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WORLD INTELLECTUAL
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SYMPOSIUM ON THE INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS

organized by
the World Intellectual Property Organization (WIPO)
and
the National Directorate for Industrial Property (DNPI),
Ministry of Industry, Energy and Mining of Uruguay

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INTRODUCTION TO GEOGRAPHICAL INDICATIONS AND RECENT
INTERNATIONAL DEVELOPMENTS IN THE WORLD INTELLECTUAL PROPERTY
ORGANIZATION (WIPO)

prepared by the International Bureau

A. INTRODUCTION

1. Over the last 13 years, the World Intellectual Property Organization (WIPO) has organized, in a biennial rhythm and in cooperation with a number of its Member States, international symposia dedicated to the subject of geographical indications. The two most recent of those conferences took place in Eger, Hungary, in 1997, and in Somerset West, Republic of South Africa, in 1999.¹ Unlike many other meetings organized by international intergovernmental organizations, participation in the symposia is open to the general public, and is not restricted to representatives from States or other international organizations. In keeping with this format, those conferences constitute a platform for the exchange of information and views for a wide spectrum of participants, governmental and non-governmental, institutional and private, on various issues relating to the protection of geographical indications.

2. The purpose of this paper is to provide a general introduction to the protection of geographical indications, starting from terminology, and to describe recent developments concerning that subject that took place within WIPO. Work of WIPO in relation to geographical indications and the Internet will be dealt with in a separate paper.² The portion dealing with the introduction and terminology is widely based on already published documents. However, it appears to be useful to reproduce this material for the benefit of participants who touch on the subject of geographical indications for the first time, as it will enable them to better understand various issues that will be debated at the Symposium.

B. TERMINOLOGY

“Indications of Source” and “Appellations of Origin”

3. The terminology traditionally applied in treaties in the field of geographical indications administered by WIPO distinguishes between “indications of source” and “appellations of origin.”

4. The term “indication of source” is used in Articles 1(2) and 10 of the Paris Convention for the Protection of Industrial Property of 1883 (“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 of “indication of source” in those two treaties, but Article 1(1) of the Madrid Agreement on Indications of Source contains language which clarifies what is meant by the 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 in that country, as being the country or place of origin of a product. It is important

¹ See WIPO Publications No. 760(E) and 764(E).

² See WIPO document WIPO/GEO/MVD/01/8.

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. This definition does not imply any special quality or characteristics of the product on which an indication of source is used. Examples of indications of source are the mention, on a product, the name of a country, or indications such as “made in”.

5. 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 which are already protected under the national law of one of the States party to that Agreement. Protection is subject to the international registration of that appellation of origin. Article 2(1) of the Lisbon Agreement defines the term “appellation of origin” as follows:

“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.”

Under this definition, an appellation of origin can be regarded as a special kind of indication of source, because the product for which an appellation of origin is used must have quality and characteristics which are due exclusively or essentially to its origin. Examples for protected appellations of origin are “Bordeaux” for wine, “Noix de Grenoble” for nuts, “Tequila” for spirit drinks, or “Jaffa” for oranges.³

“Geographical Indications”

6. The Agreement on Trade-Related Aspects of Intellectual Property Rights of 1994 (“TRIPS Agreement”) contains a Section dealing with the protection of geographical indications (Part II, Section 3). Article 22.1 of the TRIPS Agreement provides the following definition:

“Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member [of the World Trade Organization], or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”

This definition is apparently based on the definition of appellation of origin in Article 2 of the Lisbon Agreement. However, it deviates from Article 2 of the Lisbon Agreement in some respects. Article 21.1 of the TRIPS Agreement defines geographical indications as “*indications* which identify a good [...],” whereas Article 2 of the Lisbon Agreement defines appellations of origin as “the *geographical name* of a country, region, or locality, which serves to designate a product [...]”⁴ Signs other than geographical names, for example a non-geographical name or an emblem, would not be covered by Article 2 of the Lisbon Agreement. However, they would fall into the category of signs that could constitute geographical indications under the TRIPS Agreement. Furthermore, the Lisbon Agreement requires that the quality and the characteristics of the product in question be due exclusively,

³ All of these examples are appellations of origin registered under the Lisbon Agreement.

⁴ Emphasis added.

or essentially, to the geographical environment, including natural and human factors. The TRIPS Agreement covers goods which have a given quality, reputation or other characteristic that is essentially attributable to their geographical origin. It is generally understood that 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.

7. If the definitions of indication of source, appellation of origin and geographical indication 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. 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. 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.

8. For the purpose of the present document, the term geographical indication will be used in a general manner, covering indication of source, geographical indication (within the meaning of Article 22.1 of the TRIPS Agreement) and appellation of origin. However, it must be borne in mind that the terms “indication of source,” “appellation of origin” and “geographical indication” are used in different international legal instruments. Rights and obligations flowing from those instruments, exist only in relation to the category of “geographical indication” to which the instrument in question refers. Therefore, it may not always be possible to speak broadly of “geographical indications”; rather, a distinction must be made within the context of the international agreement that is under consideration. This point will be further developed in the portion of the document dealing with existing problems in obtaining efficient protection for geographical indications in other countries.

C. EXISTING APPROACHES FOR THE PROTECTION OF GEOGRAPHICAL INDICATIONS

9. Protection of geographical indications on the national and regional levels is characterized by the existence of a variety of different legal concepts. Those concepts were developed in accordance with different national legal traditions and within a framework of specific historical and economic conditions. These differences have a direct bearing on important questions such as condition of protection, entitlement to use and scope of protection. In the following paragraphs, the main existing concepts of protection are introduced: Unfair competition and passing off, protected appellations of origin and registered geographical indications, collective and certification trademarks, and administrative schemes of protection. The historical development of the different concepts and the nature of the rights involved will be touched upon. Given the large variety in national laws and regulations concerned with the protection of geographical indications, a division into four different categories is necessarily artificial and may not precisely reflect the situation in every Member State. It is therefore possible that a mechanism of protection exists in a Member State that does not necessarily fall into any of those four categories as defined.

10. Furthermore, it is important to note that the mechanisms described do not necessarily apply on an exclusive basis. On the contrary, cumulative application of different means of

protection is very common. Cumulative protection of geographical indications under different systems of protection is accentuated by the existence of different means of protection for different categories of products.

I. Unfair competition and passing off

(a) Unfair competition

11. It can be observed that countries have established some kind of safeguard against unfair business practices. This is reflected on the international level through the inclusion of Article 10*bis* into the Paris Convention at the 1900 Brussels Revision Conference, establishing a basic international rule concerning protection against unfair competition. It requires all States party to the Paris Convention to provide effective protection against unfair competition, which is defined as “any act of competition contrary to honest practices in industrial or commercial matters.”⁵

12. At the national level, protection against unfair competition has developed differently in different countries. However, there is at least one objective that is common to all different approaches, and that is to provide those in trade with an effective remedy against unlawful and dishonest business practices of their competitors. In some countries, specific statutes providing for the repression of unfair competition also fulfill the function of consumer protection.

13. A determination of whether a given commercial act is contrary to honest practices in industrial or commercial matters will have to be made in application of national laws for the protection against unfair competition. However, it is accepted that commercial practices which are misleading, or are likely to mislead the public with respect to an enterprise or its activities, in particular, the geographical origin of products offered by such enterprise, constitute an act of unfair competition.⁶

14. In order to prevent the unauthorized use of a geographical indication on the basis of an action against unfair competition, a plaintiff must regularly show that the use of the geographical indication in question by an unauthorized party is misleading and, as the case may be, that damages or a likelihood of damages result from such use. Such an action can only be successful if the geographical indication in question has acquired distinctiveness; in other words, if the relevant public associates goods sold under that geographical indication with a distinct geographical origin and/or certain qualities or reputation.

15. Furthermore, protection of geographical indications under unfair competition law may be supplemented by specific statutory provisions having as their object the protection of unregistered geographical indications, for example, Sections 126 to 129 of the German Trademarks Act of 1994. Under these provisions, natural and legal persons having the right to use a given unregistered geographical indication are entitled to request courts to prevent use of that geographical indication by unauthorized parties and, as the case may be, to accord damages for such use. Sections 126 to 129 of the German Trademarks Act of 1994 are based

⁵ See, in general, Protection Against Unfair Competition (WIPO Pub. No. 725).

⁶ See Article 4(2)(iv) of the WIPO Model Provisions on Protection Against Unfair Competition (WIPO Pub. No.832), and TRIPS Article 22.2(b).

on principles developed by the courts in applying the law against unfair competition in order to prevent unauthorized use of geographical indications, if such use would be misleading or would take unfair advantage of the reputation of a geographical indication.

(b) Passing off

16. Countries having a civil-law tradition that provide for some kind of protection for businesses against unlawful commercial acts from competitors usually base that protection on general tort law.⁷ In countries that follow the common law tradition, the action of passing off is often considered as the basis of protection against dishonest business competitors. The passing off action can be described as a legal remedy for cases in which the goods or services of one person are represented as being those of somebody else.⁸ What is common to these cases is that the plaintiff loses customers because the defendant led them to believe that they were buying the plaintiff's goods, when they actually obtained the goods of the defendant.

17. Very broadly speaking, in order to prevent the unauthorized use of a geographical indication through a successful action for passing off, a plaintiff must establish that goodwill or reputation is attached to the goods on which the geographical indication is regularly used and which are supplied by him, that the defendant misrepresents to the public that the goods offered by him originate from the plaintiff and that he is likely to suffer damage from such a misrepresentation.

(c) Conclusion

18. National laws on the protection against unfair competition, passing off and unregistered geographical indications provide a course of action for traders against competitors who perform commercial acts which are considered to be contrary to honest business practices. With respect to geographical indications, it can be said that protection against unfair competition serves to protect traders and producers from the unauthorized use of geographical indications by third parties rather than creating individual property rights in them.

19. Another important characteristics of the protection of geographical indications under the law against unfair competition is that important determinations, such as the area of production, standards of production and the circle of producers who are entitled to use a given geographical indication, are made by the courts in the course of legal proceedings. Protection accorded to geographical indications following a lawsuit based on passing off or unfair competition is only effective between the parties of the proceedings. The entitlement to protection of a given geographical indication must be demonstrated every time enforcement of the protection of that geographical indication is sought.

⁷ Protection Against Unfair Competition, page 25.

⁸ Cornish, Intellectual Property (fourth edition) page 619.

II. Protected appellations of origin and registered geographical indications

(a) Protected appellations of origin

20. The system of protected appellations of origin was developed out of a perceived need to provide a remedy against fraudulent commercial practices involving the origin of agricultural products and, in particular, products of the vine.⁹ Although such practices are probably as old as trade itself, they occurred increasingly during periods when there was a shortage of supply of certain products, such as was the case with certain wines during the phylloxera crises in parts of European vineyards in the 19th century.¹⁰

21. A protected appellation of origin is the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essential to the geographical environment, including natural and human factors.¹¹ Appellations of origin are explicitly mentioned as objects of industrial property protection under Article 1(2) of the Paris Convention. They are titles of protection for geographical indications used on products that have a specific quality or characteristics that is exclusively or essentially due to their geographical origin. The recognition of a protected appellation is usually based on a legislative or administrative act, such as a law or a decree. This act is at the conclusion of an administrative procedure involving representatives of the producers concerned and the administration. As a result of this procedure, the protected appellation is recognized, and the product or products on which it is used, the geographical area of production and the conditions of use are defined.

22. Unauthorized use of a protected appellation of origin constitutes an offence and engages the criminal and civil responsibility of the person who has made such use. Proceedings are usually instigated by public law bodies, such as fair trading bodies, authorities entrusted with the administration of protected appellations of origin or consumer protection bodies. Often, authorities competent for the enforcement of fiscal laws play an important role in prosecuting the fraudulent use of protected appellations of origin.

(b) Registered geographical indications

23. Registered geographical indications are titles of protection that are very similar to protected appellations of origin, although differences as regards the scope of protection and the applicable procedure may exist depending on the national laws of those countries which apply that type of protection. Thus, the protection of a registered geographical indication depends on the registration of that geographical indication, whereas the protection of an appellation of origin usually is subject to the adoption of a specific law or decree. The decision to register a geographical indication may be an administrative decision, for example a determination of a committee, rather than an executive decision by, for example, the comptroller general or the executive head of the agency responsible for the registration of geographical indications.

⁹ L'Institut National des Appellations d'Origine, *L'appellation d'Origine Contrôlée*, page 11.

¹⁰ Girardeau (WIPO Pub. No. 764), page 70.

¹¹ Article 2(1) of the Lisbon Agreement; See also, for example, Article L.115-1 of the French Consumer Code, or Article 2 of EEC Council Regulation No. 2081/92 of July 14, 1992, on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs.

(c) Conclusion

24. The most important specific feature that is common to protected appellations of origin and registered geographical indications appears to be that their legal protection is based on an act of public law (law, decree, ordinance) which stands at the conclusion of an administrative procedure. Through this administrative procedure, important parameters such as the demarcation of the area of production and production standards are defined. Those parameters are applied by law enforcement agencies, either under civil or under criminal law, when determining whether a given protected appellation of origin or registered geographical indication is used without authorization or in a manner contrary to the prescribed mode of use.

III. Collective and certification marks

25. Because of the general principle that individual trademarks must not be descriptive or deceptive, geographical terms cannot serve as individual trademarks, unless they have acquired distinctive character through use, or their use is fanciful and, therefore, is not deceiving as to the origin of the goods on which the trademarks are used. However, this rule does not apply to certification marks and collective marks.

(a) Certification marks

26. Certification marks are marks which indicate that the goods or services on which they are used have specific qualities, which may also include geographical origin. The owner of the certification mark undertakes to certify that the goods or services on which the certification mark is used have those qualities. As a basic rule, the owner of the certification mark does not have the right to use the mark. This principle is also referred to as the “anti-use by owner rule.”¹²

27. Every producer who complies with standards of production as defined by the owner of the certification mark has the right to use that mark. The owner of the certification mark, who may be a private or public entity, must ensure that the goods or services on which the certification mark is used possess the certified quality. In order to carry out this certification function in a neutral and impartial manner, the owner of the certification mark has to file, together with the application for the registration of the certification mark, detailed regulations which prescribe, *inter alia*, the characteristics certified by the mark, the authorized users and details concerning the certification and control. As already pointed out, in order to safeguard the objectivity of the owner of the certification mark, he is not allowed to use the certification mark himself. Disregard of that rule regularly leads to the invalidity of the certification mark.

28. The protection of a geographical indication in the form of a certification mark is enforced under general trademark law. In principle, an action for infringement of a certification mark is initiated by the owner of the certification mark.¹³ For example, this may be the case where the defendant uses a certification mark that certifies a specific geographical origin of goods, for goods not having that geographical origin.

¹² McCarthy, McCarthy on Trademarks and Unfair Competition (fourth edition), page 19-179.

¹³ McCarthy, page 19-168.

(b) Collective marks

29. It has been pointed out that it is difficult to distinguish collective marks from certification marks, and that the difference is one of form rather than one of substance.¹⁴ Collective marks are owned by a collective body such as, for example, a trade association or an association of producers or manufacturers, and serve to indicate that the person who uses the collective mark is a member of that collectivity. Membership in the association that is the owner of the collective mark is, generally speaking, subject to compliance with certain rules, such as the geographical area of production of the goods on which the collective mark is used, or standards of production of such goods. A further difference between the two categories of marks is that the owners of collective marks are regularly not barred from using the mark themselves.

30. Like in the case of certification marks, the protection of collective marks is enforced under general trademark law. An action for infringement may be brought by the owner of the collective mark, for example in a case, where a collective mark is owned by an association of producers who are entitled to use the collective mark, and the mark is used by a person who is not a member of that association.

(c) Conclusion

31. Collective and certification marks are used in order to indicate specific qualities of goods such as their geographical origin. Whereas trademarks consisting of descriptive geographical terms are usually excluded from registration, geographical terms are typically admitted for registration as collective or certification trademarks. As long as collective and certification marks are used in a manner that respects the general regulations governing that use, there is no danger of deception as to the real origin of those goods.¹⁵ Once a geographical indication is protected as a collective or certification mark, that geographical indication can be enforced in accordance with the applicable rules of trademark law.

32. It appears that it lies within the competence of the applicant for the registration of a certification or collective mark to define, in the regulations which govern the use of those marks, the delimitation of the area of production of the goods on which those marks are used and any applicable standard of production. This definition is part of the specification to be filed together with the application.

IV. Administrative schemes for protection

(a) General

33. Where geographical indications are used on goods the marketing of which is subject to an administrative approval procedure, this procedure may be applied also for controlling the use of geographical indications applied to those goods. The example that comes readily to mind is wines and spirits, the sale of which is regulated in many countries.

¹⁴ McCarthy, page 19-186.

¹⁵ See, for example, WTO document IP/C/W/134.

34. Under an administrative approval procedure for product labels, the authority entrusted with the administration of that scheme controls whether the product for which marketing authorization is sought complies with relevant legal requirements, including the permitted use of a geographical indication on the label of the product. If the requirements for approval are not met, for example, because the use of a given geographical indication on a specific product is not permitted, marketing approval is not granted and, consequently, the geographical indication cannot be used.

(b) Conclusion

35. Administrative schemes of label control are a means of ensuring fair trade and consumer protection. Depending on the national system that is in place in a given country, the objective of fair trade and consumer protection may be followed by different legal instruments, such as unfair competition acts, fair trading acts or marketing acts for certain products laying down standards of product presentation and marketing. The latter two examples have in common that, as far as geographical indications are concerned, they do not enable the holders of the collective goodwill attached to a geographical indication to take individual action in order to protect that goodwill. Rather, they provide for an administrative mechanism aiming at preventing misleading use of geographical indications on products. Where such misleading use occurs despite the administrative procedures to be followed, usually criminal sanctions will apply.

D. THE WORK OF THE WIPO STANDING COMMITTEE ON THE LAW OF TRADEMARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS

I. Fifth Session of the SCT (September 11 to 15, 2001)

36. The Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) decided at its third session (Geneva, November 8 to 12, 1999) that the International Bureau should prepare a study concerning possible solutions for conflicts between trademarks and geographical indications and for conflicts between homonymous geographical indications. This study¹⁶ was prepared and presented to the SCT for consideration at its fifth session.

37. However, at its fifth session, the SCT did not enter into a substantial discussion of the study, but requested the International Bureau to supplement that study in order to create a better understanding of the legal issues related to the protection of geographical indications. This supplement should deal with the following issues: the historical background of the protection of geographical indications; clarification of the nature of the rights in geographical indications; description of the different existing systems for the protection of geographical indications; and investigation of the problems existing in obtaining effective protection for geographical indications in other countries. The requested supplement¹⁷ was prepared by the International Bureau and presented to the SCT at its sixth session, which took place in Geneva from March 12 to 16, 2001.

¹⁶ WIPO document SCT/5/3

¹⁷ WIPO document SCT/6/3

II. Sixth session of the SCT (March 12 to 16, 2001)

38. Document SCT/6/3, entitled “Geographical Indications: Historical Background, Nature of Rights, Existing Systems for Protection and Obtaining Effective Protection in Other Countries” addresses, first of all, questions concerning terminology. As a next step, the document describes existing approaches to the protection of geographical indications on the national and regional levels. In that context, it refers to the historical development of individual concepts of protection and addresses the question of the nature of the rights attached to geographical indications. That portion is followed by an investigation of the problems existing in obtaining effective protection for geographical indications in other countries. At the end, the document lists a number of areas in regard of which it would appear worthwhile to develop a common international understanding.

39. As regards problems existing in obtaining efficient protection in other countries, the paper identifies the following issues: the existing range of different types of protection, the generic character of certain geographical indications in certain jurisdictions, conflicts between trademarks and geographical indications.¹⁸

40. Concerning the development of a possible understanding, document SCT/6/3 notes that despite continuing efforts to address the subject of protection of geographical indications on the multilateral level, considerable uncertainty appears to prevail. Main areas of concern relate to the form and scope of protection of geographical indications, the adoption of national systems of protection that are in conformity with generally accepted principles of industrial property law, such as national treatment, safeguard of third party rights, prohibition of unfair commercial practices and the non-existence of exclusive rights in generic terms.¹⁹

41. At its sixth session, the SCT could not reach a consensus on how to proceed with the work on geographical indications and the Chair of the Committee concluded that the item would be continued on the Agenda for the seventh session of the SCT.

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¹⁸ See WIPO document SCT/6/3, pages 22 to 29.

¹⁹ See WIPO document SCT/6/3, page 30.