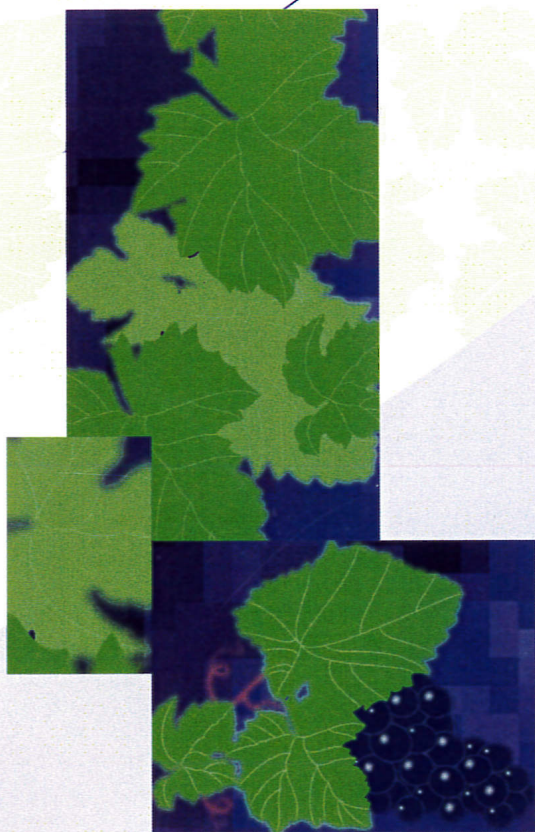




WORLD
INTELLECTUAL
PROPERTY
ORGANIZATION



**SYMPOSIUM ON THE
INTERNATIONAL REGISTRATION
OF GEOGRAPHICAL INDICATIONS**

Somerset West, Cape Province,
South Africa
September 1 and 2, 1999

Symposium on the International Protection of Geographical Indications

**Somerset West, Cape Province, South Africa,
September 1 and 2, 1999**

organized by the
World Intellectual Property Organization (WIPO)



in cooperation with the
South African Patents and Trade Marks Office (SAPTO)



Contents

Foreword	5
Opening Address	
Mr. Lindiwe Ngwane	7
Mr. Li-Feng Schrock	9
International Protection of Geographical Indications— The Present Situation and Prospects for Future Developments	
Mr. Marcus Höpperger	11
Recent Developments in the Council for TRIPS (WTO)	
Mrs. Thu-Lang Tran Wasescha	19
The Protection of Geographical Indications in South Africa	
Mrs. Anne Stern	31
Mr. Hermann Rademeyer	37
The Protection of Geographical Indications in the United States of America	
Ms. Lynne Beresford	41
Protection of Geographical Indications: The Approach of the European Union	
Mr. François Vital	53
Geographical Indications and Trademarks: Harmony or Conflict?	
Mr. Henning Harte-Bavendamm	61
The Use of Geographical Indications in a Collective Marketing Strategy: The Example of Cognac	
Mr. Jean-Marc Girardeau	71
The Use of Geographical Indications in a Collective Marketing Strategy: The Example of the South African Wine Industry	
Mr. Jakobus van Niekerk	81
List of Participants	91

Foreword

This publication is a compilation of the papers which were presented at the Symposium on the International Protection of Geographical Indications, held in Somerset West, Cape Province (South Africa) on September 1 and 2, 1999. This Symposium, the seventh in a series of events dedicated to discussing current issues relating to the use and protection of geographical indications, was organized by the World Intellectual Property Organization (WIPO) in cooperation with the South African Patents and Trade Marks Office (SAPTO).

Geographical indications are among the most ancient forms of intellectual property. What makes them special is that they denote not only the geographical origin of products, but also their specific characteristics, which are due to that origin, and to specific, often unique local natural and human factors. In this way, geographical indications also represent the cultural heritage of those who legitimately use them. The protection of geographical indications has recently gained greater importance as an issue in international trade negotiations. The Symposium was, therefore, held at a timely moment.

Nine experts from France, Germany, Hungary, South Africa, Switzerland, the United States of America and from the European Commission and the World Intellectual Property Organization addressed topical issues such as the protection of geographical indications under national, regional and international laws, the relationship between geographical indications and trademarks, and the use of geographical indications in marketing.

I am convinced that this publication will be most useful in contributing to the continued exploration of this highly complex and interesting subject.

I should like to express my sincere appreciation to all the speakers for their contributions. I also wish to thank the South African Patents and Trade Marks Office for hosting this successful event.



Kamil Idris
Director General
Geneva, March 2000

Opening Address

Mr. Lindiwe Ngwane

on behalf of the Honourable Deputy Minister
for the Department of Trade and Industry

It is my pleasure this morning to extend to all of you, on behalf of my Government, as a co-host of this Symposium, as well as on behalf of my Department of Trade and Industry, our warmest greetings and most heartfelt welcome.

The South African Government has sent a message of gratitude to all present for taking time in your busy schedules and accepting the Department of Trade and Industry's (DTI) and their co-host, World Intellectual Property Organization's (WIPO) call to this historic Symposium.

Ladies and Gentlemen, allow me to welcome WIPO's delegation and the representative of the Director General of WIPO. The Government of South Africa and my Department in particular are thankful for the continuous assistance and support you give us.

This Symposium is also blessed to have a delegation from the South African Development Community (SADC). South Africa is acutely aware of the special needs of the people of Africa in the field of intellectual property rights. The South African Government has among other things developed a sense of openness and hospitality towards international organisations, because its economic survival is based on the search for optimum intellectual property use and protection.

It is in this sense that DTI embraces the involvement of WIPO in this Symposium. It is also in this sense that we require continuous WIPO assistance in capacity building, protection and marketing of intellectual property, as it will be self-defeating for WIPO to promote reforms but not to put countries in a position to implement those reforms.

For Africa and SADC in particular, the Symposium provides an opportunity to devise a strategy around intellectual property issues and develop a position for the World Trade Organization (WTO) talks scheduled for later this year. SADC needs to address controversies emanating as a result of the interpretation of the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS), regional and domestic interpretation, in need to address, *inter alia*, health and economic issues. For example, what is SADC's position in respect of compulsory licensing, parallel importation, patent exhaustion, protection of undisclosed information, biodiversity and geographical indications? The TRIPS Agreement does not frown on the process of parallel importation, but it is frowned upon by, *inter alia*, patent holders, and mostly invites sanctions from "richer nations", influenced by such patent holders.

Over the past decade and a half, protection of intellectual property has acquired an increased prominence at both national and international levels. Much greater awareness-building about geographical indications is however essential if we are to use the intellectual property system optimally for our real benefit.

It is essential to encourage international cooperation in the protection of geographical indications. The TRIPS Agreement, in terms of Articles 23 and 24 should give a decisive guidance in this regard.

Failure to do so leaves “weaker nations” at the mercy of “stronger nations.” Negotiations should take place at TRIPS Council level, but weaker nations are already giving in at bilateral level negotiations and failure by WTO and WIPO to conclude multilateral arrangements is disturbing. For example, the EU and Australia, the EU and South Africa, and the EU and the United States of America. Are the participants in these negotiations guided by TRIPS or the following regional agreements: Lisbon Agreement, Madrid Agreement, Andean Nations Arrangement?

Are we still developing a common jurisprudence in order to come up with a multilateral approach? In my opinion these regional arrangements are bringing more confusion than the desired effect.

It is because of these concerns that I urge this Symposium to develop a strategy towards a multilateral arrangement. I also hope this is our last consultation on this issue.

Ladies and Gentlemen, the purpose of this Symposium is *inter alia*, to review the current levels of protection for geographical indications internationally and to explore the possibilities of the use of geographical indications in a collective marketing strategy. It is my opinion that if you want to have an effective protection of geographical indications—all governments must have initiatives such as the National Institute for Appellations of Origins in France.

This Symposium is an inticement to the business sector. They are the users in industry as well as the intellectual property owners and should therefore directly be involved in the shaping of these concepts. Industry should be in partnership with their governments in formulating policy and multilateral agreements, otherwise there will be tensions during the implementation of international arrangements.

Academics may imminently inform and/or shape the discussions by making their research inputs available. Policy makers too, should shape and participate fully in these deliberations.

The judiciary should also be abreast with the developments in the intellectual property field if enforcement is to be effective.

Ladies and Gentlemen, we have a long program ahead of us.

May I end by wishing you a fruitful Symposium and happy stay.

I have the pleasure of declaring this two day’s Symposium officially open.

Thank you.

Mr. Li-Feng SCHROCK

World Intellectual Property Organization (WIPO)

It is with great pleasure that I convey to you the sincere greetings of the Director General of the World Intellectual Property Organization, *Dr. Kamil Idris*, who regrets very much that he could not come to this Opening Ceremony. For me it is an honor and a privilege to join you, Honorable Madam Deputy Minister, in welcoming participants from all over the world, and from various professional fields, to this Worldwide Symposium on the International Protection of Geographical Indications.

WIPO and the South African Patents and Trade Marks Office, SAPTO, are jointly organizing this event, which will provide an excellent opportunity to exchange views on, and thus enhance our awareness and understanding of, topical issues in this specific area.

It pleases me at the start of this meeting to see quite a few familiar faces. But I equally seize the opportunity to warmly welcome those in the audience who have not yet participated in a WIPO Worldwide Symposium on the International Protection of Geographical Indications.

For WIPO it has become a tradition to organize symposia of this kind in different places of the world every other year. During the last ten years similar events took place in France, Germany, Portugal, Australia and, two years ago, in Hungary. All these venues have one thing in common: they enjoy a worldwide reputation for the excellence of their wines. So does the South-Western Cape with its famous Wine Routes, a history of wine making of more than 300 years and major estates within easy reach of Cape Town and Somerset West. Therefore, one might think that the choice of this venue is the result of a somewhat hedonistic approach. However, you can be assured, Honorable Madam Deputy Minister, that choosing South Africa as the venue for this event is well founded on serious considerations.

As far as I am aware, South Africa has adopted a macro-economic framework that seeks to put the economy on a growth-oriented and employment-generating development path. In pursuit of this economic policy trade patterns are changed and barriers gradually removed. While the lion's share of South Africa's trade may, at this point of time, still remain with countries of the north, you are at the same time expanding and increasing trade ties to countries in Latin America and along the Indian Ocean Rim. Using a world map, Honorable Trade and Industry Minister *Alec Erwin* referred to this newly developed concept as the "butterfly" model, pointing to South Africa as the butterfly's "body", with its "wings" represented by arrows on both sides pointing to Latin America and Asia.

Now, fair competition needs also fair rules of law. To reconcile competing interests through a balanced legal framework is essential, whether businesses compete in national markets or whether they cope with predicaments resulting from the new challenges of globalization. As far as I know, Honorable Madam Deputy Minister, this country has a well-developed system of intellec-

tual property rights and adheres to a number of international conventions and bilateral agreements in this field. The protection of “geographical indications” is a traditional component of industrial property law, nationally and internationally.

WIPO (and its predecessors, the *Bureaux Internationaux Réunis pour la Protection de la Propriété Intellectuelle*, known as *BIRPI*) has, for more than a hundred years, been an active promoter of the international protection of “geographical indications,” even though the terminology has changed over time. The *Paris Convention for the Protection of Industrial Property*, which already in its original version of 1883 provided for protection against the use of “false indications of source,” mentions also “appellations of origin” as protected industrial property. Moreover, two special multilateral agreements, the *Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods* of 1891, and the *Lisbon Agreement for the Protection of Appellations of Origin and their International Registration* of 1958, offer protection for indications of source and for appellations of origin.

In 1995, the Uruguay Round of Multilateral Trade Negotiations led to the establishment of the World Trade Organization (WTO). Another important result of these negotiations was the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, the so-called *TRIPS Agreement*. As we all know, *TRIPS* establishes minimum standards for the protection of intellectual property rights and their enforcement. Articles 22 to 24 of the *TRIPS Agreement* contain the relevant provisions for the protection of “geographical indications.” During the two days of our Symposium, the speakers will explain in more detail this term as well as the many other expressions that are used in this context.

At this point, I would like to express my gratitude to our speakers for their readiness to lecture. They are all distinguished experts in their respective fields. They may not always be of the same opinion. But the diversity of opinions will certainly stimulate our discussions and make this Symposium a rewarding experience.

Let me very briefly introduce the speakers in alphabetical order, also indicating their respective origin:

- Mrs. Lynne Beresford, Attorney Advisor at the U.S. Patent and Trademark Office, from the United States of America;
- Mr. Jean-Marc Girardeau, Head, *Bureau National Interprofessionnel du Cognac (BNIC)*, from France;
- Mr. Henning Harte-Bavendamm, Attorney at Boesebeck & Droste, from Germany;
- Mr. Kobus van Niekerk, Group Director at KWV, from South Africa;
- Mr. Hermann Rademeyer, Legal Advisor to the South African National Department of Agriculture, from South Africa;
- Mrs. Anne Stern, Director at D. M. Kisch Intellectual Property Attorneys, from South Africa;
- Mr. François Vital, Head, European Commission, from Europe, a national of France; and
- Mrs. Thu-Lang Tran Wasescha, Head, Swiss Federal Institute of Intellectual Property, from Switzerland.

Moreover, my colleague Marcus Höpferger, responsible within the Industrial Property Law Division of WIPO, *inter alia*, for the protection of “geographical indications,” will make the first presentation this morning.

To conclude, Honorable Madam Deputy Minister, I want to express, on behalf of the Director General of WIPO, my colleagues and myself, my sincere thanks to the South African authorities for their continuing support and for your warm welcome. We are particularly grateful to SAPTO and its Registrar, Mr. Netshitenzhe, and to the Legal Officer responsible for all organizational matters, Mr. Lekoto, for having successfully set the scene for our Symposium, and may I extend our thanks also to the Hotel where this Symposium takes place and to the Manager in charge of this event, Ms. Smuts.

I am sure that we will enjoy our stay in South Africa and that everything has been done to make this Symposium a success. Having said this, I take pleasure in joining you, Honorable Madam Deputy Minister, in declaring the Symposium open.

International Protection of Geographical Indications—The Present Situation and Prospects for Future Developments

Mr. Marcus Höpperger

Head, Geographical Indications and Special Projects Section,
Industrial Property Law Division, WIPO

Geographical indications were long considered to be exclusively of interest to some few wine and cheese producing countries and, besides that, to be that kind of intellectual property nobody really understood and therefore to be left to a handfull of specialists. At least the former statement can no longer be regarded to be true. This is mainly due to the coming into force of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Part II, Section 3, of that Agreement contains obligations for Members of the World Trade Organization with regard to the protection of geographical indications, and provides for certain exceptions to these obligations. Many countries which are now facing the challenge of implementing those obligations in their national laws suddenly realize that Part II, Section 3, does not only create obligations on their part, but also presents an opportunity to obtain protection for their own geographical indications. Many of those countries also discover now the considerable potential for the commercial use of geographical indications and that, in the past, this potential had often and wrongly been neglected.

The issue of international protection of geographical indications has been under continuous review within the framework of WIPO, as is shown by a series of international symposia, which WIPO has organized, on that topic.¹ The present Symposium is the seventh of its kind organized by WIPO in cooperation with one of its Member States. Since not all of the participants in this Symposium will have had the benefit of attending one or several of the earlier meetings, and in order to recall or explain, as the case may be, definitions and basic principles, this paper will first clarify certain points of terminology. The second part will deal with the existing situation for the international protection of geographical indications from WIPO's point of view. The third part will discuss possible future developments in that area.

Terminology

One of the biggest obstacles in the way to a uniform approach to the international protection of geographical indications is the great variety of existing concepts. Unlike patents or trade-

¹ Previous WIPO Symposia on the International Protection of Geographical Indications took place in Bordeaux (1988), Santenay (1989), Wiesbaden (1991), Funchal (1993), Melbourne (1995) and Eger (1997).

marks, geographical indications are protected on the national and regional levels under a wide range of different principles, ranging from *sui generis* rights, such as protected appellations of origin, over registered geographical indications to protection under trademark and unfair competition law or passing off. This variety of concepts is reflected in the applicable terminology. The terminology traditionally applied within WIPO distinguishes between “indications of source” and “appellations of origin.”

The term “indication of source” is used in Articles 1(2) and 10 of the Paris Convention for the Protection of Industrial Property (“Paris Convention”). It is also used throughout the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891 (“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. It is important that the indication of source relates to the geographical origin of a product and not to another kind of origin, for example, an enterprise that manufactures the product in question. Furthermore, this definition does not require that the product in question have a certain quality or characteristics which are derived from its geographical origin.

The term “appellation of origin” is defined in the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 1958 (“Lisbon Agreement”). The Lisbon Agreement establishes an international system of protection for appellations of origin protected already on the national basis of one of the States party to that Agreement, and subject to the international registration of that appellation 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.

The TRIPS Agreement is the first international treaty defining the expression “geographical indication.”² Article 22.1 of the TRIPS Agreement states:

“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 It is worth being mentioned that there had been previous attempts within WIPO to define that term (see, for example, WIPO document GEO/CE/I/2).

This definition is obviously based on the definition of appellation of origin in Article 2 of the Lisbon Agreement, but is broader in one respect, namely, by conferring protection to goods which merely derive a reputation from their place of origin without possessing a given quality which is due to that place. The Lisbon Agreement requires that the quality **and** the characteristics of the product in question be due exclusively, or essentially, to the geographical environment, including natural and human factors. Arguably, goods which have “merely” a certain reputation, but not a specific quality being due to their place of origin are not covered by the definition of appellation of origin as provided by the Lisbon Agreement.

If the definitions of indication of source, appellation of origin and geographical indication, as previously given, are compared with each other, the following can be observed. 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. In other words, all appellations of origin are geographical indications, but some geographical indications are not appellations of origin. Indications of source only require that the product on which the indication of source is used originate in a certain geographical area. Thus, there are indications of source which seem not to be covered by the definition of geographical indication under the TRIPS Agreement, namely indications of source whose use on products does not imply a particular quality, reputation or characteristic of those products.

It was proposed on several occasions that the term “geographical indication” cover all indications of source and appellations of origin (see footnote 2). However, following the adoption of the TRIPS Agreement, the term “geographical indication,” if used to refer to rights and obligations existing under the TRIPS Agreement, has to be understood primarily as defined in that Agreement, and no longer as comprising both indications of source and appellations of origin.

The definitions outlined in the preceding paragraphs are far from being the only that exist. This paper does not attempt to give a complete list of definitions in the field of geographical indications. However, further examples, concerning respectively a regional and a multilateral agreement, are Resolution ECO 2/92 adopted by the General Assembly of the International Vine and Wine Office (OIV), and defining the terms “recognized geographical indication” and “recognized appellation,” and Council Regulation (EEC) No. 2081/92 of the European Commission of July 14, 1992, on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, containing definitions of the terms “designation of origin” and “geographical indication.”

WIPO Treaties

The coverage of geographical indications by treaties administered by WIPO has been discussed repeatedly at international symposia. For this reason, this paper will be restricted to a short summary of this issue.

The Paris Convention for the Protection of Industrial Property provides for the protection of indications of source against any misleading use. In this respect, Article 10 of the Paris Convention sets forth that 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” Article 9 of the Paris Convention should be applicable. Article 9 of the Paris Convention provides that goods bearing a false indication of source are subject to the following measures: seizure upon importation into countries party to the Paris Convention, or within the country where the unlawful affixation of the indication of source occurred or within the country of importation. This seizure shall take place at the request of the public prosecutor, or any other competent authority, or any interested party. However, Article 9(5) and (6) of the Paris Convention allow that countries party to the Paris Convention whose national laws do not permit seizure on importation or inside the country to replace those remedies by either a prohibition of importation or by any other nationally available remedy. It has therefore been said that Articles 9 and 10 of the Paris Convention do not introduce a higher international standard for protection of, *inter alia*, indications of source, but merely bind States party to that Convention to apply the national treatment principle.

Article 10*bis* of the Paris Convention sets out the basic international standard for protection against acts of unfair competition. Although the use of false indications of source is not mentioned in the non-exhaustive list of acts which are prohibited under Article 10*bis*(3), such use arguably constitutes an act of competition contrary to honest practices in industrial or commercial matters and, thus, is covered by Article 10*bis*(2).

The provisions of the Paris Convention which have been dealt with so far concern the use of false indications of source. However, there are cases in which the use of an indication of source which is literally true may still be misleading or deceptive. This may be the case where a given geographical name exists in two different countries, but was used as an indication of source only for products originating from that place in one country. Use of that indication of source by producers from the other country cannot be regarded as use of a “false” geographical indication, although consumers may be deceived by such use.

The Madrid Agreement on Indications of Source provides for a remedy in such situations, in that not only the use of “false” indications of source is prohibited, but also the use of indications of source which are “deceptive,” i.e., literally true but nevertheless misleading. Furthermore, Article 4 of the Madrid Agreement on Indications of Source contains a special provision for “regional appellations concerning the source of products of the vine” which constitutes an exception to the rule that, in application of the Agreement under consideration, the courts are free to decide whether or not a given indication of source is a generic term.

The common feature of Articles 9, 10 and 10*bis* of the Paris Convention and the Madrid Agreement on Indications of Source is that protection is provided against use of false indications of source that would be misleading. In cases where such use does not mislead the public, for example because the public does not perceive a certain indication of source as such, the remedies provided for by the above-mentioned Articles are not applicable.³

The Lisbon Agreement takes the protection of indications of source one step further, although, as already has been mentioned above, it is only applicable to a special kind of indications of source, namely to appellations of origin which are already protected on the national level of a State party to that Agreement. Once a given appellation of origin is protected in its “country of origin,” that appellation of origin can be registered in an international register which is administered by WIPO. After its registration, the appellation of origin is published and notified to all other States party to the Lisbon Agreement. Following receipt of that notification, those States may declare during a period of one year that they cannot protect the appellation of origin which was the subject of the notification. If a country party to the Lisbon Agreement does not make such a declaration, it is under an obligation to protect the said appellation of origin as long as it is protected in its country of origin.

The scope of protection for internationally registered appellations of origin is broader than the protection for indications of source under the Paris Convention and the Madrid Agreement on Indications of Source. Thus not only misleading use of a protected appellation of origin is prohibited, but “any usurpation or imitation [of the protected 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.”

Once an appellation of origin is internationally registered and the one-year objection period under Article 5(3) has expired, the appellation cannot, or no longer, be used by third parties. In addition, Article 5(6) provides 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.

At present, the following 19 countries are party to the Lisbon Agreement: Algeria, Bulgaria, Burkina Faso, Congo, Costa Rica, Cuba, Czech Republic, France, Gabon, Haiti, Hungary, Israel, Italy, Mexico, Portugal, Slovakia, Togo, Tunisia and Yugoslavia. At the end of 1998, the

³ However, it may be argued that Article 10*bis* of the Paris Convention also covers non-misleading use of geographical indications to the extent that such use is considered to constitute an act of unfair competition.

international register showed 834 internationally registered appellations of origin, originating from 13 countries.

With respect to future developments of the Lisbon Agreement, it should be mentioned that the draft 1999-2000 Program and Budget provides for a review of the Regulations under the Lisbon Agreement, with the help of one or more consultants and a Committee of Experts. It is proposed that this Committee of Experts will hold two sessions in the biennium.⁴

Aside from the Paris Convention, the Madrid and Lisbon Agreements and the TRIPS Agreement, international protection of geographical indications was repeatedly the subject of multilateral negotiations. Attempts were made within WIPO to increase the then existing international protection of geographical indications. In particular, the subject was taken up during the preparation, in 1974 and 1975, of a new multilateral treaty on the protection of geographical indications,⁵ on the occasion of the revision of the Paris Convention⁶ and by a Committee of Experts on the International Protection of Geographical Indications, which met in 1990.⁷ However, none of these initiatives led to an internationally binding agreement.

Prospects for Future Developments

The adoption and entry into force of the TRIPS Agreement has once more brought the issue of international protection into the focus of attention. As a consequence, many countries suddenly face the question of how to implement in their national laws the obligations flowing from the TRIPS Agreement while, at the same time, trying to find out how to make the best use from the rights provided for by the Agreement.

With respect to the law of geographical indications, WIPO's 1998-99 Program and Budget⁸ provides that the desirability and feasibility of establishing guiding principles on topical issues concerning protection of geographical indications be studied, covering the definition of the subject matter to be covered, whether protection should be based on registration and, if so, the desirable essential features of the registration procedure (including the extent to which applications for registration should be examined), as well as possible solutions for conflicts between trademarks and geographical indications. Consequently, the International Bureau proposed to the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) to prepare a study on the said subject and to explore with the WTO Secretariat means of cooperation between both organizations in the field of geographical indications.⁹ However, due to its heavy workload, the SCT has not yet been able to address this proposal in substance. At its last session, the Standing Committee decided to wait for the outcome of the present Symposium before deciding on any further action.¹⁰ Nevertheless, the subject is still considered of great importance, as reflected by the WIPO 2000-2001 Draft Program and Budget, which proposes a continuation of the work in that area, including the organization, in cooperation with an interested government, of the next in the series of worldwide symposia on the international protection of geographical indications.¹¹

Although the study contemplated by the 1998-99 Program and Budget has not been carried out, the present meeting is a good opportunity to give some thought to some issues relating to the international protection of geographical indications which are currently under discussion.

⁴ WIPO document A/34/2, page 128.

⁵ WIPO documents TAO/II/2 and 6.

⁶ WIPO document PR/DC/4.

⁷ WIPO documents GEO/CE/I/2 and 3.

⁸ WIPO document A/32/2, page 90.

⁹ WIPO document SCT/1/2, paragraphs 28 to 32.

¹⁰ WIPO document SCT/2/12 Prov., paragraph 18.

¹¹ WIPO document A/34/2, page 83.

Definition of the subject matter

As already shown above, there exist a number of definitions for the subject matter covered by the general term “geographical indications” on the national, regional and international levels. Furthermore, the scope of protection conferred under the various titles of protection differs considerably. But even where the same title of protection is applicable, the extent of protection may be different, as it is the case with Articles 22.1 and 23.1 of the TRIPS Agreement, since the protection available under the latter provision for geographical indications for wines and spirits is wider than the scope of protection for “other” products.

From the point of view of WIPO, reference can be made in this respect to Article 1(3) of the Paris Convention and Article 2(1) of the Lisbon Agreement, which do not differentiate between certain kinds of products to be considered as industrial property, or protectable under appellations of origin. It should however be mentioned that the Madrid Agreement on Indications of Source provides for some kind of a preferential treatment for “regional appellations concerning the source of products of the vine,” as opposed to other appellations: Whereas the general rule under that Agreement is that the courts of each country may decide what appellations, on account of their generic character, do not fall within the provisions of that Agreement, this discretion cannot be applied with regard to regional appellations concerning the source of products of the vine.¹²

Harmonization of protection

The existing variety of definitions in the field of geographical indications is mirrored in the great number of existing concepts of protection. These concepts range from common law rights without any administrative procedure, over certification or collective mark protection to registered geographical indications and appellations of origin. Apart from the Lisbon Agreement, the major international treaties in force do not prescribe the use of a particular system. It would appear to be a tempting idea to harmonize all those concepts. However, States applying those different concepts are doing this in accordance with their nationally established legal practices and traditions, and it will be very difficult to convince those States to give up their practices for the mere sake of harmonization. Rather, it should be tried to achieve better international protection of geographical indications respecting national legal traditions, and to propose harmonization only in those fields where there is a real prospect of success. However, to identify those fields seems to be a considerable task and will certainly need further consideration.

Conflicts between geographical indications and trademarks and between: homonymous geographical indications

Conflicts between geographical indications and trademarks on the international level are a delicate and complex issue, and easy solutions do not seem to exist. The question has already been discussed in depth at one WIPO Symposium¹³ and will be dealt with by the speakers of the present Symposium, who will approach the issue from various angles. Without preempting any discussion on that matter the least that can be said is that the issue is complex, as it is shown, for example, by Article 24 of the TRIPS Agreement.

Equally complex is the relationship between homonymous geographical indications. The matter is dealt with in Article 23.3 of the TRIPS Agreement. In this context, it should be noted that the International Vine and Wine Office (OIV) recently adopted a resolution which is also addressing this issue.¹⁴ Both texts have in common that they concern geographical indications for wines.

¹² Article 4 of the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods.

¹³ Symposium on the International Protection of Geographical Indications, Melbourne, 1996 (WIPO Publication No. 739(E)).

¹⁴ Resolution ECO/REGLT/98/74.

However, it seems to be worthwhile to further study those texts and to explore to what extent they could serve as a model for regulating the relationship between homonymous geographical indications for products other than wine.

Geographical indications and the Internet

The rise of the Internet and its development into a global means of communication and commercial transaction has also given place to new forms of intellectual property rights infringement. One of the better-known forms of unauthorized use of intellectual property rights on the Internet is the so-called “cybersquatting” or “domain grabbing,” i.e., the unauthorized registration of a trademark as a domain name. However, domain grabbing is not limited to trademarks. Unauthorized parties have also registered appellations of origin as domain names in order to sell them off to whoever is prepared to pay for them.

The management of Internet names and addresses and the related intellectual property issues are addressed by the Report of the WIPO Internet Domain Name Process, which was published on April 30, 1999.¹⁵ As regards the problem of cybersquatting, Chapter 3 of the Report entitled “Resolving Conflicts in a Multijurisdictional World with a Global Medium: A Uniform Dispute-Resolution Policy” recommends the establishment of an administrative dispute-resolution procedure. For the time being, the scope of the proposed procedure is limited to bad faith abusive registrations of trade and service marks as domain names.¹⁶ It was felt that it would be premature to extend the scope of this specific administrative procedure beyond the violation of trade and service marks at this stage. However, the question can be re-visited once experience has been gained with the operation of the administrative procedure and time has allowed for an assessment of its efficiency and of the problems, if any, which remain outstanding. Nevertheless, it should be kept in mind that this recommendation is without prejudice to existing rights in geographical indications and related enforcement measures.

The question of use of geographical indications on the Internet is also dealt with in a study¹⁷ which was presented to the second session, second part, of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) (Geneva, June 7 to 12, 1999). In essence, the study formulated the following questions: Should the mere use of a sign on the Internet which is identical with or similar to a geographical indication generally be regarded as an infringement of that geographical indication, even if the geographical indication in question is not protected against any form of unauthorized use? Does the application of the general principles of the law produce satisfactory results, in particular with regard to certain forms of use of geographical indications, such as linking, framing, as “metatags” or as parts in Internet addresses? Is there a need for harmonization on an international scale?

At its June meeting, the SCT did not specifically address those questions. The deliberations of the Committee related to general principles regarding the use of trademarks on the Internet. In conclusion of that meeting, the International Bureau was asked to redraft possible principles for discussion and to prepare a questionnaire with hypothetical situations concerning legal issues relating to the use of trademarks on the Internet.

¹⁵ Available at <http://wipo2.wipo.int>; hard copy available as WIPO Publication No. 439(E).

¹⁶ See in particular paragraph 163 onwards of the report.

¹⁷ WIPO document SCT/2/9, paragraph 115 onwards.

Recent Developments in the Council for TRIPS (WTO)

Mrs. Thu-Lang Tran Wasescha

Director, International Affairs, Coordinator for International Affairs in the Field of Intellectual Property, Swiss Federal Institute of Intellectual Property, Berne, Switzerland*

In a globalizing world, geographical indications represent more than a simple category of intellectual property rights. They are the vectors of national, regional and local cultural identity. They add the “human touch” to products which more and more are produced in any place of the world due to relocation. They give an added value to products, in particular those bearing a trademark.

Introduction

Almost two years ago, the World Intellectual Property Organization held a Symposium, in Eger (Hungary), on the International Protection of Geographical Indications in the Worldwide Context.¹ The richness and quality of the contributions made and the wide gamut of topics dealt with by the speakers at that time demonstrated the complexity of, and the interest in, the issue of geographical indications. As pointed out by the late Director Ludwig Baeumer from WIPO's International Bureau, “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 Trade-Related Aspects of Intellectual Property Rights Agreement.”² Indeed, the minimum obligations WTO Members have to comply with, as well as the upcoming deadline of 1 January 2000 for developing countries and countries in transition, are playing a major role in increasing the awareness of the issues at stake. In addition, the upcoming 3rd WTO Ministerial Meeting scheduled to be held in Seattle (USA) is having its own share of psychological effects on the increase of attention. Even though geographical indications are part of a built-in agenda³ which is relatively clear in the TRIPS Agreement, some Members want the Ministers' agenda to contain references to geographical indications and clear instructions for the coming years. Talks about the so-called Millennium Round increase the stakes. With these considerations, the present Symposium is most welcome and comes “in the nick of time.”

* Mrs. Tran Wasescha also acts as the Swiss contact person in the TRIPS Council for all matters relating to intellectual property rights.

¹ The Symposium was held on 24 and 25 October 1997. The presentations made during the Symposium have been compiled in a publication entitled “*Symposium on the International Protection of Geographical Indications in the Worldwide Context*,” WIPO Publication N° 760(E), 1999.

² Ludwig Baeumer, “Protection of Geographical Indications under WIPO Treaties and Questions Concerning the Relationship Between those Treaties and the TRIPS Agreement,” op. cit., in footnote 1, above, p. 9.

³ In the WTO/TRIPS jargon, it means all the work program schedules that are expressly mentioned in the TRIPS Agreement.

Reality is, however, not reduced to a simple fear of retaliation in case of non-compliance with international obligations or some simple “Millennium” psychological effect caused by the need to launch some round of negotiations for the coming years. Independently of the Members’ will to comply with their international public law obligations and independently of the Ministerial Conference—it is more and more visible that a genuine awareness is also growing among Members regarding the commercial and “national, regional or local identity” role of geographical indications for all countries, in particular those who rely, for the export of their goods, on the *added value that man and nature* jointly give to the goods they produce.

Since October 1997, there has been a great deal of activity in the area manifested through discussion and work undertaken. Although many participants in this Symposium are probably very familiar with the WTO system, others might not. For the sake of a better understanding of the WTO process, in particular in view of the next Ministerial Conference in Seattle, this presentation will be divided into three parts: (1) a short presentation of the special features of the WTO system, in particular the functioning of the Council created by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement); (2) an explanation of the core issues at stake, and (3) an overview of the developments since the Eger Symposium, in particular the most recent developments in the TRIPS Council and in the General Council. Some concluding remarks will be added on the importance of geographical indications in the “global village.”

The WTO System and the TRIPS Council

As alluded to above, the WTO system is quite different from the UN system. Even though negotiation techniques and the art of dealing with politics and human beings do not differ from one organization to another and follow a similar pattern in all circumstances, the working procedures in GATT/WTO differ considerably from those of other international organizations at a multilateral level. The variety of topics covered (agriculture, textiles, antidumping, banking services, telecommunications, etc.) multiplies the range of “bargaining chips,” which is amplified, in turn, by a swift and—in spite of some criticisms—successful dispute settlement system. More than in other international multilateral fora, alliances with different combinations of interests and objectives (*alliances à géométrie variable*) have created—in a fascinating mode—a different climate of negotiation. To understand the stakes in the field of geographical indications, one needs to understand first the mechanism for the WTO, in general, and second the mechanism for the TRIPS Council. In this particular field, and undoubtedly during the Uruguay Round, agriculture had some strong connections. At least some delegations made a clear linkage between agriculture and the protection of geographical indications.⁴ One may venture to predict that the same linkage will be made in the coming work. There is one difference: many other countries have—in the meantime—paid more attention to the value of the geographical indications in trade. The rules of the game have changed.

The WTO system

The Agreement Establishing the World Trade Organization (WTO), concluded on 15 April 1994 in Marrakesh, laid down the foundations of the new multilateral trade system. It replaced the former GATT of 1947 (General Agreement on Tariffs and Trade), which functioned as a multilateral agreement without any institutional bodies other than a secretariat. The WTO is an intergovernmental organization but, like the GATT, it does not belong to the UN system. According to the latest available total as of 10 February 1999, it counts 134 Members, which include individual States, autonomous customs territories and the European Communities.⁵ More than

⁴ See Mathijs Geuze, “Protection of Geographical Indications under the TRIPS Agreement and Related Work of the World Trade Organization,” in *op. cit.* (footnote 1), p. 41, § 7.

⁵ The EC has an exclusive competence for agricultural and trade policies. In the field of intellectual property, the competence is “mixed” (i.e., shared with the Member States).

30 candidates (countries and customs territories) are awaiting accession; they are, in the meantime, benefitting from an observer status together with 5 other observer countries which have yet to apply for WTO membership. There are also international organization observers—*inter alia*, WIPO—who differ depending upon the council or committee observed.

The WTO Agreement contains not only the treaty creating the organization but also four annexes, one of which deals with intellectual property: the TRIPS Agreement (Annex 1C). The TRIPS Agreement is an integral part of the WTO Agreement. In other words, it is not possible to “pick-and-choose.”⁶ The WTO Agreement also covers plurilateral agreements in the sense that they do not form part of the “package” or single undertaking.

The TRIPS system

This system constitutes one of the three pillars of the WTO system. The highest WTO body is the Ministerial Conference, which meets every two years.⁷ Between each session, the intermediate body, which is the General Council, is entitled to make decisions of an equivalent legal nature. The General Council is responsible for the proper functioning of the WTO Agreement and for ensuring that the decisions of the Ministerial Conferences are respected. It also acts as the Dispute Settlement Body (DSB) and as the Body for the Trade Policy Review Mechanism. Decisions in the General Council are, as a general rule, made by consensus.

Each pillar of the WTO system is administered by a separate Council; the TRIPS Council, like the GATT (goods) and the GATS (services) Councils, are under the supervision of the General Council. All three Councils are subject to the common dispute settlement system, each one having, however, certain peculiarities which are reflected in the corresponding provisions.

The GATT and GATS Councils have different committees and working groups. The TRIPS Council has none, but it holds four or five sessions each year. The duration of each session depends on the agenda. The normal session lasts one or two days, which, considering the number of items covered, is considerably short. However, if the agenda is devoted to the monitoring of national legislation, the session may last, for example, as long as four days. The sessions are chaired by a president nominated for one year, according to a fair consideration of geographical rotation. The working method—which is also applied in other councils—is as follows: the Chair holds informal consultations on certain topics; these consultations are open to Members only and held in a very swift and frank manner. Suggestions or comments, if any, are submitted to the plenary session of the Council. The plenary (or formal) meetings are open to observers as well. The Chair may also hold other types of informal consultations at a more limited level on specific questions.⁸ In any event, transparency is fully ensured through the Chairman’s reporting to the TRIPS Council in plenary.

Each year, the TRIPS Council reports to the General Council. The latter endorses the report. Every two years, i.e., when there is a Ministerial Conference, the process is slightly different: the General Council, meeting in special sessions, elaborates a program for negotiations. Members make proposals, which are discussed. A first draft text based on the proposals is subsequently prepared by the Secretariat and circulated by the Chairman of the General Council “on his own responsibility.” Members discuss the drafts and make amendments. The process might take some time and sessions. The General Council’s text is transmitted to the the Ministerial Conference for adoption. If there is any text between square brackets, the ministers will have to take the decisions. For the Seattle Meeting, other decisions may also be taken by Ministers, e.g., approval of accessions “en bloc” of some ten candidates, or measures of urgency for least developed countries.

⁶ The term “single undertaking” is used to designate the WTO Agreements (Marrakesh Agreements) which countries have to accept as Members and the Agreement Establishing the WTO is often referred to as an “umbrella agreement.”

⁷ The first Ministerial Conference after the creation of the WTO was held in December 1996 in Singapore; the second one in Geneva in May 1998.

⁸ For example, during the first semester of 1999, the Chairman has held some informal consultations with developing countries in order to organize the work of examining the national legislation of these countries after 1 January 2000.

The issue of Geographical Indications in the TRIPS Council since October 1997

A very comprehensive picture was given by the representative of WTO, Mathijs Geuze, in the Eger Symposium. Attention is drawn to the explanations given in paragraphs 8 to 14 (structure of the section on geographical indications) and to paragraphs 28 to 32 (review of national implementing legislation).⁹ Following the review of national implementation by some 30 countries from 11 to 15 November 1996, discussions were focused primarily on the following:

- Article 23.4 (establishment of a multilateral system of notification and registration of geographical indications for wines);¹⁰
- Article 24.1 (negotiations aimed at increasing the protection of individual geographical indications under Article 23 (for wines and spirits)) and
- Article 24.2 (review of the application of the provisions of Section 3).

For a better understanding of the developments which have occurred since the last symposium, it would be worthwhile to recall the explanations given by the WTO's secretariat. Article 23 provides, in the field of wines and spirits, for an "additional" protection (i.e., in comparison with Article 22, which limits the protection to geographical indications which are not misleading or do not constitute an act of unfair competition). The protection conferred to geographical indications for wines and spirits is also referred to as being "absolute": there is no need to prove that the public is misled or there is unfair competition. Use of accompanying expressions ("expressions délocalisantes")¹¹ such as "style", "type", "kind", "imitation" or the like are absolutely prohibited. The burden of proof does not rest with the rightholder of the geographical indication as in the case of Article 22. Competitors which are not producing within the geographical area are simply prevented from using the corresponding denomination. They cannot use trademarks containing or consisting of geographical indications identifying wines or spirits: the protection is notably enhanced compared to that provided in Article 22.3, which relies on the misleading test. For homonymous geographical indications—a sensitive issue—there is some room for a Member to determine the practical conditions under which the homonymous indications will be differentiated from each other. However, the need to ensure equitable treatment of the producers concerned and that consumers are not misled must also be taken into account. All Members who are under the obligation to implement the TRIPS Agreement as of 1 January 1996 are supposed to have taken all measures required to afford the absolute protection. The extent to which measures have been properly implemented in all countries and in practice is an issue that remains open to further scrutiny. The examination carried out in November 1996 was not, in the Swiss Delegation's view, comprehensive enough—a factor probably due to the amount and volume of texts that had to be examined.¹²

Article 24 reflects one of the most complex negotiations; its wording and construction, not the simplest one in terms of legal drafting, denotes the difficulties and stakes that were involved in the past negotiations and continue at the present time. Linked to other provisions like Article 23.4, its careful balance might explain, to some extent, why some countries are now giving the impression that they would prefer a delayed "harvest;" in other words, progress has been very slow since the first examination of Members' laws. During the Uruguay negotiations, there was a delicate balance between participants, including those in Western Europe, who wished to protect indications for wines and spirits fully, i.e., by eliminating—or at least not legitimizing—the "sins of the past," and those who considered themselves in possession of some "acquired" rights. A compromise was reached as follows: for the former, further negotiations will be carried out so

⁹ Op. cit. (footnote 1), pages 41-43 and 49-51.

¹⁰ In the 1996 Report of the TRIPS Council to the Ministerial Conference of Singapore, it was indicated that "Issues relevant to a notification and registration system for spirits will be part of this preliminary work."

¹¹ I.e., those which indicate, together with the wrongfully used geographical indication, the actual name of the locality or country in which the goods are produced.

¹² The exercise covered not only geographical indications but also trademarks and industrial designs.

as to enhance the protection of geographical indications; for the latter, some exceptions must be coined so as to safeguard the so-called acquired rights. They agreed to further talks. By the same token, they may not use the exceptions contained in paragraphs 4 to 8 to refuse to conduct negotiations or to conclude bilateral or multilateral negotiations.¹³

A brief recollection of the exceptions allowed would facilitate a better understanding of the issues at stake:

- Members may pursue the use of geographical indications for wines and spirits if: (1) such use was continued during at least 10 years prior to the conclusion of the Uruguay Round (or in good faith before that date) even if the denominations have not become generic and a pre-existing trademark does not exist, and (2) the use is similar in scale and nature (Article 24.4);
- Members are not under the obligation to protect indications that have become the generic name in a country for the products or for a grape variety (Article 24.6);
- Rights derived from pre-existing trademarks acquired in good faith should not be prejudiced (Article 24.7).

Subsequent work done after the review of the national laws and regulations on trademarks, geographical indications and industrial designs was focused on two provisions: Articles 23.4 and 24.2 with all the background considerations embodied in the compromise wording of Section 3, in particular the various paragraphs of Article 24. The two provisions, which are the main focus of the ongoing discussions read as follows:

- Article 23.4: “In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.”
- Article 24.2: “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 entry into force of the WTO Agreement .”

Developments from November 1997 to August 1999

A number of countries flagged their concerns that the absolute protection conferred by Article 23 was limited to wines and spirits and the whole section disregarded categories of goods that were of great importance.¹⁴ The examination of laws and regulations—although carried out with particular care by all participants—was not fully satisfactory and many responses gave the impression that implementation by some Members was incomplete. This was, at least, the impression of the Swiss Delegation. More importantly, it seemed that some countries afford more protection and others were content with less, i.e., they adopted a minimalist approach. Some countries, including Switzerland, regretted this imbalance. More informative work was deemed necessary. Proposals for synoptic tables as a fact-finding exercise were made by the European Communities and their member States and supported by the Czech Republic, Hungary, India and Switzerland.

This work undertaken in 1998 may be characterized as being very slow, a factor which comes as no surprise taking into account the interests at stake and the background considerations some participants may have in mind. However, one may venture to say that awareness of the importance of geographical indications slowly increased, notably from a number of developing countries.

¹³ See Mathijs Geuze, op. cit. (footnote 1), paragraph 10 et seq.; Daniel Gervais, *The TRIPS Agreement, Drafting History and Analysis*, Sweet and Maxwell, 1998, pp.134-135.

¹⁴ For example, Switzerland deplored that protection is insufficient for agricultural products, foodstuffs, handicrafts and industrial products (non-paper dated 31 July 1997; see Focus 20, page 5).

Article 23.4

In accordance with the TRIPS Council decision,¹⁵ an information-gathering process was launched concerning the national or regional systems for the registration of geographical indications. It generated 12 submissions¹⁶ (see Annex 1). A background paper was prepared by the Secretariat containing precious information on existing notification and registration systems for geographical indications relating to wines and spirits.

Long and somehow repetitive discussions took place on the interpretation of Article 23.4. At one extreme, opinions were expressed that paragraph 4 was *expressis verbis* limited to wines. At the other extreme, it was pointed out that, in 1996, the Ministerial Declaration of Singapore had endorsed the TRIPS Council's report, which said in its § 34 that "[...] in regard to geographical indications [...] the Council will initiate [...] preliminary work on issues relevant to the negotiations specified in Article 23.4 of the TRIPS Agreement for wines. Issues relevant to a notification and registration system for spirits will be part of this preliminary work. All the [...] would be conducted without prejudice to the rights and obligations of members under the TRIPS Agreement."¹⁷ It appeared—at least to those Members who shared this latter opinion—that the Ministers did not want to exclude spirits, since they were empowered to change or not to endorse the TRIPS Council's report. Some countries did not exclude—as a working hypothesis—the extension to other products.

Although the text of Article 23.4 is quite clear on an accepted obligation to negotiate a system of notification and registration, some Members hold the view that such a system might create additional obligations or diminish their rights (again the considerations concerning exceptions were, to some extent, connected with this view). A short listing of the arguments offered by some Members which do not show great enthusiasm for a swift "entrée en matière" concerning Article 23.4 might be helpful:

- the system should not create additional obligations or diminish the rights and obligations contained in Section 3;
- its objective should be to facilitate the protection of geographical indications;
- it should accommodate the various systems for protection existing in WTO Member countries;
- it should not impose undue burdens on the WTO's Secretariat;
- it should be voluntary and non-burdensome for the Members which participate in the system;
- all information (voluntarily submitted to the Secretariat) should be made available to all WTO Members.

Whether these concerns will be met or not in the Members' proposals is a matter which is not yet fully discussed.

The EC proposal¹⁸

One salient point during 1998 was a proposal made by the European Communities and their Member States concerning a multilateral register of geographical indications for wines and spirits. For the sake of a full overview of this presentation, a summary of the proposal is presented below:

¹⁵ Document IP/C/8, § 34.

¹⁶ Documents IP/C/W76 and Addenda.

¹⁷ Document IP/C/8.

¹⁸ Document IP/C/W/107 of 28 July 1998.

Submission (i.e., application)

- Members wishing to avail themselves of the registration facility may send applications to the WTO Secretariat with the list of geographical indications recognized and protected in their country of origin and elements of proof that the geographical indication corresponds to the definition required by Article 22.1 TRIPS;
- Members will have to notify the WTO Secretariat regional and multilateral agreements as well as the list of geographical indications.

Notification

by the WTO Secretariat of the dossier (list of indications and elements of proof) to all WTO Members.

Opposition procedure

- Time limit for opposition : 1 year.
- Grounds for refusing protection:
 - the name does not fulfil the requirements of a geographical indication under Art. 22.1 TRIPS;
 - the geographical indication is not protected in the country of origin;
 - the geographical indication has become a generic or is the customary name of a grape variety in the third country on 1 January 1995;
 - the geographical indication, although literally true falsely represents that the goods originate in another territory.

Negotiation between the parties

- in case of homonymous indications;
- in case of prior use of trademarks.

Legal effects

- full and indefinite protection of geographical indications one year after notification in all WTO Members;
- no effect pending opposition procedure;
- opposition mechanism (yet to be developed);
- if case of successful opposition, the Member is not obliged to apply the principle of full and indefinite protection.

Publication

- definitive lists of geographical indications to be published (one for wines and one for spirits), including references to the relevant national legislation;
- updating when additional lists of geographical indications.

Alterations (i.e., changes) in the multilateral register

- addition of new geographical indications;
- possibility for each Member to request re-examination of a geographical indication in two cases: the indication has ceased to be protected or it has fallen into disuse.

The proposal triggered a process of useful questions, comments and replies,¹⁹ during 1998—and in 1999—and a counter-proposal in 1999 (see *infra*). Not surprisingly, if there are some critics based on a minimalist approach adopted by certain Members (only wines, no registration, etc.), many other interventions can be considered as questions for clarification. Other Members supported the EC proposal as a basis for future work, and asked for an extension to other products. For the Swiss Delegation, it has the following merits: it covers all the issues at stake and attempts to propose solutions to each of the provisions which need further action or implementation (Article 24.4 to 9).

Suggestions were made that discussion of the nature of the system for notification and registration of geographical indications be separated from discussion of the scope of coverage of such system. However, other views were expressed that the TRIPS Council can perfectly operate on a two-way track way and both issues were not mutually exclusive.

The proposal from Japan and the United States

Tabled on 17 February 1999 as a response to the EC text, the proposal was co-sponsored, at a later stage, by Canada and Chile.²⁰ It would be helpful to consider a short overview of its structure and content:

Notification

- the system proposed is voluntary and participation in the system can be terminated at any time;
- a Member wishing to participate submits a list of domestic geographical indications for “covered products”, with an indication of the date, if any, on which protection will expire;
- all other multilateral agreements under which each of the notified geographical indications is protected;
- notifications are to be made once or twice a year to avoid an administrative burden.

Registration

- the registration system proposed consists in a data base compiling all notified geographical indications for covered products;
- two identical or similar geographical indications may be submitted by more than one Member, provided the indication is recognized by each notifying Member in accordance with its national regime;
- transparency is ensured through distribution of lists of geographical indications to all Members and through the WTO web site;
- the WTO Secretariat is in charge of the administrative management of the data base (additions, deletions) on the basis of the notifications.

Legal effects under national legislation

- participating Members agree to “refer to” the WTO lists of notified geographical indications for covered products when making decisions to provide protection for geographical indications for such products in accordance with their national legislation;
- appeals from, or objections to, any decision (grant or rejection) concerning a particular geographical indication must be made at the national level at the request of appropriate interested parties;
- notwithstanding the above (i.e., whether there is a registration or not in the data base), geographical indications in accordance with national legislation are entitled to protection under Section 3.

Review

After two years from the establishment of the system.

¹⁹ Document IP/C/W/107 of 28 July 1998.

²⁰ Document IP/C/W/133 of 11 March 1999 and 133/Rev. 1 of 26 July 1999.

If the proposal was supported by some other Members, a number of other delegations questioned the value of a system which—put in a simplistic way—is only a multilateral data base made out of national data bases. The term “covered products” was aimed at responding to concerns expressed by those Members less interested in wines and spirits than in other products. The argument of light administrative burden and costs might be attractive to many Members. However, the fact that it relies on the national authorities of the examining Member and, therefore, on national considerations only (and not on those of the country of origin) makes the proposal less palatable to those Members with a tradition of strong protection of geographical indications. Although considerable time would be spent before a satisfactory system could be found for each camp, the proposal has one merit: it has launched the debate on concrete proposals and stopped relying on abstract principles and arguments only.

Hungary's proposal

As far as the argument in relation to the administrative costs and burden on the WTO Secretariat is concerned, it is noteworthy that the Delegation of Hungary made a new and interesting oral proposal in the TRIPS Council's meeting of last July: it proposed the Council to consider whether it would be appropriate to involve the International Bureau of WIPO in the management of the new system.²¹ If some Members considered the proposal as premature for the time being, another indicated that “it was an interesting idea to examine whether or not WIPO could play a role in the management of the future system, even if at the present stage Members did not have a consensus as to how the register should look.” If this could alleviate the administrative burden and financial costs, the proposal made by the Delegation of Hungary deserves a closer scrutiny in the future, in the October session or, in any event, next year.

The US proposal on the use of collective and certification marks²²

It consists mainly in proposing the use of collective or certification marks as an alternative solution for protecting geographical indications. A number of countries opposed this proposal on the ground that the trademark system is designed for other purposes and could not be applied as such to geographical indications. For example, a protected geographical indication does not have to be renewed. Renewal costs might be considered as an undue burden placed on the rightholder of the geographical indication. If the trademark system were deemed so fit for the protection of geographical indications, the negotiators would have been content with one Section, that on trademarks. According to one Member, the “trademark area was not really appropriate to protect geographical indications.”

Article 24.2

A checklist of questions was established based on proposals made by many countries, including those who opposed proposals for synoptic tables (see Annex 2). This exercise deserves some comments. Launched in May 1998, it ended up in an impressive collecting of responses by countries, including countries in transition and developing ones (on a voluntary basis) (see Annex 2). It represents a formidable reservoir of information, much more detailed than the one provided during the process of examination of laws and regulations. It shows the following: (1) many countries not only protect geographical indications for wines and spirits but also other products; (2) other Members, without being very focused—or not at all—on the production of

²¹ The proposal was later submitted to the General Council in view of the 1999 Ministerial Conference (doc. WT/C/W/294 of 5 August 1999).

²² Document IP/C/W/134 of 11 March 1999.

wines and spirits, are protecting other products (agricultural products, foodstuffs, handicrafts and industrial products)—or are preparing legislation for that purpose. In any event, it demonstrated that the argument used by some participants contending that the examination of laws and regulations made in 1996 would suffice for the purposes of Article 24.2 was rather unfounded.

Many proposals have been made for the expansion of the product areas that must benefit from the “absolute” protection presently limited to wines and spirits to other agricultural and handicraft products, for example rice, tea, beer, carpets, etc. Many proposals emanated from developing countries. All these suggestions have not been received with great enthusiasm by some Members; many have been reflected in proposals to the General Council (see *infra*).

On the basis of the 32 responses that have been received, the Secretariat will prepare a paper.

Preparatory Process for the Ministerial Conference

As mentioned above, there is a built-in agenda for geographical indications in the TRIPS Agreement. It would certainly not be terminated by the time of the Ministerial Conference in Seattle. Some decisions might be necessary on the follow-up of the built-in agenda.

As explained in the second part of this document, a process is under way under the auspices of the General Council to prepare recommendations for decisions to be taken by Ministers at the Seattle Meeting. References to a new round or to the Millennium round were made. As far as TRIPS are concerned, ideas and proposals have been put forward, some of direct relevance to geographical indications: they emanated from the EC,²³ the Czech Republic,²⁴ Cuba (and Dominican Republic, Egypt, Honduras, India, Indonesia, Nicaragua and Pakistan),²⁵ India,²⁶ Kenya (on behalf of the African Group),²⁷ Turkey,²⁸ Venezuela.²⁹ Switzerland will make a proposal on geographical indications in October. In a nutshell, it will support the extension of the protection of Article 23 to products other than wines and spirits.

If a new round of negotiations is launched in Seattle and if it contains a TRIPS component, any amendment in the built-in agenda relating to geographical indications would be negotiated in that context rather than in the TRIPS Council. It is too early to predict anything regarding TRIPS. The picture will be clearer by the end of October 1999. The sentiment of a number of countries is that implementation remains the primary concern, taking into account the fact that the TRIPS Agreement has to be implemented by developing countries as from 1 January 2000.

Concluding Remarks

All countries, developing and industrialized, have a clear interest in protecting their own geographical indications. Some Members have realized that it is a political issue of fostering the people’s identity through the use of local, regional and national indications instead of using other countries’ geographical indications, the more so if their products, their *terroir* or their *savoir-faire* are particularly significant. In a global world, geographical indications—in particular, the genuine ones, developed through generations—are the best marketing tools.

The difficulty encountered by the TRIPS Council in achieving the targets of its built-in agenda in the field of geographical indications is probably linked to considerations in other fields. The weeks preceding the Seattle Meeting will—hopefully—give a clearer picture, once the package of proposals and suggestions are on the table. In any event, the more Members achieve in the field of geographical indications, the more it will facilitate the reform policy in the field of agriculture. The pressure on their obligations to further liberalize agricultural policies will be alleviated.

²³ WT/GC/W/193.

²⁴ WT/GC/W/206.

²⁵ WT/GC/W/208.

²⁶ WT/GC/W/225, § 3.

²⁷ WT/GC/W/302, §26-27.

²⁸ WT/GC/W/249.

²⁹ WT/GC/W/282.

Annex 1

Systems for the Registration of Geographical Indications (Article 23.4)

Table of Responses Given by Members

Document symbol	Country	Date of document
IP/C/W/76	Egypt	04.08.97
IP/C/W/76/Add.1 + Corr	Poland	05.08.97
		14.10.97
IP/C/W/76/Add.2	Mexico	03.09.97
IP/C/W/76/Add.3	Peru	03.09.97
IP/C/W/76/Add.4	Japan	13.08.97
IP/C/W/76/Add.5	Switzerland	03.09.97
IP/C/W/76/Add.5/Suppl.1		10.09.97
IP/C/W/76/Add.6	Cuba	17.09.97
IP/C/W/76/Add.7	Czech Republic	18.09.97
IP/C/W/76/Add.8	European Communities and Member States	29.09.97
IP/C/W/76/Add.9	Hong Kong, China	13.10.97
IP/C/W/76/Add.10	USA	30.10.97
IP/C/W/76/Add.11	Costa Rica	18.11.97

Replies by 12 Members (N.B.: the European Communities have replied on behalf of their Member States) (data of August 1999)

Annex 2

Review under Article 24.2 of the Application of the Provisions of Section 3 of Part II

Checklist of Questions and Responses by Countries

Table of Contributions by Members

Document symbol	Country	Date
IP/C/W/117	Czech Republic	12.11.98
IP/C/W/117/Add.1	Japan	01.12.98
IP/C/W/117/Add.2	Bulgaria	01.12.98
IP/C/W/117/Add.3	United States	01.12.98
IP/C/W/117/Add.4	Turkey	05.02.99
IP/C/W/117/Add.5	Canada	14.01.99
IP/C/W/117/Add.6	Slovak Republic	28.01.99
IP/C/W/117/Add.7	Norway	05.02.99
IP/C/W/117/Add.8	Hungary	05.02.99
IP/C/W/117/Add.9	Ecuador	16.02.99
IP/C/W/117/Add.10	European Communities, Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Spain, Sweden, United Kingdom	26.03.99
IP/C/W/117/Add.10/Suppl.1	Portugal	28.06.99
IP/C/W/117/Add.11 & 11 Rev.1	Liechtenstein	10.02.99 & 15.04.99
IP/C/W/117/Add.12	New Zealand	10.02.99
IP/C/W/117/Add.13	Switzerland	16.02.99
IP/C/W/117/Add.14	Mexico	09.02.99
IP/C/W/117/Add.15 & Suppl. 1	Iceland	10.03.99 & 15.03.99
IP/C/W/117/Add.16	Peru	09.03.99
IP/C/W/117/Add.17	Romania	09.03.99
IP/C/W/117/Add.18	Venezuela	15.04.99
IP/C/W/117/Add.19	Australia	09.07.99

32 responses (including responses by the EC and 12 Member States) (data of August 1999)

The Protection of Geographical Indications in South Africa

Mrs. Anne Stern

Attorney/Director, DM Kisch, Inc., Intellectual Property Attorneys, Johannesburg*

It is common knowledge that some of the first vines were brought to South Africa with Jan van Riebeeck, brought to South Africa in 1652 by the Dutch East India Company, to colonise the Cape and provide a station where ships in transit could re-provision with water, foods, etc. From these inauspicious beginnings, began the wine industry which has become one of the dominant players in the South African economy, and to some extent, on a global basis.

During the later part of the 17th century and early 18th century, several groups of European immigrants arrived in South Africa, including amongst their numbers, French Huguenots and German settlers, who brought with them their skills and knowledge of wine making and who in their attempts to make South Africa their home, established themselves on land and farms which they called after their hometowns and provinces. Thus for example, farms such as LA PROVENCE, LA CHAMPAGNE and LANGUEDOC were established which date back to this period. The geographical names adopted by the settlers from the various motherlands were used, not only to name their farms, but also the products and practices which evolved on the farms, and which were often homonymous with existing terms, names, geographical references and registered trade marks in the motherlands. These geographical names and references remained in use in South Africa without any problems arising until the middle of this century.

The Crayfish Agreement

The importance of geographical indications and the international emphasis on and relevance of these, first came to the fore in approximately the 1930's when South Africa entered into an agreement with France, which agreement later became known colloquially as The Crayfish Agreement. Whilst I have only recently seen this Agreement, and note that the basis of the Agreement was that France undertook to make favourable tariffs available to South Africa in the export of its fruits and preserved crayfish to France, in an attempt to encourage trade between the two countries and to absorb the overload of crayfish that South Africa was unable to absorb in the domestic market. In turn, South Africa agreed to protect certain Appellations of Origin. This Agreement was something of an anomaly, in that no other new world wine producing countries insofar as I am aware, entered into similar Agreements, and the effect of this Agreement was dramatic in that, since that date, South Africa has, in terms of its legislation, incorporated the

* Mrs. Stern is also advisor to the South African Minister of Agriculture in trade related negotiations with the European Union.

terms of The Crayfish Agreement, and has given protection to and recognised the inviolability of those French Appellations of Origin that were referred to in The Agreement, which later became Government Notice R426 of Wine, Other Fermented Beverages and Spirits Act No. 25 of 1957. Thus for example, South African wine producers have not, since the 1930's in terms of South African legislation, been permitted to refer to their sparkling wines as CHAMPAGNE, their red wines as BURGUNDIES etc., as has become common practice in Australia, Chile, the United States of America, New Zealand, etc. It could therefore be said that South Africa was the first of the new world wine producing countries to give effect to and to recognise geographical indications, particularly as regards the wine trade.

Whilst on a number of occasions, trade marks were filed incorporating names which appeared in The Crayfish Agreement, such contentious issues were usually settled amicably and the Registrar of Trade Marks and our Higher Courts never had any cause to pronounce on the Crayfish Agreement. However, in 1983, a South African company called L'Ormarins (Pty) Limited filed a trade mark VIN DE NUIT under number 83/2324 to cover "wines, spirits and liqueurs, all other segmented beverages included in the class, dilutions, derivations and mixtures of the foregoing goods." The Institut National des Appellations d'Origine des Vins et Eaux-de-Vie (INAO), who monitored the South African position, decided to oppose the trade mark application on the basis that the proposed trade mark was so similar to the Appellation of Origins which is described as NUIITS ET COTES DE NUIT (*sic*), and which appears in this exact form in Government Notice R426. Whilst the Registrar, in his judgement of the 28th October 1991, found against the INAO and in favour of L'Ormarins, it is interesting to note that the reason for his rejection of this opposition was that the proposed trade mark VIN DE NUIT was not visually similar to the geographical indication NUIITS ET COTES DE NUIT, and that had the legislator intended to protect the term "NUIITS" *simpliciter*, he would have done so explicitly. In other words, the Registrar found that the wording that appeared in The Crayfish Agreement, i.e., NUIITS ET COTES DE NUIT, referred to a single appellation and not to the separate appellations NUIITS and COTE DE NUIITS or separate descriptions of the same appellations. He did however, make an order in terms of which the proprietor of the trade mark was to:

- enter a disclaimer of the French word NUIT;
- give an undertaking that the mark would only be used on wine produced from grapes harvested during the night; and
- give an undertaking, that in use, the trade mark VIN DE NUIT would always be used together with its translation, in either the Afrikaans or English language

on the basis that the word NUIT means NIGHT in French and on the understanding that VIN DE NUIT therefore means WINE OF THE NIGHT rather than THE WINE OF (FROM) NUIT.

Thus while he recognised the fact that the word NUIT had a French meaning, he refused to accept that it was the name of an appellation and thereby protected by The Crayfish Agreement. This case is still the subject matter of appeal, although it looks as if the appeal will be withdrawn in the near future.

A further trade mark application filed for HAUTE PROVENCE was withdrawn as a result of opposition to this application by the INAO.

It is interesting to note that in the week of preparing this article Haute Provence Vineyard have decided to also change the name of the vineyard despite previous insistence that they had the right to use the name.

There have been no decisions insofar as I am aware in South Africa involving foodstuffs and geographical indications although I am aware of the PARMA ham and similar cases in Europe and the United Kingdom. INAO has however attempted to expunge and oppose certain trade marks in South Africa, which take the form of labels, and which refer to Appletiser as "the Champagne of Fruit Juices." Judgement has however not yet been handed down in these cases. I understand that in Europe similar complaints were successfully lodged in respect of a mineral water which described itself as the "Champagne of mineral waters."

TRIPS Agreement

In any event, on the 1st January 1995, TRIPS came into force, with one of its provisions being that, by the year 1996, developed countries, including South Africa, had to comply with all its terms and conditions.

In terms of TRIPS, geographical indications are defined “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 product, is attributable to its geographical origin.” South Africa became a signatory of TRIPS by virtue of its accession to the Marrakesh Protocol on 15 April 1994.

In terms of Article 22.3 TRIPS states that where a member State’s legislation so permits, trade marks which contain or consist of geographical indications which refer to goods not originating in the territory indicated, if such use is likely to mislead the public as to the true place of origin, shall be refused or invalidated by the member.

This provision is repeated to some extent in Article 23.2 and 3. Article 23.3 however does state that where geographical indications occur, which are homonymous with geographical indications of other Members, then these must be differentiated from each other taking into account the equitable treatment of the producers and the possible misleading of the public.

Bearing the above prohibitions in mind, Article 24 provides for certain exceptions, in that:

- although geographical indications are protected by TRIPS, where a Member, and we may understand this phrase to read “wine producers within that member country,” has used a geographical indication in a continuous manner for at least ten years prior to the 15th April 1994 (the 15th April 1984) or in good faith before 15th April 1994, then such continued use cannot be prevented.
- Similarly, where a trade mark has been applied for or registered in good faith, and rights have been acquired in that trade mark before the date of application of TRIPS or before the geographical indication is protected in its country of origin, then the provisions of Articles 22 and 23 shall not prejudice the eligibility for or validity of the registration of a trade mark or right to use the trade mark, on the basis that this trade mark is identical with or similar to a geographical indication.
- The provision of TRIPS that has provoked much discussion in South Africa over the last twenty-four months has been Article 24.6 which contains by inference a definition of what a customary term is, i.e., “the common name for goods in the territory of a Member.” This is the Section which South Africa has stood fast on insofar as the arguments on Port and Sherry are concerned. The South African Government and the Wine Industry are adamant that the words PORT and SHERRY do not constitute geographical indications in South Africa, but customary terms which have existed for some two hundred years, and which use may even pre-date the use of the words by Portugal and Spain for the products as the world has come to know them. In any event, it would seem that the attitude adopted by the South African Government is that, provided Port and Sherry are customary terms, as defined in Article 24.6 as opposed to geographical indications, then South Africa, as a member of TRIPS, is not obliged to cease use of these customary terms or to adopt the provisions of Article 22 or Article 23. On the other hand, if the WTO were to make a finding that the words Port and Sherry constitute geographical indications in the true sense of the phrase, then the South African Government’s view is that such continued use is protected in terms of Article 24.4. In any event, it would seem that events have overtaken any discussions on this point, in that an Agreement appears to have been reached between the South African Government and the EU and a compromise reached, which terms are presently being negotiated. It would seem therefore that the rather messy terms and geographical descriptions provided for in The Crayfish Agreement have now been overtaken by the provisions of TRIPS, and that cases such as the VIN DE NUIT case, based on idiosyncratic and arbitrary spellings of geographical indications, as they appear in the Crayfish Agreement, will not recur.

Legislation

Over and above The Crayfish Agreement, and despite TRIPS, South Africa has, for a number of years, been putting in place legislation of its own which attempts to avoid confusion and which has introduced and put in place some of the most stringent requirements in the new world wine producing countries. For example, I can refer to the following:

- The Liquor Products Act No. 60 of 1989 which *inter alia* defines liquor products (one of which being wine), and sets out the requirements for each liquor product, and prohibits the use of false or misleading descriptions for liquor products, specifically prohibiting the use of the word wine or origin related expressions, unless authorisation has been granted in terms of a scheme. It is under this Act, that The Wine of Origin Scheme has been established.
- The Wine of Origin Scheme, which is administered by The Wine & Spirits Board, was created under the Liquor Products Act, well before TRIPS came into operation and is charged with the defining and demarcation of areas of production (regions, districts, wards and estates) and *inter alia* specifies the indications which must and may not be used on labels. It is this Scheme that defines certain areas as wine producing areas, and which registers the names of the South African wine producing estates. In view of the fact that it has a final approval of all wine labels, it can in this manner prohibit any reference to geographical indications which appear on such labels, which are either not accurate or which have not been approved by the Wine & Spirits Board as formed under the Liquor Products Act, or which do not comply with TRIPS.

Practice

The legislation referred to above provides the framework for the protection of geographical indications on wines and spirits in South Africa. Thus, officials who are appointed in terms of The Liquor Products Act, are given the right to take random samples of alcohol products from both the premises of producers and from liquor outlets and to analyze these so as to ensure that each product complies with all legal requirements, and that it carries no prohibited indications or indications which the producer is not entitled to use, and no misleading indications. Where such samples are found to contravene the legislation, the officials are entitled to seize the products and call upon the responsible persons to rectify the defects, failing which, criminal proceedings could be instituted. This protection does not extend only to wines intended for the domestic market, but to all wines intended also for export, where origin-related-claims must be substantiated and certificates of origin issued by the Wine & Spirits Board. Thus, no claims on origin may be made, unless such claim has been verified and certified by the Wine & Spirits Board.

Moreover, where a producer intends producing a wine of origin, he is obliged to notify the Board of his intention to do so before harvesting grapes, and to give the relevant officials of the Board an opportunity to verify the origin and cultivar of the grapes concerned. This ensures that the claims of the producer are true from the outset and adhered to throughout the production process.

On applying for final certification, the Board requires that samples of all labels are submitted to it and checks each and every indication on the labels to ensure that all legal requirements have been met, correspond with the product, and are not prohibited or misleading.

Conclusion

From the content of the above, it will be obvious that South Africa has, for the greater part of this century, recognised geographical indications and has, as a country, done its utmost to protect these. The only exceptions are in those instances where wine producers have either believed that they have a right to use a geographical indication, or by reason of the fact that such rights have been acquired through long usage, or have acquired legitimacy through their equation with customary terms. In some instances, producers have attempted to pull the wool over the eyes of both Trade Marks Office officials and/or other watchdogs, but the general rule is that where use has been either *mala fide* or in contravention of legislation, either legislation or common commercial sense has prevailed.

Mr. Hermann Rademeyer

Advocate of the High Court of South Africa, Legal Advisor to the South African National Department of Agriculture, Johannesburg*

South Africa has since 1935 recognised geographical indications as a form of intellectual property and regulated their use on our wines. We prevented the use of “Champagne” and “Burgundy” and many others on our wines for more than 60 years. South Africa has been proactive in its protection long before the commencement of TRIPS negotiations.

This “good guy” image may or may not have worked to our advantage.

27 April 1994 marked both the birth of the New South Africa and the end of the isolation of the South African economy. South Africa looked forward to play its rightful part as a member of the world economy and market.

South Africa may have escaped most of the controversy surrounding the usage of “genericised” geographical indications exactly for the reason that we prevented the use of “Champagne” and many others, but is now facing a total political and economic onslaught on its use of “port” and “sherry” from the European Union. This appears to be rather ungrateful and opportunistic and not even remotely intended to protect consumers. Our proud track record with respect to the protection of geographical indications is easily overlooked in the frenzy to stake the biggest claim possible in geographical indications.

Double Standards

TRIPS has standardised a set of rules for trade, investment measures and intellectual property. This is particularly true in respect of wine as this Agreement goes to great lengths to ensure the authenticity of indications on wine. The TRIPS Agreement sets the standard for the protection of geographical indications on foodstuffs and other products generally with the intention to prevent the misleading of the public or to prevent unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).¹

In the case of wine and spirits the standard for the protection of geographical indications is more stringent. Art. 23.1 of TRIPS prevents the use of a geographical indication even where the true origin of the wine is indicated. It is clear that the aim was not merely to protect the consumer but to extend the protection to the purported legitimate user. The implications of this difference in approach between food and wine is only really felt by the member states three years down the line from the date of implementation. The question remains to be asked whether the difference is justified.

* Mr. Rademeyer is also a legal advisor to the South African negotiating team with regard to trade in wine and spirits with the European Union.

¹ TRIPS, Art. 22.2.

In the case of wine Art. 24 of TRIPS includes an important exception for the continued use of geographical indications that have become customary in usage in member states. I will refer to these terms as “customary terms.” Invariably the geographical indications concerned are connected to European place names and have become customary in usage as a result of historical events. The argument that the European Union (EU) likes to use in its bi-laterals is purportedly based on Article 24.1. The EU expects WTO members to negotiate on the phasing-out of customary terms in return for market access for wine imports into the EU.

South Africa holds the view that Article 24.1 is a permanent provision of TRIPS. This does not preclude the interpretation that customary terms could permanently co-exist with corresponding geographical indications. Nowhere is it required that these terms should be phased out. It is rather contemplated that Members could agree to disagree on the issue. The EU trade-off of market access in return for phasing out is therefore not in line with the spirit of TRIPS. The EU is compelled to bring other concessions to negotiations than the offer of market access, otherwise the exception will become a bit of a farce.

There is mounting pressure from the EU to downplay its value and intention as an exception to the rule. The question remains to be asked whether this exception serves any purpose at all in an international arena where “springboks” are pitched against “elephants.” South Africa is but one of the “springboks” and the European Union one of the many “elephants.” In the African mind animal symbols usually convey a symbolic meaning!

South African Legislative Protection

The primary and most frequently quoted instruments in terms whereof the authenticity of indications on wine is protected, are the **Liquor Products Act** (Act No. 60 of 1989) and the **Regulations and Wine of Origin Scheme** promulgated under the said Act.

In 1998 a request was received by Government to draft regulations to protect specific geographical indications for wine in terms of the Liquor Products Act in order to comply with our obligations under the TRIPS Agreement. It became apparent that the existing South African laws did not provide the necessary framework to make regulations protecting specified geographical indications. However, in 1998 the South African Parliament approved an addition² to the **Agricultural Products Standards Act**, No. 119 of 1990, in order to provide this framework. This Act regulates the quality standards and indications on the packaging of agricultural products that are sold in or exported from South Africa.

Section 6A of the Act determines that:

- “(1) *The Minister may, notwithstanding any other agricultural laws relating to a specific product and taking into account the Republic’s international obligations, by notice in the Gazette, prohibit the use of specified geographical or other names, or terms in connection with the sale or export of a specified product, on such conditions as may be specified in such notice.*
- (2) *A prohibition issued under subsection (1) shall also apply where the geographical name in question*
- (a) is used in connection with an indication of the true origin of the product in question;*
 - (b) is used in translation; or*
 - (c) is used together with words such as “kind”, “type”, “style”, “imitation” or similar words or expressions.*
- (3) *The Minister may in such notice authorise the executive officer to exempt a person from the prohibition under such circumstances as may be specified in such notice.”*

(The executive officer is the official responsible for the enforcement of the Act.)

² Agricultural Product Standards Amendment Act, No. 63 of 1998.

It is interesting to note that this protection can be extended to any product that is specified, including food and wine. The wording of this section quite clearly has been borrowed from Article 23 of TRIPS, which is aimed at additional protection for wines and spirits, and was not intended for, for example, food. This could have been an oversight in the haste to provide the legal means for protection of geographical indications for wines and spirits. It is unlikely that South Africa is willing to extend the additional protection to other products. All along South Africa is merely trying to fulfil its obligations in terms of TRIPS.

At this stage it is envisaged that only geographical indications will be protected by regulations as soon as an agreement is reached on a bi-lateral level, although the Act makes provision for the protection of geographical names as well as “other names.” The extension of protection to so-called “traditional expressions” will only be considered by South Africa after it is recognised and protected by TRIPS.

A new **Trade Marks Act**, No. 194 of 1993, was signed by the State President on the 27th December 1993 which came into force on 1 May 1995, replacing the old 1964 Act. The 1993 Act was drafted so as to come in line with TRIPS, having reference to the British White Paper and therefore the new British Trade Marks Act. In terms of Section 10 of the 1993 Act, a mark which consists exclusively of a sign or an indication which may serve in trade to designate the geographical origin or other characteristics of the goods or services cannot be registered as a trade mark.

However, it will be noted that even the Trade Marks Act of 1964 lent some protection to geographical indications, although it contained no specific reference to geographical names, as opposed to the old British Act, where geographical marks were held to be non-distinctive. Thus the Registrar of Trade Marks in South Africa would only accept marks which consisted of geographical names under the 1964 Trade Marks Act on proof of distinctiveness and provided only that the mark was not reasonably required for use in the trade in respect of the goods and services concerned.

Similarly, the **Merchandise Marks Act** No. 17 of 1941 provides that where a trade description (i.e., any description, statement or any other indication as to the place or country in which the goods are made or produced or as to the mode of manufacturing or producing any goods) is falsely applied or forged, then, in terms of Section 6, a person who applies such false trade description is guilty of an offence.

From the above, it will be noted that a trade mark consisting of a geographical indication which was not distinctive could not be registered under the 1964 Trade Marks Act and if considered to be a false trade description, constitutes a contravention of the Merchandise Marks Act. Moreover, our common law also provides remedies in the form of unlawful competition where misrepresentations are made as to the place or country from which goods emanate.

Protection of Future Geographical Indications

South Africa is a developing country with a developing food and wine industry. South Africa continually has to add new names to its list of geographical indications. Where do these names come from? South Africa instituted a “reserve” list of names for future geographical indications in the wine sector.

We have taken pro-active steps to pass legislation that prevents the registration and exploitation of certain well-known geographical names through registration as trade marks in the wine sector, in the light of the fact that they could become future geographical indications since limited production is already taking place in the area.

Developed wine industries find the concept hard to understand because their industries and geographical indications are established and not subject to major changes. This is however essential for the orderly development and protection of geographical indications in a developing industry. South Africa therefore supports the principle that multi-lateral recognition should be given to developing nations’ legislative protection of lists of potential geographical indications. This recognition should be able to be upgraded to the level of geographical indications at the opportune moment.

“Springboks Versus Elephants”

While TRIPS creates a minimum standard for its members, it is common cause that most of the secondary issues are thrashed out at bi-lateral levels. While some attempts are made to achieve asymmetry in trade relations between developed and developing members at bi-lateral level, South Africa and many of the smaller trading nations are asking whether TRIPS should not address the issue of asymmetrical application of TRIPS to its Members.

The permanency and practical application of the exceptions set out in Article 24 are a case in point. The smaller trading nations simply cannot refuse the pressure of large economic communities to sell their “birth-right” for the metaphorical bowl of lentil soup. The guaranteed application and permanency of the exceptions should be non-negotiable in the case of developing countries.

Articles 22.2 and 23.1 of TRIPS compel Members to “provide the legal means for interested parties to prevent” the improper use of geographical indications. South Africa holds the view, and we enjoy the support of other Members, that TRIPS does not compel Members to maintain expensive government inspectorates to enforce the protection of another Member’s geographical indications, but rather to provide the legal framework for aggrieved parties to seek protection of their geographical indications through South African courts of law.

This has become a major stumbling block in bi-laterals between rich and poorer members. The truth of the matter is that the scope of protection that is sought by the European Union in bi-laterals is too onerous for poorer Members. Poorer Members simply cannot afford the same level of protection of geographical indications, i.e., the criminalisation and subsequent enforcement. New Zealand hit a brick wall with EU on this issue. South Africa is concerned that it may be the first of many casualties in the ongoing battle for geographical indications.

Conclusion

South Africa has been classified a “developed country Member” for the purposes of TRIPS. This classification has to be seen in the context of the other members who are also required to comply fully with TRIPS. There are the “elephants:” the EU, United States and Japan. Then there are the “springboks:” South Africa, Mexico, New Zealand and many more.

TRIPS³ attempted to address the disparity issue by delaying the implementation dates for “developing country Members” (the “duikers”⁴) and “least-developed country Members” (the “riverine rabbits”⁵). This has proven to be insufficient even for many “developed country members.” There is a growing concern that the warning lights are on for the successful implementation of TRIPS. The “smaller species” of the world must be protected from the trampling of the “elephants” and TRIPS can afford more protection to them.

³ Articles 65 and 66.

⁴ A small species of antelope.

⁵ An endangered species.

The Protection of Geographical Indications in the United States of America

Ms. Lynne Beresford

Attorney-Advisor, Office of Legislative and International Affairs, Patent and Trademark Office,
U.S. Department of Commerce, Washington D.C.*

The United States provides protection for geographical indications in a variety of ways, including by unfair competition law, by federal and state statute, and by regulation.

Applications for Federal Trademark Registration

With respect to the federal registration of trademarks, Section 2(a) of the Trademark Act, 15 U.S.C. §1052(a), incorporates the prohibitions contained in TRIPS Articles 23.1, 23.2, and 23.3, in the following manner. Section 2(a) prohibits, in pertinent part:

“[registration of marks which consist of or comprise] a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement (as defined in section 2(9) of the Uruguay Round Agreements Act) enters into force with respect to the United States.”

In addition, Section 2(e)(3) of the Trademark Act, 15 U.S.C. §1052(e)(3), prohibits registration on the Principal Register of a mark which is primarily geographically deceptively misdescriptive of the goods or services named in the application. Such a mark may not be registered on either the Principal Register or the Supplemental Register, except in cases where the mark acquired distinctiveness or was in lawful use in commerce prior to December 8, 1993, the date of enactment of the North American Free Trade Agreement Implementation Act, Public Law 103-182, 107 Stat. 2057. A mark which is unregistrable under §2(e)(3) may be considered for registration on the Principal Register in accordance with §2(f) only upon a showing that the mark became distinctive of the applicant's goods or services in commerce before December 8, 1993. 15 U.S.C. §§1052(e)(3) and 1052(f). A mark which is unregistrable under §2(e)(3) may be considered for registration on the Supplemental Register, in accordance with §23, only if it has been in lawful use in commerce by the owner since before December 8, 1993. 15 U.S.C. §§1052(e)(3) and 1091. See TMEP §1210.06.

* Ms. Beresford is a technical advisor on intellectual property issues at negotiations between the European Union and the United States of America concerning a bilateral wine agreement, on trademark and geographical indication issues at the Free Trade Agreement of the Americas meeting on these issues, and to the U.S. delegation to the TRIPS Council concerning trademark and geographical indication issues.

Thus, the mere presence of a misdescriptive geographical indication in a mark used to identify wines or spirits requires a refusal to register under Sections 2(a) and 2(e)(3) of the Trademark Act, because the misdescriptive term (with respect to wines and spirits) is presumptively deemed deceptive.

Use on Labels Controlled by the Bureau of Alcohol, Tobacco, and Firearms (ATF)

Even if a party does not apply for federal registration of a trademark incorporating a misdescriptive geographical indication, such use on labels is proscribed by the relevant regulations promulgated by the Bureau of Alcohol, Tobacco, and Firearms (ATF). The Bureau of Alcohol, Tobacco and Firearms, a law enforcement agency under the U.S. Department of the Treasury, is charged with the administration and enforcement of federal laws relating to the taxation, labeling and advertising of alcoholic beverage products. Among these laws, the Federal Alcohol Administration Act, 27 U.S.C. §§201, *et. seq.*, prohibits the sale of alcohol beverage products that are not labeled in conformity with regulations intended to prohibit consumer deception and to provide the consumer with adequate information about the identity of the product. ATF regulations promulgating section 205, as pertaining to wines and distilled spirits, are in 27 C.F.R. Parts 4 and 5, respectively.

Wines: Labeling

Title 27, C.F.R. section 4.39 enumerates prohibited practices with respect to labeling of wine. Under 27 C.F.R. §4.39(a)(1), labels of wine may not contain “[a]ny statement that is false or untrue in any particular, or that, irrespective of falsity, directly or by ambiguity, omission or interference, or by the addition of scientific or technical matter, tends to create a misleading impression.”

Furthermore, under 27 C.F.R. §4.39(i), generally, a brand name of viticultural significance may not be used unless the wine meets the appellation of origin requirements for the geographical area named. A name has viticultural significance when it is the name of a state or county (or the foreign equivalents), when approved as a viticultural area, or by a foreign government, or when found to have viticultural significance by the Director of ATF. 27 C.F.R. §4.39(i)(3).

In addition, under 27 C.F.R. §4.39(j), product names with specific geographical significance may not be used on labels, unless the Director of ATF finds that, because of their long usage, such names are recognized by consumers as fanciful product names and not representative of origin. In such cases, the product names must be qualified with the word “brand” immediately following the product name, in the same size of type, and as conspicuous as the product name itself. Also, in such cases, the label must bear an appellation of origin and, if required by the Director, a statement disclaiming the geographical reference as a representation as to the origin of the wine.

In addition, 27 C.F.R. §4.39(k) prohibits on wine labels the use of “[o]ther statements, designs, devices or representations which indicate or infer an origin other than the true place of origin of the wine.”

Note that under 27 C.F.R. §4.33, brand names on wine labels that are misleading as to age, origin, identity or other characteristics of the product are prohibited.

Wines: Advertisements

Title 27, C.F.R. section 4.64 enumerates prohibited practices with respect to advertising for wines. Under 27 C.F.R. §4.64(a)(1), a wine advertisement may not contain “any statement that is false or untrue in any material particular, or that, irrespective of falsity, directly, or by ambi-

guity, omission or inference, or by the addition of irrelevant, scientific or technical matter, tends to create a misleading impression.”

In addition, 27 C.F.R. §4.64(g), sets forth that “[n]o statement, design, device, or representation which tends to create the impression that the wine originated in a particular place or region, shall appear in any advertisement unless the label of the advertised product bears an appellation of origin, and such appellation of origin appears in the advertisement in direct conjunction with the class and type designation.”

Spirits: Labeling

Under 27 C.F.R. §5.34, no label of distilled spirits may contain any brand name, which standing alone, or in association with other printed or graphic matter, creates any impression or inference as to the age, origin, identity or other characteristics of the product.

In addition, under 27 C.F.R. §5.42(a), statements on labels of distilled spirits may not contain “[a]ny statement that is false or untrue in any particular, or that, irrespective of falsity, directly or by ambiguity, omission or interference, or by the addition of scientific or technical matter, tends to create a misleading impression.”

All labels of distilled spirits products must disclose the products’ class and type. 27 C.F.R. §5.32. As such, geographical names for distinctive types of distilled spirits may not apply to any distilled spirits produced in any other place than the particular region indicated by the name. 27 C.F.R. §5.22(k)(1). There are several exceptions to this rule. For instance, if in direct conjunction with the name there appears the word “type” or the word “American” or some other adjective indicating the true place of production, in letters substantially as conspicuous as such name, such geographical name may be allowed. 27 C.F.R. §5.22(k)(1). Or, if the Director of ATF specifically finds that such geographical name has, by usage and common knowledge lost its geographical significance to such extent that it has become generic, such name may also be used. 27 C.F.R. §5.22(k)(2). ATF applies these rules in a manner authorized by and consistent with TRIPS Article 24.

However, under 27 C.F.R. §5.22(k)(3), geographical names that are not names for distinctive types of distilled spirits, that have not become generic, shall not be applied to distilled spirits produced in any other place than the particular place or region indicated by that name.

Spirits: Advertisements

Title 27, C.F.R. section 5.65 enumerates prohibited practices with respect to advertising of spirits. Specifically, 27 C.F.R. §5.65(a)(1) prohibits use of “[a]ny statement that is false or untrue in any particular, or that, irrespective of falsity, directly, or by ambiguity, omission, or inference, or by the addition of irrelevant, scientific or technical matter, tends to create a misleading impression.”

Rights Established Through Actual Use—“Common Law” Rights

Although not a system of protection, rights in a geographical indication may be created through actual use and without applying for recognition either as a trademark or certification mark.

Protection of Geographical Indications as Common Law Certification Marks

Courts have recognized that rights can arise in a geographical indication because it is being used as a common law certification mark. In the recent case *Institut National Des Appellations d’Origine v. Brown-Forman Corp.* 47 USPQ2d 1875,1885 (TTAB 1998), the Trademark Trial

and Appeal Board found that “where a geographical designation is controlled and limited in such a manner that it reliably indicates to purchasers that the goods bearing the designation come exclusively from a particular region, then that term functions as a regional certification mark, just as a term which reliably indicates to purchasers that the goods come from a particular producer functions as a trademark.” Further, the TTAB wrote that “in determining whether a designation, the use of which in fact is controlled by the certifier, is a protectible regional certification mark, as opposed to an unprotectible generic name for the product, the issue is not whether the public is expressly aware of the certification function of the mark ... but rather whether the public understands that goods bearing the mark come only from the region named in the mark.” *Institut National Des Appellations d’Origine v. Brown-Forman Corp.* 47 USPQ2d 1875,1885, (TTAB 1998) at 1885. A similar result was reached in the *Black Hills Jewelry Manufacturing Company et al. v. LaBelle’s et al.* 208 USPQ 336 (DCSD 1980), where a group of jewelry manufacturers were held to have a protectible interest in a common law certification mark for gold jewelry.

Protection of Geographical Indications as Registered Certification Marks

The Trademark Act of 1946, as amended, provides for protection of geographical indications as certification marks. The following are examples of registered certification marks:

- **IDAHO**, certification mark for potatoes and onions. U.S. Registration No. 802,418, issued pursuant to Section 4, 15 U.S.C. §1054, of the Trademark Act.
- **REAL CALIFORNIA CHEESE** and Design, certification mark for cheese. U.S. Registration No. 1,285,675, issued pursuant to Section 4, 15 U.S.C. §1054, of the Trademark Act.
- **NAPA VALLEY RESERVE** and Design, certification mark for still wines and sparkling wines. U.S. Registration No. 1,889,064, issued pursuant to Section 4, 15 U.S.C. §1054, of the Trademark Act.
- **PRIDE OF NEW YORK** and Design, certification mark for agricultural products which are produced or processed in New York. U.S. Registration No. 2,181,021, issued pursuant to Section 4, 15 U.S.C. §1054, of the Trademark Act.
- **OHIO RIVER VALLEY**, a recognized viticultural area under 27 C.F.R. §9.78, as authorized by section 105(e), 27 U.S.C. §205(e), of the FAA Act.

How Certification Marks are Obtained in the United States

In obtaining a federal registration for a certification mark, there exists no list of specific criteria to be met. Pursuant to Section 1306.02(a) of the TMEP, examining attorneys at the PTO are instructed to examine the specimens of use and evidence in the record to determine whether the geographical term is being used as a certification mark to indicate the regional origin of the goods upon which it is used. If the record or other evidence available to the examining attorney indicates that a specific term in question has a principal significance as a description of the goods rather than as a certification mark (e.g., “Paris” for perfume), registration should be refused. The basis for the refusal is that the subject matter does not function as a certification mark and that it is primarily geographically descriptive of the goods, pursuant to §§2, 4 and 45 of the Trademark Act, 15 U.S.C. §§1052, 1054 and 1127. When a geographical term is used as a certification mark to indicate regional origin, the trademark application should define the regional origin which the mark certifies, if the wording comprising the mark does not clearly indicate what region is intended.

With respect to registration of geographical indications as certification marks, applicants (certifiers) must submit a copy of the standards established to determine whether others may use the certification mark on their goods and/or in connection with their services. 37 C.F.R. §2.61(b). The standards need not be original with the applicant. They may be standards established by another party; such as specifications promulgated by a government agency or standards devel-

oped through research of a private research organization. See TMEP §1306.06(g)(ii). Among other things, the applicant may identify human factors as an element of its certification criteria.

Common law rights to a geographical indication would be established in accordance with a determination by a state or federal court. As has been noted above, there is no set of criteria upon which a state or federal court would base a decision.

Private entities may own the rights to a geographical indication. There are no statutory or regulatory prohibitions regarding the rights of private entities to own intellectual property rights in a geographical indication. In general, where a private entity owns a certification mark, the owner is an association of manufacturers or producers within a certain area.

Federal Registration & Authority to Control a Geographical Term

When a certification mark consists solely, or essentially, of a geographical term, the PTO inquires as to the authority of the applicant to control the use of the term, if the authority is not obvious. Normally the authority which exercises control over the use of a geographical term as a certification mark is a governmental body or a body operating with governmental authorization. The right which a private person can acquire in a geographical term is usually a trademark right, on the basis of exclusive use resulting in the term becoming distinctive of that person's goods. When, however, circumstances make it desirable or necessary for many or all persons in a region to use the name of the region to indicate the origin of their goods, there would be no opportunity for the name to become distinctive for only one person. The term would be used by all persons in the region, not as a trademark indicating commercial origin, but as a certification mark indicating regional origin.

When a geographical term is used as a certification mark, two elements are of basic concern: first, preserving the freedom of all persons in the region to use the term and, second, preventing abuses or illegal uses of the mark which would be detrimental to all those entitled to use the mark. Normally a private individual is not in the best position to fulfill these objectives satisfactorily. The government of a region would be the logical authority to control the use of the name of the region. The government, either directly or through a body to which it has given authority, would have power to preserve the right of all persons and to prevent abuse or illegal use of the mark.

The Government as Applicant for a Geographical Certification Mark

The applicant may be the government itself (such as the government of the United States, a state or a city) or it may be one of the departments of a government, or it may be a body operating with governmental authorization although not formally a part of the government. There may be an interrelationship between bodies in more than one of these categories and the decision as to which is the appropriate body to apply is influenced by which body actually conducts the certification program or is most directly associated with it. The determination may be made by the applicant, provided the PTO does not find any inconsistency between the selection and the facts indicated in the record.

Private Entities as Applicants for Certification Marks

There is nothing in the Trademark Act that prohibits ownership of a certification mark by a private entity. In the examination of such an application, the examining attorney must determine whether or not the applicant will preserve the freedom of all entities that meet the certifying standard to use the mark. In general, entities that are real certifying organizations will be associations, collectives and other organizations that represent the growers, manufacturers or producers of a particular good or service.

Who may Oppose Registration of a Geographical Certification Mark?

Generally speaking, any party that has “standing” may oppose recognition of a geographical indication. With respect to recognition of geographical indications, “standing” means that a party has a real interest, financial or otherwise, in the result of the litigation.

With respect to registration as a trademark or certification mark, the well-publicized procedures for filing a trademark or certification mark application before the Patent and Trademark Office must be followed. Thus manufacturers or producers from an area in which a certification mark is being sought would have the right to oppose registration if the certification standards or enunciated area were not being set out in a fair manner.

One is often asked if there is not a real possibility that an individual will “capture” a certification mark for a particular geographical indication and then exclude the “real” manufacturers or producers from using the mark. There has been little litigation in this area. First, because of the publication requirements, anyone who might be harmed by such a registration has plenty of opportunity to object. Second, the examination process would tend to eliminate the applicant who is trying to capture such a mark. Finally, under U.S. law, the owner of the certification mark is not allowed to use the mark on its products. The owner of the certification mark must allow others to use the mark and it must allow any entity that meets the certifying standards to use the mark. These provisions, taken together seem to have stopped any attempts to “capture” or unfairly use a geographical indication.

Disputes related to trademark issues are raised by interested/aggrieved parties. A party that believes itself entitled to use a geographical indication might send a “cease and desist” letter to its rival, might file an opposition or cancellation petition with the PTO, or could file suit in state or federal court.

ATF Procedures

Complaints related to the misuse of a geographical indication in labels or advertising of wines and distilled spirits are resolved by ATF. An aggrieved party may file a complaint alleging misuse of a geographical indication with ATF. ATF will investigate the matter, and will give all interested parties an opportunity to present evidence in support of their positions. Based on evidence presented, ATF will make a determination as to whether the geographical indication has been misused. This approach enables ATF to evaluate the use of a particular designation of geographical significance and determine on a case-by-case basis whether the use of such designation is in accordance with the laws, regulations and obligations of the United States. In addition, ATF actions are subject to judicial review in federal court.

The TRIPS Definition of Geographical Indications

Article 22 of the TRIPS Agreement sets out a definition of geographical indications. It states that geographical indications are “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.”

From this definition, it is apparent that every geographical term is not a geographical indication. There must be some product or service associated with the term

The TRIPS Standard for Protecting Geographical Indications

Article 22 states that Members must provide a system that permits interested parties to prevent the use of a geographical designation or presentation of a good that indicates or suggest the good in question originates in a geographical area other than the true place of origin in a manner that misleads the public.

Members must also provide that a trademark registration may be refused or invalidated if it consists of a geographical indication for goods that do not originate in the place indicated if such an indication misleads the public.

The TRIPS Agreement does not require that any Member establish a registration system for geographical indications. Of course, many Members are interested in such a system. Having publicly available records as to what terms are claimed as geographical indications is very helpful to businesses and consumers.

Special Treatment for the Geographical Indications Used for Wines and Spirits

Article 23 provides for additional protection for geographical indications used for wines and spirits. Geographical indications used for wines and spirits cannot be modified with such terms as “kind,” style,” or “imitation.”

Article 23 also provides that the Council for TRIPS shall negotiate on a multilateral system for the notification and registration of geographical indications. Such negotiations are now underway.

Article 24 provides a list of exceptions to the protection for geographical indications set out in the earlier Articles and provides provisions for the grandfathering of trademark and other rights.

Systems for Protecting Geographical Indications

There are a number of different regimes for protecting geographical indications. Many of those regimes are essentially labeling regimes. Thus, in the U.S. the Bureau of Alcohol, Tobacco and Firearms controls the terms that may be used on the label of any wine or spirits sold in the United States. ATF maintains a list of geographical indications that have been notified to them from third countries. For example, there are more than 400 geographical indications from Europe on their list. No one, except the listed owner, can use such a geographical indication on a label approved by ATF.

The French system of Appellations of Origin is another type of label approval scheme, although it is much more elaborate than the one used by the ATF.

In contrast to these label-approval regimes, geographical indications can be protected through the law of unfair competition, or through the use of the trademark/certification mark law.

Geographical Terms that are not Geographical Indications

It is obvious that there are many geographical terms that are not geographical indications as defined in the TRIPS Agreement. The geographical terms are not “intellectual property” *per se*. No individual can exert ownership rights in or connect the particular geographical term with specific goods or services, to the exclusion of others. Of course, the misuse of such terms would be misleading and unfair. Thus, most countries have laws that establish rules for indicating the origin of the goods or services on the label or other packaging. Often these issues are dealt with under unfair competition laws or consumer protection laws. In the United States, the Department of Agriculture, and the Food and Drug Administration have competence to reject labels or to recall food or drugs that contain misleading geographical claims.

Trademarks and Geographical Indications: Compared

Both trademarks and geographical indications serve to indicate the quality and the source of the goods or services with which they are used. Thus the “Napa Valley” certification mark for

wines functions to set out the geographical source of the wine and to indicate the level of quality of the wine.

Further, geographical indications, just like trademarks, only exist in relation to specific goods and/or services. As Article 22 states: “Geographical indications ... identify a good as originating in the territory of a Member ... where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin.” Thus, geographical indications arise only when the geographical term is connected with specific goods or services.

Geographical indications arise at the time when there is a connection made between a particular good or service and a word that denotes a particular area or region. Under the definition of a geographical indication set out in the TRIPS Agreement, there is never a geographical indication until the goods/place association is made. Under common law, trademark rights also arise when there is a connection between a particular good or service and a specific mark.

Finally, geographical indications are used by businesses and are assets of those businesses. The importance of a geographical indication is measured by its ability to increase the value of the product to which it is attached. It functions, in short, precisely as a trademark does and has value for precisely the same reasons.

Geographical indications differ from trademarks in that geographical indications are often established either in the law of a member country or are owned by an entity that represents a group of growers or producers of a particular product. Geographical indications therefore function like certification marks in that certification marks are not owned by the individuals who actually use the mark on their goods or services. Rather, certification marks are owned and managed by a certifying organization, e.g. the Napa Valley Reserve Certification Board. The owner of the certification mark sets the certifying standards and anyone who meets the standards may use the certification mark.

For example, certification marks for products such as Florida oranges and Idaho potatoes can be used by any grower who meets the published standards for such a product.

The owner of the certification mark can prevent misuse of the mark by filing suit against anyone who uses it without meeting the proper standards.

Benefits of the Certification Mark System to Protect Geographical Indications

There are many benefits to using the certification or collective mark system to protect geographical indications. Most importantly, allowing businesses to create certification marks permits more flexibility in their use. Businesses are not locked in by legislative language that hampers their ability to change with the times. Taxpayers benefit because they do not have to pay for a government enforcement apparatus to oversee the use of the geographical indications. Producers of the particular goods or services using a geographical indication can have input into establishing the certifying standards for the geographical indication.

Another benefit of using the certification mark system for protecting geographical indications is that the owner of the certification mark can prevent the use of its geographical indication for collateral goods, e.g. tee shirts or key rings.

The Future System for Protection of Geographical Indications

Communication from Japan and the United States

A proposal for a multilateral system for notification and registration of geographical indications for wines and spirits based on Article 23.4 of the TRIPS Agreement was presented to the TRIPS Council from the delegations of Japan and the United States, on 17 February 1999. The text of this proposal is in the following Annex.

Introduction

Article 23.4¹ of the TRIPS Agreement calls for negotiations to be undertaken in the TRIPS Council aimed at establishing a multilateral system of notification and registration of geographical indications for wines eligible for protection in the territory of WTO Members participating in the system. The paragraph makes clear that the purpose of the system is to facilitate the protection of geographical indications for wines under Section 3 of Part II of the TRIPS Agreement. The Singapore Ministerial Declaration extended the scope of preliminary work to include issues relevant to a notification and registration system for spirits.²

During the September and December discussions, the United States representative noted that the purpose of any system established under Article 23.4 is to facilitate protection of geographical indications for wines and spirits under Section 3 of Part II of the TRIPS Agreement. Both Japan and the United States expressed the view that any system that might be developed should not establish new obligations or diminish the rights and obligations contained in Section 3 of Part II of the TRIPS Agreement; should accommodate the various systems for protection of geographical indications existing in all WTO Members' legal regimes; should not impose undue burdens or costs on the WTO Secretariat; and should be voluntary and non-burdensome for the WTO Members choosing to participate. Finally, both Japan and the United States asserted that any system of notification and registration should involve the voluntary submission of information to the Secretariat and that such information should be made available for WTO Members' use. Many other WTO Members identified similar criteria as reflecting the intent of Article 23.4.

Reasons for Proposal

In order to further development of a system that meets each of the identified criteria, Japan and the United States propose the following system for notification and registration of geographical indications for wines and spirits eligible for protection in participating WTO Members' territories. We believe that this system fulfils each of the criteria that Japan and the United States and other WTO Members have identified as appropriate for the system of notification and registration to be negotiated under Article 23.4.

- The proposed system will simply facilitate the protection of geographical indications for participating WTO Members.
- The proposed system will not impose substantive obligations regarding protection of geographical indications beyond those currently set out in Section 3 of Part II of the TRIPS Agreement.
- The proposed system will allow voluntary participation, as reflected by the words in Article 23.4, "in those Members participating in the system." A WTO Member is not required to participate in this system to obtain full protection under the TRIPS Agreement for its geographical indications for wines and spirits.
- The proposed system will recognise and accommodate the various regimes of WTO Members for protection of geographical indications described in the responses to the Article 24.2 questionnaire, if those regimes are consistent with the TRIPS Agreement.
- The proposed system will be simple and not costly for those choosing to participate.
- The proposed system will allow participating WTO Members and others to use information submitted without undue burden or cost.
- The proposed system will not impose undue administrative burdens and costs on the WTO Secretariat.

¹ Article 23.4 states: "In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system."

² Ministers agreed that "... the Council will initiate ... preliminary work on issues relevant to the negotiations specified in Article 23.4 of the TRIPS Agreement ... for wines. Issues relevant to a notification and registration system for spirits will be part of this preliminary work."

Summary

There are a variety of means to protect geographical indications. The TRIPS Agreement requires only that Members provide the means for interested parties to prevent the use of a geographical term in such a way that the use misleads the public or constitutes an act of unfair competition as defined by Article 10*bis* of the Paris Convention.

The problem of how to provide international protection for geographical indications remains to be solved. One such method, as suggested by Article 23.4 of the TRIPS Agreement, would be the development of a multilateral system of notification and registration of geographical indications for wines. Such a system could be used as a model system for all geographical indications. How such a system could be made compatible with the variety of approaches to the protection of geographical indications evidenced in many national laws is one of the questions that remains to be answered. Further, one must ask if such a system can be developed without creating more substantive obligations for Members who join such a system. As many countries are just beginning to bring their laws into compliance with the TRIPS' standards for protection and enforcement of intellectual property, those countries have little interest in assuming another substantive burden. Therefore any system should be carefully constructed so as not to create additional burdens.

Annex

Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits Established under Article 23.4 of the TRIPS Agreement

Notification

WTO Members wishing to participate in the system may submit³ to the Secretariat a list of domestic geographical indications for wines and for spirits recognized as eligible for protection under their national legislation, indicating for each indication the date, if any, on which protection will expire.

In the interests of transparency and to ease use of the register by other WTO Members participating in other multilateral agreements for the protection of geographical indications, those WTO Members participating in such agreements must indicate the other multilateral agreements under which each of the notified geographical indications is protected.

Subsequent notifications shall include only additional domestic geographical indications eligible for protection under a WTO Member's national legislation and any previously notified geographical indication no longer eligible for such protection.

To minimize the administrative burden on the WTO Secretariat, notifications shall be made [semi-annually][annually].

WTO Members may decide to participate or discontinue participation in the system at any time.

Registration

Following receipt of notifications, the Secretariat shall compile a database of all notified geographical indications for wines and for spirits.⁴ Copies of the lists of notified geographical indications shall be distributed to all WTO Members. In accordance with Article 23.3, the same or similar geographical indication may be submitted by more than one WTO Member, provided the geographical indication is recognized by each notifying WTO Member in accordance with its national regime for protecting geographical indications. The lists shall indicate with respect to each indication the WTO Member that notified the indication; the expiration date of protection, if any; and any other multilateral agreement for geographical indications under which the indication is protected. To ensure maximum transparency, the Secretariat shall, in addition to distributing copies of the lists to WTO Members, make the lists accessible on the WTO's Internet Web Site (www.wto.org).

After the initial notification, the WTO Secretariat shall revise the database of notified geographical indications for wines and for spirits, adding or deleting indications in accordance with WTO Members' notifications.

³ The format for submissions shall be established through negotiations or, if the WTO Members so agree, by the Secretariat.

⁴ The Secretariat shall have no discretion to decline to accept a geographical indication notified by a WTO Member.

Legal Effects under National Legislation

WTO Members choosing to participate in the system will agree to refer to, along with other sources of information, the WTO lists of notified geographical indications for wines and for spirits when making decisions to register geographical indications for wines and spirits as collective marks or certification marks under their trademark systems, or otherwise to extend protection for geographical indications for wines and spirits in accordance with their national legislation. Information obtained from the WTO lists would be considered in making those decisions in accordance with that national legislation.

WTO Members not participating in the system will be encouraged to refer to the WTO lists, along with other sources of information, in making similar decisions under their national legislation in order to base such decisions on the most complete information available.

Appeals from, or objections to, any decisions granting or rejecting protection for particular geographical indications, whether notified to the WTO or not, shall occur at the national level at the request of appropriate interested parties in accordance with each WTO Member's national legislation. Should any appeal or objection result in a final decision that a domestic geographical indication for wines or spirits is ineligible for protection within the notifying WTO Member's territory, that WTO Member shall so notify the WTO Secretariat during the subsequent notification period.

Any geographical indication for wines or spirits established in accordance with national legislation is entitled to protection under Section 3 of Part II of the TRIPS Agreement, whether or not it is registered in the WTO database.

Review

The TRIPS Council shall conduct a review of the operation of the multilateral system for notification and registration of geographical indications for wines and spirits two years after establishment to determine its effectiveness in assisting participating WTO Members in protecting geographical indications for wines and spirits in accordance with Section 3 of Part II of the TRIPS Agreement.

Protection of Geographical Indications: The Approach of the European Union

Mr. François Vital

Head, Quality Policy Unit in Directorate General IV (Agriculture),
Commission of the European Communities, Brussels

In January 1988, a French memorandum requested the introduction of a Community measure intended to protect the designations of origin not benefiting from harmonised provisions on the matter.

For the **wine**, there were provisions since Regulation (EEC) N° 817/70, replaced by Regulation (EEC) N° 823/87.

For the **spirit drinks**, provisions were taken by Regulation (EEC) N° 1576/89.

The French request was supported by Italy in 1988, then by Spain in 1989. In January 1991, the Commission proposed to the Council a regulation. The Council of Ministers for Agriculture of the 12 Member States of that time arrived at an agreement and adopted Regulation (EEC) N° 2081/92 which has as a title “*protection of geographical indications and designations of origin for agricultural products and foodstuffs.*”

Regulation (EEC) No 2081/92

The scope of Regulation (EEC) N° 2081/92

The products of the sector of the wine and of the spirituous beverages are excluded;

The products concerned are the products intended for the human consumption appearing in Annex I of the Treaty of Rome (old Annex II of the Treaty) and a number of foodstuffs:

- beers,
- natural mineral waters and spring waters,
- drinks containing plant extracts,
- products of bakery, of pastry making, confectionery,
- natural gums and resins.

Moreover, also hay, essential oils, cochenea and cork.

The political message of Regulation (EEC) N° 2081/92

The political message is contained in the explanatory part of the Regulation:

- to encourage the diversification of agricultural production,
- promotion of products showing certain characteristics,
- asset for the rural world,
- fixing of rural production in remote and less-favoured areas,

- better income in a change for a qualitative effort,
- the consumer is waiting for quality, for choice and for information.

Examples of concretisation of the political message

The cheese “**Terrincho**” (Portugal) (Protected Designation of Origin or PDO). It is a ewes’ milk cheese produced in a semi-mountain area of the Trás os Montes. The Terrincho cooperative collects 150 000 liters of milk and manufactures 30 tonnes of cheese.

It functions for 9 months and makes 13 persons live (workshop of the cheese 6 persons, collection of milk 2 persons, maturation of the cheese, hygienic care, labelling, preparation for sale,... 4 persons, administrative tasks 1 person).

Thanks to the designation of origin which gives more value to the product and thus makes it possible to obtain a selling price higher than the one of a standard cheese, there is maintenance on the spot of the population which would otherwise leave the mountain area to seek work in the urban centres.

The cheese of “**Comté**” (PDO) (France). It is a cows’ milk cheese produced in the Jura mountain mass (500 to 1000 meters), semi-mountain climate; 6 500 milk producers, 200 manufacturing cooperatives (40 000 tonnes of cheese). Craft-based manufacturing fabric, maintenance on the spot of the population, paid milk paid for 10% more to the producer.

The “**Poulet de Bresse**” (PDO) (France). Chicken reared in freedom (food: worms, insects, grasses, cereals). 3 weeks before the slaughter, food containing cereal and milk product. Specific sensory characteristics and textures of the meat. The selling price is 4 times the price of the standard chicken.

The olive oil “**Riviera ligure**” (PDO) (Italy) is sold for 30% more than the anonymous olive oil.

A Eurobarometer poll, carried out from 29 October 1998 to 10 December 1998 in the 15 Member States on a sample of 16 214 persons gives the following information:

Question: “If the products of which the origin is guaranteed cost 10% more than those that you usually buy, would you buy them?”, 43% answered YES.

“And if they cost 20% more” (question raised only to those which had answered YES the previous question), 19% answered YES.

“And if they cost 30% more” (question raised only to those which had answered YES the previous question), 31% answered YES.

On the Community market of 373 million consumers, a gain of 1% of market share is extremely interesting.

The legal effects of the registration of a denomination as PDO or PGI

Regulation (EEC) N° 2081/92 comprises two categories of registered denominations:

- the category of the protected designations of origin (PDO),
- the category of the protected geographical indications (PGI).

The definition of **PDO** corresponds to the definition of the Lisbon agreement: there is an extremely strong link with the geographical area (quality or characteristics are primarily or exclusively due to the geographical environment, including the natural and human factors—production and processing in the area).

Example: the cheese “**Comté**” is produced from raw cows’ milk from the local breed “**Montbéliarde**”. The herd is fed on pastures or hay from the delimited area in the Jura mountains. The particular flora due to the soil and climate of that semi-mountain area, the local breed the milk of which has a specific ability to be processed into cheese, producers’ skills in elaboration and maturing taking advantage of the native germs, confer on this cheese their genuine and distinctive characteristics among cheeses of the same category.

The definition of **PGI** corresponds to the definition of Article 22 of the TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights): more flexible link with the geographical area (the quality or a characteristic or the reputation can be attributed to the geographical area—production and/or processing take place in the area).

Example: “**Sobrasada de Mallorca**” (PGI) (Spain). This involves a prepared meat product to be made into paste. This product is manufactured on the Mallorca island, enjoys a very good reputation in Spain, but the pigs whose meat is used to manufacture the Sobrasada do not come all from the island. (the transformation takes place in the area, but the basic product does not come inevitably from the area)

Example: “**Lübecker Marzipan**” (PGI) (Germany)—confectionary. The production area fixed in the specifications is the town of Lübeck which has a very good reputation for the manufacture of this product. The almonds which are used for the manufacture of this product do not come from the area.

Legal effects

The **reservation** of the denomination: only the producers who are in the production area fixed in the specifications of the “Comté,” of the “Sobrasada de Mallorca” or “Lübecker Marzipan” and which respect the specifications have the right to use the protected denomination.

Automatic protection of this denomination in all the Member States: Member States have the obligation to protect these denominations, it is not a question of protection on request; it is the enormous plus brought by Community legislation. Community protection concerns 373 million consumers, while national protection is limited to the national consumers.

The denomination registrations

518 denominations were registered on 1 August 1999.

Distribution by products:

- 138 cheeses
- 106 fruits and vegetables
- 80 fresh meat category
- 58 fatty materials (essentially olive oils)
- 52 processed meat products

Distribution by country:

- FR 110 denominations
- IT 100 denominations
- PT 76 denominations
- GR 76 denominations
- D 60 denominations
- ES 44 denominations
- UK 25 denominations

Conflicts

Case T-114/96 —Biscuiterie-Confiserie Lor and Confiserie du Tech v. the Commission.

Request for cancellation of the registration as a PGI of the denominations “**Jijona**” and “**Turrón de Alicante**” (confectionery).

Order of the Court of 26 March 1999: the request is dismissed as inadmissible.

Cases C-289/96, C293-96, C-299-96, C-81/97, C-80/97, C-82/97—Denmark, Germany, France, MD Foods Amba and others, SA des Caves et Producteurs réunis du Roquefort and others, German Industry v. the Commission:

Request for cancellation of the registration as a PDO of the denomination “FETA” (cheese).

Judgement of the Court of Justice on 16 March 1999: the registration of the denomination “FETA” is cancelled (reason: the Commission did not at all take account of the fact that this denomination has been used for a long time in certain Member States other than Greece).

Case C-87/96—Consorzio per la tutela del formaggio Gorgonzola v. 1) Käserei Champignon Hofmeister KG and 2) Eduard Bracharz G.m.b.H.:

Which use the Austrian mark “Cambozola” (cheese).

Judgment of the Court of Justice on 4 March 1999:

- the use of the denomination “Cambozola” can be described as an evocation of the PDO Gorgonzola (application of Article 13(1) under b) of Regulation (EEC) N° 2081/92);
- it rests with the national jurisdiction to determine if the conditions allowing to continue the use of the mark are satisfied (application of Article 14(2) of Regulation (EEC) N° 2081/92).

Cases C-129/97 and C-130/97—French Public prosecutor v. Yvon Chiciak and Fromagerie Chiciak and Jean Pierre Fol (Époisses de Bourgogne) (cheese—PDO):

Judgement of the Court of Justice on 9 June 1998.

The Court of Justice confirmed the exclusive character of Regulation (EEC) N° 2081/92. Since its entry into force, the Member States of the European Union have no longer had the possibility to make provisions at the national level concerning the designations of origin.

Subsequently to the facts raised in the judgement, Regulation (EEC) N° 2081/92 was amended by Regulation (EC) N° 535/97 which introduced the possibility for a Member State of making transitory national provisions of protection before the Community decision for registration.

Case T-109/97:

Subject of request: cancellation of the delimitation of the geographical area retained in the specifications of the denomination “Altenburger Ziegenkäse” (cheese—PDO).

Judgement of the Court of Justice on 15 September 1998: the request is dismissed as inadmissible.

Case T-78/98 —Unione provinciale degli agricoltori di Firenze and others v. the Commission:

Request for cancellation of the registration of the denomination “Toscano” (olive oil—PGI).

Order of the Court on 29 April 1999.

The application is dismissed on the grounds of inadmissibility.

Case T-114/99—CSR Pampryl v. the Commission:

Request for cancellation of the registration as a PDO of the denomination “Pays d’Auge” (cider).

Case T-76/99—Jütro Konservenfabrik GmbH v. the Commission:

Request for cancellation of the registration as PGI of the denomination “Spreewälder Gurken” (gherkins).

The relationship between geographical indications and marks

Article 14(3) of Regulation (EEC) N° 2081/92:

When the registration of a designation of origin or a geographical indication is liable to mislead the consumer, in view of the reputation of a mark, of its notoriety and of the duration of its use, the designation of origin or the geographical indication is not registered.

Article 14(2) of Regulation (EEC) N° 2081/92:

If a designation of origin or a geographical indication is registered, the use of a previous mark corresponding to one of the situations referred to in Article 13 can continue if the mark was recorded in good faith and does not include a ground for nullity.

Article 14(1) of Regulation (EEC) N° 2081/92:

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.

The bilateral agreements

Switzerland asked the European Union to conclude an agreement on mutual recognition of PDO and PGI. Hungary is interested in concluding an agreement too.

The TRIPS Agreement

The protection granted to geographical indications by Article 22 is a minimum standard. Contrary to other provisions of the TRIPS Agreement which confer a “positive” right on the intellectual property rights concerned, Article 22 does not aim at permitting the use of a geographical indication by its holder, but rather at preventing (“negative” protection) its use insofar as it would mislead the public or would be constitutive of an act of unfair competition. It will be noted therefore that this protection is weaker and more difficult to implement, insofar as, contrary to the wines and spirits, it is necessary to demonstrate the deception on the consumer.

The “objective” protection level granted by Article 13 of Community Regulation N° 2081/92 is higher. The Community made the choice to grant higher protection to geographical indications. The TRIPS Agreement represents only a minimum standard that the Members of the WTO are free to supplement. In the case of geographical indications the safeguarding of the legislation giving a higher protection level is moreover an obligation of the Agreement itself. Indeed Article 24.3 provides: “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.”

In any event, the Community favours in general a level of high protection of geographical indications.

The Protection of Geographical Indications for the Products of the Wine Sector

As regards wines, the quality wines “psr” (produced in specified regions) concept was defined for the Community in Article 1(2) of Regulation (EEC) N° 823/87. The specified region was defined as a wine-growing area which produces wines, which has special quality characteristics and whose name is used to designate its wine (Article 3).

The specified region has to be designated under its geographical name except in very specific cases (Vinho verde, Cava, Muscadet, Manzanilla) (Article 15(3)).

Recognition of the quality wines produced in specified regions (“psr”) in the Community*Article 1(3)*

The quality wines psr are recognised in the Member States which communicate to the Commission the recognised name and the reference to the applicable national provisions. The Commission publishes in the Official Journal the list of the recognised quality wines psr and the reference of the national legislation.

For the recognition of a quality wine psr, it is necessary, taking into account the traditional conditions of production, to define for each quality wine psr:

- the delimitation of the production area;
- vine varieties;
- cultivation methods;
- wine-making methods;
- minimum natural alcoholic strength by volume;
- yield per hectare;
- analysis and assessment of organoleptic characteristics.

Reservation of the geographical denomination: Article 15(4) of Regulation (EEC) N° 823/87

If a Member State registers the name of a specified region for a quality wine psr or for a table wine with a geographical indication, this name cannot be used for the denomination of products of the wine sector not coming from this region, or produced in this region but not complying with the specifications.

Protection of the geographical denomination

This protection, which is the corollary of the reservation, appears in Article 16 of Regulation (EEC) N° 823/87.

It obviously refers to similar products of the wine sector except if the Member State recognised the same geographical indication for another product.

The relationship between geographical indications and marks

The brand name of a quality wine psr (Article 40 of Regulation (EEC) N° 2392/89) for still wines and Article 13 of Regulation (EEC) N° 2333/92 for sparkling wines may not create confusion with the name of a specified region or of a table wine with a geographical indication.

Two exceptions are laid down:

- Transitional: Until 31 December 2002, the holder of a registered trade mark which is identical with the name of a geographical unit smaller than a specified region used to describe a quality wine psr.
- Permanent: The holder of a well-known registered trade mark which contains wording that is identical with the name of a specified region, even if he is not so entitled under Article 40.2, may continue to use it where it corresponds to the name of its original holder or provider, provided that it was registered at least 25 years before the official recognition of the specified region and that it has actually been used without interruption.

The TRIPS Agreement

Article 23 of the TRIPS Agreement confers additional protection on the geographical indications for wines and spirits.

This additional protection refers to the fact that Members have to make provision for legal means for interested parties to prevent the use of a geographical indication for wines not originating in the indicated place even where the true origin is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.

This additional protection also refers to the cases of relation between a mark and a geographical indication and to the case of homonymy of geographical indications.

Article 23.2 of the TRIPS Agreement establishes the priority of geographical indications over marks.

Nevertheless, at the time of the conclusion of the Uruguay Round, the balance of the negotiation submitted this higher protection level to a number of exceptions. These exceptions cover in particular the denominations, which are considered “generic” by a Member who, accordingly, does not grant them protection. The Community does not call into question the existing provisions, but, still with a view to the improvement of the protection of geographical indications, it committed itself, with some of these trading partners, to considering these questions bilaterally, in order to eliminate these exceptions gradually. This practice is moreover encouraged by Article 24.1.

Moreover, with a view to facilitating the protection of wines and spirits, the European Community and its Member States made, in 1998, a proposal in the Council for TRIPS, on the basis of Article 23.4, aiming at the creation of a multilateral register for the registration of geographical indications for wines and spirits. The proposal of the Community will make it possible to facilitate protection, in all the Member States of the WTO, of the geographical indications via their notification and their registration. Moreover, the Community proposal envisages an opposition mechanism making it possible to guarantee to the Members that they do not undergo additional obligations in relation to those existing in the Agreement, and to reduce the cases of disputes in the event of homonymy. The ambitious—but reasonable—proposal of the Community is able to give full effect to the philosophy of the TRIPS agreement aiming at improving the protection of geographical indications, initially for wines and spirits, and potentially in the future for other products.

The bilateral agreements

The European Union concluded bilateral agreements with the following third countries:

- **Hungary, Bulgaria and Romania** on the reciprocal protection and control of wine names (1993).
- The **EU/Australia** agreement came into force on 1 March 1994 and covers the protection of geographical indications and traditional expressions, phasing out of semi generics, and other issues like mutual recognition of oenological practices.
- An agreement on the mutual protection of names of wine-sector products was concluded with **Switzerland** in the framework of a global bilateral agreement.

Ongoing negotiations

- Negotiations for an **EU/South Africa** Wine Agreement should be finalised by the end of September 1999. The provisions of the political agreement on Port & Sherry (phase out clause for the use of the names Port & Sherry both on South African domestic and exports markets) are to be incorporated in the agreement.
- Negotiations with **Mexico** on a bilateral wine agreement started earlier this year.
- After several years of technical talks, the **US** industry had given the go-ahead for negotiations on a broad-ranging wine agreement (covering the protection of geographical indications and traditional expressions, phase out of semi-generics) to replace the existing agreement of 1983 limited in its scope.

The Protection of Geographical Indications for Spirits

Article 5(3) of Regulation (EEC) N°1576/89 (related to spirit drinks) stipulates that the geographical denominations are reserved for spirits in the case of which the production phase during which they acquire their character and their final qualities took place in the invoked geographical area. Member States can apply specific national standards relating to production, movement, designation and presentation of the products obtained in their territory. These specifications can limit the production within the geographical area determined to the products which fulfill the specific standards.

The list of the protected geographical indications is published in the Annex of Regulation (EEC) N° 1576/89. Applicable legislation for marks in the sector of spirituous beverages is Community horizontal legislation.

The bilateral agreements

There are agreements on protection of geographical indications for spirituous beverages with the **United States, Mexico and Switzerland.**

The TRIPS Agreement

Additional protection for spirituous beverages is identical to what exists for wines (Article 23 of the TRIPS Agreement).

Conclusion

- Concerning the importance of a geographical indication, I fully support the conclusion of Switzerland. A geographical indication is a part of the heritage of a country, it is a part of its identity.
Parma Ham is a part of the heritage of Italy.
Napa Valley is a part of the heritage of the US.
- Concerning the establishment of a multilateral system of notification and registration, as referred to in Article 23.4 of the TRIPS Agreement, a system which really facilitates the protection has to be found. The system proposed by the US and Japan is not satisfactory, there is no “added value.”
- Concerning the relation between (EEC) Regulation N° 2081/92 on PDO and PGI and Article 3 of TRIPS (national treatment), Commission services are preparing a text which explains how to apply Article 3 of TRIPS. So if one day producers of beer in the Czech Republic would want to register BUDWEISER as a PDO, in the frame of the procedure of Articles 5,6 and 7 of Regulation N° 2081/92, persons who can demonstrate a legitimate economic interest in other WTO countries may object to the registration.

Geographical Indications and Trademarks: Harmony or Conflict?

Mr. Henning Harte-Bavendamm
Attorney, Boesebeck Droste, Hamburg*

Introduction

“Geographical Indications and Trademarks: Harmony or Conflict?” At first glance this may look like a simple, almost artificial question—who would advocate “conflicts” rather than “harmony,” whether in real life or in respect of the ambitious intellectual topics serving as our food for thought during this seminar? Upon further consideration, however, we realise that these words—as the two other terms used in the description of our subject, namely “geographical indications” and “trademarks”—deserve some introductory reflection.

I shall start with a few remarks on “geographical indications” and “trademarks” before proposing how we should understand the relationship between “harmony” and “conflict” in this specific context.

Geographical indications

Apart from personal names or symbols, references to the geographical origin probably were the earliest means of distinguishing certain goods from other goods of the same or a similar description. The historical forerunners of today’s geographical indications—as of modern trademarks—evolved from the need and desire for social identification on the part of the individual or group, from “the urge to take credit, to show pride and to claim responsibility” (Per Mollerup, *Marks of Excellence*, London 1997). Today, where in the wealthier parts of the world almost everything is available at any place and at any time, the “down to earth” element characterising a certain link between the quality of a product and the region it comes from offers more and more important options for producers of agricultural products and foodstuffs to stress individual properties that cannot be easily substituted by standardised mass products. As the Council of the European Communities put it in one of the recitals of Council Regulation (EEC) no. 2081/92 (the “EC Foodstuffs Regulation”):

“It has been observed in recent years that consumers are tending to attach greater importance to the quality of foodstuffs rather than to quantities; this quest for specific products generates a growing demand for agricultural products or foodstuffs with an identifiable geographical origin.”

* Mr. Henning Harte-Bavendamm is the head of the Intellectual Property Practice Group of the Hamburg-based law firm Boesebeck Droste. He is the chair person of the Committee on Trademark Law and Unfair Competition of the German Intellectual Property Association (GRUR).

These considerations are likely to remain valid for quite some time to come. Consumer concerns as to the quality and origin of foodstuffs increase in times of mad cow disease, transatlantic discords on the use of growth hormones as animal feed, or conflicts over the importation and labelling of genetically modified foodstuffs.

It has already been indicated during this conference that in relation to geographical names, express or implied geographical references, appellations and indications, the terminology used in the various international conventions, bilateral treaties, and national systems under public and private law has not been consistent at all. On previous symposia on the international protection of geographical indications including those held in Melbourne in 1995 and in Eger (Hungary) in 1997, eminent experts like Ludwig Baeumer and Florent Gevers described the various terms, definitions and contexts in a most thorough way which leaves nothing to add. Therefore, rather than going through all the variations again, I will just clarify that—unless otherwise indicated—I will use the expression “geographical indications” with the meaning set forth in Article 22.1 of the TRIPS Agreement:

“Geographical indications are ... indications which identify a good as originating in the territory ..., a region or locality ..., where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”

Trademarks

Like geographical indications, trademarks designate the source of products (or services)—not in geographical terms, but in relation to a specific enterprise, or—in the case of collective marks—an association and its members meeting certain requirements with respect to the production, manufacture or supply of the goods in question. According to Article 15.1 of the TRIPS Agreement, a trademark may consist of any signs capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Trademarks must not be of such a nature as to deceive the public for instance as to the nature, quality or geographical origin of the goods or services. Under certain conditions trademarks may consist of geographical names or references, for instance if in the specific context the geographical name is understood as a fanciful word (like “Montblanc” for high quality writing equipment) or because the geographical word or symbol has acquired secondary meaning in favour of a particular enterprise (such as “Schwartauer” for high quality jams, jellies and other foodstuffs from a manufacturer located in the North German town of Bad Schwartau).

It is worth noting that under a modern approach (as, for instance, supported by the European Trademark Harmonization Directive and the Community Trademark Regulation) it is more and more widely accepted that trademarks have significant functions and values far beyond a simple reference to the origin of the products and services. The quality function is almost undisputed now. New aspects like the communicative function arise. Prof. Fezer, a leading lecturer and commentator on modern trademark law in Germany, speaks of trademarks as “signal codes” communicating elements like image, lifestyle, high-tech, nature, environment, and the like. He even refers to the “personality” of trademarks.

On this background it is not surprising that in many cases trademarks now are by far the most important assets of large international companies, but also of numerous small and medium sized brand owners manufacturing or distributing agricultural or industrial products.

Conflicts

THE CONCISE OXFORD DICTIONARY describes a “conflict” as a “clashing of opposed principles” or the “distress due to opposition of incompatible wishes in a person.” In the field of intellectual property conflicts are everywhere, both among the specific types of intellectual property rights (e.g., trademarks vs. trademarks) and across the categories (e.g., trademarks vs. other signs used in the course of trade, such as company names, logos, work titles etc., and vice versa).

Actually it is one of the most important elements of trademark protection (as of other intellectual property rights) that the owner acquires a position to prevail in conflicts where other enterprises try to use and/or register identical or confusingly similar signs for identical or similar goods or services, or where use of a sign in relation to different goods or services still takes unfair advantage of, or is detrimental to, the distinctive character of a trademark having a particular reputation.

As a rule—with a few exceptions providing for co-existence of identical or similar signs—such collisions are solved according to priority: “First in time, first in right.”

I am mentioning this aspect in order to clarify that in the intellectual property world a “conflict” is not necessarily a horror scenario. Conflicts cannot be avoided. In principle, the holder of an intellectual property right must be able to have certain conflicts with comparable younger rights decided in his favour. Coexistence of similar intellectual property rights relating to similar subject matters will remain reserved for exceptional situations; it can never be a general alternative to the “first in time, first in right” approach since it tends to dilute the value of prior rights. Water is poured into the wine until the beverage may no longer deserve to be labelled “wine” at all.

What it is all about is designing a fair and reasonable system which allows to resolve conflicts between the various intellectual property rights in a balanced, predictable and consistent way. This takes us very close to THE CONCISE OXFORD DICTIONARY’s definition of “harmony:”

Harmony

“Harmony” can be understood as an “agreeable effect of apt arrangement of parts.” In other words: If we accept that IP conflicts (the clashing of opposed rights) will always exist, harmony can and must be achieved in the sense that the various elements of the overall system are arranged and put into relation with one another in a just and reasonable manner. (If this is realised, one may even dream of harmonisation of the conflict between “harmony” and “conflict”).

Conflicts between Trademarks and Geographical Indications

It would not be worthwhile talking about conflicts between trademarks and geographical indications if such conflicts were of a theoretical nature only. However, I feel that this is not the case. In fact, there is a serious potential for the collision of opposed interests, and this potential grows as both geographical indications and trademarks are increasingly recognised as most significant and valuable property rights.

Under supranational and international legislation prior to the TRIPS Agreement, i.e., the Lisbon Agreement, the EC Wine Regulation (Council Regulation (EEC) no. 2392/89 of July 24, 1989, laying down general rules for the description and presentation of wines and grape musts) and the EC Foodstuffs Regulation (Council Regulation (EEC) no. 2081/92 of July 14, 1992, on the protection of geographical indications and designations of origin for agricultural products and foodstuffs) the trademark owner might face expropriation of its private rights, without compensation, if there was a conflict with a geographical indication.

Let me illustrate this by means of two examples:

The first one relates to geographical indications for wines under the EC Wine Regulation and concerns the designation TORRES, a case which was presented by Florent Gevers during the Melbourne Symposium in 1995.

A Spanish firm, Miguel Torres S.A., is the holder of the trademark TORRES® which has coincided with the name of the family since 1911. The firm has used its commercial name as a producer of tens of millions of bottles of wine, and also as a trademark on millions of bottles. The trademark has been registered all over the world. Its registration in Portugal (no. 525676) goes back to February 17, 1962.

On the other hand, the Portuguese Government—by a Council Decree no. 331/89 of September 27, 1981—decided on the statutes of a wine producing area named TORRES VEDRAS for quality wines produced in a specified region (QVPSR according to the EC terminology). The wines of TORRES VEDRAS were of medium if not low quality. They were not present in an international market, nor were they reported in any recognised international manual on wines. TORRES VEDRAS was not registered under the Lisbon Agreement, although Portugal is a member (as the name of the Agreement indicates). Moreover, it appears that Portugal tried to have the word TORRES registered without the word VEDRAS. In some circumstances it was the word TORRES alone which was used on the labelling.

Under the EC Wine Regulation, as it was applicable at that point in time, the Spanish firm would have had to phase-out the use of its TORRES® trademark by the year 2002. This meant that without any provision as to compensation, a firm would have lost a trademark which it had internationally established for high quality wines through more than 90 years of work and investment. This worst case scenario could be prevented by a tailor-made amendment to the EC Wine Regulation which allowed Torres to continue the use of its trademark. However, coexistence was established between the two designations. In practical terms this means that a more or less unknown Portuguese region in which a low to medium quality wine is produced is now allowed to sell such wine throughout the world under the same designation as a long-established Spanish wine of high quality. Presumably in most jurisdictions in the world the Portuguese approach, if taken by a private enterprise, would have been regarded and treated as unfair exploitation of a competitor's reputation. However, the EC member States apparently considered the dilution of the TORRES® trademark lawful and acceptable if conducted with the aim of supporting a "less-favoured and remote agricultural area." This illustrates why it has been said that the EC Wine Regulation and the EC Foodstuffs Regulation have been adopted and applied in a way driven by agricultural policies rather than by balanced interests in the protection of intellectual property.

It appears completely unclear how consumers might benefit from such a decision. Also it cannot be overlooked that the legislative act providing for coexistence of the two designations (TORRES® and TORRES VEDRAS) amounted to expropriation of the Torres family which was left with no defence against the dilution of its well established trademark and the good will coming along with it.

The second example I would like to use is a fictitious one. I prefer to let sleeping dogs lie, but I can assure you that there are quite a few constellations involving a real risk potential. My fictitious example relates to the beer brewing industry. Let us take the Irish beer called GUINNESS®. In France there is a local area by the name of "Guines," and a small Cuban town carries the same name. What would happen if, in order to further a less-favoured agricultural area, the French Government came up with the idea to introduce a geographical indication protecting beer that is brewed in Guines. Under the EC Foodstuffs Regulation this could result in coexistence between the "Guines" beer brewed in France and the world-famous Irish beer brand (unless the registration of "Guines" in favour of the French area would be regarded as being "liable to mislead the consumer as to the true identity of the product," cf. Article 14 III of the Regulation). The same would apply if it was not the French Government but the competent authority in Cuba finding it attractive to support the economy of the Cuban town of Guines and have "Guines" protected as an appellation of origin under the Lisbon Agreement. Again there would be no consumer benefit in such a decision. The only circles who would draw advantage from such developments would be some beer brewers in remote rural areas. This could hardly justify the undermining of an established trademark.

This conflict scenario is not of a merely theoretical nature. The aforementioned EC Foodstuffs Regulation largely provides for coexistence between earlier trademarks and later geographical indications. Pursuant to Article 5(6) of the Lisbon Agreement, the use of the conflicting trademark would even have to be phased-out within two years, leading to the complete loss of the mark.

It appears that such conflicts have not been properly dealt with when the Lisbon Agreement and the more recent pieces of legislation such as the two EC Regulations were drafted and adopted. Otherwise it would be difficult to understand how the firmly established principle of

public international law whereby an expropriation without compensation is unlawful could be neglected in a series of major international and supranational bodies of law.

It is in fact thanks to the TRIPS Agreement that an unjustified general prevalence of geographical indications over trademarks has been replaced by a more balanced international system of protection of trademarks and geographical indications.

As Florent Gevers put it, TRIPS now is “the main rule of the game.” The TRIPS Agreement is the prevailing international agreement with regard to the protection of intellectual property. It is global in scope and, pursuant to Article 30 (3) and (4) of the Vienna Convention on the Law of Treaties of 1969, it takes priority over, for instance, the Lisbon Agreement. As a comprehensive framework of intellectual property protection in the “global marketplace” it also has a fundamental advantage over the more specific international agreements relating to patents, trademarks, copyright, geographical indications or other intellectual property rights. The relationship between, and the scope of protection of, the various intellectual property rights were negotiated and coped with at the same time and with a clear view to their economic importance in international trade. In contrast to previous agreements which had been prepared either by the trademark community, or by the agricultural community, or by other specific circles, the TRIPS Agreement, from its very beginning, took into account that the different categories of intellectual property rights are interrelated, may conflict with each other and require a comprehensive system of protection.

Hence, it does not come as a surprise that it is the TRIPS Agreement which endeavours to draw a careful balance between, *inter alia*, the private property rights of trademark owners and the protection granted to geographical indications, whether under private or public law, whether on a national, international or supranational level.

Analysis of the System Established under the TRIPS Agreement

Paris Convention

The second part of the TRIPS Agreement includes provisions on the protection of trademarks (Section 2: Articles 15 to 21) and on geographical indications (Section 3: Articles 22 to 24), respectively. Yet the point of departure in our journey through the balancing of interests between trademark owners and users of geographical indications should be a provision contained in the first part of the TRIPS Agreement, namely Article 2.1 which establishes the obligation of the Members to adhere to Articles 1 to 12 of the Paris Convention (1967).

The provisions of Articles 1 to 12 of the Paris Convention are clearly built on the concept of priority governing the relationship between conflicting intellectual property rights. The “first in time, first in right” principle constitutes the underlying structure, in particular of the trademark provisions (Article 6 *et seq.*) of the Paris Convention. As a result of Article 2.1 TRIPS, this principle is applicable to the entire Agreement including conflicts between trademarks and other similar signs like, among other things, geographical indications. By such means the concept of priority was established as the backbone of the comprehensive system of intellectual property rights under the TRIPS Agreement. This fundamental decision also has an essential bearing on the interpretation of the specific provisions on trademarks (in particular Articles 15 and 16) and geographical indications (Articles 22 to 24).

Trademarks

The rights conferred to a trademark owner under the TRIPS Agreement are defined in Article 16.1:

“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 those in respect of which the trademark is registered where such use would result in a likelihood of confusion.”

Pursuant to Article 16.1, the trademark owner has the exclusive right to prevent the use of identical or similar signs for identical or similar goods. The term “signs” is very broad. It covers all sorts of designations including those which might be eligible as geographical indications. Therefore the trademark owner is entitled under Article 16.1 to stop the use of an identical or similar designation, even if the latter would qualify for protection as a geographical indication.

Thus, Article 16.1 of the TRIPS Agreement provides trademark owners with the “sword” to defend their legitimate rights against the use of similar designations. As a rule, they do not have to tolerate the coexistence of confusingly similar signs for identical or similar goods or services.

Coming back to our fictitious example described earlier, this means that the proprietor of the GUINNESS® mark could effectively enjoin a Cuban beer brewer from selling a “Guines” beer in markets where GUINNESS® is a registered trademark. On the other hand, the Irish company could not prevent what Article 17 of the TRIPS Agreement refers to as the fair use of descriptive terms, i.e., the sale of the Cuban beer under a mark like for instance “**CERVEZA AFICIONADO**” combined with a statement such as “brewed in Guines, Cuba.” The fact that under certain national or supranational pieces of legislation Guines might be treated as a geographical indication would not affect this result. TRIPS grants unfettered rights to the trademark owner. National legislation that diminishes these rights of the trademark owner by trying to establish protection of younger geographical indications for identical or similar products is incompatible with Article 16.1 and may therefore be subject to proceedings under the WTO dispute settlement system. Trademark rights may only be limited in favour of geographical indications if such limitations are justified by the TRIPS Agreement itself.

The extent to which such limitation is foreseen is provided in Section 3 (Articles 22 to 24) of the second part of the TRIPS Agreement.

Geographical indications

The TRIPS Agreement provides for protection of geographical indications in Article 22. Article 23 grants additional protection to geographical indications for wines and spirits.

Protection of geographical indications under Article 22

Article 22.2 imposes the obligation on the Members “to provide the legal means for interested parties to prevent:

*“the use of the means in the designation or presentation of any 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,
any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967)”.*

It should be noted that thereby the TRIPS Agreement does not provide the same scope of protection to geographical indications as it does to trademarks. A geographical indication is not protected against the use of confusingly similar designations *per se*, but only against the use of designations which mislead the public as to the geographical origin of the product.

A geographical indication also enjoys protection against acts constituting an act of unfair competition according to Article 10bis of the Paris Convention. Here, the TRIPS Agreement covers cases like the exploitation of the reputation of famous geographical indications such as “Champagne.” In a somewhat broader way Article 13(1)(b) of the EC Foodstuffs Regulations prohibits

“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.”

In this context the European Court of Justice recently held that it might constitute an unlawful evocation to the detriment of the well-known geographical indication “Gorgonzola” if a similar cheese produced elsewhere was offered and distributed under the mark “Cambozola” (C-87/97, decision of March 4, 1999).

Additional protection for geographical indications for wines and spirits under Article 23

The protection each Member has to provide for wines and spirits is broader than the scope defined by Article 22 of the TRIPS Agreement.

Pursuant to Article 23.1

“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’.”

Geographical indications for wines or spirits enjoy protection against the use of identical designations independently of whether or not the public is actually misled as to the true origin of the product. In fact wines are a special case for geographical indications. Of the 832 appellations of origin protected under the Lisbon Agreement, 61% are appellations for wines. A further 12% are appellations for spirits. This already shows that wines and spirits are products which traditionally have a strong relation to the geographical environment of their country.

By virtue of Article 23.2

“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.”

Conflict resolution—first in time, first in right

What has not been answered so far is the question as to the possible conflict between trademarks and geographical indications. In particular, must a trademark owner tolerate the coexistence of a later geographical indication, or does he even face the risk of his trademark being cancelled if a Member decides to grant protection to a geographical indication for comparable goods.

The wording of the TRIPS Agreement is not completely clear in this regard, but in my view an overall analysis seems to support the conclusion that the answer is “no.” In other words, conflicts between geographical indications and trademarks need to be resolved in accordance with the principle of “first in time, first in right.” Coexistence between prior trademarks and younger geographical indications is the exception rather than the rule. Where, for instance, the mark GUINNESS® is protected with priority, its owner need not tolerate the use of the designation GUINES for Cuban or French beer, even if such designation fulfils the requirements for the protection of geographical indications as stipulated in Article 22.1 of the TRIPS Agreement.

When moving on this somewhat uncertain ground one has to look at Article 2.1 (incorporating the main principles of the Paris Convention) and Article 16 (describing the rights of a trademark owner) on the one hand and at Article 24.5 on the other.

As mentioned earlier, the reference to Articles 1 to 12 of the Paris Convention implies a strong tendency, to say the least, in favour of the principle of “first in time, first in right” priority as the fundamental concept for resolving conflicts between intellectual property rights.

Article 16.1 of the TRIPS Agreement grants the exclusive right to the trademark owner to prevent all third parties from using identical or similar signs for comparable goods or services. The “first in time, first in right” principle is hereby firmly established. There is only a limited exception which is set forth in Article 22.3: If a trademark actually misleads the public as to the true place of origin of the goods, the registration shall be refused or invalidated (a provision which is known in many national trademark laws as well as in the Community Trademark Regulation and the Trademark Harmonization Directive).

Article 24.5 of the TRIPS Agreement deals with the situation 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:

- before the date of application of these provisions in that Member (as defined in part VI of the TRIPS Agreement), or
- before the geographical indication is protected in its country of origin.

In that case

“...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.”

This provision applies both to geographical indications in general (cf. Article 22) and to those specifically relating to wines and spirits (Article 23). At first glance Article 24.5 seems to work in favour of rather general coexistence between prior trademarks and later geographical indications. However, a deeper analysis indicates that there are substantial counter-arguments which in my opinion tip the scales in favour of the opposite conclusion:

First, Article 24.5 does not expressly speak of coexistence, nor does it rule out the possibility that the owner of a prior trademark can prevent the registration and use of a later geographical indication. In view of the reference to the Paris Convention and the strong emphasis on effective trademark protection in Article 16.1 one might have expected particularly clear language if it had been the intention of the Members to essentially limit the enforceability of prior trademarks versus later geographical indications.

Secondly, when Article 24.5 refers to a *right* to use a trademark, this does not appear to cover just the simple use (because in that case it would not have been necessary to refer to the additional term “right”). Rather it seems to cover the trademark owner’s full legal position forming a trademark *right*. The right to use a trademark is not just use of a designation, but a legal position which is based on exclusivity (in the words of Florent Gevers: “The right to use includes the right to exclude”). What is meant if the TRIPS Agreement refers to a *right* of a trademark owner is clarified in Article 16.1. It is *exclusive use* that makes the holding of a trademark a meaningful asset. Otherwise it would not be use of a trademark *right* but simple use of any (unprotected) sign. By express reference to the *right* of the trademark owner, it may be said that Article 24.5 “grandfathers” the exclusive use of the trademark by its owner.

Moreover, a general system of coexistence would lead to confiscation of trademarks existing prior to any of the two relevant dates described in Article 24.5, namely the expiry of the implementation period of the TRIPS Agreement or the date of first protection of the geographical indication in its country of origin. Again consider the GUINNESS example: If in countries where the Irish brewery has enjoyed exclusivity for the best part of this century it would now have to tolerate concurrent use of the word GUINNESS for beers from Cuba or France, its intellectual property right would be diluted (the “battery” would be “decharged”) to an extent which results in expropriation. The TORRES case too illustrates how an unjustified abolishment of the *exclusive* right to use a certain well-established sign (trademark) for a certain category of goods (wines) amounts to partial confiscation of intellectual property.

Such confiscation of intellectual property rights would be strange to the notion of the TRIPS Agreement which clearly establishes intellectual property as private rights (cf. Recital 4 of the Preamble). It was the purpose of the TRIPS Agreement to strengthen the individual rights of intellectual property owners throughout the world. Therefore, it can hardly be assumed that a provision like Article 24.5 was meant to allow confiscation of existing intellectual property rights without this being expressly regulated.

Now if for such reasons one is inclined to assume that Article 24.5 does not aim at establishing coexistence as a catch-all concept (which would essentially limit the rights conferred to a trademark owner under Article 16 and under the “first in time, first in right” approach of the Paris Convention), the question is whether this provision still has a meaningful scope of application. In my view the answer is positive:

- Without Article 24.5 the provisions in Article 22.3 could result in *cancellation* of a trademark containing or consisting of a geographical indication even if the application was filed or the registration effected before the TRIPS Agreement became applicable in the country in question or before the geographical indication obtained protection in its country of origin. Since a comprehensive protection of geographical indications was new to many Members, it was decided not to destroy existing trademarks. Thus Article 24.5 has a shield function against invalidation of certain earlier trademarks.
- With respect to trademarks including or consisting of a geographical indication for wines or spirits, Article 23.2 orders cancellation in relation to wines and spirits from any other origin. Again, this rule would have resulted in the invalidation of trademarks that came into existence or were applied for prior to the dates specified in Article 24.5. Thus it appeared necessary to “grandfather” such trademark rights going back to a time when the geographical indications in question had not yet reached a stage deserving strict protection.

In this context Article 24.5 has a meaningful function as a *lex specialis* in relation to Article 22.3 and Article 23.2 which belong to the same Section of the second part of the TRIPS Agreement. It does not, however, aim at undermining the exclusive rights in a *bona fide* trademark acquired prior to the coming into existence of the geographical indication.

Conclusion

It appears that, as a rule, the TRIPS Agreement does not intend the exclusive rights of a trademark owner to be prejudiced by the subsequent granting of protection to identical or confusingly similar geographical indications for comparable products. Far-reaching coexistence as provided by the EC Foodstuffs Regulation or a phasing-out as stipulated in the Lisbon Agreement are incompatible with the TRIPS Agreement.

For the implementation of TRIPS (as well as for the adaptation of national, international and supranational laws that came into force prior to the TRIPS Agreement) this would allow the following summary:

- Legislation implementing the protection of trademarks and geographical indications in accordance with the TRIPS rules has to provide protection for both types of designations.
- Where a prior trademark acquired in good faith is confusingly similar to a later geographical indication, the trademark needs to be enforceable against the geographical indication. As a rule there is neither an invalidation of the earlier trademark, nor a general coexistence between the trademark and the geographical indication relating to comparable products.
- If the geographical indication enjoys priority it may be enforced against a younger trademark if the latter is misleading as to the geographical origin of the products in question or if its use constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention. If a trademark is misleading, its registration shall be refused or—if already effected—invalidated.

- As far as geographical indications for wines or spirits are concerned, trademark registrations shall be refused or invalidated, as the case may be, with respect to wines or spirits from other sources, even if the use of the mark may not be misleading as to the geographical origin of the products.

On this background the TRIPS Agreement appears to offer a balanced and reasonable system for resolving conflicts between trademarks and geographical indications with the “first in time, first in right” concept as its red thread. The various intellectual property rights, in this case trademarks and geographical indications, require mutual and equal respect. There is no head start, no supremacy of one category over another. Thus it seems justified to conclude that the various parts of the TRIPS Agreement were aptly arranged. This is an agreeable effect, and since (as mentioned at the beginning) an “agreeable effect of apt arrangement of parts” is equivalent to “harmony” we have reached a desirable stage.

The Use of Geographical Indications in a Collective Marketing Strategy: The Example of Cognac

Mr. Jean-Marc Girardeau

Head, International Legal Department, Bureau National Interprofessionnel
du Cognac (BNIC), Cognac, France*

In the case of appellations of origin and geographical indications, the name is the actual subject matter of the protection that today prevails at international level, particularly as a result of Articles 22, 23 and 24 of the TRIPS Agreement. The concepts of geographical indication and of appellation of origin are above all legal instruments of protection.

Nevertheless, the very fact that they exist indicates the interest shown in protected goods, the envy that they generate and, unfortunately, the aggression to which they are subject, most frequently in bad faith.

These problems are just as many indications to make us realize the importance of the use of a name to describe a product and the capital that its reputation represents.

Therefore, to refer to the name of an appellation of origin or a geographical indication as a marketing tool proves to be an opinion based on fact and not just a theory thought up in the devious minds of lawyers. There are two advantages, in my view, in dealing with this subject:

- It is important that those countries whose heritage contains numerous great appellations of origin regularly reflect on their value so that they may be ever better promoted.
- It is essential for those countries becoming aware of the concept of appellation of origin to devote thinking, prior to its implementation, to the true scope of that notion, to its economic impact, to the frequently essential contribution it can make on the products concerned in the worldwide trade competition.

We must therefore consider those mechanisms that lead to the name of a product also representing a commercial vector and acting as an element of information that is often decisive for the consumer's choice.

Thus we must observe that choice: what determines it, what factor, **in relation to appellations of origin**, is it that triggers the purchase?

All these factors lead us to consider that the concept of appellation of origin as a marketing tool can be assessed with respect to the following two elements:

* Mr. Girardeau teaches European Union Law and International Law at the University of Bordeaux. He participates as an expert in the Committee on Law and Regulations of the International Vine and Wine Office (OIV), and is Vice-President of the European Chapter of the International Wine Law Association (AIW).

- The appellation of origin as a marketing tool? The reply is given by the market.
- The emerging countries already have a capital that is not yet exploited; qualification is an act of marketing.

These two parts of the study will show that, as far as presentation of the products is concerned, two essential elements appear in symbiosis on the label: the name of the appellation and the reference to the appellation of origin.

Nevertheless, as of the “birth” of the concept there arose essential elements for understanding the “useful” machinery of the appellation of origin. The existence of imitations that led to the establishment of the system also revealed the need to protect the names since it is by means of the names that the product can be collectively promoted.

As I will show below, it is less a matter of highlighting the cleavage between those countries that already exploit famous appellations of origin than to emphasize the synergy that exists between the markets already familiar with the concept and those that may legitimately hope, by adopting appellations of origin, to promote their unexploited assets.

The Appellation of Origin or the Geographical Indication as a Marketing Tool? The Reply is given by the Market

The concept of appellation of origin or geographical indication sprang from the need to protect goods from imitation; naturally, the most well-known names were concerned and it is impossible to understand the impact of their reputation on the consumer without observing the behavior of those who propose such goods to the consumer or who seek to profit from their efforts.

The creation of the concept of appellation of origin or geographical indication ®: an absolute necessity in the context of generalized plundering

The end of the last century was the historical framework of a disaster for European winemaking and the related emergence of a legislative system designed to protect the famous names that were threatened.

The phylloxera disaster and the birth of appellations of origin

Phylloxera has been described as a major economic catastrophe and resulted in the destruction of the vineyards in Europe.

In some ten years most of the cultivated surfaces disappeared and considerable efforts were required to repair the damage.

As an example, the Cognac vineyards accounted for something over 300,000 hectares in 1970 and ten years after the first attacks by this fungus some 40,000 hectares only were still cultivated. In the end, all the vineyards were affected.

At that time, the most prestigious of the appellations of origin already existed, were subject to rules of protection and enjoyed a worldwide reputation.

Within a few years, the most prestigious of the Châteaux, the best-known products, became incapable of satisfying the needs of the market.

The counterfeiting reaction

A balance between offer and demand is the basic rule for the operation of an economy and at that time in our history that balance was broken. There followed a reaction on the part of individuals or of firms who sought to profit from this lack by creating substitute products, frequently crude copies of products that had become practically absent from the market.

The authorities of the countries under the greatest threat sought to protect their national assets and France, that was the country most affected, reacted to that threat by passing a law.

The French legislative system of appellations of origin

The pillar of the system of protection for French appellations of origin, still in force, thus showing the excellence of its drafting, is the Law of 1 August 1905 on fraud and falsification in goods and services.

Its first Article is already a perfect example of the lawmaker's wish to protect both the consumer and the producer:

“Shall be liable to imprisonment..., any person, whether or not a party to the contract, who has deceived or attempted to deceive the contractor, by any means or process whatsoever, or through another person:

- 1. as to the nature, the type, the origin, the substantive properties, the composition or content of useful constituents in any merchandise;*
- 2. or as to the quantity of items delivered or as to their identity through the delivery of merchandise other than the specific item that is the subject matter of the contract;*
- 3. or on the aptitude for use, risks inherent in the use of the product, controls carried out, type of utilization or precautions to be taken.”*

This text is an essential tool in the protection of appellations of origin, but it would never have worked and permitted the elimination of the thousands of acts of imitation or falsification experienced by the quality products sector if the legislator had not at that time set up a specialized body of controllers to combat the acts prohibited by this penal law text. This rule has since been confirmed everywhere and those States that have adopted identical laws or decrees without setting up a body of controllers at the same time have failed in their endeavors to protect their goods and consumers.

That is why, when France decided to adopt specialized legislation on appellations of origin, it drafted a law (of 6 May 1999) which was then supplemented by the Decree-Law of 30 July 1935 on defense of the market in wines and the economic arrangements for alcohol, which gave the legislator the opportunity of setting up a specialized control body for controlled appellations of origin, that is to say INAO.

The combined efforts of the two bodies, DGCCRF and INAO, were to enable France to “cleanse” its territory of the imitations that were prevalent and above all to prevent them from reappearing at the instigation of French nationals or coming from abroad. The French success in this context served as a model for numerous others, beginning with that of the European Community.

Construction of the European System

What had taken place at the level of the States then needed to be rapidly unified at European level under a duality of regulations that proved to be remarkably effective.

The definition of products under geographical indications or appellations of origin

The Community Regulations in respect of wines and spirits, no. 823/87 and no. 1576/89, have unified Member States' laws by providing a common definition for all products.

I shall take the Regulation on spirits in order to illustrate what I am saying.

Council Regulation N° 1576/89 has to be read from a two-fold angle.

- It defines products in accordance with their various categories.
- In each of those categories, it establishes a list of protected geographical indications or appellations of origin.

We must add to this information the rules contained in Articles 5 and 12, in particular, which give each Member State the possibility of continuing to regulate its own appellations of origin on condition that its provisions comply with the “Community minimum,” and likewise further provisions require compliance with those definitions within the European Union market, but also for products exported to third countries.

The additional provisions of the European Union specific to geographical indications and appellations of origin

Regulation EU 2048/89, setting up a system of control at European level, is at present still in the process of installation and one can but wish that it should become as effective as the equivalent national provisions.

Regulation EU 2081/92 is the Community instrument that installs the concept of appellation of origin and geographical indication in European Union law. It is particularly transferable to other States wishing to establish an intellectual property tool capable of protecting and promoting the essential elements of their national assets.

Thus European law taken as a whole is constituted by completed legal instruments. They result from some decades of experience and we are today able to claim that the European continent has been freed from the economic constraints imposed by the industry of counterfeiting where it is able to prosper in a given zone.

Indeed, the reasons for using another's name arise most frequently, as we have seen, from a shortage of quality products, or the lack of such products, or again a market demand that is even greater than the offer proposed.

The envy generated by famous names—a demonstration of the usefulness of controlled appellation of origin names as a marketing tool

Thus we have seen, the legislative instruments and the establishment of a controlling body have constituted a good response to the use of famous names by imitators and, at the same time, have demonstrated the value of using such names as a selling argument beyond the product itself.

The “first” imitators of names were doubtlessly those who found it more convenient to use the reputation of others rather than to build up a reputation by their own efforts

The example of Cognac in South America

On that large continent, Cognac occupied a prime place prior to the first World War and had regained a considerable level of activity between the worldwide conflicts (e.g.: Argentina was the sixth market for Cognac in 1935).

However, with the beginning of the 1914-18 war, the interruption of trade led producers in that country to use the name Cognac to sell their own brandies. They had had the same reaction that had taken place as a consequence of the phylloxera crisis in Europe (see above).

That same situation still holds in certain States, even if almost the whole of the continent has now returned to compliance with international legality.

This historical fact shows us that use of the name is in itself a commercial vector and that, in the absence of specific domestic law, enables the reputation of others to be used to build up one's own market.

Other zones were affected by the same phenomenon and other products experienced that same situation, which is in a way “the price to be paid for fame.”

As we have seen (through the example of counterfeiting), the name is a prime commercial tool for promotion once a reputation has been acquired.

Likewise, other mechanisms, other consumer reflexes show us the importance of the name of geographical indications and appellations of origin with respect to marketing.

The building of a reputation of an appellation of origin and the use of trademarks

The pair composed of a trademark and an appellation of origin is the best conceivable tool within the commercial framework both for protection and for promotion.

Not only do products such as Cognac or Champagne have names that are so famous that their simple presence sells them, but those brands that have ensured their prestige in turn become synonyms for the product once they are seen by the consumer.

In this case the marketing tool is not only the name, but the trademark/appellation of origin entity that becomes the natural vector for commercial success.

If you say: “Give me a bottle of Dom Perignon” you are perfectly aware that you are ordering Champagne.

Indeed, the Cognac profession made no mistake about the importance of protecting the trademark/appellation of origin pair since, in an Inter-ministerial Decree of 25 February 1954, it obtained protection for the identity of the name Cognac linked to the brands that trade in it.

Trade in spirits not originating in the Cognac region as defined by the Decrees of 1 May 1909 and 15 May 1936 is not permitted for merchants and dealers who hold a Jaune D’Or wine warehouse except where the presentation for sale on the various markets can lead to no confusion between such spirits and Cognac.

The dealers and merchants who sell both the spirits referred to in the above paragraph and spirits entitled to the controlled appellation Cognac are required to submit to the National Professional Cognac Office a specimen of their labels for approval.

A label used for spirits without appellation of origin is subject to the following rules:

- It must have a color that is different from that used for the presentation of Cognac;
- It may not use the same name or the same company title as those shown on labels reserved for Cognac.

The movements of the spirits referred to in the first paragraph of this Article, carried out by merchants and dealers referred to in that same paragraph shall be recorded by the Professional Office, which may require persons concerned to provide any document enabling such movements to be controlled (Article 14 of the Decree of 25/2/1954).

We therefore see that the brands of Cognac can only sell that product and if, for political reasons, Cognac is unable or has great difficulty in accessing a market, the undertakings that are to sell another product refuse to sell Cognac at the same time on the same market. That situation can come to an end only when Cognac can be normally marketed. These possibilities normally remain limited over time.

The well-known name as a tool for marketing and protection of economic activities

On some markets where it is occasionally difficult to control commercial flows, it is essential to have a legal environment entirely based on protection of the product and therefore on the name of the appellation of origin as on all the peripheral attributes relating to it.

The example of the People’s Republic of China

If there is one country that is today exemplary for the value of appellation of origin names as a vector of communication to the consumer, it is indeed the People’s Republic of China.

This State, where the traditional excellency of gastronomy has given a prime place to Cognac over recent years, has set up a legal system of protection for trademarks that is very up to date and very complete as a result of a true political will and of an excellent body of officials. Thus, some years ago, when it was required to protect Cognac in this country, the choice was naturally made to protect the name by recognizing its well-known nature.

Why? The reply is to be found in the knowledge that the Chinese consumer has of the product. He knows that certain signs are synonymous of a product and, since relatively few people read Latin characters, it was decided, as an exception to the principle, to translate the name Cognac into Mandarin.

This decision taken voluntarily by the French administration to entrust such a prestigious name, an element of its national heritage, to a State also demonstrates the importance of the name as a reference for the consumer.

However, together with the name, other elements may strengthen the commercial identity of a product.

Selling designations or well-known signs associated with appellation of origin names

The shape of a bottle, such as that of Champagne, immediately brings to mind the product and becomes unseparable from the name by strengthening its commercial impact.

The same also applies to Bordeaux wine bottles or to distinctive signs that are themselves well-known and immediately establish a relationship with the product, such as VSPO, Napoleon or XO for Cognac.

We may therefore see that the environment of the appellation of origin name is made up of a network of links that continuously create a system that acts as a reference for the consumer.

Reference to the controlled appellation of origin on labels constitutes a marketing system in itself

Some products have even become such synonyms of the appellation of origin, implying all the guarantees that go with a mark of excellence, that they have been allowed by the administration to forego mention of the AOC on their labels. Despite this, the “controlled appellation of origin” reference is excessively sought after for products that have not yet achieved such status.

There is no question of an AOC for everything; it remains a reward for excellence, the acknowledgement of a difference deriving from strict conditions and the patient building up of a reputation.

This labelling reference in fact implies a guarantee on the part of the State for the consumer of its specific nature and, of course, of its quality. The consumer is accustomed nowadays to the AOC and relates this visible addition to the name to a product that is out of the ordinary, that differs from the rest and for which the consumer is willing to pay more.

That again constitutes a great hope that has not as yet been exploited by those countries that have yet to discover the concept of appellation of origin and the value of their own products for which the name/AOC pair and its promotion are the assurance of commercial success.

The Value of Names of Appellations of Origin and Geographical Indications in the Context of the Internationalization of the Concept of Appellation of Origin/Geographical Indication

Under the WTO’s TRIPS Agreement, an appellation of origin or a geographical indication is not reserved for countries such as France that have discovered the concept through having to confront the vicissitudes of their own history.

All States possess a cultural heritage around the products that they are proud to have created and have preserved in their authenticity.

To protect their names and to use them as marketing tools is essential.

The creation of a system of appellations of origin and the promotion of names as a tool of economic conquest

It is essential here to remember that certain products may be very well known in their country of origin and almost unknown beyond its borders or, in the worst cases, may be liable to become generic in the general understanding of consumers.

The indispensable visibility of the appellation of origin or geographical indication name as a commercial vector

The sole solution for new holders of appellations is to associate with the name a distinctive sign or a reference stating that the product enjoys a protected identity.

Even those States that have to administer an old and extensive heritage still seek to distinguish such exceptional products from the mass of generic products.

Thus, Europe has recently created a Community logo to identify its appellations of origin and geographical indications showing that the Brussels authorities are aware that the image of excellence attaching to it is a necessary reference and that the logo is then also a commercial tool linked to the name and promoting it and thereby supporting the efforts of the producers.

Codification of products: promotion linked to a name identified as an appellation of origin or a geographical indication

Today it is a worldwide challenge for the majority of States since their as yet unpromoted and unexploited heritage is considerable, and it is also a vital necessity for certain products and production regions.

I may refer to three examples in three different countries:

Vietnam and Nuoc mam fu quoc

Vietnam is a country that possesses a considerable agricultural heritage and a know-how that deserves to be recognized.

The Vietnamese State is presently looking into the creation of a system of appellations of origin for its products of excellence and the first such product that deserves to enjoy it would be a fish-based sauce called Nuoc mam from the island of Fu Quoc.

Following a Franco-Vietnamese study carried out with no complacency, there would seem no doubt whatsoever that Vietnam possesses on a true “marine territory” a product able to enjoy a controlled appellation of origin in the same legal sense as a product such as Cognac or Champagne.

Nuoc mam is a traditional product, fairly unknown to the general public on the Western markets, **but** the Nuoc mam/appellation of origin pair together with suitable labelling would rapidly make the name of this product well known outside the limits of the Asian communities.

In this case the marketing tool is the name and the reference to the appellation of origin that accompanies it.

India and Basmati Rice

The Indian continent possesses riches that are as many sources of cupidity for those firms whose motto is profits at any price, even if that is tantamount to cultural plundering.

When we look at the case of Basmati rice, we are confronted with an absolutely incontrovertible truth.

Basmati is truly a part of the Indian heritage and it is of little concern that some elements of its reputation are based on an undue exploitation of this prestigious name by persons other than those entitled to it.

This example is of interest in this demonstration simply to illustrate two elements that directly concern this study.

- It is essential that the States protect the basic values of their heritage by using the “right tools.” You do not protect an appellation of origin by using trademark law, that has a different purpose.
- The heritage can be “recovered” by developing a policy of full protection based on the system of appellations of origin or geographical indications on condition that it is made a priority.

It is absolutely tragic to see products of exception subject to unlawful trading since an appellation of origin or a geographical indication is above all an instrument established to promote the work of those that have created the product.

In that context, the size of a country or of the economic importance of States is of no significance, it is a question only of the legitimate right to preserve and promote their heritage.

If Basmati were to be sold tomorrow by Indian producers together with an appellation of origin or geographical indication guaranteed by the Indian State, the consumer would take his decision on usurped names and, if necessary, the negotiators or the courts would doubtlessly restore the eventual priority to the lawful users of the name.

China and Long Jin Tea

A large State is able to establish for itself a system of appellations or of geographical indications, as is the case of China. The initial studies revealed simply that the country possesses products of exceptional quality that have remained almost identical throughout the centuries thanks to the wisdom and respect for the traditions of its countryfolk.

Long Jin tea is an example of an appellation of origin that could even constitute a teaching case.

Indeed, all factors that go to making the legal environment of a controlled appellation of origin are present on that territory: delimitation, plantation, yield, codified cultural practices, controls, etc.

This product further enjoys an extremely high reputation in its own country and already on certain foreign markets.

In order to make it truly known, the Chinese officials will doubtlessly use the reference “appellation of origin” and the quality — promised by the label as the first “tool” of marketing — will give it the worldwide reputation it warrants. The relative scarcity of the product will necessitate good protection but will no doubt lead to an increase in added value for its producers. Doubtlessly, the Chinese administration, that has perfectly assimilated the importance of this concept, will accompany the efforts of the producers all the way to the markets that have not yet had the benefit of receiving these products.

These three examples show how essential it is to promote and present products, for which the name alone can lead to success once it is accompanied by the sign of excellence constituted by an appellation of origin or a geographical indication.

These endeavors to promote names and build up a reputation must be accompanied by a global commercial legal action built around the products. It is obvious that to trade without protection is to take the risk of arousing envy without having the means to confront it and therefore of losing the fruits of one’s efforts.

Protection of the name: an imperative requirement

Since the name is the prime element required for effective communication with the consumer, it is obvious that protection is the element on which the duration of its legitimate presence on the market is to be based.

This issue is at present essentially bound up with the WTO negotiations and the protective use of the intellectual property agreements.

Today, we have a need for strong legislation to protect the names of our products for two reasons:

- A considerable heritage has already been promoted and is eligible for protection by the appellation of origin or geographical indication nature of the products it contains.
- The exceptional wealth of products (particularly of agricultural origin) that remain to be protected should incite us to construct a full legal tool including a worldwide register and a fully harmonized system at the level of domestic law.

The organization of communication based on the name of the geographical indication

Just as any undertaking needs to promote its products, their quality alone is not sufficient for the products to be appreciated by the public and products enjoying an appellation of origin or a geographical indication have sometimes to be supported by specific action. The problem is not the same if it is already known or if the product has to be “launched” on the basis of its identity to accelerate the process of integration within the range of products.

Marketing strategy for products whose reputation is already established

In such a case, communication is carried out to back up the efforts of the undertakings, in complete agreement with them, and requires the appropriate means.

France, and a very large number of other countries, decided long ago to develop their appellation of origin system around the professional structures since they were the most capable of controlling the products whose production and marketing they were managing.

Thus, France set up what is known as an interprofessional system, created by the Law of 10 July 1975 enabling the “old structures” to be maintained, with their links to the State, such as the BNIC which has its own public service mission and administrative powers.

In both cases, the need for collective communication based on the product has always been necessary. The BNIC, for its part, devotes almost 4.5 million Euros, or 5 million dollars, to the collective marketing of Cognac, but in Bordeaux these amounts are tripled since the needs are different.

Indeed, the commercial structures of the products impose those differences.

Ninety-five per cent of Cognac is marketed by some 20 undertakings and the remaining five per cent by small dealerships, whereas in Bordeaux the opposite is the case.

Communication with respect to Cognac is therefore more the “concern” of the undertakings who promote the product through their commercial brands. Nevertheless, collective marketing makes it possible, even for Cognac, to try out new concepts, to slightly modify perception of the product and then to have the outcome of the collective efforts used individually by the undertakings.

We have therefore seen that the public authorities (the example above of the European Union) are able to organize a collective action for the recognition and promotion of products, but that the professionals and the structures that unite the interests of producers and dealers of an appellation of origin or geographical indication product also have an important part to play in the collective promotion of their products.

These professional structures, and the countries new to the concept of appellation of origin or geographical indication are well aware of it, and have an essential part to play in the creation of structures intended to establish appellation of origin and geographical indication systems themselves. As we see, in liaison with the State and with its support, or even in some cases of the States that receive the goods, the structures built up around the products have an important promotional part to play.

Promotional activities for “new” appellations of origin and geographical indications

The establishment of a system of appellations of origin and geographical indications reveals two aspects of the same aim on the part of the State:

- It has recognized the added value deriving from the name of its products,
- It has decided to give them specific protection to prevent others from profiting from the efforts which the producers and merchants have devoted, sometimes for centuries.

Thus, after having qualified its products and set up its own national system of appellations of origin and geographical indications, a State will have to assist its products in becoming accepted on the international markets, which is its own particular “marketing role.”

An excellent means of doing that is reciprocal recognition through bilateral agreements. Recent examples I may give of agreements are those between the European Union and Australia on appellation of origin wines or between the European Union and the United States concerning spirits.

But, we may be even more ambitious and imagine today that products (for example, those referred to above, Long Jin, Basmati or Fu Quoc) may be directly recognized through the Community Regulation on appellations of origin and geographical indications.

To do that, it suffices that they be qualified in their respective States by a legal system basically harmonized with that of the European Union.

Obviously, the results are considerable:

- the appellations of origin and geographical indications are held to enjoy the same level of protection as the European products,
- in the event of imitation (even where it already exists prior to qualification in the country of origin alone), the fraudulent products are withdrawn from the market automatically or are held by the customs and the legitimate products take up the place due to them.

Nevertheless, action by the State, however important, must be accompanied by “classical” instruments for promotion to be complete; that is the part to be played by the undertakings whether or not assisted by a collective campaign based on the name and the product held by the professional associations.

Conclusion

It is therefore obvious that the system for appellations of origin and geographical indications, raised today to the level of an international legal regime by the WTO Agreements, has become an instrument for promoting and protecting the most prestigious products, created out of a need to eliminate fraud and frauders. The appellation of origin has become a tool for promoting the efforts of the producers, a sign of excellence that must be promoted.

But, make no mistake, to speak today of promotion, identifying what is best in the products, what is certain from a quality point of view, is a worldwide challenge.

To be capable today of promoting the elements of the heritage is also to protect oneself against the uniformization of products and the risk of consuming only that which is insipid and mediocre for the benefit of the new usurpers who exploit the image of excellence of our products.

The Use of Geographical Indications in a Collective Marketing Strategy: The Example of the South African Wine Industry

Mr. Jakobus van Niekerk

Group Director, Corporate Strategy,
Koöperatiewe Wynbouers Vereniging (KWV), Suiderpaal, South Africa*

The South African wine industry was founded when the first vines of French origin were planted by the Dutch Governor, Jan van Riebeeck, in 1655 at the first European settlement at the Cape of Good Hope, known today as Cape Town.

According to the diary of the Governor, the first wine was made on the 2nd February 1659.

The Dutch settlers knew little about vines and winemaking at that time. Jan van Riebeeck was succeeded by Simon van der Stel who was a cultured and well-travelled man with firsthand experience of the winegrowing countries of Europe. He established a model wine farm, Groot Constantia, in 1685 on the cool southern slopes of the mountain, which later won acclaim throughout Europe for its sweet Constantia wines. These wines were especially selected and enjoyed by King Louis Philippe and Napoleon Bonaparte of France and Bismarck of Germany. The first South African “Geographical Indication” was born.

Winegrowing spread inland from the Constantia valley to Stellenbosch and further afield.

1688 saw the arrival of the French Huguenots and their settlement in Franschoek (the French corner) bringing with them the French tradition of winemaking, knowledge and wine culture which boosted the development of the wine industry. They also brought with them French family names and the town names. European names and product descriptions became part of the South African wine environment as early as the 17th century. A heritage which has grown in status and value and has become valued intellectual property, through customary use and association.

The process of selecting winegrowing areas, of selecting soil, slopes and the best locations for wine farms, had begun. This was the beginning of geographical indications and the birth of the South African intellectual property in the wine industry.

After the Dutch and French, came the British occupation in 1795 and again in 1806 to claim the Cape for more than a hundred years as a British colony. By the end of the eighteenth century, the English were cut off from their French suppliers of wine on account of Anglo/French wars and they turned to the Cape for their supplies.

Trade was established and with it the first mechanisms of wine marketing and promotions represented by wine dealers of London, who imported the wines from the Cape. The British authorities at the Cape instituted quality control on wines exported from the colony—the beginning of the South African product legislation. Viticulture was encouraged by the British and preferential tariffs were introduced in 1813 for Cape wines. This was also the beginning of the

* Mr. van Niekerk is also a member of the South African delegation in the negotiation over an EU-South Africa wine and spirits agreement.

Port and Sherry era which has established South African Port and Sherry as highly regarded and well-known products in the British market.

After the Second World War some very important developments took place in the South African wine industry. Perhaps the most important of these was the process known as “cold fermentation.” This process permitted the fine control of temperatures in the making of natural wines, especially white wines, and made it possible to preserve the natural characteristics of the grape in the wines—a major factor in transferring and preserving the attributes of geographical indications in the wine.

Wine in its intrinsic character and composition is a product of nature. Nature constitutes the intrinsic character and composition of wine through soil type, macro climate/meso climate, prevailing winds, rainfall, temperatures, land slopes, topography, etc.

Nature is, however, not the only factor determining the end result. The varietal, winemaker, farmer, worker (people and technology, skills and application) play a major role in creating a wine. Wine is, therefore, a product known for its diversity, for individuality, clearly distinguished although benchmarked and compared with others in its category. In the marketing of wine there is an endless search for USPs that make the product unique and that contribute to a perceived value status of its own.

The distinctive role of nature was soon realised and has very clearly unfolded in the earliest wine marketing history of Europe. With France in a leading role, geographical indications, e.g., Bordeaux, Beaujolais, Burgundy, Champagne, Chablis, etc. became well known wines and part of their collective marketing strategy. Similarly, the South African wine industry has strived since 1968 to capture the distinctive role of nature in descriptive geographical indications which came about over 340 years of history and to protect the authenticity of indications on wine in its Wine of Origin legislation.

This provides the South African industry with a sound basis for using geographical indications in a collective marketing strategy.

Geographical Indications in Marketing—the Guarantee of Authenticity

“Wine is and must remain an agricultural product: a product of nature of which the differences in soil, location, sun and rain of different places and regions where it is grown, are part. As producers we must ensure that wine remains available in its multiple diversity and with a special uniqueness for consumers here, like elsewhere in the world, to enjoy in a manner which only wine in its diversity, as a product of nature, can offer.” Dr A J du Toit, Chairman, KWV 50th Annual General meeting 1968 (Translation).

The Wine of Origin Scheme

Revolutionary changes during the 60s and 70s, and especially the increase in demand for natural wines, have led to a new strategic approach in the promotion of the image of South African wines. All the stakeholders, producers, wholesalers and Government worked together to develop the Wine of Origin System to promote the identity and image of South African wines, both locally and in the international market.

The Wine of Origin concept was, therefore, born out of the need to promote the attributes of specific South African origins and to protect the interest of producers and consumers alike against the harmful misuse of geographical indications and misleading information to the public on the true origin, varietal or vintage of a wine.

In its development the system had to recognise the rights of existing trademarks at the time and was based on certain basic principles, taking into account:

- reality of denomination
- trade honesty
- marketing realism and voluntariness

Only when a producer wants to use a geographic indication, or varietal name or vintage, he needs to qualify under the rules and regulations of the scheme.

In early 1972, the Wine of Origin system was discussed with the EU in Brussels, with a view of recognition and protection, who responded very positively. In June 1972 the draft regulations were promulgated and on 1 September 1973 the first Wines of Origin, bearing the stamp of approval and certification of the Wine and Spirits Board, appeared on the market. (D. J. van Zyl, 1993).

The purpose of using geographical indications in collective marketing is to establish and grow collective intellectual property.

To be part of a successful collective marketing strategy, the authenticity of geographical indications needs to be guaranteed, controlled and protected. The Wine of Origin legislation serves this purpose for the South African wine industry. According to this legislation, a strict and scientific process of demarcation of GIs and control thereof, is followed.

The TRIPS (Trade-Related Intellectual Property Rights Agreement), definition of geographical indications is, therefore, clearly understood and the departure point for the South African Wine of Origin Scheme, i.e.: “Geographical indications are 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.**” (TRIPS Art. 22).

Demarcation

Production areas of origin are demarcated in production units which can be an estate, a ward, a district or a region. The borders of all production units, small and large, are defined by law and officially prescribed in the Government Gazette.

The first and smallest demarcated production unit is a wine estate, which can consist of one or more bordering farms, and has its own production cellar on the estate where the wine is produced.

Where the term “estate wine” appears on the label, it confirms that the wine is produced from grapes which are fully grown on that specific estate and all processes of winemaking took place in the cellar on that estate.

The second demarcated production unit is a combination of different farms and is known as a ward, e.g. Franschhoek and Constantia.

The term “ward” is used for a small demarcated viticultural area which includes farms and is usually, but not necessarily, part of a district. The Franschhoek ward is for instance part of the Paarl district, but the Cederberg and Constantia wards are not part of a specific district.

The third demarcated production unit is a district, such as Paarl, Stellenbosch and Robertson.

The term “district” is used for a demarcated viticultural district.

The fourth demarcated production unit is a region, e.g.: Klein Karoo and Coastal Region, which is a combination of different districts or portions of districts, or an area which is demarcated on its own, such as the Olifants River.

The Coastal Region is an encompassing region which is defined to enable producers to blend wines from different districts, but market them under one name of origin. It includes districts from Paarl, Stellenbosch, Swartland, part of Tulbagh and the wards of Constantia and Durbanville. The Breede River valley region is separated from the Coastal Region by a mountain range.

The criteria for the demarcation of production areas of origin includes the following:

- When an estate and ward are defined, soil, meso-climate and ecological factors are very important as they have a clear influence on the character of the wine.
- The proposed area name also has to be the real geographical place name and environmental factors have to dictate that the specific area can actually produce wine with a distinctive character.
- Districts have to meet the same criteria as wards, but with a broader definition of the relevant area by using macro-geographical characteristics such as mountains and rivers and macro climate as criteria. Naturally, a greater variety of soil types is allowed than in the wards.

Regions are mainly defined according to the encompassing area name which in the case of a river stretches from the source to the mouth thereof. Macro-climate dictates the demarcation.

Extensive research on soil type and macro and meso-climate support the demarcation system. Soil types have been mapped for all winegrowing areas and similar climatic conditions. Land types are a concept unique to South Africa and are defined as a class of land over which macro climate, the terrain form and soil pattern each displays a marked uniformity. Land types differ from each other in terms of macro climate, terrain, form or soil pattern or combinations of these natural factors. Lacking sufficient tradition, experience and experimental information compared with old wine countries, the philosophy behind demarcation in South Africa is to identify natural terrain units using available technical information and then allowing such units to develop and demonstrate particular wine styles and character rather than demanding proof of uniqueness before demarcation is done. (Booyesen, 1999).

In 1993, the Wine of Origin Scheme was amended to make provision for the defining of a geographical unit.

Western Cape is the only geographical unit which is defined and stretches from the point where the Orange River mouth runs into the Atlantic Ocean at Alexander Bay, to Plettenberg Bay. It includes all South African production units in the province of the Western Cape, but excludes Douglas, Hartswater, Lower Orange and Rietrivier OFS.

Wine of Origin: Demarcation

Estate

Ward

District

Region

Geographical Unit*

* Wine from a geographical unit may not claim to be a "Wine of Origin."

The role of varietal/cultivar in Wine of Origin

All cultivars used in South Africa belong to the *vitis vinifera* species which were originally imported from Europe.

Although most of the cultivars cultivated locally today were originally imported, various unique South African cultivars created by crossing varieties have been released. The best known is the red variety Pinotage, which is a cross between Pinot noir and Cinsaut.

Approximately 60 cultivars are approved for the production of Wines of Origin. Each cultivar has specific characteristics regarding its adaptability to the soil and climate, and the suitability of its fruit for the production of a wine with a specific style or of a specific quality.

There is thus a close relationship between the cultivar, the origin and the wine itself.

The use of the name of a grape cultivar on a label is authorised and verified in terms of the Wine of Origin Scheme and only the cultivar names may be used.

The name of a grape cultivar may be used if 75% of the content of the wine originates from that cultivar. When wine is exported it must comply with the requirements of the importing country so that, if a wine is to be exported for example to the European Union, 85% of its content has to be from that specific cultivar.

The role of vintage as a guide to the character of wine

With the passing of time changes take place in a wine and therefore the age of a wine, with specific reference to vintage, can serve as a guide to another aspect of its character.

The vintage which appears on the label of a wine confirms that at least 75% of the content of that bottle is from that specific claimed year. Vintage may only be indicated on a label if the wine is certified by the Wine and Spirit Board. As is the case with cultivars the requirements of the importing country have to be complied with when wine is exported.

Certification of wine as guarantee to the public

A certification seal is an absolute guarantee to the public that the claims made on the packaging about the wine are true and that the wine was of good quality when it was evaluated by the Wine and Spirit Board for certification.

A wine can only be certified when all the requirements of the Wine of Origin Scheme have been met.

The Wine and Spirit Board will only certify a wine if all the requirements of the Scheme with regard to origin (e.g., Paarl), cultivar (e.g., Chardonnay) and vintage (e.g., 1997) have been met and the wine has also censoriously been evaluated by one of the tasting panels of the Board and it did not show any unacceptable quality characteristics as listed below.

Samples of all wines which are submitted for certification are also scientifically analysed to determine whether all the legal requirements have been met.

If a claim is to be made on origin, cultivar or vintage, a wine has to be certified, and a certification seal is put on the packaging of such wine, which confirms that while being evaluated by the Board, the wine was of good quality and that any claims made on the label were checked and verified.

During censorial evaluation to have the wines certified, the judges look for the following possibly unacceptable quality characteristics:

Clarity: Wine is not brilliant as it contains suspended particles or sediment, or excessive crusting has taken place and can be described as slightly turbid.

Colour: With regard to age, cultivar and type of wine, it has:

- Too much colour
- Faulty colour
- Insufficient colour

Flavour: With regard to age, cultivar or type of wine:

- It has no or insufficient recognisable wine flavour.
- Reveals so much wood character that it dominates the wine flavour.
- An insufficient or faulty cultivar character.
- An undesirable flavour (e.g., that of sulphuric compounds, oxidised, phenolic, geranium, volatile acidity, mousy, ethal acetate, sulfur dioxide and that of cork, filtering material, oil, paint, mould, etc.).
- The character of an over-matured wine.
- An excessively sharp spirit or brandy flavour.
- Not the required distinctive flavour.

Taste: With regard to age, cultivar or type the wine has:

- No or insufficient recognisable taste, it can be described as watery.
- The wine reveals so much wood character that it dominates its recognisable taste.
- The wine is too astringent: press must, stalk or husk character dominates its taste.
- An insufficient or faulty cultivar character.
- An undesirable taste (e.g., too acidic, too harsh or tannic, too bitter, or that of sulphuric compounds, oxidised, phenolic, geranium, volatile acid, sulfur dioxide, cork, filtering material, ethyl acetate, oil, paint, mould, etc.).
- The character of an over-matured wine.
- Not the required distinctive taste.

Certification of estate brandy

During 1993 a Scheme for Estate Brandy was promulgated, which makes provision for the certification of brandy produced on an estate.

The Scheme is applicable to potstill brandy, brandy and vintage brandy.

The official seal of the Wine and Spirit Board

This seal appears on each bottle of wine or estate brandy which has been certified by the Wine and Spirit Board.



The seal guarantees the authenticity of all information relating to origin, cultivar and vintage as stated on the label.

The identification numbers on the seal refer to the strict control by the Wine and Spirit Board, from the pressing of the grapes to certifying the final product and also serves as judication of lot numbers.

Label requirements

The Label Committee has to approve all labels before it can be used on certified wines or estate brandies.

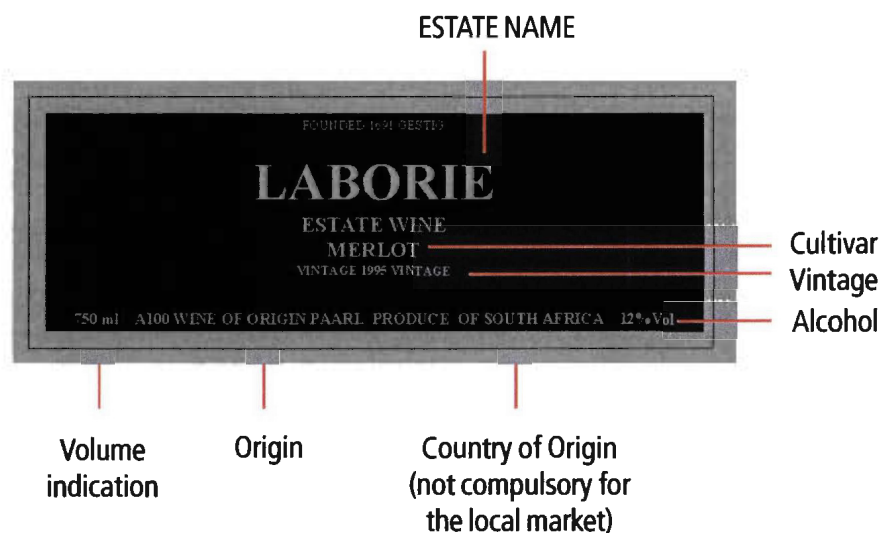
The particulars which are permitted are prescribed by regulations, the Wine of Origin Scheme and the Scheme for Estate Brandy.

All compulsory particulars such as the class name, alcohol content, name and address or code number of the responsible cellar, the origin appellation or the name of the geographical unit has to appear in the same visual field on one or more labels of a bottle of wine or estate brandy.

Compulsory information must be clearly distinguished from one another or from other additional information on the label.

The following information may only be used with regard to the selling/marketing of wine if the Wine of Origin Scheme authorises it:

- The name of the area which is defined as an estate, ward, district, region or geographical unit.
- Names of grape cultivars.
- The indication of vintage.
- The words “estate,” “vineyard,” “origin” and “vintage”.
- The term “Wine of Origin”.



The Wine and Spirits Board

South Africa’s Wine of Origin Scheme as part of a collective marketing strategy was officially instituted in 1973 in accordance with the Wine, Other Fermented Beverage and Spirits Act 1957.

In accordance with the regulations of the Liquor Products Act of 1989, which replaced the previous Act of 1957, the control function regarding Wine of Origin, cultivar and vintage fall under the Wine and Spirit Board. The Board is appointed by the Minister of Agriculture and consists of 12 members. Of these four are nominated by KWV, representing the primary producers; four by the Cape Wine and Spirits Institute, representing the producing wholesalers; two Department of Agriculture officials; as well as a wine and viticultural research official, nominated by the Agricultural Research Council. An independent chairman is appointed.

The Board’s primary functions are:

- Running and administering the Wine of Origin and Estate Brandy schemes.
- Advising and making recommendations to the Minister of Agriculture on any matter relating to the Liquor Products Act and its subordinate legislation.

The Board’s committees comprise people nominated by the organisations represented on the Board. These committees function on a basis of consensus. Only the Board is allowed to make decisions by means of a normal majority although such a situation is avoided as far as possible.

The **Executive Committee** functions as the management committee of the Board. Protests by members of the Wine of Origin Scheme on decisions made by the other committees are dealt with by the Executive Committee. The Executive Committee answers as far as possible for the Board and only non-consensus aspects and cases of principle matter are referred to the Board for a decision.

The **Demarcation Committee** investigates applications relating to the definition and amendment of production areas (regions, districts, wards and estates) and makes recommendations in this regard to the Executive Committee.

The **Label Committee** considers and scrutinises all labels for use on certified wines and estate brandies.

The **Legal Committee** is responsible for formulating draft legislation emanating from decisions made by the board and the Executive Committee.

The **Technical Committee** is responsible for the sensory judging of wine for final certification, judging the analytical data of wine for certification and handling requests from members and reports relating to anomalies which are of a technical nature.

The **Wine Evaluation Committee** is responsible for the preliminary certification of wine by means of sensory evaluation. They also evaluate wines destined for export. Wines which are rejected by this Committee are automatically re-evaluated by the Technical Committee.

The **Decentralised Evaluation Committees** are responsible for the preliminary and final certification of wines from a designated area by means of sensory evaluation. They also evaluate wines for export from the specific area.

Composition of Committees: The Technical, Wine Evaluation and Decentralised Wine Evaluation Committees are made up of experts who have in-depth knowledge of wine judging and are representatives of all sectors of the wine industry. The Wine Evaluation Committee, for instance, comprises 24 members who judge the wine on a rotation basis.

The **Certification and Inspection Services Departments** are responsible for the day-to-day application, running and functioning of the Schemes on the premises of participants. It entails on-site inspections, drawing samples, reporting irregularities, receipt and processing of applications and notices and the issuing of certification seals.

Work Groups are appointed by the Board to investigate and make recommendations to the Board on requests for adaptations or amendments to regulations, either from within own ranks, or from other parties. Such requests usually have far-reaching implications and concern various interest groups. These work groups consist of experts in specific fields and since 1990 more than 60 such groups have been appointed.

Integrated production of wine (IPW)

The protection and marketing of specific attributes of geographical indications goes beyond the climatic soil types and location. It also includes viticultural practices which have a direct effect on the quality of the wine of specific origin. The South African wine industry is, therefore, emphasising environmentally friendly production practices. The South African Integrated Production of Wine scheme (IPW) was promulgated in November 1998 encompassing all processes from soil preparation, cultivation, to ensuring that all winemaking processes are to be environment-friendly. The scheme is managed by the Wine and Spirits Board. It has a sound technical base. Guidelines are set and amended by a committee comprising of researchers, industry representatives and chemical firms. Auditing is done on different levels by the Infruitech/Nietvoorbij Centre for Vine and Wine.

All producers registered under IPW in 1998. The 270 South African wine cellars (93% of cellars) and 4,574 farmers (99%) have started to follow the guidelines. The first IPW wines are expected to be produced in 2000.

A comprehensive strategy for the marketing of IPW wines and terms to be used on labels and advertisements are currently being finalised. (A. Tromp, 1999).

IPW will add a new dimension to the marketing of wines of origin and the use of geographical indications as a collective marketing strategy.

Geographical indications in a collective marketing strategy—structure and implementation

The industry organisations very closely related and focused on the promotion of geographical indications as part of a collective marketing strategy are, amongst others, the following:

- South African National Wine Show Association (SANW)
- South African Port Producers' Association (SAPPA)
- South African Wine and Spirit Exporters' Association (SAWSEA)
- South African Wine Industry Information and Systems (SAWIS)
- South African Brandy Foundation
- Vine Improvement Association
- Vinpro (SA)
- Wine and Spirits Board
- Wine Industry Trust
- Cape Wine and Spirit Education Trust
- Cape Wine Academy
- Cape Estate Wine Producers' Association (CEWPA)
- ARC—Nietvoorbij Centre for Vine and Wine
- Winetech

The Wine of Origin Scheme was an important stimulus for the development of wine regions and wine estates within these regions. In 1972 KWV started to develop wine houses in the wine regions. Paddagang in Tulbagh, Kleinplasië in Worcester, Brandewynsdraai in Robertson, Laborie in Paarl and Doornbosch in Stellenbosch. The purpose of these wine houses was to promote wines of origin from the region in which they were situated. These wine houses attracted tourists to the winelands of the Cape and became part of the wine routes in the winelands.

Wine routes similar to those found in Europe and elsewhere were founded in 1971 when the first wine route opened in Stellenbosch. Today wine routes are found throughout the entire wine industry organised in 15 Wine Route Associations and/or Wine Trusts.

These organisations focus on the promotion of their geographical indications on the following activities:

- Food and wine festivals.
- Wine festivals and wine shows—both on national and international levels.
- Wine tastings on national and international levels.
- Advertising on national and international levels, both the printed media and radio.
- Public relations and media promotions.
- Technical support and discussion groups for winemakers and grape producers giving guidelines and information on latest trends important for region.
- Installation and maintaining of automatic weather stations.
- Sport sponsorships and tournaments.
- Brandy festivals.
- Brochures and promotional material.
- Liaison and joint promotion with tourism organisations.

The wine routes are very successful in promoting the regions and a marked increase in overseas visitors to the wine routes has been experienced.

The organisations run permanent offices in the wine regions to furnish information to the public and especially tourists. On the wine routes, cellar tours, wine tasting and wine sales are offered. Many cellars also offer tours in foreign languages in addition to English. Maps, signboards and different logos were designed to give a clear identity to the different wine routes. Standards for signboards are specified to uplift the environment and to contribute to the image of the region. Moving into the world of information technology, the Internet will also be widely used to distribute information on the wine regions and their unique attributes in wine.

The generic promotion of wines of South Africa by the South African Wine and Spirit Exporters' Association focuses essentially on Wines of Origin and their specific Geographical Indications. Their activities create an environment of general public awareness within which the individual producers and exporters can promote their wines of origin. International wine fairs, trade shows and media advertising and promotions are used to reach the target market.

“The concept of origin is the way consumers see the world of wine—they understand this because it is an entrenched way of looking at the great wine areas.” (Kim Green, 1999)

The brandy industry is an integral part of the South African wine industry. More than 30% of the South African wine production is used in quality brandy production.

South African brandy has already won international acclaim as a unique brandy. The new development of a brandy route and the Estate Brandy Scheme have started the process of focus on the influence of geographical indications on the quality and specific characteristics of South African brandy.

“Estate brandies ... are adding to the rich variety of brandy styles found in South Africa.” (Pietman Retief, 1999)

The use of geographical indications in the collective marketing of South African wines and brandies is therefore well embedded and regarded as valuable collective intellectual property.

Conclusion

In conclusion, the South African wine industry has a well established Wines of Origin System which defines and protects its geographical indications. The Wines of Origin System forms the basis of the authentic use of geographical indications in its collective marketing strategy, to enhance the image and collective intellectual property of the South African wine industry at large.

References

- Annual reports: Robertson Valley Wine Route (1997/98/99); Stellenbosch Wine Route (1998/99); Swartland Wine Trust (1998); Worcester Winelands Association (1998/99).
- De Klerk, W L and Matthee, A J: Protection of the authenticity of indications on Wine in South Africa. Address to Commission III. Economic, Office International de la Vigne et du Vin, 75th General Assembly, Punta del Este, Uruguay, 1995.
- Booyesen, J H: Demarcation and application of geographic information system (GIS) in winegrape site selection. Unpublished VinPro (S A), Paarl 1999.
- Green, Kim: CEO South African Wine and Spirit Exporters' Association, P O Box 987, Stellenbosch, 7599 (Interview).
- Retief, P: Director, South African Brandy Foundation (1999), P O Box 363, Stellenbosch, 7599 (Interview).
- Saayman, D: The development of vineyard zonation and demarcation in South Africa. Department of Soil Sciences, University of Stellenbosch, Private Bag X1, Matieland, 7602, RSA.
- S A Wine Directory 2000, published by Wynboer magazine and VinPro (S A) (1999). ISBW 1 - 919760 - 18 - 0.
- Tromp, A: Integrated Production of Wine (IPW), P O Box 2176, Dennesig, Stellenbosch, 7601.
- Van Zyl, D J: KWV 75 Jaar, published by KWV, Paarl, 1993.
- Wine and Spirit Board: “Wine of Origin,” a publication compiled by K Theron (1998), P O Box 2176, Dennesig, Stellenbosch, 7601.

List of Participants

PARTICIPANTS

(in the alphabetical order of the names of States)

AUSTRALIA

Owen MALONE, Vice President, Intellectual Property, Fosters Brewing Group, Ltd.

BOTSWANA

Lebogang MOPHUTING, Principal Registration Officer, Department of the Registrar of Companies, Trade Marks, Patents and Designs, Ministry of Commerce and Industry

CHILE

Eduardo Enrique CARRILLO TOMIC, Chief Lawyer, Bureau of Agrarian Studies and Policies, Ministry of Agriculture

CHINA

Li WANG (Mrs.), Official, Trademark Office, State Administration for Industry and Commerce

COSTA RICA

Luis POLINARIS VARGAS, Viceministro de Justicia, Ministerio de Justicia

CÔTE D'IVOIRE

Yao Joseph AMANI, chargé d'études, Office ivoirien de la propriété industrielle

CROATIA

Zeljko TOPIC, Assistant Director, State Intellectual Property Office

CUBA

Hortensia del Carmen PEÓN NARANJO (Mrs.), Head, Legal and International Affairs Department, Cuban Industrial Property Office

EGYPT

Bahiga SHOUKRY (Mrs), General Director, Trade Marks and Industrial Designs, Ministry of Trade and Supply

ETHIOPIA

Hailu Geletu G/MARIAM, Technology Development Team Leader, Patent, Technology Transfer and Development Department, Ethiopian Science and Technology Commission

FORMER YUGOSLAV REPUBLIC OF MACEDONIA (THE)

Biljana LEKIC (Mrs.), Advisor, Industrial Property Protection Office

FRANCE

Michel BLANC, Secrétaire Général, Fédération des producteurs de Châteauneuf-du-Pape
Pascal GOYARD, Directeur, Fédération des producteurs de Châteauneuf-du-Pape
Gislaine LEGENDRE (Mme), chargée de mission, Ministère de l'agriculture et de la pêche, Direction de la production et des échanges, Service de la production et des marchés

GEORGIA

David GABUNIA, Director General, National Intellectual Property Center
 Merab KVIMSADZE, Deputy Director General, National Intellectual Property Center

GERMANY

Reinhard MUTH, Chairman, Supervisory Board and Administrative Council, Deutscher Weinfonds

GHANA

Elizabeth OWIREDU-GYAMPOH (Mrs.), Ag. Registrar-General, Registrar-General's Department, Ministry of Justice

HUNGARY

Vera ADLER (Mrs.), Head, Department of Trademarks, Industrial Designs and Utility Models, Hungarian Patent Office
 Gabriella SASVÁRI (Mrs), Lawyer, S.B.G. & K. Patent and Law Offices

INDIA

Subhash CHANDRA, Deputy Secretary, Department of Industrial Development, Ministry of Industry

INDONESIA

A. Zen Umar PURBA, Director General, Directorate General of Intellectual Property, Department of Justice

JAMAICA

Aldith Alecia HYLTON (Ms.), Intellectual Property Manager, Office of the Registrar of Companies

KENYA

John Ezekiel Kabue MUCHAE, Deputy Director, Kenya Industrial Property Office

LATVIA

Baiba GRAUBE (Mrs.), Head, Section of International Marks, Patent Office

MEXICO

Fernanda ORTIZ MONASTERIO GARCÍA RUIZ (Ms.), Head, Department of Trademarks, Mexican Institute of Industrial Property
 Alma Juárez BAUTISTA (Ms.), Mexican Institute of Industrial Property

MOROCCO

Lalla Meriem EL HARRANE (Mlle), inspecteur, chargée de l'enregistrement des marques internationales, Office marocain de la propriété industrielle

MOZAMBIQUE

José Maria do Rosário GUILHERME, Senior Officer, Industrial Property Department, Ministry of Industry, Commerce and Tourism

NAMIBIA

Edward Tueutjiua KAMBOUA, Deputy Director, Registrar of Patents, Trademarks and Designs, Ministry of Trade and Industry

NIGERIA

Eric Chukwuanu EGBUONU, Principal Assistant Registrar, Federal Ministry of Commerce, Commercial Law Department

PAKISTAN

Khalid Hidayat KHAN, Deputy Registrar, Trade Mark Registry

PERU

Gladys Monica TRIVEÑO CHAN JAN, Abogada, Gerente de desarrollo institucional del INDECOPI

REPUBLIC OF KOREA

Tae-Min EOM, Deputy Director, International Cooperation Division, Korean Industrial Property Office

REPUBLIC OF MOLDOVA

Tudor NIREAN, Director, Administration Division, Ministry of Agriculture and Processing Industry

ROMANIA

Alexandru Cristian STRENC, Directeur général adjoint, Office d'état pour les inventions et les marques

SOUTH AFRICA

Kevin ASHBY, Hofmeyr Herbststein Gihwala Cluver and Walker, Inc.

Miriam BABITA, Statistics South Africa

Duimdie BAYLY, Chairman, South African Brandy Foundation

D. BROODRYK, Trade Mark Manager (Intellectual Property), Industrial Property Services, Ltd.

Elmarie DE BRUIN (Ms.), Director/Partner, Cliffe Dekker Fuller Moore Inc.

Wessel DE WET, Legal Advisor, Distillers Corporation Ltd.

Ilse DU PLESSIS (Mrs.), Professional Assistant, Hofmeyr Herbststein Gihwala Cluver and Walker

R.I. FORSTER, Ian Morrison Forster and Co.

Stewart GARDINER, Hofmeyr Herbststein Gihwala Cluver and Walker

Kim GREEN (Mrs.), South African Wine and Spirit Exporters Association

Janine HOLLESEN (Ms.), Hofmeyr Herbststein Gihwala Cluver and Walker

Monique HOLZEN (Ms.), Trademarks Attorney, Fairbridge Arderne and Lawton

Jurgen KOGL, Khula Consulting

Suzanne LAING (Ms), Trademark Attorney-Partner, Adams and Adams

André MATTHEE, SA Wine and Spirit Board

P. MTHEMBU

Itumeleng MOSALA, Professor, Technikon North West

C.A. STEWART, Partner, Adams and Adams

F. STOEDER, Trade Mark Manager (Intellectual Property), Industrial Property Services, Ltd.

Louis VAN WYK, Spoor and Fisher

Mariëtte VILJOEN (Mrs.), Partner, Adams and Adams

Randall WILLIAMS, Assistant Director, Department of Trade and Industry

Faan WOLVAARDT, Trade Marks Manager, John & Kernich-Bowman Gilfillan Inc.

SPAIN

Luis DE JAVIER ESTEBAN, Director, Legal Department, Miguel Torres S.A.

Felix PEREZ ALVAREZ, Abogado, Spanish Patent and Trademark Office

SRI LANKA

R.D.S. KUMARARATNE, Counsellor (Commercial), High Commission of the Democratic Socialist Republic of Sri Lanka

SUDAN

Ahmed El Faki ALI, Commercial Registrar General, Ministry of Justice

SWEDEN

Lena Göransson NORRSJÖ (Mrs.), Legal Officer, The Swedish Patent and Registration Office

SWITZERLAND

Isabelle PASCHE (Ms.), juriste, Office fédéral de l'agriculture

SYRIAN ARAB REPUBLIC

Muaffak MEZEL, Directorate of Commercial and Industrial Property, Ministry of Supply and Home Trade

THAILAND

Songwuth NAKARANURUCK, Senior Legal Officer, Department of Intellectual Property, Ministry of Commerce

TUNISIA

Mohamed CHAOUCH, directeur général, Institut national de la normalisation et de la propriété industrielle

UGANDA

Agnes Wandira NTENDE (Mrs.), State Attorney/Assistant Registrar, Registrar General's Department, Ministry of Justice and Constitutional Affairs

UKRAINE

Valeriy PETROV, Chairman, State Patent Office

UNITED KINGDOM

Jeff WATSON, Senior Policy Advisor, The Patent Office

UNITED STATES OF AMERICA

Richard FAUGHT, Vice President, International Affairs, Anheuser-Busch Companies, Ltd.

Claud GINGRICH, L.A. Motley & Co.

Frank Z. HELLWIG, Senior Associate General Counsel, Anheuser-Busch Companies, Ltd.

Clark W. LACKERT, Senior Partner, Nims, Howes, Collison, Hansen & Lackert

URUGUAY

Maria Cristina DARTAYETE BARREIRO (Sra.), Asesor Letrado, Dirección Nacional de Propiedad Industrial

VIET NAM

NGUYEN Thi Thanh Van (Mrs.), Trademark Examiner, National Office of Industrial Property

INTERNATIONAL NON-GOVERNMENTAL ORGANIZATION

INTERNATIONAL TRADEMARK ASSOCIATION (INTA)

Shanti BAJAJ (Ms.), International Program Coordinator, International Trademark Association

INTERNATIONAL WINE LAW ASSOCIATION (AIDV)

Douglas D. REICHERT, Attorney at Law

SPEAKERS

(in the order of their presentations)

Marcus HÖPPERGER, Head, Geographical Indications and Special Projects Section, Industrial Property Law Division, World Intellectual Property Organization (WIPO)

Thu-Lang Tran WASESCHA (Mrs.), Director, International Affairs, Coordinator for International Affairs in the Field of Intellectual Property, Swiss Federal Institute of Intellectual Property, Berne, Switzerland

Anne STERN (Mrs.), Attorney/Director, DM Kisch, Inc., Intellectual Property Attorneys, Johannesburg

Hermann RADEMEYER, Advocate of the High Court of South Africa, Legal Advisor to the South African National Department of Agriculture, Johannesburg

Lynne BERESFORD (Ms.), Attorney-Advisor, Office of Legislative and International Affairs, Patent and Trademark Office, U.S. Department of Commerce, Washington, D.C.

François VITAL, Head, Quality Policy Unit Directorate General IV (Agriculture), Commission of the European Communities, Brussels

Henning HARTE-BAVENDAMM, Attorney, Boesebeck Droste, Hamburg, Germany

Jean-Marc GIRARDEAU, Head, International Legal Department, Bureau National Interprofessionnel du Cognac (BNIC), Cognac, France

Kobus VAN NIEKERK, Group Director, Corporate Strategy, Koöperatiewe Wynbouers Vereniging (KWV), Suiderpaal, South Africa

ORGANIZERS

INTERNATIONAL BUREAU OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

Marcus HÖPPERGER, Head, Geographical Indications and Special Projects Section, Industrial Property Law Division

Johannes Christian WICHARD, Legal Officer, Trademark Law Section, Industrial Property Law Division

Li-Feng SCHROCK, Consultant, Industrial Property Law Division

Rita DE METS (Ms), Secretary, Geographical Indications and Special Projects Section, Industrial Property Law Division

SOUTH AFRICAN PATENTS AND TRADEMARKS OFFICE (SAPTO)

Macdonald NETSHITENZHE, Registrar

Cecilia Maelia PETLANE (Mrs.), Assistant Director

Malesela LEKOTO, Legal Officer

For more information contact the
World Intellectual Property Organization

Address:

34, chemin des Colombettes
P.O. Box 18
CH-1211 Geneva 20
Switzerland

Telephone:

41 22 338 91 11

Fax:

41 22 733 54 28

e-mail:

wipo.mail@wipo.int

or its New York Coordination Office at:

Address:

2, United Nations Plaza
Suite 2525
New York, N.Y. 10017
United States of America

Telephone:

1 212 963 6813

Fax:

1 212 963 4801

e-mail:

wipo@un.org

Visit the WIPO website at:

<http://www.wipo.int>

and order from the WIPO Electronic Bookshop at:

<http://www.wipo.int/ebookshop>