exception is represented by a provision referring to the mere possibility (it is not an obligation) that each Andean Community Member makes official the recognition of protection of an appellation of origin of third countries non-members of the Andean Community provided three conditions are met:

- (i) this possibility must be contemplated in a treaty with the third country or, in the absence of a treaty, reciprocity must exist in the third country;
- (ii) the appellation of origin of the third country must have been officially recognized as such in the third country;
- (iii) protection in the Andean Community country (i.e., recordal) must be expressly requested by the interested party in the third country.

The last paragraph of Article 142 includes an express provision in the sense that a foreign appellation of origin will not be considered as a generic or common name in an Andean Community country for as long as the foreign appellation of origin is protected as such in the country of origin. This provision resembles the text of Article 6 of the Lisbon Agreement and Article 29.9 of TRIPS.

D. FINAL REMARKS ON THE PROVISIONS ON APPELLATIONS OF ORIGIN IN DECISION 344 OF THE CARTAGENA AGREEMENT

As far as regional and international protection is concerned, Decision 344 contains a rather rudimentary system of protection of appellations of origin that does not resemble other legal texts such as TRIPS. Once again, it is surprising that five members who have joined the WTO and are expected to apply TRIPS at some point in time after December 31, 1999, have not only done little to implement the TRIPS provisions on geographical indications, but have actually adopted legislation of the nature of Decision 344 which seems to depart from the TRIPS criteria in more than one respect.

VI. GEOGRAPHICAL INDICATIONS IN THE CENTRAL AMERICAN PROTOCOL

The Protocol for the Amendment of the Central American Convention for the Protection of Industrial Property (hereinafter "the Central American Protocol") was signed by the Governments of four members of the Central American Convention for the Protection of Industrial Property, namely Costa Rica, El Salvador, Guatemala and Nicaragua, in the City of San Salvador on November 30, 1994. The purpose of the Protocol was to amend the Central American Convention on the same matters (Central American Convention for the Protection of Industrial Property—Trademarks, Trade Names and Slogans), signed in San José, Costa Rica, almost 30 years ago on June 1, 1968 (Central American Convention of 1968). Actually, the Protocol concentrates on trademarks and other trade identifiers including geographical indications.²⁶

The subject of geographical indications is regulated in Articles 70 to 80 in Title VII of the Central American Protocol under the heading *Geographical Indications*. Title VII is divided in two chapters. One chapter for geographical indications in general (Chapter I, Articles 70 to 72) and another chapter for appellations of origin in particular (Chapter II, Articles 73 to 80).

Unlike the drafters of NAFTA, but following the pattern of other regional or sub-regional agreements such as the Andean Community, the examination of the provisions on geographical indications as contained in Articles 70 to 80 of the Central American Protocol shows little or no influence at all from TRIPS. With some exceptions that I will not examine at this point, a good part of the provisions in Title VII of the Protocol have to do with procedural questions relative to the protection of an appellation of origin.

A. DEFINITION OF GEOGRAPHICAL INDICATION AND APPELLATION OF ORIGIN

The definitions of geographical indication and of appellation of origin do not appear in Title VII devoted to geographical indications. Instead, such definitions appear in Article 2, which is the provision of the Protocol assigned to definitions.

²⁶ See RANGEL-ORTIZ Horacio, "Protocol for the Amendment of the Central American Convention for the Protection of Industrial Property in the Field of Trademarks and other Distinctive Signs," *International Protection and Enforcement*, Institute for International Law and Business, New York, N.Y., March 1996, at pp. XV, 1-31.

Geographical Indications are defined in Article 2 in broad terms comprising not only geographical names but also *other designations and expressions that designate or suggest a geographical place*. In the definition of geographical indication, no reference is made at any time to a *product* associated with or designated by the geographical name, the designation or the expression. All that matters in order for a word to qualify as a geographical designation is that the geographical name, the designation or the expression designates or suggests a geographical place.

Appellations of Origin are defined in Article 2 in terms not totally dissimilar to those of Article 2 (1) of the Lisbon Agreement. Following a pattern similar to that of Decision 344 of the Cartagena Agreement, the definition of appellation of origin within the context of the Central American Protocol also includes as part of the definition *the name of a product that is not a geographical name but still refers to a particular place when it is used in relation to products coming from such place*.

The basic difference between the text of the Central American Protocol and that of Decision 344 consists in that Decision 344 also considers as an appellation of origin *names that are not geographical names but still refer to a specific geographical area*, making no reference to a product. In other words, Decision 344 does not require the name that is not a geographical name to be the name of the product, a requirement contemplated in the Central American Protocol. Thus the text of the Central American Protocol is closer to the notion of appellation of origin as contemplated in the Lisbon Agreement.

Expressed differently, both Decision 344 and the Central American Protocol have enlarged the definition of an appellation of origin to situations involving names that are not geographical names. In the Central American Protocol, the name must also be the name of the product, whereas in Decision 344, such name does not have to be necessarily the name of the product.

B. GEOGRAPHICAL INDICATIONS AND TRADEMARKS

Unlike the system adopted in other instruments that follow the TRIPS model, including NAFTA, the provisions dealing with some of the conflicts that may arise between geographical indications and trademarks are not included in the title or chapter devoted to geographical indications of the Central American Protocol, but rather in the title and chapter devoted to trademarks. This, of course, reflects the notion that the rules governing this specific subject are not geographical indication rules, but rather trademark rules, a notion that is fully endorsed and reflects the adoption of a more refined technique of legal drafting than that used by the drafters of TRIPS.

The trademark rules that have some relation with geographical indications show up in Title II under the heading *Trademarks*.

For instance, Article 4, paragraph 2, deals with the subject matter that may constitute a trademark.

Also, Articles 8 and 9 of the Central American Protocol deal with non-registered subject matter. Article 8 concentrates on non-registered subject matter for intrinsic reasons, whereas Article 9 for reasons related to third party rights.

Article 8, paragraph j), prohibits the registration as a trademark of a sign that may deceive or cause confusion as to the geographical origin of the product involved.

Article 8, paragraph l), prohibits the registration of a trademark that consists in a geographical indication that does not conform to the criteria contemplated in Article 4, paragraph 2, regarding the subject matter that may constitute a valid trademark.

Article 9, paragraph h), prohibits the registration as a trademark of a sign the use of which is likely to cause confusion with an appellation of origin duly protected.

Article 9, paragraph k), prohibits the registration as a trademark of a sign when the registration is applied for to carry out an act of unfair competition.

C. PROTECTION OF FOREIGN APPELLATIONS OF ORIGIN IN CENTRAL AMERICA

In general, the provisions dealing with appellations of origin in Articles 73 to 80 of the Central American Protocol concentrate on national geographical indications. Everything indicates that an appellation of origin will be protected only after its registration at the national office of each Central American State. Thus local registration of an appellation of origin still is a condition precedent for registration of an appellation of origin whether national or foreign.

As far as foreign appellations of origin are concerned, the Central American Protocol contemplates the possibility to register a foreign appellation of origin in the national office of a Central American country bound by the provisions of the Protocol provided such possibility is contemplated in an international treaty or, in the absence of an international treaty on this subject, provided reciprocity exists on this subject with the country to whom the foreign appellation of origin pertains (Article 73).

D. APPELLATIONS OF ORIGIN AND THE COMMON NAME OR GENERIC NAME OF THE PRODUCT

The Central American Protocol does not contain an express provision commonly found in other texts such as that of Article 6 of the Lisbon Agreement and

of Article 24(9) of NAFTA in the sense that foreign appellations of origin will not be protected any more in the country where protection is sought after the appellation of origin has become the common or generic name of the product involved in the country of origin. The Central American Protocol, however, includes an express prohibition to register an appellation of origin consisting in the common name or generic name of the product involved (Article 74, paragraph c).

E. ENTRY INTO FORCE OF THE CENTRAL AMERICAN PROTOCOL

In order for the Central American Protocol to become effective it is necessary that same be ratified at least by three countries. According to a transitional provision, the Central American Protocol becomes effective two months after the deposit of the third instrument of ratification or accession. This has not yet taken place, and therefore the Protocol is not yet the law in Central America (Article 126 of the Central American Protocol).²⁷ Once the Central American Protocol becomes effective, no country may become a member of the old Central American Convention for the Protection of Industrial Property signed in San José, Costa Rica, on June 1, 1968 (Central American Convention of 1968).²⁸

VII. CONCLUSION

Now, let us attempt to draw some further general conclusions.

Many years ago, Prof. Dr. David Rangel-Medina was invited by WIPO to conduct a study on the same subject discussed in this presentation.²⁹ There, he noted that one of the sources of the complexity in the drafting of international rules applicable to geographical indications consisted in the notable differences that

²⁷ Nicaragua is the only country that has made the deposit of the pertinent instrument of ratification. However, legal action has been filed to nullify the effects of the deposit of this instrument. Also, on January 16, 1996, the Guatemalan Congress expressly opposed to the ratification of the Protocol. See Horacio RANGEL-ORTIZ, *Protocol for the Amendment of the Central American Convention for the Protection of Industrial Property in the Field of Trademarks and Other Distinctive Signs*, op. cit. at p. XV- 30 and 31.

²⁸ Includes a chapter dealing with appellations of origin (Articles 72 to 77 of the Central American Convention of 1968).

²⁹ See RANGEL-MEDINA David, *La protección internacional de las denominaciones de origen*, op. cit., at pp. 12 *et seq.* See also RANGEL-MEDINA David, "El nuevo régimen de las denominaciones de origen en México," *La Propiedad Intelectual, Revista trimestral de la Organización Mundial de la Propiedad Intelectual*, AÑO VI, No. 2, 1973, Ginebra, Suiza, at p. 65 *et seq.*

existed in the notions embodied in the terminology used at that time. The examination of the text of treaty law recently adopted in the Americas, including TRIPS, shows that nothing has been done by drafters of international legislation towards providing a solution to this problem. On the contrary, this revision shows that the terminological problem has become worse. As far as TRIPS is concerned, it should be noted that the drafters of the relevant provisions do not acknowledge the existence of two forms of geographical indications known as *appellations of origin* and *indications of source*. None of these two expressions ever shows up in TRIPS. Instead the notions embodied in each of these two concepts are incorporated in the expression *geographical indication* as defined in TRIPS without making a distinction as to whether the expression should be construed in some cases as *appellation of origin* and in other cases as *indication of source*. The distinction does not show up in the text of TRIPS either, as if the substantive law governing appellations of origin could be applied in the very same terms to situations involving indications of source. From a strict legal perspective, this does not make a lot of sense.

It is apparent that adoption of the expression *appellation of origin* in TRIPS and other documents heavily relying on TRIPS (e.g., NAFTA) was a source of panic and aversion.

In cases like the three Latin American Agreements, particularly in the Mexico-Bolivia and Mexico-Costa Rica Agreements, the expression *geographical indication* is not used as a broad category that comprises appellations of origin and indications of source, but rather as equivalent of *indication of source*.

The terminological problems have further increased with the adoption of new categories of geographical names illustrated by the new expression *distinctive products* introduced in international legislation by NAFTA drafters to refer to geographical names, some of which are known as *appellations of origin* in the country of origin. Such is the case of Tequila, which is an *appellation of origin* in Mexico and in the members of the Lisbon Agreement, but a *distinctive product* in the NAFTA context.

While the approach chosen by NAFTA drafters to protect the Tequila appellation of origin as a *distinctive name* in NAFTA countries is not an example of the most refined technique in legal drafting, the solution implemented in a chapter other than the intellectual property chapter of NAFTA should be regarded as a proposal both imaginative and constructive, particularly because none of the limitations applicable to geographical indications (appellations of origin) provided in NAFTA and TRIPS should apply to the *distinctive names* contemplated in Annex 313 of NAFTA.

The examination of TRIPS provisions shows that there are two systems of protection of geographical indications (this actually meaning appellations of origin). One designed to preserve the *status quo* applicable to appellations of origin already in use before the adoption of TRIPS, and another applicable to appellations of origin

that have not been used. Ironically, those deserving less protection in TRIPS are those already in use both by their legitimate holders and by unauthorized third parties. The most beneficial treatment is given to geographical indications that have not yet been used anywhere, that is to say, to those geographical indications that need no protection at this time.

Another system of protection contemplated in TRIPS has to do with the subject matter associated with the geographical indication in question. There is one group of provisions designed to address geographical indications associated with wines and spirits, and another group of provisions applicable indistinctly to wines and spirits and to any other product.

Implementation of TRIPS provisions into regional treaties in the Americas varies from case to case. The most clear influence of TRIPS is appreciated in NAFTA. The provisions of NAFTA dealing with geographical indications are almost a literal copy of the equivalent provisions in TRIPS with one important exception represented by the provisions specifically applicable to wines and spirits, which do not show up in NAFTA.

Contrary to NAFTA, which is the Regional Agreement in the Americas most influenced by TRIPS, other regional instruments show a more independent legal drafting in respect of geographical indications. This is the case of the Mercosur Protocol, Decision 344 of the Cartagena Agreement and the Central American Protocol, the regional instruments in the Americas with the lowest degree of influence from TRIPS, or no influence at all. The Latin American Free Trade Agreements are some place in between.

It is often said that since Mexico is already bound by the provisions of an intellectual property chapter contained in a free trade agreement executed with two North American nations (NAFTA), Mexico has decided to implement similar provisions in the free trade agreements recently executed with other Latin American nations represented by Colombia, Venezuela, Bolivia and Costa Rica. This may or may not be an accurate statement with respect to institutions other than geographical indications. As far as geographical indications are concerned, there is little resemblance in the Latin American provisions in relation to those contained in NAFTA and TRIPS. Of nine basic provisions forming the chapter on geographical indications in NAFTA and TRIPS, not even half of the equivalent provisions have been incorporated in the Agreement between Mexico and Bolivia, the text of which includes four NAFTA-TRIPS provisions on geographical indications. In the other two cases, that is, in the Mexico-Colombia-Venezuela Agreement and the Mexico-Costa Rica Agreement, only two NAFTA-TRIPS provisions have been incorporated in each Agreement. Therefore the statement that the Latin American Agreements basically reflect NAFTA-TRIPS notions should be qualified at all times through the precise identification of the specific institution to which the statement applies.

New treaty law on the subject of appellations of origin includes provisions that show agreement among drafters of international legislation in what concerns the notion that an appellation of origin will be protected in a country other than the country of origin for as long as the appellation of origin is still considered an appellation of origin in the country of origin, as distinguished from the common or generic name of the product associated with the appellation of origin.

Drafters of new legal instruments such as TRIPS and NAFTA merge, in a somewhat disturbing fashion, trademark rules with other rules applicable to geographical indications. The pragmatic approach adopted by TRIPS and NAFTA drafters is repudiated by drafters of other international instruments including the Mercosur Protocol and the Central American Protocol, who have favored a more orthodox and refined method in legal drafting by inserting the trademark provisions related to geographical indications where such provisions should be included, specifically as part of the group of provisions dealing with trademarks, as opposed to the group of provisions that have to do with geographical indications.

TRIPS contemplates the possibility to eventually establish a multilateral system of notification and registration of geographical indications specifically for wines (Article 23.4). Yet, this is only a possibility contemplated in TRIPS and not a rule to be observed and applied by TRIPS Members. For this and other reasons related thereto, it may be asserted that TRIPS does not provide for the local registration of an appellation of origin, as a condition precedent to protection of an appellation of origin in a country other than the country of origin. In fact, the issue of registration of an appellation of origin is not addressed in TRIPS, thus strongly suggesting that Members are free to adopt a system of registration of foreign appellations of origin as a condition precedent to local protection of a foreign appellation of origin.

The issue of international protection of foreign appellations of origin is only addressed to a limited extent in TRIPS. Where protection of foreign appellations of origin is contemplated in recent treaty law in the Americas, generally this should be construed as restricted to the appellations of origin of the partners to international instruments such as the territories of the Latin American Free Trade Agreements. Conceivably, the protection contemplated in such new treaties will operate in the way appellations of origin are protected in bilateral agreements on this subject.

Unlike other regional instruments that do not expressly address the issue of local registration of an appellation of origin as a condition for protection of an appellation of origin, whether national or foreign, other instruments, such as Decision 344 of the Cartagena Agreement and the Central American Protocol, expressly contemplate registration of national and foreign appellations of origin in the country where protection is sought as a condition precedent to protection in such country.

Important developments in the law of geographical indications are found in treaties joined by countries like Bolivia and Costa Rica. This is a consequence of the

adoption of the new provisions on appellations of origin contained in the Free Trade Agreements recently entered into by these two countries with Mexico. The most notable developments are represented by the engagement of Bolivia and Costa Rica to apply the substantive provisions of the Lisbon Agreement, regardless of whether or not these two countries are members of the Lisbon Agreement. After execution of the Agreement with Mexico, Costa Rica has joined the Lisbon Agreement, not so Bolivia who is bound to apply the substantive provisions of the Lisbon Agreement only in its relations with Mexico. Similar engagements are not found in other legal instruments of the region.

As far as TRIPS is concerned, opinions will continue to be divided in two basic groups. Those who advocate a strong protection of appellations of origin domestically and internationally for as long as the appellations of origin concerned are considered distinctive signs, and not generic or common names, in the country of origin, and those who believe that an appellation of origin may be treated as generic in a specific country even when the appellation of origin is still considered a distinctive appellation of origin overseas including the country of origin. The creation of two systems of protection in TRIPS represented by a system for appellations of origin already in use with no authorization and another system for appellations of origin to be used in the future, shows how the sympathies of the drafters were not with the group that advocates a strong protection of appellations of origin internationally, but rather with the group that is in favor of maintaining the *status quo*. It is difficult to believe that advocates of the first group are any happy with the results.

Whether the adoption of a system as that contained in TRIPS constitutes a development in the law of geographical indications depends on where the observer is placed. Advocates of a strong protection of international protection of appellations of origin cannot consider the incorporation of these two systems of protection a progress. It is more a regression. NAFTA drafters have attempted to depart from this regression when excluding from this peculiar system the Mexican appellation of origin Tequila by simultaneously placing the appellation of origin Tequila as part of a new category of geographical names that do not qualify as geographical indications, but rather as *distinctive names* contemplated in Annex 313 of NAFTA.

In spite of the unprogressive steps contained in TRIPS including the incorporation of express grounds in order for some Members to continue using foreign appellations of origin with no authorization from the legitimate holders of the foreign appellations of origin, TRIPS has incorporated some objective contributions to the law of geographical indications to be adopted in the future.

With few exceptions like Mexico which is bound by the NAFTA provisions, and to a limited extent also the four Latin American countries with whom Mexico has entered a free trade agreement, most other Latin American countries including members of the Andean Community, the Mercosur Protocol and the Central American Protocol, have been rather cautious, prudent and moderate in the adoption

of treaty law applicable to geographical indications. Indeed, TRIPS provisions do not appear to be the main source of inspiration in the drafting of treaty law governing geographical indications in this region of the world. Besides, none of the countries forming any of these three trade blocs in Latin America is believed to be bound by the provisions of TRIPS at this time under the criteria governing the transitional periods contemplated in Article 65 of TRIPS.³⁰

It is difficult to make global statements on the new treaty law adopted in the Americas. At this time, out of the specific situations which have already been qualified as objective developments, it is also difficult to assert whether the adoption of the rules contained in new treaty law in the Americas actually represents a contribution to the law of geographical indications. It is still too early to tell. Time and actual implementation and enforcement or non-enforcement of the new provisions will tell.

There is, however, one specific development worth taking into consideration at this time. On May 27, 1997, Mexico and the European Community completed in the city of Brussels an Agreement for the mutual recognition and protection of the denominations of spirits (Brussels Agreement).³¹ While expressions such as *geographical indication* and *appellation of origin* do not show up in the text of the Brussels Agreement, clearly the intention of this Agreement is the protection of appellations of origin of the spirits listed in Appendices I and II of the Agreement. Likewise, the text of the Brussels Agreement does not include an express reference in the sense that the Agreement is executed pursuant to the provisions of Article 24, paragraph 1, of TRIPS which contemplates this possibility. Nevertheless, it is clear that this is the case, particularly when noting the references to Articles 22, 23 and 24, paragraphs 4, 5, 6 and 7 of TRIPS in the text of the Brussels Agreement.

What should be pointed out from the text of the Brussels Agreement is the adoption of a commitment whereby each party engages in protecting the denominations of the other party in the respective jurisdictions, notably the commitment of each party to prevent the use of the other party's denominations in circumstances other than those contemplated in the laws and regulations on the matter of Mexico and the European Community (Article 4, paragraphs 1 and 2). The most significant language of the whole text is the derogation to the understandings contemplated in Article 24, paragraphs 4 to 7 of TRIPS, which give little

³⁰ This proposition is not totally shared by everyone in the region. For instance, it was recently submitted in a presentation made by Professor Peter SIEMSEN, President of AIPPI, that there are strong grounds to sustain the proposition that the transitional periods contemplated in Article 65 of TRIPS do not apply to the Brazilian situation. II Session of the Trinational Intellectual Property Committee, *Nafia and Intellectual Property: Current Issues and Future Prospects*, Cuernavaca, Morelos, Mexico, April 3 and 4, 1997.

³¹ *Diario Oficial de la Federación*, July 21, 1997.

consideration to appellations of origin, as noted above. Certain TRIPS provisions, such as the one contained in Article 24, paragraph 2, which allows the continuous use of foreign appellations of origin when they were used for more than 10 years or in good faith, are derogated for purposes of the Brussels Agreement (Article 4, paragraph 4, of the Brussels Agreement). Ironically, the most notable development coming from Article 24, paragraph 1, of TRIPS is the derogation of the provisions regarded as negative resolutions and a step behind by those interested in a strong protection of appellations of origin in a worldwide context. Expressed differently, this specific TRIPS development consists in the engagement not to apply the specific TRIPS provisions identified in the Brussels Agreement, as previously discussed. This is achieved by incorporating treaty language in the sense that the parties will not deny the protection provided for in the Brussels Agreement in the circumstances contemplated in the TRIPS provisions already noted. This is a true development in the law of geographical indications, with a bilateral scope, though. It is submitted, however, that the precedential value of this bilateral understanding in treaty law applicable to geographical indications is significant and unique.

**PROTECTION OF GEOGRAPHICAL INDICATIONS
IN FRANCE AND PROTECTION OF FRENCH
GEOGRAPHICAL INDICATIONS IN OTHER COUNTRIES**

by

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I. INTRODUCTION

I am greatly honored by the invitation of the Director General of the World Intellectual Property Organization (WIPO) to speak in this Symposium on the Protection of Geographical Indications in the Worldwide Context. The WIPO proposed topic of this lecture is "Protection of Geographical Indications in France and Protection of French Geographical Indications in Other Countries."

As a free-thinking and free-speaking academic, I do not completely agree with this title. We will see that we must qualify the expressions used. Firstly, we must highlight the fact that France is a Member State of the European Community (EC), and so we must remember that EC Regulations are compulsory and directly applicable in all Member States. There is a large difference between a free trade or customs union and the EC. In the European Union many provisions in the field of geographical indications are harmonized. I also want to put your mind at ease: as a Frenchman I will often speak about foodstuffs and agricultural products—among which are wines and spirits—but my comment concerns all sort of goods, unless otherwise indicated. It is a fact that for centuries all kinds of products have been normally designated by a geographical name (honey from Attica, Bohemian or Waterford crystal, Champagne sparkling wine, Iran Caviar, Ceylon tea, etc.). The use of geographical names to designate products and goods is gaining ground in developed economies and is beginning to arouse interest in less developed countries.

Consumers think that a product designated by a geographical name implies specific characteristics or a particular quality. Thinking over it, we quickly realize that the word "quality" can have several meanings. For the consumer, the "quality" of a car has certainly nothing to do with what he calls quality for a wine or a cheese. Another fact is that the use of geographical names to designate a good or a product is linked with various conditions which are generally laid down by national legislation. Nowadays traders and lawyers are well aware that there is a great difference between indication of source and appellation of origin. But the expression "geographical indication" is not yet clearly understandable. The jurist must try to comprehend the technical aspects relating to products designated by a geographical name. Besides,

the French and EC laws define the specifications of the agricultural products designated by a geographical name that will later be juridically protected. The Community Regulation No. 2081/92 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs defines the "designation of origin" ("appellation d'origine" in the French version) as "the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff, originating in that region, specific place or country, and the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors." This definition is very close to the one of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration. The same EC Regulation No. 2081/92 defines the geographical indication. Moreover, the TRIPS Agreement of the Uruguay Round also defines geographical indications 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."

These definitions are more or less comparable from the point of view of the origin significance, but they concern goods—generally speaking—for the TRIPS Agreement, and solely agricultural products and foodstuffs excluding wines, submitted to specific regulations in the EC Law.

The link between agricultural products and foodstuffs, the goods and their originating place can be understood in different ways. The stronger the technical, historical, cultural and social link is, the more the producers will demand an efficient protection of the geographical name used to designate the product.

Understanding the questions relating to the protection of geographical names implies that we should specify the concept and the characteristics of originating product. We will explain successively:

- ◊ Definition of source and origin
- ◊ Protection of geographical names in France and the EC
- ◊ Protection of French and EC geographical names in third countries

II. DEFINITION OF SOURCE AND ORIGIN

Traditionally a distinction is made between indications of source and appellations of origin (Paris Convention for the Protection of Industrial Property of March 20, 1883, Article 1(2)). The term "geographical indication" appeared in 1992 in the EC Regulation and 1994 in the TRIPS Agreement. These three expressions correspond to a variable link, in intensity and effects, between the product and the place of origin. The link is weak for a product identified by an indication of source,

stronger for a geographical indication and substantially more important for an appellation of origin.

The technical content and definition of source and origin must be clarified for the products designated by a geographical name. The definition of source and origin will be set for the traditional notions of indication of source and appellation of origin, then for the more recent notion of geographical indication.

(a) Indication of Source

Indication of source does not imply specific characteristics of the product depending on its particular geographical origin. Indication of source simply designates the place where a product is obtained or produced. Essentially the indication of source concerns the "origin" of the goods or the products for customs purposes. An indication of source is the name of the country or place where the goods were manufactured or where the last substantial processing was carried out¹. This is confirmed by EC Law², and enforced in numerous bilateral agreements. The situation is very different for an appellation of origin.

(b) Appellation of Origin

The product designated by an appellation of origin is originating from a region, a place or a country, the characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors. This definition is almost identical in the Lisbon Agreement, in the Resolution of the General Assembly of the Office International de la Vigne et du Vin-International Vine and Wine Office OIV-IWO (Eco 2/92), regarding wines, in the EC Regulation No. 2081/92 of July 14, 1992 (Article 2.2.a) and, naturally, in the French Intellectual Property Code (Article L.721-1) and the Consumer Code (Code de la consommation) (Article L.115-1).

In France the products designated by an appellation of origin are subject to a large number of particular rules, they are controlled products. These particular rules are the complement of the common applicable rules (such as sanitary conditions).

¹ Robert TINLOT, Geographical Indications for Wines, Symposium on the International Protection of Geographical Indications, Wiesbaden (Germany), 1991, WIPO Publication No. 713 (E), p. 42, 1.1.1.

² Council Decision of June 3, 1977, 77/415/CEE, Official Journal of the European Communities - OJEC, July 4, 1977, No. L.166, which combines the Annexes of the Kyoto Agreement.

In 1919, a regulation establishing a system of appellations of origin for wines and spirits, sometimes applied to other agricultural products or foodstuffs (cheese, poultry), was adopted. In 1935, a system of controlled appellations of origin for wines and wine spirits was created. Nowadays the system is extended to all agricultural products and foodstuffs (Consumer Code, Art. L.115-5). Meanwhile, most of the regulations relating to wines—and specially to quality wines—have become EC Regulations, and since 1992 the EC law also has created designations of origin for agricultural products and foodstuffs. Two situations have occurred: on the one hand wines, and on the other agricultural products and foodstuffs.

(i) Wines

Ten Member States of the European Community have national regulations relating to appellations of origin of wines (France; Italy; Spain; Portugal; Greece; Luxembourg; Belgium; Austria; Germany and the United Kingdom). The different national regulations relating to appellations of origin for wines are partly standardized by the EC Regulation No. 823/87 relating to quality wines produced in specified regions. A wine with an appellation of origin is a “quality wine produced in specified region” (q.w.p.s.r.). Grapes growth and wine-making are submitted to common provisions relating to seven different topics, laid down by each Member State:

- ◊ demarcation of the area of production;
- ◊ classification of vine varieties;
- ◊ cultivation methods (density of planting, pruning, etc.);
- ◊ wine-making methods;
- ◊ minimum natural alcoholic strength by volume required before any enrichment;
- ◊ yield per hectare;
- ◊ analytical test and assessment of organoleptic characteristics.

Finally, I will stress the fact that you cannot put a quality wine on the market if all those conditions are not fulfilled. Member States may only impose stricter conditions.

(ii) Agricultural Products and Foodstuffs

There were a few agricultural products and foodstuffs protected by appellations of origin before the EC Council Regulation No. 2081/92 of July 14, 1992. Under French national law about thirty types of cheese, butter, milk-cream, poultry, walnut, etc., were protected. Now, in my opinion, all general provisions are EC provisions. The Member State is solely in charge of the technical implementation of EC law. Under the French law, an EC appellation of origin for agricultural products and foodstuffs can be filed only when the national “appellation d'origine contrôlée” is granted.

Under EC Regulation No. 2081/92, appellation of origin is called “designation of origin” or “protected designation of origin” (PDO). All agricultural products intended for human consumption can be designated by the name of their originating region.³ On the other hand only foodstuffs listed in Annex I of the EC Regulation No. 2081/92 can be described by a designation of origin.⁴ A few agricultural products not intended for human consumption are listed, by way of derogation, due to existing situations, in Annex II.⁵

The definition of PDO is a geographical name used to describe an originating agricultural product or foodstuff, the qualities of which are essentially, or exclusively, due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area (Council Regulation (EEC) No. 2081/92, Article 2(2)(a)). To be eligible to use a PDO, the product must comply with a specification including at least nine different fields.⁶ There is a great difference between indication of source and appellation of origin. For the producers it implies considerable economic and quality investments. Nevertheless, some Member States in the EC do not use appellations of origin. So when EC Regulation No. 2081/92 was prepared, another concept was accepted: geographical indication.

(c) Geographical Indication

The concept of geographical indication is laid down by the provisions of EC Regulation No. 2081/92, but also by the OIV-IWO General Assembly Resolution Eco 2/92. It is also the definition used by the 1994 TRIPS Agreement. I must point out that the expression “geographical indication”⁷ has been used by WIPO in the broader sense to embrace the existing terms “indication of source” and “appellation of origin.” Now “geographical indication” has a technical and precise meaning about

³ Exactly, agricultural products intended for human consumption referred to in Annex II of the EC Regulation.

⁴ Beer; natural mineral waters and spring waters; beverages made from plant extracts; bread, pastry, cakes, confectionery, biscuits and other baker's wares; natural gums and resins.

⁵ Hay; essential oils; cork; cochineal. The last two were added in 1997.

⁶ Name; description; defined area for production and processing; evidence that the product originates in the geographical area; cultivation and/or processing methods; details supporting the link with the geographical environment; inspection structures; specific labeling details; requirements laid down by EC and/or national provisions.

⁷ Ludwig BAEUMER, The International Protection of Geographical Indications, Wiesbaden (Germany), 1991, WIPO publication No. 713 (E), p. 27, No. 14.

which I shall talk. For EC Regulation No. 2081/92, Article 2(2)(b), geographical indication means the geographical name used to describe an originating agricultural product or a foodstuff "which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area."

The difference between appellation of origin and geographical indication is obvious. The geographical indication link with the place of origin is weaker. The quality or the characteristics of the product are not the result of its geographical origin which is the case for the appellation of origin. The geographical indication designates a product of which one particular quality or the reputation or one other characteristic is attributable to its geographical origin. In the case of a geographical indication, one single criteria attributable to a geographical origin is sufficient: a quality or the reputation or a characteristic. Moreover, the production of the raw material and the development of the product are not necessarily situated in the same defined geographical area. A product designated by a protected geographical indication (PGI) must comply with a specification containing the same elements or details that for a PDO application.

You will certainly be aware that I have not previously spoken about spirits. The French Regulations lay down provisions for wine spirits appellations of origin, and the best known of all, "Cognac" was defined by decree in 1909. There is now an EC Council Regulation No. 1576/89 of May 29, 1989, laying down rules to define spirits, wine spirits and others (whisky, gin, rum, etc.). Each spirit processed in the EC is described in detail under its name, which may be used to designate the spirit (Article 5(1)). Notwithstanding, another provision (Article 5(3) provides that geographical indications listed in Annex II of the Regulation may replace or supplement the name, the technical name, of the spirit.

All these spirits acquired their character and definitive qualities at the production stage within the indicated geographical area. Are these geographical names, geographical indications or appellations of origin? According to the OIV-IWO General Assembly Resolution Eco 2/92, and comparing it to EC Regulation No. 2081/92 on PGI and PDO, I think that some geographical names of spirits are appellations of origin if the raw materials are harvested and processed in the geographical area indicated. Cognac is an appellation of origin, Scotch Whisky a geographical indication.

A definition of geographical indications is also provided by the TRIPS Agreement, Article 22.1: "Geographical indications are, for the purposes of this Agreement, 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." The differences between geographical indication in the meaning of EC and TRIPS are quite clear: the TRIPS Agreement covers all types of goods and EC Regulation No. 2081/92 only covers agricultural products and foodstuffs. The EC Regulation

provides that production and/or processing and/or preparation take place in the defined area. This provision does not exist in the TRIPS Agreement. Finally, the EC Regulation No. 2081/92 covers, for PGI and PDO, the "name of a region, a specific place or, in exceptional cases, a country" (Article 2(2)(a) and (b)) while the TRIPS Agreement provides "indications which identify a good as originating in the territory of a Member, or a region or locality, in that territory." Is there a difference between the "name of a region, a specific place or, in exceptional cases, a country" (EC) and "indications which identify a good as originating in the territory of a Member" (TRIPS)? I think that the EC Regulation No. 2081/92, which provides that "... traditional geographical or non-geographical names designating an agricultural product or a foodstuff ... shall also be considered as designations of origin" (Article 2(3)), is a good basis for the future. In my opinion, geographical names and traditional denominations with geographical significance must be considered equally in the eyes of the law, particularly for their protection.

III. PROTECTION OF GEOGRAPHICAL NAMES IN FRANCE AND THE EC

Protection is a term with several meanings and there are many reasons for it. Generally speaking, protection means "right to use" a geographical name with the consequence that sometimes it is forbidden to use it. Protection also means a right to prevent illegal use of geographical names.⁸ At this moment we must bear in mind that different forms, different law techniques, can be used for the protection of geographical names designating products and goods: general provisions without particular respect to geographical names, special titles of protection in the field of intellectual property, and protection through trademarks (including collective or certification marks).

Protection of geographical names can also satisfy different categories of interested persons. Consumers: let me point out that when one speaks of the protection of geographical names, consumers are coming first, which is an aspect of consumer society. Consumers deserve to be protected against misleading practices and especially against geographical names used in connection with products that do not originate from the geographical area to which the geographical name refers. Protection of geographical names is also very important for producers. When a geographical name is considered as a distinctive sign, the subject matter of an intellectual property right, the use of this name is reserved to the enterprises located in the specified area to which the geographical name refers. Those producers can only use the said geographical name. Economic aspects are very important too. In order to obtain a product which meets all requirements, large investments are needed

⁸ Ludwig BAEUMER, Various Forms of Protection of Geographical Indications and Possible Consequences for an International Treaty, Symposium on the Protection of Geographical Indications, Funchal (Madeira, Portugal), 1993, WIPO publication No. 729 (E), p. 32, No. 9.

to enforce the regulations which are becoming more technical. Producers are "sentenced to quality" as they say, and they add "solely quality pays back." It pays back by the product price that generally increases with the reputation of the geographical name.⁹

The proportion of products having certain characteristics should be encouraged so as to achieve a better market balance between supply and demand, consumers wanting better quality and local products. The EC also pointed out that the promotion of these products "...could also be a considerable benefit to the rural economy, in particular to less-favored or remote areas, by improving the income of farmers and by retaining the rural populations in these areas" (EC Regulation No. 2081/92, third recital). Promotion of local products is part of a country planning policy. All these basic aims must be in our mind when we are speaking of protection of geographical names, protection of indications of source (a) and protection of appellations of origin and geographical indications (b).

(a) Protection of Indications of Source

I shall state both the French and EC situations, without forgetting that the difference between French and EC law is becoming less and less important.

(1) France

The protection of indications of source is provided by different laws, since 1905, now inserted in the Consumer Code.¹⁰ Articles L.213-6 *et seq.* provide sanctions for using or suggesting false origin by sign or indication on the product. Article L.121-1 provides sanctions for all advertising that are false or misleading as to origin.

On the other hand, an indication of source may not be registered as a trademark: it is merely descriptive for originating products, or misleading in other situations. However, an indication of source may be part of a composed trademark if

⁹ One hectare of vineyard in Champagne is valued at 1.5 to 2.2 million French francs (250.000 to 360.000 US\$). Investments for the development of quality products might increase along with their value and the demands for protection: M. GEUZE, Intellectual Property Protection as an Integral Part of the Multilateral Trading System, p. 9, II Encuentro Europeo de Denominaciones de Origen e Indicaciones Geograficas, Logroño, Spain, March 1997. A good example is the one of poultry under appellation of origin which is twice the market price. R. TINLOT, La valorisation des Terroirs Viticoles par les indications géographiques et les appellations d'origine, 1^{er} Colloque International Les Terroirs Viticoles, Angers (France), INRA, 1996, pp. 523 *et seq.*

¹⁰ D. HANGARD, Protection of Trademarks and Geographical Indications in France and in the European Union, Symposium on the International Protection of Geographical Indications, Melbourne (Australia), 1995, WIPO publication No. 739(E), pp. 65 *et seq.*

applied with respect to products different from those for which the geographical name is known.

In 1994, the Consumer Code was amended and a new provision prevented the use of an indication of source that misleads the consumers about the characteristics of a product, or reduces the reputation of an appellation of origin or a geographical indication (Article L.115-4.4, Article L.115-26-4).

(2) European Community

The labeling of all agricultural products and foodstuffs is subject to the General Rules laid down in Council Directive 79/112/EEC of December 18, 1978, on the approximation of the laws of the Member States relating to the labeling, presentation and advertising of foodstuffs for the sale to the ultimate consumer. The consumers should not be confused or misled as to the origin (the source) of the product. Member States should provide provisions regarding the protection of indications of source. The French Consumer Code has fulfilled these requirements.

Council Regulation (EC) No. 40/94 of December 20, 1993, on the Community Trade Mark (OJEC No. 211/96, 14 January 1994) does not prevent a geographical name being registered as a trademark if it is distinctive and not deceptive. We are now going to speak about the protection of appellations of origin and geographical indications.

(b) Protection of Appellations of Origin and Geographical Indications

Appellations of origin and geographical indications are both indications of source protected by the above-mentioned provisions. But producers and consumers are expecting a better and more effective protection of products designated by appellations of origin and geographical indications: the increase of economic interests and markets will lead to higher protection.

(1) France

The law of May 6, 1919, partly inserted in the Consumer Code (Articles L.15-1 to 115-18) provides for the protection of appellations of origin. The name of the appellation of origin may be used only for originating products which meet all requirements. It cannot be used for identical or similar products. Naturally, according to the French policy relating to appellations of origin, an appellation of origin cannot be registered as a trademark for other identical products. It cannot be used or registered for other products or services when this use diverts or weakens the reputation of the appellation of origin. The situation is the same for geographical indications (Article L.115-26-4).

Therefore, the protection of an appellation of origin is, one could say, absolute. I prefer the expression objective protection, without discussion or confusion,

misleading or abuse. The system is balanced: on the one hand, there are the operators entitled to use the geographical name given to products that meet all requirements. All requirements I say: if you infringe only one national or EC provision, you cannot use the appellation of origin and generally you cannot market your product. On the other hand, it is an objective and effective protection.

For wines and agricultural products under PGO and PGI, there are EC Regulations which are implemented in all Member States.

(2) European Community

Protection of appellations of origin and geographical indications is contained in the EC Regulations relating to wines and agricultural products and foodstuffs for Member States and foreign countries.

(i) **Member States' appellations of origin and geographical indications**

In the field of the common agricultural policy and of the common organization of the wine market since the 1970s, appellations of origin for wines are protected in each Member State. On the one hand you have EC requirements for the production of quality wines and on the other hand each Member State must protect the geographical indications of the others in its territory (EC Regulation No. 823/87, article 15(5)).

All Community Regulations on wines prohibit the use of a geographical name as to the origin when the product does not meet all the EC and national requirements. EC Regulation No. 1576/89, Article 40(1), provides that: "The description and presentation of the products referred to in this regulation and any form of advertising for such products, must not be incorrect or likely to cause confusion or to mislead the persons," particularly for information on geographical names. The same regulation, Article 40(2), provides that when the presentation of wines is supplemented with brand names, such brand names may not contain any words, part of words, signs or illustrations that are likely to cause confusion or mislead the persons to whom they are addressed, particularly on geographical names.¹¹ On the other hand, EC Regulation No. 40/94 of December 20, 1993, on the Community Trade Mark was

¹¹ See F. GEVERS, Conflicts between Trademarks and Geographical Indications. Point of view of AIPPI; D. RYAN, The Australian Experience; M.-H. BIENAYMÉ, The Point of View of INAO; F. MOSTERT, Unauthorized Use of Geographical Indications on Non-Competing Goods; P. D. SIEMSEN, Protection of Geographical Indications and Trademarks in Brazil and Other South American Countries; all in: Symposium on the International Protection of Geographical Indications, Melbourne (Australia), 1995, WIPO publication No. 739(E). J. AUDIER, Indications géographiques, marques et autres signes distinctifs: concurrence ou conflits? Bulletin de l'OIV, 1991, pp. 405 to 443; J. AUDIER, Noms géographiques et marques, II Encuentro Europeo de Denominaciones de Origen e Indicaciones Geograficas, Logroño, Spain, March 1997.

amended in 1994 and provides that trademarks shall not be registered for wines or spirits that contain or consist in a geographical indication identifying wines or spirits with respect to such wines or spirits not having that origin. The "European Trademarks Office" (Office for Harmonization in the Internal Market ((Trade Marks and Designs) (OHIM)) and national trademarks offices are beginning to support appellations of origin and geographical indications.

For agricultural products and foodstuffs, EC Regulation No. 2081/92, Article 13(1), provides that registered names, both PDO and PGI, shall be protected against:

- "(a) any direct or indirect commercial use of a name registered in respect of products not covered by the registration insofar as those products are comparable to the products registered under that name or insofar as using the name exploits the reputation of the protected name;*
- (b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as "style," "type," "method," "as produced in," "imitation" or "similar";*
- (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packaging of the product in a container liable to convey a false impression as to its origin;*
- (d) any other practice liable to mislead the public as to the true origin of the product."*

The said Regulation provides in Article 13(1) that "Protected names may not become generic" and another step forward for protection is made in Article 3(1) which gives a definition of a "name that has become generic" and may not be registered. A generic is the name of a product related to the place or region where this product was originally produced or marketed, which has become the common name of an agricultural product or foodstuff.

The PDO/PGI Regulation was amended in March 1997 and provides that a Member State may, on a transitional basis only, provide at the national level, protection in the sense of Regulation No. 2081/92, to a geographical name relating to an application checked by the Member State and forwarded to the European Commission for registration. Therefore, a transitional national protection shall cease on the date on which a decision on registration under Regulation No. 2082/92 is taken (Article 5(5) of Council Regulation No. 2082/92 amended by Council Regulation (EC) No. 535/97).

I must point out a legal question on EC Regulations related to quality wines produced in specified regions and PDO/PGI. It is clear that for these rights we are in the field of intellectual property. Article 30 of the EEC Treaty provides free trade and movement of goods. An exception to free movement of goods is the fact that appellations of origin must be applied to products originating and processed in specified/demarcated areas. This is an acceptable exception on the basis of the EEC Treaty, Article 36, which provides that protection of intellectual property is a legal exception to the free movement of goods.

Finally, the question of the relation between trademarks and PDO/PGI is provided, with more precision, by EC Regulation No. 2081/92, Article 14: an application for registration of a trademark filed for the same type of product is refused or canceled (14(1)), a prior registered trademark may coexist with a PDO/PGI (14(2)), a PDO/PGI may not be registered "where, in the light of a trademark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product" (14(3)).

Foreign Countries Geographical Indications

The EC Council has amended all the relevant EC Regulations to implement the TRIPS Agreement (Example: for wines, Article 72bis of EC Regulation No. 822/87 added by EC Regulation No. 3290/94). I would like to highlight some provisions of EC law implementing the TRIPS Agreement for wines and agricultural products and foodstuffs. Until September 1, 1997, EC Regulation No. 2392/89, Article 26, provided that imported wines designated by a geographical name that is listed by the European Commission may be marketed in the EC. A geographical name is listed by the Commission when the originating foreign wine is produced in the respect of equivalent requirements (Commission Regulation (EEC) No. 3201/90 of October 16, 1990, laying down detailed rules for description and presentation of wines and grape musts, OJEC, November 8, 1990, No. L309, p. 1, Annex II). This list has been canceled on September 1, 1997 (Council Regulation (EC) No. 1472/97 of July 28, 1997, OJEC, July 29, 1997, No. 200, p. 18).

For the future, wine imported into the EC and designated under a geographical indication must originate from TRIPS Members who must submit their national law implementing TRIPS to the EC Commission. Under Section 3 of the TRIPS Agreement "Geographical indications," some conditions must be fulfilled by non-Members: First, a geographical indication should designate a specified production area where the grapes are harvested and processed into local products, secondly, the geographical indication should be used in the interior market to designate this wine and, thirdly, national provisions should be in place (Article 11(2) and Annex II of Regulation (EEC) No. 3201/90 amended by Regulation (EC) No. 1472/97).

We must also point out that in the past few years the EC has also established bilateral agreements for the protection of geographical indications for wines with

annexed lists of geographical indications and traditional denominations.¹² On the other hand, EC Regulation No. 2081/92 on PDO and PGI for agricultural products and foodstuffs also provides, in Article 12(1), for the possibility of such foreign products to be registered as PDO or PGI:

"Without prejudice to international agreements, this Regulation may apply to an agricultural product or foodstuff from a third country [i.e., a foreign country] provided that:

- the third country is able to give guarantees identical or equivalent to those referred to in Article 4 [product specification],*
- the third country concerned has inspection arrangements equivalent to those laid down in Article 10,*
- the third country concerned is prepared to provide protection equivalent to that available in the Community to corresponding agricultural products and for foodstuffs coming from the Community."*

The conflict between homonymous protected names in the EC and the third country do not prevent protection, if the country of origin is clearly and visibly indicated on the label (Article 12(2)).¹³ We have enlarged our geographical point of view on protection of geographical names from a national to a Community aspect. Now we will speak about protection on the international scale.

IV. PROTECTION OF FRENCH AND EC GEOGRAPHICAL NAMES IN FOREIGN COUNTRIES

According the WTO, internationalization of trade is expected to increase in the future. In this respect we already have some knowledge and experience about protection of geographical names in third countries (i.e., foreign countries for the EC), protection of indications of source, appellations of origin and geographical indications.

¹² There are also bilateral agreements for spirits with the United States of America (Agreement in the form of an exchange of letters, EC Council Decision, February 21, 1994, OJEC, June 26, 1994, No. L.157, p. 36), and the United States of Mexico (OJEC, June 11, 1997, No. 152, p. 16).

¹³ J. AUDIER, Homonyms, Bulletin de l'OIV 1997, pp. 593 to 613. The protection provisions of EC Regulation No. 2081/92 are aimed at transitional agreements on trade between the EC and the Republics of Georgia and Armenia, EC Council Decision, April 29, 1997, OJEC, May 21, 1997, No. L129, pp. 1 and 22.

(a) Indications of Source

Protection of indications of source on the international scale is provided by protection against acts of unfair competition required under Article 10bis of the Paris Convention for the Protection of Industrial Property. A misleading or confusing indication of source is not an act of honest practice, it is an act of unfair competition. The consumers are deceived and there is misappropriation of the goodwill of the enterprises entitled to use the indication of source.¹⁴

The international protection of indications of source is also provided for in the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods. Thirty-one States are bound by the Madrid Agreement which provides that any product bearing a false or deceptive indication by which a Member State is indicated as an originating place must be seized on importation. National courts have to decide which indications of source are protected, so as to say which geographical names are non-generic names, except regional appellations for wines. Indications of source used, translated or accompanied by expressions such as "land," "type," "style," or private parties' interests are not formally provided for.

In my opinion, the TRIPS Agreement provisions on geographical indications should fulfill the conditions of the Madrid Agreement for geographical indications. It should be noted that the Madrid Agreement is not mentioned in the TRIPS Agreement, and that a condition of protection by the TRIPS Agreement is the reputation—attributable to its origin—of the geographical indication used. There is no protection in the TRIPS Agreement for non-reputed geographical indications: what is the protection that a geographical indication without reputation will obtain out of the TRIPS Agreement? What is a product with no given quality or characteristics attributable to its geographical origin? If the product does not hide its geographical origin on the market, we can guess that the operators are convinced of its reputation especially among consumers.

In my opinion, the TRIPS Agreement protection should outmatch the Madrid Agreement provisions. In the future, according to the TRIPS Agreement, all geographical names will be protected, a few as indications of source and many as geographical indications. By exception, only geographical names that are generic shall not be protected. Is the determination of a generic under the Madrid Agreement easier than the one of a non-generic under the Madrid Agreement?

¹⁴ Ludwig BAEUMER, *Various Forms of Protection of Geographical Indications and Possible Consequences for an International Treaty*, Symposium on the International Protection of Geographical Indications, Funchal (Madeira, Portugal), 1993, WIPO publication No. 729(E), p. 32; A. WILLIS, T. LEE, C. STOCKLEY, *Regulation of the Australian Wine Industry*, IIInd International Symposium of Wine Law, Viti-vinicultural Controls, pp. 126 *et seq.*, Aix-Marseille University, 1994; S. STERN, *Establishing a System for Geographical Indications; The Australian Experience*, *op.cit.*, pp. 161 *et seq.*

I think there will be a lot of discussions about generics, including semi-generics. In this context, what is the current and future situation of the international protection of appellations of origin and geographical indications?

(b) Appellations of Origin and Geographical Indications

International protection for geographical names that are appellations of origin or geographical indications means protection in countries from which the goods are not originating. A regional group of countries, as the EC, is considered as one single country:¹⁵ protection of French and EC appellations of origin and geographical indications in third countries can also refer to the Paris Convention, Article 10 (seizure on importation of goods bearing false indications as to their source) and Article 10bis (Union countries "are bound to assure to nationals of such countries effective protection against unfair competition"). Article 2.2 of the TRIPS Agreement refers to the obligations under the Paris Convention. Article 10bis of the Paris Convention is expressly mentioned in Article 22.2(b) of the TRIPS Agreement. We can also refer to the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, binding 31 countries, which is not mentioned in the TRIPS Agreement.

These international agreements are still useful for the protection of appellations of origin and geographical indications which are indications of source. The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration could be useful and produce results in only 18 countries. This Agreement is not mentioned in the TRIPS Agreement.¹⁶

I would like to highlight the characteristic aspect of the international protection of French and EC appellations of origin and geographical indications. On the one hand we have some specific instruments, and on the other hand we have specific operators. By specific instruments I refer to bilateral treaties related to the protection of geographical indications and appellations of origin between EC Members and foreign countries, for instance, the Agreement between France and Switzerland. However, we also have bilateral agreements between the EC and third countries, for example, the wine Agreements with Hungary, Romania, Bulgaria and Australia. The problem of appellations of origin and geographical indications is reduced when bilateral agreements are enforced. These Agreements provide lists of geographical indications protected in the territory of the parties, or provide an agenda for this protection and for further negotiations (e.g., EC-Australia Agreement). Moreover,

¹⁵ Ludwig BAEUMER, *op.cit.*, Funchal (Madeira, Portugal), WIPO publication No. 729 (E), p. 43, No. 47.

¹⁶ Ludwig BAEUMER, *op.cit.*, Wiesbaden (Germany), WIPO publication No. 713 (E), pp. 27 *et seq.*; Ludwig BAEUMER, *op.cit.*, Funchal (Madeira, Portugal), WIPO publication No. 729 (E), pp. 44 *et seq.*

these Agreements create a kind of dispute settlement commission for their implementation.

Amongst the WTO Members, the implementation of the TRIPS Agreement provisions will be greatly welcomed, as it is a multilateral agreement with many Members containing provisions on geographical indications.

The first step is to monitor compliance with the obligations of the TRIPS Agreement. This monitoring and eventually the discussions on the TRIPS provisions in question would be addressed in the TRIPS Council. Thereafter, interpretations should be adopted by the Ministerial Conference and the General Council of the WTO. These observations could be very deceptive so that we must be watchful and compare the national implementation of the TRIPS provisions. Disputes between governments could appear.

What are the reasonable procedures and formalities which Members can establish as a condition of the TRIPS Agreement protection? Is it a reasonable procedure to register a geographical indication as a trademark?

On the other hand, what does "geographical indication" mean? Is it a non-geographical name—a traditional denomination,—a geographical name covered by the TRIPS Agreement? Which are the wines and spirits covered by the additional protection provided for by Article 23? What is the meaning of "generic" (Article 24.6 and 9) or "homonymous geographical indications for wines" and "the equitable treatment of the producers" (Article 23.3)? What is the "similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services..." (Article 24.4)? I prefer not to speak about trademarks and geographical indications in due respect to the specialists,¹⁷ but how can a national trademark office clerk know that the examined word is geographical, or is a wine or spirit geographical name? This detail is important because this word of geographical significance should not be registered if it is misleading for consumers as the true place of origin (Article 22.3). For wines and spirits, there is no appreciation and no discussion (Article 23.2). In both situations, goods or wines and spirits, the registration shall be refused *ex officio* if domestic legislation permits it. In order to enforce this provision, how can one know if the geographical name designates goods, wines or spirits not having that origin? Could the file detail the goods, wines and spirits concerned? Or should the registration be made subject to the reservation of using this trademark only for originating products? If I can say: "All rights reserved for labeling originating goods only," should it be a provision of the trademarks files? Who can claim and take a case to court in the field of rights relating specifically to geographical indications? In intellectual property

¹⁷ For a discussion about protection under the Trademarks Act of the United States of America and the BATF special rules, see: Kevin H. JOSEL, The Protection of France's Wine Classification System Beyond its Borders, Boston University International Law Journal, 1994, pp. 471 *et seq.*

disputes between governments, private party involvement is normally high. Yet private parties do not have recourse to WTO procedures and bodies. But two possibilities would seem to be available to them.¹⁸

Private parties could file a complaint with their government about another WTO Member's non-compliance with a TRIPS obligation. In the European Union, as well as in the United States of America, a special procedure for filing such complaints is available.¹⁹ On the other hand, all interested parties in the WTO Members which provide for a legal system of direct applicability of the TRIPS provisions or which incorporate these provisions in their national law will be able to bring a case in the field of geographical indications.

In France, producers, unions of producers and also the National Institute for Appellations of Origin (INAO) are interested parties. INAO is in charge of the international protection of appellations of origin as provided by French and Community law. Holding the same rights as a trade union, INAO works to protect French "appellations d'origine contrôlées" (AOCs) and the EC PGI. It covers all French geographical indications as provided for in the TRIPS Agreement.

I will paradoxically begin my research for the years to come with a short dissertation about appellations of origin. Over 10 years ago, I was talking with Mr. Robert TINLOT, honorary Director General of the International Vine and Wine Office (OIV), about the first matter to put on the agenda of the first meeting of the OIV-Law experts group which had been created at that time to complement the OIV-Regulation experts group. After a few minutes, we agreed on this topic: "For an international law qualification of appellation of origin",²⁰ and we have concluded that there were two varieties of geographical names for wines: some used as appellations of origin and others as geographical indications, all of them being intellectual property rights. At that time, less than 10 countries had a law on appellations of origin. Nowadays, we have about 40 countries implementing a law on appellations of origin and/or on geographical indications. We can also observe

¹⁸ Despite the fact that the TRIPS Agreement intellectual property rights are private rights (Introduction, 4th paragraph), some national laws speak of "national heritage" for appellations of origin, and the State is the holder of such rights (e.g., Peru, Mexico). That is the distinction between the right to an appellation and the right to use it, cf. Jacques AUDIER, *De la nature juridique de l'appellation d'origine*, Bulletin de l'OIV, 1993, pp. 21 to 37.

¹⁹ EC Council Regulation No. 3286/94, December 22, 1994, OJEC, December 31, 1994, n°. L.349, p. 71; Example: no protection of "Cognac," a French appellation of origin, in Brazil and opening of an EC enquiry procedure, OJEC, April 2, 1997, No. C.103, p. 3.

²⁰ Jacques AUDIER, *Pour une qualification juridique internationale de l'appellation d'origine*, Bulletin OIV, 1990, pp. 85 to 91.

that countries using a geographical indications system are slowly complementing their national law with a system of appellations of origin.

This trend will expand. Economies and trade are on their way to internationalization, but nationalism and regionalism are increasing, with a political, historical and cultural background which is favorable to geographical indications. International technological standards (like those of the International Organization for Standardization (ISO)) are not barriers to the development of practices in the field of geographical indications.

The future worldwide implementation of the TRIPS Agreement means that virtually all geographical names will be protected. Can you imagine a product on the market labeled with a geographical indication, opposite to the TRIPS provisions, i.e., a product with no particular quality, no particular characteristic or no reputation attributable to its geographical origin? If this situation occurred you would not put a geographical indication on the product. But in this future scenario we should clarify the terminology. Source and origin are different. Origin implies a more or less important link with the production area of the name used.

For the future, we must avoid the misleading effect of geographical names for the consumers and a new aspect of unfair competition for the operators. Production requirements are not the same, they do not have the same price for a geographical indication or an appellation of origin. After long discussions, the solution proposed will be to precisely define the geographical name used, complemented by expressions or a set of initials: indication of source, geographical indication, appellation of origin and trademark for a trademark that contains or consists in a geographical name, why not? At least, as an academic in charge of a training program on vine and wine law, I think that a new job is going to be created for lawyers: we have trademark agents, patent agents, copyright agents, we now need geographical indication agents.

These are my comments about protection of geographical indications in a locality, Eger, and a country, Hungary, where these questions are well known and have been effective for centuries.

[Annexes follow]

ANNEX I

APPELLATION OF ORIGIN

LISBON - 1958 ¹	IWO - 1992 ²	EC - 1992 ³
Product	Wine Wine Spirit	Agricultural Product Foodstuff
Geographical Name: Country, Region, Locality	Name: Country, Region, Place, Defined Area	Name: Country (exceptional cases), Region, Specific Place
The Quality and Characteristics	The Quality or Characteristics	The Quality or Characteristics
Due Exclusively or Essentially to	Due Exclusively or Essentially to	Due Essentially or Exclusively to
Geographical Environment: Natural and Human Factors	Geographical Environment: Natural and Human Factors Production and Processing in the Country, Region, Place, Defined Area	Geographical Environment: Natural and Human Factors Production, Processing and Preparation in Defined Area

¹ Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

² Resolution Eco 2/92 (the "Madrid Resolution").

³ Regulation (EEC) No. 2081/92, article 2(2)(a).

[Annex II follows]

ANNEX II

GEOGRAPHICAL INDICATION

IWO - 1992 ¹	EC - 1992 ¹	TRIPS - 1994 ³
Wine Name: Country, Region, Place, Defined Area	Wine Spirit Quality and/or Characteristic	Agricultural Product Name: Country (exceptional cases), Region, Specific Place Specific Quality (or) Reputation (or) other Characteristics
Attributed to Geographic Milieu: Human and Natural Factors Harvest of the Grapes in the Country, Region, Place	Attributed to Country, Region, Place, Defined Area where a decisive phase of its production is located	Attributable to Geographic Origin Production and/or Processing and/or Preparation in the Defined Geographical Area
		Good Geographical Indication, Country, Region, Locality Given Quality (or) Reputation (or) other Characteristics Essentially
		Attributable to Geographical Origin

¹ Resolution Eco 2/92 (the "Madrid Resolution").

¹ Regulation (EEC) No. 2081/92, article 2(2)(b).

² TRIPS, article 22.2(a).

PROTECTION OF GEOGRAPHICAL INDICATIONS IN AUSTRALIA AND NEW ZEALAND

by

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Since the last International Symposium on the Protection of Geographical Indications held in Melbourne in 1995, there have been substantial developments in the protection of geographical indications in both Australia and New Zealand. I will deal first with the position in Australia.

I. AUSTRALIA

The developments which have taken place in Australia have been in three principal areas:

- * The work of the Geographical Indications Committee in the determination of the boundaries and conditions applicable to Australian geographical indications.
- * The work of the Geographical Indications Committee in conjunction with other industry and other interested bodies including the Trade Marks Office and the International Wine Law Association in establishing the criteria for the resolution of the conflicting interests which arise in the determination of a geographical indication where there are pre-existing trade mark rights in the name of the proposed geographical indication.
- * Decisions of the Federal Court of Australia in two cases relating to geographical indication issues.

As I have outlined in previous symposia, in 1993, a fundamental change took place in the approach of the law in Australia for the protection of geographical indications, trade marks and other indicia to indicate the source or origin of certain goods. Up until then the protection of geographical indications was based solely on the protection available under the certification marks provisions of the Trade Marks Act or under the provisions of the Trade Practices Act, the common law action for passing off, and certain other legislation, in which some element of confusion, deception or misrepresentation is necessary. That has changed dramatically.

A. GENERAL POSITION

As a general proposition, it may be stated that in Australia the law protects trade marks either on the basis of a prohibition against misrepresentation in trade, under the law of passing off or the engagement in misleading or deceptive conduct under the Trade Practices Act, or by the grant of a proprietary right under the Trade Marks Act. To establish a right in the one case, a trader or group of traders has to show that by virtue of a reputation established, or some other circumstance, use of the mark by another is likely to mislead, and in the other case, the trader must satisfy the Registrar of Trade Marks that the mark is capable of distinguishing that trader's goods from those of others. Where the mark is a geographical name, it may be registered only if it can be shown to be distinctive or capable of becoming distinctive, i.e., if the geographical significance is suppressed to the extent that the mark is capable of achieving a recognition in the market such that its use by another would be likely to be misunderstood as indicating a connection with the trade mark owner.

Trade mark rights generally speaking take a chronological order, i.e., the first user or first registrant will generally take precedence. Whilst concurrent rights may reside in two separate traders, a trade mark owner will not be deprived of those rights by a subsequent user or registrant unless through some blameworthy conduct on the part of the owner the rights are forfeited. If the mark is a geographic name, the rights of others to the *bona fide* use of that name to indicate the origin of goods is preserved.

Prior to 1993, geographical indications were not protected as such, but misleading use of a geographical indication could be restrained. Monopolization of a geographical name by registration under the Trade Marks Act was prevented where the name was that of a large or important geographical location, or a location at which others produce or are likely to wish to produce the registered goods. The fact that certain characteristics of goods may be attributable to the geographical location in which they are produced was recognized in the High Court by Isaacs J., in the "Great Western Case" where he said:

"The words 'Great Western' as applied to wines whether still or sparkling are certainly a geographical term. The natural characteristics of the locality give a special quality to the wine produced there."

The position outlined above remains substantially unaltered in respect of goods other than wines. In respect of wines however, the position was substantially altered when Australia and the European Community entered into the EC/Australia Wine Agreement ("Wine Agreement") and the Australian *Wine and Brandy Corporation Amendment Act* of 1993 ("AWBC Act") was passed to give effect to the provisions of that Agreement. Further modification of the law in this respect arose out of Australia's entry into the World Trade Organization ("WTO") and the accession to

the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement").

To give effect to these changes the AWBC Act has established the Geographical Indications Committee ("G.I.C."). That Committee comprises a chairman appointed by the Australian Wine and Brandy Corporation, and two persons nominated by a wine makers organization and a wine grape grower organization respectively. The Committee is charged with the responsibility "to make determinations of geographical indications for wine in relation to regions and localities within Australia."

The AWBC Act also provides for the establishment of a Register of Protected Names to be administered by a Registrar who is an employee of the Australian Wine and Brandy Corporation. The Register of Protected Names is divided into eight parts including, for the purposes of this discussion, two parts, one containing Australian geographical indications and conditions relating to their use, and one containing European Community geographical indications and conditions for their use.

The "European" part of the Register is established and contains many thousands of names which have been notified to Australia pursuant to the Wine Agreement. The Australian part is presently in the process of formation.

B. DETERMINATION OF AN AUSTRALIAN GEOGRAPHICAL INDICATION

Applications for determinations by the G.I.C. are made principally through state and federal winemaker and grape grower organizations, but individual winemakers and growers may make application. Following receipt of an application, the G.I.C. publishes an interim determination to allow for submissions or objections, following which a final determination is made and published in the Australian Government Gazette. Appeals are available to the Federal Court and to the Administrative Appeals Tribunal in respect of decisions of the Committee. The Committee has a general power to establish and apply its own criteria for the assessment of applications. These criteria have been incorporated into Regulations made under the AWBC Act. The criteria established by those regulations are lengthy. They include:

- * specification of the minimum number of producers, the minimum vineyard areas and the minimum annual production required for the determination of a geographical indication for a region or sub-region—the so-called "5/5/500 Rule"—requiring that there be at least 5 producers each with a minimum area under vine of at least 5ha, and a combined annual production of at least 500 tons of wine grapes;
- * the general history of the area;

- * the natural features of the area, its boundaries, topographical and geological formations;
- * climatic and other conditions such as grape varieties, pharmacological data, and wine style which distinguish the area to a measurable extent from other areas;
- * drainage, water supply and regional development plans;
- * traditional uses of the proposed name for the geographical indication and other matters.

The G.I.C. has undertaken an extensive program of consultation with wine industry representatives and members of regional wine industry associations. For example, in the year to June 1997, the G.I.C. met 17 times as a Committee and met with industry representatives on 10 occasions. The G.I.C. has so far made determinations in respect of eight States and Territories, 28 zones, 14 regions and two sub-regions. It has made interim determinations in respect of five regions and currently estimates that it has outstanding applications or potential applications for determinations in respect of a further 28 regions and three sub-regions.

C. CONFLICTS BETWEEN GEOGRAPHICAL INDICATIONS AND TRADE MARKS

Article 24.4 of the TRIPS Agreement, preserves the right of Members to allow for the continuation of prior and similar use commenced in good faith before the entry into force of the Agreement. Article 24.5 of TRIPS further provides that where a trade mark has been applied for or registered in good faith, or where rights to a trade mark have been acquired through use in good faith prior to the date of the application of the provisions of the section on geographical indications (January 1, 1996, for Australia), measures adopted to implement this section shall not prejudice eligibility for, or the validity of the registration of a trade mark, or the right to use a trade mark, on the basis that such trade mark is identical with, or similar to a geographical indication. Article 24.6 makes similar provision where the geographical name is one customarily used as the name of grape variety.

Section 61(1) of the Australian Trade Marks Act provides that the registration of a trade mark may be opposed (and therefore if registered may be canceled under Section 88(2)(a)) on the ground that the mark contains or consists of a geographical indication originating in a country, region or locality other than the country, region or locality of origin of the goods for which registration is sought. The section however, further provides that the opposition will fail if the applicant or a predecessor in title used the sign in good faith in respect of the relevant goods or applied in good faith for registration in respect of those goods before January 1, 1996. Thus, the TRIPS

Agreement, and the Trade Marks Act to a limited extent, appear to apply to trade marks and geographical indications, the principle of "first in time, first in right," a principle which was adopted by the International Wine and Vine Office in its Paris Resolution of 1995.

D. FIRST IN TIME PRINCIPLE DOES NOT APPLY IN AUSTRALIA

Neither the Wine Agreement nor the provisions of the AWBC Act adopt the above principle. The provisions of the AWBC Act set out above appear to adopt the principle that the registered geographical indication has absolute priority over trade mark use and registration. Thus, no matter how long a trade mark has been in use, or how widely it is known, or how valuable it is to the owner, if the mark or a word contained within the mark becomes registered as a geographical indication, then subject to any conditions attaching to the registration, the owner of the mark must immediately cease to use it and the registration is liable to be canceled.

As noted above, a Register of Protected Names has been established under the Act, and a number of geographical indications have been entered in that register, first of all in the part relating to Australian registered geographical indications, and secondly in the part relating to the geographical indications of Agreement countries, i.e., at this stage, the member States of the European Community. It appears that for the Australian geographical indications which have been entered on the Register, no serious problem has arisen, yet at least, from conflicts between proposed geographical indications and pre-existing trade mark rights. Such conflicts are, however, arising in relation to regional and sub-regional indications forming the subject of existing or proposed applications and extensive discussions have taken place, and consideration been given by the G.I.C. to the manner in which such conflicts might be resolved. The G.I.C. can take into account the existence of such pre-existing rights in deciding whether or not to make a determination, and the conditions upon which a determination may be made.

The G.I.C. is currently developing, after much discussion and cooperation with industry bodies, the Australian Trade Marks Office and the International Wine Law Association, a set of criteria to be applied in considering an application for the registration of a geographical indication where there are pre-existing trade mark rights. The proposed criteria presently include whether or not those pre-existing rights are exclusive, whether or not the trade mark is registered under the Trade Marks Act, the time and extent of the use of the trade mark (and consequently its reputation and value), whether the trade mark owner consents to the registration of the geographical indication, and whether and to what extent the trade mark owner is likely to be prejudiced by the registration of a geographical indication consisting of, or including the trade mark.

In this way, it is hoped to achieve and preserve a balance between the pre-existing rights of trade mark owners, and the registration of geographical indications in respect of Australian regions and sub-regions.

No such discretion applies however, in relation to the geographical indications of Agreement countries notified to Australia under the Wine Agreement, and listed in Annex 2 to that Agreement. These indications have been entered on the register and are now in full force and effect. There are many thousands of them, most of them totally unheard of in Australia, and indeed I suspect, in most parts of Europe.

E. THE FEDERAL COURT CASES

(a) The La Provence Case

It did not take long before a dispute involving the conflict between a registered geographical indication and a pre-existing trade mark came before the Federal Court. In that case, *Comité Interprofessionnel des Vins de Côtes de Provence and Institut National des Appellations d'origine v Bryces*, the applicants brought proceedings against Mr. and Mrs. Bryce, who carried on business under the name La Provence Vineyards and marketed wine which they produced under a label including prominently the words La Provence.

It was not exactly an even contest with the weight of the French Wine Industry pitted against the owners of a 3.5 ha vineyard producing between 300 and 400 cases of wine a year, which probably returned them a gross profit of around \$30,000 a year—not David and Goliath —more like a Sumo wrestler against an eight stone weakling. The La Provence Vineyard was Tasmania's oldest, having been started by a Provençal, Jean Miguet, in 1956. The vineyard was later acquired by the Bryces, who originally sold grapes to the Heemskirk Winery, but from 1989 onwards marketed wine made from the grapes under their own La Provence label. The label had therefore, been used continuously for some five years before the establishment of the Register of Protected Names and the entry on that register of the geographical indications listed in Annex 2 to the Wine Agreement. That annex included under item 2.6, the heading “Provence and Corsica Regions,” and under item 2.6.1, the Appellations d'origine contrôlées “Côtes de Provence.”

The three principal issues in the case were therefore whether:

- * the La Provence label constituted a false description and presentation in that it included a registered geographical indication;
- * the La Provence label constituted a misleading description and presentation in that it included a word or expression that so resembles a geographical indication as to be likely to be mistaken for the registered geographical indication; and

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- * there was an offense under Section 40C in that the Bryces had knowingly sold wine bearing a false or misleading description and presentation.

Heerey J. found, contrary to the submissions of the Respondent, that the heading in paragraph 2.6 of the Schedule "Provence and Corsica Regions" constituted a registration of Provence as a geographical indication in respect of the region of Provence. With respect to the second question, he declined to hold that "La Provence" was a word or expression that so resembles the registered geographical indication Côtes de Provence as to be likely to be mistaken for it. In doing so, he rejected the applicant's submission that the principles established in trade mark cases for determining whether or not two marks are deceptively similar should be applied, and he referred to the judgment of the Full Court in the *Levi Strauss v Wingate Marketing* (1993) 26 IPR 215 case where the Court held that the Trial Judge was in error in comparing the Defendant's use of its mark with the Plaintiff's mark, instead of comparing the mark itself. His Honor held that the word Provence (or La Provence) did not, in his opinion, resemble the words Côtes de Provence, and that in any case if it did resemble Côtes de Provence it did not so resemble it as to be likely to be mistaken for it. His Honor's judgment in this respect raises a number of questions which may well be argued differently in later cases.

On the ultimate question of liability, His Honor held, as a matter of fact, that the Bryces had not committed an offense under the provisions of Section 40C in that they had not knowingly sold wine bearing a false description and presentation, thus the Applicants failed, but as His Honor pointed out, the Bryces had "won the battle but lost the war," because indisputably, as a result of the information imparted to them in the course of the proceedings, they could not in future be said to be ignorant of the registration of the word Provence as a geographical indication.

What are the consequences?

The consequences for the industry and the lawyers who advise them are that a valuable indication has been given of the way in which the Federal Court may approach the construction of the geographical indication provisions of the AWBC Act, though there are many issues which remain to be determined. Subsequent courts may disagree with Heerey J., on the approach to the determination of the question of resemblance. It is unclear as to what extent there was argument as to whether in Australia the word Provence satisfies the definition of a geographical indication, that it is a word **used to indicate the region or locality in which the wine originated, or is used to suggest that a particular quality, reputation or characteristic of the wine is attributable to the wine having originated in the region or locality.** Nor was there any consideration of constitutional issues which could arise in a more fully fought case.

The consequences for the Bryces and for anybody else finding themselves in the same position are drastic. They have been deprived of their trade mark and of the

goodwill of their business attaching to it. Are they, or should they be, entitled to compensation? Morally, it seems that they should be. Whether or not they are entitled legally to such compensation will depend upon whether or not there was an acquisition of property by the Commonwealth in the passing of the amendments to the AWBC Act which resulted in the loss of their trade mark.

To obtain compensation, or to invalidate the legislation for failure to provide for it, the Bryces would have to show that the use falls within the scope of Section 51 (xxxi) of the Australian Constitution. That is, they would have to show that the La Provence trade mark was property, and that the provisions of Part VIB of the AWBC Act resulted in the acquisition by the Commonwealth of that property.

That involves constitutional issues beyond the scope of this paper, but I have to declare here that in my view the geographical indication provisions of the AWBC Act have wrought an injustice on the Bryces. The prospects of redressing that injustice by resort to s.51(xxxvi) seem at best doubtful.

(b) The Vales Case

The other case of importance in this area is a case which did not strictly concern a geographical indication, nor did it concern the provisions of the AWBC Act which are discussed above. That case, *Trade Practices Commission v The Vales Wine Company Pty Ltd*, is important as a reminder that the general provisions of the law relating to persons engaging in deceptive and misleading conduct need also to be taken into account when dealing with statements made in relation to the description and presentation of wine and other commodities. It is also a reminder of the individual responsibility and liability for punishment of directors and other employees of companies which engage in such conduct.

The Vales Wine Company Pty Ltd, of which Mr. von Berg and Mr. Curtis were directors, was a large scale contract wine producer in South Australia which produced wine from grapes supplied by others under contract for those suppliers and also for other ultimate customers. The company and the directors were charged in respect of a number of counts on which it was said the company had supplied wine under varietal and vintage descriptions which were false. The directors, von Berg and Curtis, were charged with having aided, abetted, counseled or procured the commission of the offenses by the company. The relevant legislation is contained in Section 53 of the Federal Trade Practices Act which provides:

“A corporation shall not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services—

"(a) falsely represent that goods are of a particular standard, quality, value, grade, composition, style or model or have had a particular history or a particular previous use."

The Trade Practices Commission alleged that offenses had been committed under this section for the reason that the wine supplied in response to orders did not comply with the orders given by the customers and/or because they did not comply with the standards prescribed for the description of wine in the National Health and Medical Research Council's Food Standards Code. Under that code, a wine may be represented as of a particular vintage only if at least 95% of the wine was produced in the designated year and wine may be designated as a varietal wine only if at least 80% of the wine is produced from grapes of that variety. Also of relevance were the so-called "label integrity" provisions of the AWBC Act which provides, by Section 39F, that:

"A wine manufacturer who receives wine goods for processing at the manufacturer's winery must make and keep a record in writing of their receipt showing:

- (a) the date of their receipt; and*
- (b) their quality; and*
- (c) their vintage, variety and region or origin; and*
- (d) the identity of their supplier.*

Penalty \$15,000."

Also of relevance are the penalties provided in the Trade Practices Act for breaches of the relevant provisions. These provide, for each offense, a fine of up to \$200,000 in the case of a corporation, and a fine of \$40,000 in the case of an individual. The case was lengthy and the evidence was complex. It suffices to say for the purpose of this paper that the corporation, The Vales Wine Company Pty. Ltd., and the directors von Berg and Curtis were each convicted and fined. The corporation whose financial difficulties were further compounded by the case and the publicity associated with it, went into liquidation, but was nevertheless fined a total of \$165,000 and the directors were fined \$10,000 each, or in default, six months imprisonment. Needless to say, the case has also adversely affected their position and reputation in the wine industry. In assessing the fines against the directors at one quarter of the maximum amount, the judge took into account the previous good character of both, the outstanding war service of one of them, and the fact that they did not originate, but rather inherited the criminal conduct.

II. NEW ZEALAND

For the material upon which this part of the paper is based, I am much indebted to Mr. Ken Moon of the firm of A. J. Park & Son, and Mr. David McGregor of the firm of Bell Gully in Auckland.

The position in New Zealand is somewhat different from that in Australia. First of all, although there have been negotiations, no agreement has yet been reached between New Zealand and the European Community, corresponding to the EC/Australia Wine Agreement. Secondly, New Zealand has, in the course of its program to implement the TRIPS Agreement, adopted legislation which is broadly applicable and is not specific to wine.

The legislation is the *Geographical Indications Act* of 1994, and under this Act there is established a Register of Protected Geographical Indications. Applications for the determination of a geographical indication are made to the Surveyor General, who then refers the application to a geographical indications committee for the purpose of considering the application and the making of a determination. That committee comprises a member of the New Zealand Geographic Board appointed by the Surveyor General as the Chairman of the Committee, at least one other member of the Geographic Board, and at least one member appointed as a representative of producers of specified goods to which the Act applies. Under Section 4 of the Act, any person who uses a protected geographical indication in respect of goods which did not originate in the geographical region to which the indication relates, is deemed to have committed an offense under Section 9 of the New Zealand Fair Trading Act (which contains provisions similar to those of the Australian Trade Practices Act).

Unlike the Australian Act however, the New Zealand Act contains a provision, consistent with Article 24.5 of the TRIPS Agreement, which exempts the use, without any intention to mislead or deceive, of a trade mark applied for or registered, or used in New Zealand in good faith, in respect of goods, before such goods were declared to be specified goods under the Act.

Although the Geographical Indications Act has been passed, it has not yet come into force. I understand however, that regulations are about to be made under the Act and that the Act will come into force upon the making of those regulations.

Thus, whilst the New Zealand legislation may be lagging behind that in Australia, it appears that in some respects at least, the end result may be more satisfactory.

SUMMARY OF DISCUSSIONS AND CLOSING ADDRESS

I. DISCUSSIONS (ON OCTOBER 24, 1995) FOLLOWING THE PRESENTATIONS MADE BY LUDWIG BAEUMER, MATTHIJS GEUZE AND ÉVA SZIGETI

1. Clark Lackert (United States of America), referring to the presentation by Mr. Baeumer, wondered whether any action had been taken to amend the WIPO Model Law for Developing Countries on Appellations of Origin and Indications of Source (1975) to make it compatible with the TRIPS Agreement.
2. Ludwig Baeumer (WIPO) said that WIPO no longer used the 1975 Model Law because it was not compatible with the TRIPS Agreement. The International Bureau currently had no mandate to issue a new model law because this would mean WIPO giving advice on the TRIPS Agreement in a general way, for which it was not authorized. The International Bureau would only give advice on the provisions of the TRIPS Agreement upon request of a particular country and according to the questions raised by that country. WIPO has made it clear in the discussions with each country that the 1975 Model Law was no longer to be used.
3. François Bloch (France) wondered whether there was any agreement between France and Hungary on the use of the name "Tokaj."
4. Margit Sümeghy (Hungary) replied that the Agreement between the European Union and Hungary on wines contained a part dealing with the "Tokaj question" as far as France was concerned, and that there were regulations under that Agreement on a transitional period during which the denomination "Tokaj" could be used in France for French wines. A time limit for this use was provided in the Agreement.
5. Desmond Ryan (Australia), referring to the presentation of Mr. Geuze, asked whether the phrase in Article 24.5 of the TRIPS Agreement, according to which measures adopted to implement the Section on geographical indications shall not prejudice the validity of the registration of a trademark, or the right to use a trademark, was to be understood as relating also to bilateral agreements.
6. Matthijs Geuze (WTO) mentioned that it could not be excluded that certain countries might wish to have an opportunity to use measures other than those specified in the Agreement to deal with pre-existing trademarks. The background to the words "measures adopted to implement" was more or less the wish of certain countries to have an opportunity to use measures other than those specified in that Section of the Agreement to deal with pre-existing trademarks. That led to the question of how provisions of the TRIPS Agreement were to be interpreted.

Article 3 of the WTO Dispute Settlement Understanding (1994) provided that interpretation of provisions of any WTO Agreement, including the TRIPS Agreement, would have to be determined on the basis of standard terms of interpretation of public international law. The Appellate Body of the WTO had already referred to the interpretation provisions of the Vienna Convention on the Law of Treaties. In the first Panel Report on the TRIPS Agreement, between the United States of America and India, the Panel had interpreted a particular provision of the TRIPS Agreement in the light of the provisions of the Vienna Convention. Thus, the interpretation was based on the text of the Treaty itself but also taking into consideration its context and its purpose. The negotiating history was, under the Vienna Convention, an additional method of interpreting treaties, but it was not a primary method. Mr. Geuze added that Article 24.5 was probably the most difficult provision in the Section on geographical indications. In general, there are four cases of conflicting rights:

- a geographical indication that was older than a trademark; this situation was dealt with in Articles 22.3 and 23.2 in combination with Article 24.7 (the acquiescence provision);
- two geographical indications that were in conflict with each other; this situation for wines was covered by Article 23.3 (the situation of two conflicting trademarks was dealt with in the trademark Section in combination with the transitional provision in Article 70.2 of the Agreement);
- a trademark older than a geographical indication; the issue of earlier rights had come up in several ways in intellectual property law in general; for example, in the case of dependent patents, or in the treatment of earlier rights within the Community Trade Mark Regulation.

7. Bruce MacPherson (INTA) followed up on the previous question raised by Mr. Ryan and informed the audience that INTA had been extremely concerned about the implementation of the TRIPS' requirements on geographical indications, which was based on the principle of first in time, first in right. In fact, INTA's Board of Directors, in September 1997, had passed a resolution stating that, in resolving conflicts between trademarks and geographical indications, the principle of first in time, first in right should be applied.

8. Mr. MacPherson provided a copy of the Resolution¹ for the records of this Symposium. He added that INTA believed that the TRIPS Agreement superseded the Lisbon Agreement, and, therefore, countries belonging to both treaties would be in violation of TRIPS by employing the "phase out" mechanism of the Lisbon Agreement. He welcomed the comments of Messrs. Geuze and Baeumer on INTA's position.

9. Ludwig Baeumer (WIPO) indicated that there were good reasons to assume that the TRIPS Agreement superseded the Lisbon Agreement, but it had not yet been officially stated. This was one of the questions which would finally have to be settled in the TRIPS Council. A counter-argument could be derived from the words "measures adopted to implement this Section" in Article 24.5 of the TRIPS Agreement. For example, as regards conflicts with prior trademark rights, the question could be raised whether the Lisbon Agreement was a means of implementing Articles 22 to 24 of the TRIPS Agreement. This matter still appeared to require clarification.

10. Matthijs Geuze (WTO) said, in response to Mr. MacPherson's question, that, as explained in his presentation, according to the WTO Agreement, the WTO Ministerial Conference and general Council have the exclusive authority to adopt interpretations of the TRIPS Agreement. The audience would also appreciate that it would be difficult for him to provide, deny or confirm a particular interpretation of a TRIPS provision, in particular since such questions of interpretation could come up in dispute settlements in the WTO. If a reference was made to certain delegations' interpretation of a particular provision of the TRIPS Agreement in a particular way, he said that it had to be taken into account that there might also be delegations who took other views.

¹ Resolution adopted by the INTA Board of Directors:

- Whereas, the International Trademark Association has reviewed the principal international treaties and agreements requiring protection of geographical indications;
- Whereas, in attempting to implement the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and multilateral and bilateral agreements, there appears to be some confusion as to the relationship between geographical indications and trademarks;
- Be it resolved, that the International Trademark Association supports the principle of "first in time, first in right" priority when resolving conflicts between geographical indications and trademarks.

11. Dietrich Ohlgart (Germany), referring to the presentation of Mr. Geuze, raised a question regarding the statement that some countries consider Articles 22 to 24 as "self-executing" and wondered which countries Mr. Geuze had in mind.

12. Matthijs Geuze (WTO) replied that he had only referred to this possibility in a general sense, as he had referred to countries in which treaty obligations could be directly invoked before the courts, including possibly those of the Section on geographical indications.

13. Dietrich Ohlgart (Germany) mentioned that the TRIPS Agreement had been concluded between States and it was addressed to States and that Members of the Agreement could raise matters of implementation in the TRIPS Council.

14. Matthijs Geuze (WTO) replied that the self-executing nature of a treaty in a particular country was a matter of interpretation by national courts. He also wished to highlight that, for example, the Paris Convention contained a number of provisions which were, on the face of it, addressed to States, but had, nevertheless, been interpreted by national courts as being self-executing.

II. DISCUSSIONS (ON OCTOBER 24, 1995) FOLLOWING THE PRESENTATION MADE BY SUSANA PÉREZ

14. Dietrich Ohlgart (Germany), referring to the domestic systems in the EC Member States to protect geographical indications, asked whether some domestic systems were superseded, within the area of agricultural products, by the EC Regulation.

15. Susana Pérez (European Commission) replied that, when an EC regulation had, as its aim, harmonization, this EC regulation substituted the national systems, which were no longer applicable. When Regulation 2081 entered into force, it became the only system of protection of geographical indications in the European Community. Member States maintained some competence for the first part of the procedure, as they had to examine whether to submit a geographical indication for registration, but the protection of the indication fell within the competence of the European Community. This Regulation was the only system applied in the European Community by its Member States. She added that some Member States did not agree with this position, but she thought that it was quite clear that, when harmonization was to be achieved at the European Community level, the Community system was applicable.

16. Dietrich Ohlgart (Germany), referring to the statement that the EC Regulation had superseded the national laws to the extent that they were within the scope of the

Regulation, raised the question whether that applied only to indications which were protected according to domestic law and which were based within the European Community, or also to geographical indications which belonged to countries outside the European Community but were protected by the domestic law of an EC Member State.

17. Susana Pérez (European Commission) replied that, in the situation where a bilateral agreement on geographical indications had been concluded between an EC Member State and a third country, protection under such agreement would be maintained for the time being. If this Member State wanted to maintain the agreement with the third country, an agreement would be concluded between the European Community and the third country. The European Community would take over the obligations of that Member State with the third country. For instance, if Spain had a bilateral agreement with Argentina, the Commission would ask the Government of Spain if it wanted to maintain the protection resulting from that agreement. If the Government of Spain replied in the affirmative, an agreement between the European Community and Argentina would be negotiated in order to respect the obligations of Spain.

18. Dietrich Ohlgart (Germany) stated that it was an unfair result that the geographical indications which were based within the EC no longer enjoyed protection under domestic law because the EC Regulation superseded the domestic law, whereas geographical indications which were protected according to treaties could still be protected.

19. Susana Pérez (European Commission) replied that this was not unfair because there were two types of procedures under the EC Regulation, namely, the normal procedure for the new designations and the simplified procedure. In the context of the simplified procedure (Article 17), Member States had six months after the date on which the Regulation entered into force to communicate designations protected at the national level. Member States had so notified every designation protected, not only designations protected by law but also designations protected by bilateral agreements. Under Article 17 it was established that until a European Community decision was taken concerning a designation protected at the national level, Member States could maintain the protection. She added that the work of the Commission on protected national designations in Member States would, in principle, be completed at the end of 1997. In 1998, the Commission would begin working on designations protected at the national level via bilateral agreements with third countries. The Commission's position was that only Community protection would be applicable and that national protection could be maintained until a Community decision was taken. She concluded that it was true that if a Member State had not notified a name protected at national level within the time limit of six months, the Commission considered that name to be no longer protected.

20. Ludwig Baeumer (WIPO) asked why the procedure under the Regulation was applicable only to indications from Member States but not to indications from other States.

21. Susana Pérez (European Commission) replied that the Commission considered that third countries' designations were protected in the Member States until the moment a Community decision was taken. The Commission considered that Member States had to maintain their obligations with third countries. The European Community had to evaluate if an agreement between the Community and the third country was necessary. Designations coming from third countries would have to comply with the requirements established in the Regulation.

22. Miodrag Marković (Yugoslavia) asked whether, if a Member State of the EC requested protection for third countries' geographical indications, the Commission had to grant, under the present procedure, protection in the whole European Union.

23. Susana Pérez (European Communities) replied in the affirmative and explained that, if there was national protection and a bilateral agreement with a third country and the Commission decided to grant protection, the protection would cover the whole European Community.

24. Margit Sümeghy (Hungary) asked if there was a different level of protection between a protected designation of origin (PDO) and a protected geographical indication (PGI).

25. Susana Pérez (European Communities) answered that the definitions of PDO and PGI resulted from a political compromise. The protection was the same, the procedure was the same, but the definition elements were not the same. That meant that when the Commission received an application concerning a PGI, the definition provided in Article 2.2(b) had to be applied. But the specifications provided for in Article 4 were applicable to both PDO and PGI. From a definition point of view, the Commission had to ascertain, in the case of a PGI, if there was a link, a quality, a characteristic which proved the link and, in the case of a PDO, if there were natural or human factors and a link, exclusively to the geographical area. Thus, there were differences in the definition, but the procedure and the protection provided in Article 4 (specifications) were the same. The link was stronger in the case of the PDO than in the case of the PGI.

26. Matthijs Geuze (WTO) asked, considering that the definition requirements for a PDO were higher, in the situation where a certain Community Member State did not want to provide protection for a certain PDO, if the producers would still have the right to obtain a PGI under the Community Regulations.

27. Susana Pérez (European Communities) provided an affirmative answer and added that, if the name had a reputation, it had to be protected, even if the link with the geographical area no longer existed. Although Regulation 2081 did not expressly say so, there was a more liberal European Court of Justice interpretation which provided that, even if the product no longer had a real connection with the geographical area but had a reputation, it had to be protected.

III. DISCUSSIONS (ON OCTOBER 24, 1995) FOLLOWING THE PRESENTATION MADE BY FLORENT GEVERS

28. Kamen Troller (International League of Competition Law (LIDC)), with reference to the lectures given by Ms. Pérez and Mr. Gevers, spoke about the preliminary resolutions taken by LIDC covering geographical indications. He said that LIDC, having concluded that the countries of LIDC which had submitted national reports (countries listed) had all enacted sufficient statutory and other means to comply with the minimum requirements of the TRIPS Agreement with regard to the protection of geographical indications, was in favor of broadening the scope of protection granted to those indications by the TRIPS Agreement in order to prevent activities which take unfair advantage or are detrimental to the distinctive character of the geographical indications. One of the means to achieve this objective would consist of granting to all interested parties residing in a Member State of the TRIPS Agreement the possibility to obtain the registration of geographical indications in an international register. It was understood that each Member State was free to introduce national registers and that each Member State would have the sole authority to decide who should be entitled to register such indications. It was furthermore understood that the registration should not confer a title of exclusive ownership, but should only constitute the acknowledgment by the other Member States that they recognized indications as registered, and should not allow parties other than the beneficiary to use it. After registration, a party residing in a Member State, or the authorities of that State, should have a period of at least one year to oppose the registration and, at any time, the State should be in a position to declare that it would not protect a registered designation on the ground that it was, or had become, generic or was no longer qualified for protection for other reasons. The contents of national registers might be put forward for registration into the International Register.

29. In principle, only geographical indications in the sense of Article 22.1 of the TRIPS Agreement should be protected against use by third parties. LIDC suggested that protection be granted also for the use of geographical indications for services. Furthermore, LIDC suggested that protection be granted to geographical indications which had become associated with certain goods or services which had not originally been attributable to the geographical area in question. LIDC understood that

protection was granted not only to names, but also to other symbols referring to geographical origin.

30. Referring to the lecture given by Mrs. Pérez, LIDC was aware that geographical indications may be subject to different treatments whether they are used as such or as trademarks. Geographical indications may in principle be registered as collective marks or certification marks. Geographical indications may be registered not only by public authorities but also by professional associations. The question arose of whether an individual should be able to register a geographical indication as a trademark, and also as a geographical indication. Registration of geographical indications should not affect *bona fide* prior rights acquired before such registration.

31. LIDC was of the opinion that the WTO Agreement on Rules of Origin referring to trading rights did not affect the notion of origin as it was used by the TRIPS Agreement in relation with industrial property rights.

32. Franz Michel (Germany) understood from the presentation of Mr. Geuze that the registration of wine indications was not necessary because it was included in the general protection. Pragmatically, whenever a problem with wine names arose around the world, it usually revolved around statements such as "we did not know the name," "how could you prove that it was a protected name?" A register was the first step in settling any such dispute. He believed that WIPO and WTO should place more emphasis and expend more effort on Article 23.4 of the TRIPS Agreement. It would be desirable to organize a symposium on how to deal with the mandate under Article 23.4 concerning the establishment of a multilateral system of notification and registration of geographical indications for wines.

33. Matthijs Geuze (WTO) replied that, as explained in his presentation, there was a certain link between the subject matter discussed and work in other WTO areas such as under the Agreement on Agriculture, which might have the effect that the work under Article 23.4 would not progress as rapidly as some might hope.

IV. DISCUSSIONS (ON OCTOBER 25, 1995) FOLLOWING THE PRESENTATION MADE BY VINCENT O'BRIEN

34. Milo Coerper (United States of America), referring to the "Essentia" wine name case, explained that the party from the United States of America finally obtained a trademark right since there was no objection raised from the interested parties in Hungary. He also referred to the possibility of protecting geographical indications as certification marks.

35. Franz Michel (Germany) indicated that a certification mark was a most useful instrument to obtain protection, so far successfully, in those countries where the purpose of certification marks was fully understood. Certification marks, in contrast

to trademarks, did not constitute property of one private holder of the mark, but they were similar to collective marks. In some countries, if a certification mark was applied for, the application was rejected on the ground that the mark was geographically significant and therefore not registrable. But such a decision was contrary to the philosophy of the certification mark. A certification mark was the collective property of all producers who were entitled to use the geographical denomination. Such a property had to be registered and protected in the name of an owner who was not engaged in the trade and thus did not have any self-interest but who performed a collective duty to ensure protection of the geographical indication.

36. Federico Castellucci (Italy) raised the question of what requirements had to be fulfilled in the United States of America to obtain BATF recognition as a viticultural area.

V. DISCUSSIONS (ON OCTOBER 25, 1995) FOLLOWING THE PRESENTATIONS MADE BY HORACIO RANGEL-ORTIZ AND JACQUES AUDIER

37. Milo Coerper (United States of America) raised the question of whether the definition of viticultural area or appellation of origin in the BATF Regulations in the United States of America satisfied the TRIPS requirement as regards definition of geographical indication.

38. Jacques Audier (France) replied that in his opinion the expression "appellation of origin" in the BATF Regulation did not correspond to the traditional concept of appellation of origin. However, the practice in this respect in the United States of America had complied with the concept of geographical indication contained in the TRIPS Agreement.

39. Franz Michel (Germany), referring to Professor Audier's clarification concerning differences between appellations of origin and indications of source, indicated that it was a wise decision that the TRIPS Agreement did not make the distinction between appellations of origin and indications of source and used the term "geographical indications" to cover both. He gave an example of a particular region where traditionally a kind of sweet wine had been produced and suddenly sweet wines were no longer in demand. He wondered what the producers should do under such circumstances; give up wine production, give up the name of the appellation, or change the kind of wine to be produced? He underlined that grapes used for wine must be grown in the geographical area to which the geographical indication refers. In his view, it was necessary to emphasize, in the context of the TRIPS Agreement and in organizations like OIV, that the term "originating" in Article 22.1 of the

TRIPS Agreement in respect of wines, means harvesting, and not processing or bottling.

40. Jacques Audier (France) said that the approach could be different for products other than wine. For example, if a must coming from a particular country was deep frozen, shipped to another country and then fermented there, perhaps for winemakers this was unacceptable, but not in respect of other products.

VI. DISCUSSIONS (ON OCTOBER 25, 1995) FOLLOWING THE PRESENTATION MADE BY DESMOND RYAN

41. Florent Gevers (France) asked why the Portuguese Torres appellation was not in the list established for the purposes of the agreement between Australia and the European Communities and whether only geographical indications which had a reputation had been included in the list.

42. Desmond Ryan (Australia) answered that the effect of registration under Australian legislation was absolute, so that none of the factors mentioned, in particular, whether the indication had a reputation, would have to be taken into account if an indication has been included on the register.

43. Milo G. Coerper (United States of America), referring to the case dealt with by Mr. Ryan in his lecture, raised the question whether "La Provence" was registered as a trademark in Australia.

44. Desmond Ryan (Australia) replied that "La Provence" was not registered as a trademark but was considered to be a common law trademark. The indications "Regional Provence and Corsica" appearing in the list attached to the agreement between Australia and the European Communities was held by the Court to be a geographical indication under Australian legislation, with the consequence that the name "Provence" had to be protected.

45. The Director General of WIPO asked in which language the names of countries and other geographical entities were protected, for example "Deutschland," "Hellas," etc.

46. Desmond Ryan (Australia) replied that, with respect to the list attached to the Agreement, in all languages of the Communities.

VII. CLOSING ADDRESS

by

Miklós Bendzel

President, Hungarian Patent Office

Mesdames et Messieurs,

Permettez-moi d'exprimer nos remerciements à tous les participants au Symposium sur la protection des indications géographiques dans le contexte mondial, organisé par l'Organisation Mondiale de la Propriété Intellectuelle en coopération avec l'Office hongrois des brevets. Je suis convaincu que l'objectif du Symposium, à savoir l'analyse de la protection des indications géographiques à travers le monde, est très important, ces indications jouant un rôle primordial dans la vie économique. En effet, les indications géographiques sont les formes d'expression de la vie et de l'économie des régions et sont d'un intérêt essentiel pour les économies nationales. Les neuf excellents orateurs, et leurs excellentes conférences et présentations, suivies d'un débat qui a permis une confrontation amicale des différentes opinions, ont donné l'occasion de mettre en lumière l'importance de nos travaux. J'aimerais par conséquent exprimer mes vifs remerciements au Dr Arpad Bogsch, *pater familias* du monde de la protection de la propriété intellectuelle, pour sa participation personnelle, et pour avoir donné la possibilité d'organiser ce Symposium à Eger, en Hongrie. Nos remerciements s'adressent également à Ludwig Baeumer, Jéno Bobrovszky, Yolanda Huerta et Françoise Lindecker qui ont contribué à ce Symposium avec une grande efficacité et dans une atmosphère de cordialité, en coopération avec le Vice Président, Dr Vékás, et M. Béla Tidrenczel, coordinateurs hongrois de cet événement. Je remercie aussi mes collègues et tous les autres collaborateurs. Je voudrais enfin manifester nos sentiments d'amitié par un petit cadeau, qui sera remis à chacun des 120 participants qui viennent des cinq continents, une bouteille de vin de Tokaj, ce vin auquel le roi des Français, Louis XIV, a donné le titre honorifique de "roi des vins et vin des rois". Le vin qui est offert, vieux de vingt deux ans, est accompagné d'un petit livre sur la région de Tokaj et son histoire, afin que vous restiez un peu par le souvenir avec nous. Merci pour votre participation, je vous souhaite un très bon séjour aujourd'hui encore à Eger et demain à Tokaj, en espérant que l'excursion dans la *Vallée des belles femmes* sera pour vous un divertissement exceptionnel.

[English translation follows]

(Closing address by Miklós Bendzsöl, President, Hungarian Patent Office—
English translation)

Ladies and Gentlemen,

Allow me to express my thanks to all the participants in the Symposium on the Protection of Geographical Indications in the Worldwide Context, organized by the World Intellectual Property Organization in cooperation with the Hungarian Patent Office. I am in no doubt that the objective of the Symposium, namely the analysis of the protection of geographical indications throughout the world, is most important, since geographical indications play a major role in economic life. Indeed they are the forms of expression of the life and economy of the regions and are of the utmost interest to national economies. The nine excellent speakers, and their excellent lectures and presentations, followed by discussions which made for a friendly confrontation of the various opinions, have provided an opportunity to highlight the importance of our work. I should therefore like to express my warmest thanks to Dr. Arpad Bogsch, *paterfamilias* of the intellectual property protection world, for his personal participation and for having made it possible to organize this Symposium in Eger, Hungary. My thanks go also to Ludwig Baeumer, Jenö Bobrovszky, Yolanda Huerta and Françoise Lindecker, who have contributed to this Symposium with great efficiency and in an atmosphere of cordiality, in cooperation with Vice-President Dr. Vékás and Mr. Béla Tidrenczel, the Hungarian coordinators of the event. I also thank my colleagues and all other collaborators. Finally, I should like to express our feelings of friendship in the form of a small gift which will be given to all 120 participants from all five continents, namely a bottle of Tokaj wine, the wine to which the French King Louis XIV gave the honorary title of “king of wines and wine of kings.” This gift of a 22-year-old wine is accompanied by a booklet on the Tokaj region and its history, so that you can remain a little longer with us in memory. I thank you for your participation and wish you an excellent further stay today and tomorrow in Eger and Tokaj, hoping that you shall find the excursion into the *Valley of Beautiful Ladies* exceptionally enjoyable.

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