

WTO negotiations in relation to geographical indications

WTO Members, in the framework of the Doha Round, are continuing the negotiations on the establishment of a multilateral register for geographical indications of wines and spirits, which started in 1997. Although the Doha Ministerial Declaration set the WTO Ministerial Conference held in Cancún, Mexico in September 2003,¹ as the deadline for completing the talks, WTO negotiators were unable to meet this target date.

Before the Ministerial Conference, extensive discussions have taken place on extending the scope of additional protection currently available exclusively for geographical indications of wines and spirits to those of other goods. Serious disagreement exists, however, as to whether this issue is part of the ongoing round of negotiations. At the same time, not being the part of the agricultural negotiations, geographical indications nevertheless are heatedly debated during the meetings of the Trade Negotiations Committee.²

The WTO Member States, concerned about the reopening negotiations from the Doha Round, have chosen to concentrate on four principal issues: agriculture, market access for industrial products, the Singapore issues and cotton. Since the failed negotiations at the last WTO Ministerial Conference, the issue of the extension of the protection of geographical indications and establishment of the multilateral register has been the subject of very few debates within the WTO. That being said, geographical indications continue to form an integral part of the Doha Development Agenda.

The European Union is highly interested in the launching of discussions on geographical indications as their protection is one element of the new quality approach imposed by the new orientation of the European CAP,³ that implies a move away from support for unlimited production to the production of quality products.

By virtue of the TRIPs Agreement⁴ the level of protection of geographical indications for wines and spirits is higher than for all other products and is not conditional upon whether the public is misled or whether unfair competition occurs.⁵

When concluding the TRIPs Agreement, it was agreed that negotiations should be undertaken on the establishment of a multilateral system of notification and registration of geographical

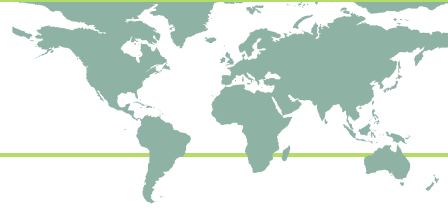
¹ LINK - http://www.wto.org/english/thewto_e/minist_e/min03_e/min03_e.htm.

² LINK - <http://www.wto.org/english>, TN/IP/W/7, Discussions on the Establishment of a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits: Compilation of Issues and Points, 18 February 2003.

³ LINK - <http://europa.eu.int/scadplus/leg/en/lvb/l11062.htm>.

⁴ LINK - http://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm.

⁵ LINK - http://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm, Article 23 of TRIPs “Additional protection for geographical indications for wines and spirits”.



indications for wines eligible for protection in those WTO Members participating in the system. The stated objective of establishing such a multilateral register was the facilitation of geographical indication protection for wines. The TRIPs Agreement does not set out a timeframe for the completion of the negotiations and indicates that participation in the system may be voluntary.

The negotiations on the establishment of the multilateral system of notification and registration of geographical indications for wines began in 1996.⁶ At that time the TRIPs Council agreed to identify the issues of relevance in the establishment of a notification and registration system not only for wines but also for spirits.⁷ A report on this issue prepared by the Council was adopted by the Singapore Ministerial Conference in 1996.⁸ This report provoked much debate on the scope of negotiations, whether the spirits should be included in the negotiations and whether the future system should also apply to spirits. The uncertainty was resolved during the Fourth WTO Ministerial meeting in Doha in November 2001.⁹ The Doha Ministerial Declaration recognised the ongoing debate on geographical indications and, without committing members to a specific resolution, stated:

“With a view to completing the work started in the Council for Trade-Related Aspects of Intellectual Property Rights on the implementation of Article 23.4, we agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference.”¹⁰

Paragraph 18 of the Doha Ministerial Declaration adopted in November 2001 modified the original mandate in three respects:

- the Fifth Session of the WTO Ministerial Conference, which took place in Cancún, Mexico from 10 to 14 September 2003, was set as the deadline for the completion of the negotiations;
- the establishment of the multilateral register was placed on the agenda of the new WTO round of trade negotiations and thereby linked to other negotiating issues, and
- the product coverage of the register to be set up was extended to spirits.

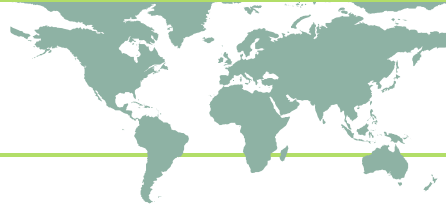
⁶ **LINK** - http://docsonline.wto.org/GEN_searchResult.asp; Documents IP/C/M/6, 10 April 1996; IP/C/M/7, 13 June 1996.

⁷ **LINK** - http://docsonline.wto.org/GEN_searchResult.asp; Document IP/C/8, para 34, 6 November 1996.

⁸ **LINK** - http://www.wto.org/english/thewto_e/minist_e/min96_e/min96_e.htm.

⁹ **LINK** - http://www.wto.org/english/thewto_e/minist_e/min01_e/min01_e.htm; the Fourth WTO Ministerial Conference was held in Doha, Qatar from 9 to 14 November 2001.

¹⁰ **LINK** - http://www.wto.org/english/thewto_e/minist_e/min01_e/min01_e.htm; Doha Ministerial Declaration adopted on 14 November 2001, § 18, WT/MIN(01)/DEC/1.



The negotiations took place on the basis of two main proposals – the European Communities proposal submitted in July 1998¹¹ and a joint proposal from Canada, Chile, Japan and the United States submitted in March 1999.¹² Separately Hungary, building on the EC approach, submitted a proposal on the opposition/challenge procedure in the register.¹³

In April 2003, two alternative proposals were submitted to the Council for Trade-Related Aspects of Intellectual Property Rights: the Hong Kong (China) proposal¹⁴ and the International Trademark Association position paper.¹⁵

One common feature of all the proposals is the fact that the participation in the registration is voluntary. However, there is a disagreement with respect to the scope of voluntary participation, whether the notification and registration is voluntary or whether the very protection of geographical indications is voluntary.

The EC proposal on notification and registration is neutral as regards the scope of the register. The EC envisages multilateral registration as a three-step process:

- in the first phase, WTO Members would notify all geographical indications that identify goods as originating in their territory and the WTO Secretariat would publish all the notifications;
- in the second phase, WTO Members would have 18 months to examine the notifications and ask related questions. Members would have the right to challenge the registration of a notified geographical indication. Those who challenge the registration of a notified geographical indication would start bilateral negotiations aimed at resolving the disagreement;
- in the third phase, the notified geographical indications would be registered in the multilateral register and all WTO Members who have not challenged their registration would be under an obligation to provide protection for them.

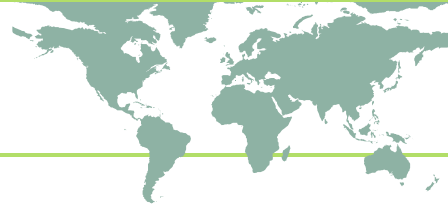
¹¹ **LINK** - <http://www.wto.org/>, “WTO official documents; Communication from the European Communities and their Member States, Proposal for a Multilateral Register of Geographical Indications for Wines and Spirits based on Article 23.4 of the TRIPs Agreement, IP/C/W/107, 28 July 1998, IP/C/W/107/Rev. 1, 22 June 2000.

¹² **LINK** - <http://www.wto.org/>, In March 1999, the United States and Japan tabled 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 (11 March 1999, IP/C/W/133), which was joined by Canada and Chile in July 1999 (26 July 1999, IP/C/W/133/Rev.1).

¹³ **LINK** - <http://www.wto.org/>, Communication on incorporation of elements raised by Hungary in IP/C/W/234 into the Proposal by the European Communities and their Member States on the establishment of a multilateral system of notification and registration of geographical indications, 3 May 2001, IP/C/W/255, see on <http://www.wto.org/>, “WTO official documents”.

¹⁴ **LINK** - <http://www.wto.org/>, Communication from Hong Kong on a multilateral system of notification and registration of geographical indications under article 23.5 of the TRIPs Agreement, TN/IP/W/8.

¹⁵ **LINK** - www.wto.org/english/forums_e/ngo_e/pospap_e.htm, International Trademark Association, Establishment of a multilateral system of notification and the registration of geographical indications for wines and spirits pursuant to TRIPs Article 23.4.



During the 18 months period each WTO Member may challenge the registration of the geographical indication. The proposed system would go beyond a database of information on GIs and would establish a register with a legal effect, another words, registration would create the presumption of eligibility for protection for geographical indications.

Hungary proposed to combine direct bilateral consultations over a notified geographical indication with a multilateral procedure for cases where direct discussions do not result in a bilateral settlement. The EC Proposal incorporated Hungarian suggestions.¹⁶ Under both proposals, opposition can be brought only by WTO Member States.¹⁷

The EC approach is broadly supported by Bulgaria, Cuba, the Czech Republic, Egypt, Georgia, Hungary, Iceland, India, Jamaica, Kenya, Liechtenstein, Mauritius, Nigeria, Pakistan, Slovenia, Slovakia, Sri Lanka, Switzerland, Turkey and Venezuela.¹⁸ These WTO Members are in favour of establishing a multilateral register along the lines proposed by the EC, but only if talks on the extension of protection of geographical indications start *bono fide* and they obtain assurances that the envisaged register would be extended to incorporate geographical indications for products of interest to their economies.

The joint US proposal is less ambitious than the EC paper, suggesting the establishment of a non-binding system pursuant to which the WTO Member may notify their geographical indications to the WTO. The WTO would collect all the data and maintain the database basically as a source of information for the other WTO Members with no real legal effect.¹⁹

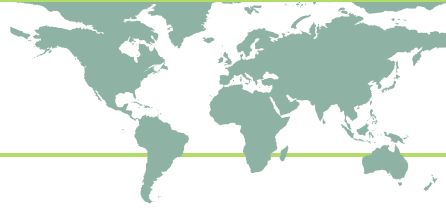
Participating WTO Members would only agree to refer to the database, together with other sources of information, when making decisions on providing protection in accordance with their national legislation. There would be no need for an opposition procedure. The scope of the proposal is limited to wines. The US proposal does not support the idea that the register should provide any increase in the level of protection of geographical indications already provided for in TRIPs.

¹⁶ **LINK** - <http://www.wto.org/>, Communication on incorporation of elements raised by Hungary in IP/C/W/234 into the Proposal by the European Communities and their Member States on the establishment of a multilateral system of notification and registration of geographical indications, IP/C/W/255, see on <http://www.wto.org/>, “WTO official documents”.

¹⁷ **LINK** - <http://www.wto.org/>, TN/IP/W/7/Rev.1, p. 8, para. 23. This point has been questioned by certain delegations, who argue that since geographical indications are a form of intellectual property rights, which are private property rights, it should also be up to individuals as right holders to decide whether to assert or to challenge rights.

¹⁸ **LINK** - <http://www.wto.org/>, See Negotiating Proposals from these countries, WTO documents IP/C/W/247, IP/C/W/247/Rev.1 and IP/C/W/308.

¹⁹ **LINK** - <http://www.wto.org/>, Paragraph 2 of the Proposal, Communication from the US, Canada, Chile and Japan on Proposal for a multilateral system of notification and registration of geographical indications based on Article 23.4 of the TRIPs Agreement, 26 July 1999, IP/C/W/133/Rev.1.



The non-binding multilateral system, initially proposed by the US, Japan, Canada and Chile, is supported by Argentina, Australia, Columbia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Namibia, New Zealand, Philippines and Chinese Taipei.²⁰

Hong Kong submitted a Communication on 17 April 2003 on an alternative model for a registration system of geographical indications at WTO level.²¹ The scope of the proposal is limited to wines and spirits. Under the Hong Kong proposal, the notification of the geographical indication will be examined only on formal grounds at WTO level, another words, no substantive examination of the geographical indication will be undertaken.

According to the proposal, the entry into the WTO Register will create a prima facie evidence of ownership; the fact that the indication is within the definition of “geographical indications” under Article 22 of the TRIPs Agreement and that it is protected in the country of origin. The proposed register will create a rebuttable presumption in favour of owners of geographical indications in relation to those three issues. However, the presumption may be overcome in proceedings before the national courts. It can only be decided at Member Country level whether or not a geographical indication is misleading or constitutes a generic term.

Under the Hong Kong proposal questions relating to the applicability of grounds or exceptions under TRIPs Articles 22 to 24 shall continue to be decided by domestic courts, tribunals or administrative bodies of participating WTO Members, applying domestic laws, and having regard to the relevant local circumstances. Those decisions will have territorial effect only. However, the Hong Kong proposal does not specify the reasons for objecting to a geographical indication at national level under TRIPs Article 24.

The Secretariat of the TRIPs Council submitted a note to the Negotiating Committee on Discussions of the Establishment of a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits: Compilation of Issues and Points. This paper provides information on all the proposals, but being a summary compilation, it does not include a full reflection of all the documents.²²

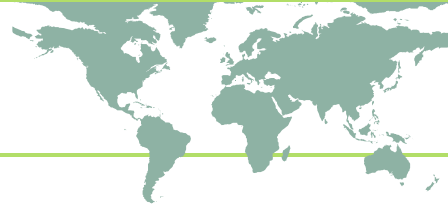
On 16 April 2003, the Chairman of the Negotiating Committee submitted a note to the Negotiating Committee on a Draft Text of Multi-Lateral System of Notification and Registration of Geographical Indications for Wines and Spirits.²³

²⁰ **LINK** - <http://www.wto.org/>, in their Communication of 20 September 2002, these countries explained and confirmed their proposal together with the initial proposing four countries, TN/IP/W/5 of 23 October 2002.

²¹ **LINK** - http://www.wto.org/english/tratop_e/trips_e/gi1_docs_e.htm; WTO, TN/IP/W/8 of 23 April 2003.

²² **LINK** - http://www.wto.org/english/tratop_e/trips_e/gi1_docs_e.htm; WTO, TRIPs Council, Special Session, Discussions of the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits: compilation of issues and points, TN/IP/W/7/Rev. 1, 23 May 2003 (with a correction, TN/IP/W/7/Rev.1/Corr.1 dated 20 June).

²³ **LINK** - http://www.wto.org/english/tratop_e/trips_e/gi1_docs_e.htm; note by the Chairman JOB (03)/75 of 16 April 2003.



The Chairman's note contains two main options:

Option A follows closely the proposal submitted by the US-led team and
Option B follows closely the proposal made by the EC-led team.

The second version was further split into two variants:

“B1”: the EU version, where a challenge is handled by bilateral consultations. If the question remains unresolved, the challenging country does not have to protect the geographical indication.
“B2”: the Hungarian proposal (supported by Switzerland), which proposes settling unresolved challenges by arbitration.

In absence of any decision of Ministers in Cancún on guidance on substantive matters in relation to the establishment of the multilateral register, it is assumed that delegations continue to repeat their positions in the negotiations on the register.

The Framework for the Establishing Modalities in Agriculture agreed in August 2004 mentioned geographical indications among the issues of interest of the WTO Members that were not yet agreed.

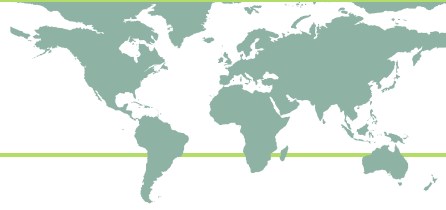
On 10 December 2004, Bulgaria, Guinea, India, Kenya, Liechtenstein, Madagascar, Moldova, Romania, Switzerland, Thailand and Turkey presented a new communication to the General Council of the WTO aimed at assisting the consultations of the Director General on the extension of the additional protection for geographical indications to all products.²⁴

The Communication once again addressed certain questions raised in the earlier discussions of the General Council. The goal of “GI-extension” was identified as *“to increase the legal certainty of the protection that the TRIPS Agreement currently affords to geographical indications for products other than wines and spirits”*.

The Communication noted that producers in developing countries are the first to suffer from the lack of “GI-extension”, since they have little or almost no resources to allocate to costly and legally uncertain enforcement of their geographical indications by complicated litigation requirements. Indeed, enforcement of protection of geographical indications for non-wines and non-spirits products based on the standards of Article 22 of the TRIPs Agreement requires the establishment of the costly and burdensome proof of the misleading test or of a case of unfair competition.

The Communication emphasized that it is the collective responsibility of WTO Members to ensure that the TRIPs Agreement provides a framework which permits all WTO Members, developed and developing countries, to protect their GI products efficiently and effectively,

²⁴ WT/GC/W/540, TN/C/W/21, 10 December 2004, Communication from Bulgaria, Guinea, India, Kenya, Liechtenstein, Madagascar, Moldova, Romania, Switzerland, Thailand and Turkey.



embedding their local particularities, traditions and know how. The question of costs of extension was once again answered negatively and explained that “GI-Extension” does not require WTO Members to introduce or establish a new legal or administrative protection regime at the national level. Furthermore, Article 23 of the TRIPs Agreement does not require Members administrations and public authorities to enforce “*ex officio*” the protection of geographical indications against usurpation and free-riding. The Communication proposed to decide on the appropriate action on “GI-extension” after the consultations of the General Council by July 2005.

WTO Documents Online - this links to a searchable database where the following documents related to the WTO negotiations may be obtained

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WTO (1999), *Proposal for a Multilateral System for Notification and Registration of Geographical Indications Based on Article 23.4 of the TRIPS Agreement, Revision. Communication from Canada, Chile, Japan and the United States*, IP/C/W/133/Rev.1, 26 July 1999.

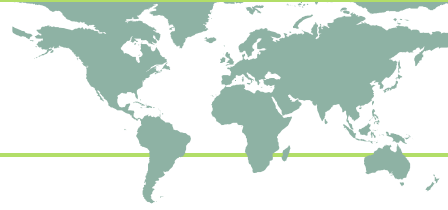
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WTO (2001), *Communication from Hungary. Incorporation of Elements Raised by Hungary in IP/C/W/234 into the Proposal by the European Communities and their Member States on the Establishment of a Multilateral System Notification and Registration of Geographical Indications*, IP/C/W/255, 3 May 2001.

WTO (2001), *Work on Issues Relevant to the Protection of Geographical indications. Proposal from Bulgaria, Cuba, the Czech Republic, Egypt, Iceland, India, Jamaica, Kenya, Liechtenstein, Mauritius, Nigeria, Pakistan, Slovenia, Sri Lanka, Switzerland, Turkey and Venezuela*, IP/C/W/247/Rev.1, 17 May 2001.

WTO (2001), *Extension of the Protection of Geographical Indications for Wines and Spirits to Geographical Indications for all Products: Potential Costs and Implications. Communication from Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay, United States of America*. IP/C/W/289, 29 June 2001.

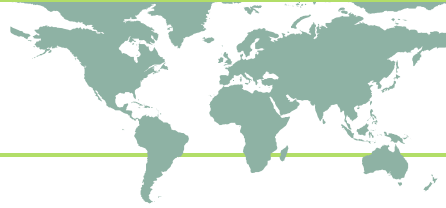
WTO (2001), *Work on Issues Relevant to the Protection of Geographical Indications. Communication from Bulgaria, Cuba, the Czech Republic, Georgia, Hungary, Iceland, India, Kenya, the Kyrgyz Republic, Liechtenstein, Moldova, Nigeria, Pakistan, Slovenia, Sri Lanka, Switzerland and Turkey*, IP/C/W/308, 17 September 2001.

WTO (2001), *Work on Issues Relevant to the Protection of Geographical Indications. Communication from Bangladesh, Bulgaria, Cuba, the Czech Republic, Georgia, Hungary, India, Jamaica, Kenya, the Kyrgyz Republic, Liechtenstein, Moldova, Nigeria, Pakistan, Slovenia, Sri Lanka, Switzerland, Turkey*, IP/C/W/308/Rev.1, 2 October 2001.

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WTO (2002), *Implications of Article 23 Extension. Communication from Argentina, Australia, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, New Zealand, Paraguay, the Philippines, Chinese Taipei and the United States*, IP/C/W/386, 8 November 2002.

WTO (2003), *Multilateral System of Notification and Registration of Geographical Indications under Article 23.4 of the TRIPS Agreement. Communication from Hong Kong, China*, TN/IP/W/8, 23 April 2003.

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