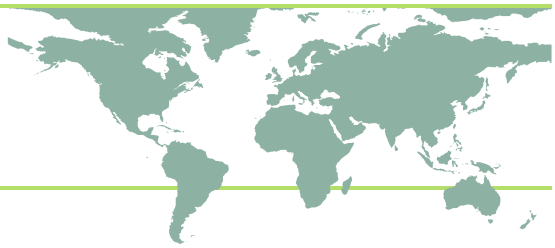


Report on recent developments
concerning the reform of the Lisbon Agreement
for the International Protection of Appellations of Origin and their International Registration

oriGIn, 5 November 2014

i. the Working Group on the Development of the Lisbon System, *Geneva 27-29 October 2014*

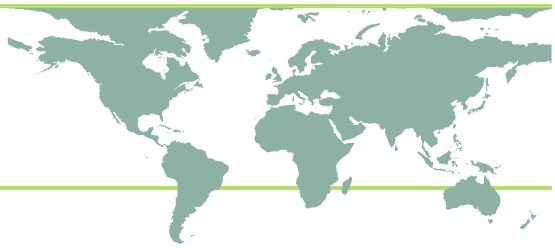
The Working Group (WG) discussed the texts provided by the World Intellectual Property Organisatiobn (WIPO) Secretariat (the Draft Revised Lisbon Agreement on Appellations of Origin and Geographical Indications, available at http://www.wipo.int/edocs/mdocs/mdocs/en/li_wg_dev_10/li_wg_dev_10_2.pdf, and the Draft Regulations under the Revised Agreement, available at http://www.wipo.int/edocs/mdocs/mdocs/en/li_wg_dev_10/li_wg_dev_10_3.pdf).

The work focused on trying to reduce the differences in views among WIPO Member States on the following macro-topics:

a. Application and international registration procedures (see in particular art. 2.2 and art. 5.4 of the Draft Revised Agreement on trans-border geographical areas of origin of Appellations of Origin (AO) and Geographical Indications (GIs), the issue as to whether Rule 5.3 of the Draft Regulations should be optional or mandatory and the inclusion of Rule 5.4 permitting a contracting Party to require a declaration of intention to use in respect of a registered AO or GI).

b. Scope of protection (see in particular the options concerning the level of protection to be conferred to AO and GIs registered under the Agreement in art. 11 of the Draft Revised Agreement, art. 12 concerning protected AO and GIs which cannot become generic and art. 13.1 on coexistence between AO/GIs registered under the Agreement and existing trademarks).

c. Other legal effects of international registrations (see in particular art. 16.2 of the Draft Revised Agreement concerning negotiations among contracting parties following a refusal



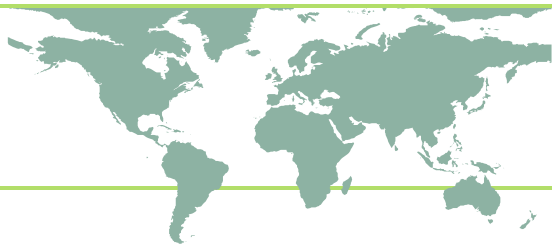
and the issue as to whether art. 19.2 should establish and exhaustive or non-exhaustive list of grounds for invalidation).

d. Fees (see in particular art. 7.2.b and art. 8.3 of the Draft Revised Agreement on maintenance fees, art. 7.4 on individual fees, and Rule 8.1 of the Draft Regulations on the amount of such fees).

Overall, limited progress was made on the 4 macro-topics and the final version of the Revised Lisbon Agreement on Appellations of Origin and Geographical Indications will have to be agreed upon at the Diplomatic Conference, which will take place in Geneva on 11-21 May 2015 (on this, see the Rules of Procedure of the Diplomatic Conference, point ii, page 4).

On topic a., while the diverging views concerning the acceptance of international applications consisting of AO or GIs from a trans-border geographical area seem to be reconcilable, the ones on making it compulsory for an application under the Revised Lisbon Agreement to contain information on the fundamental characteristics of a AO/GI (Rule 5.3) and on the possibility for a contracting Party to require a declaration of intention to use in respect of a registered AO/GI (Rule 5.4) remain extremely problematic. On the one hand, the current Lisbon Agreement contracting Parties (supported by the observer delegation of the EU) would like the information on the fundamental characteristics of a AO/GI as a compulsory part of the international application and do not see the point of requesting a declaration of intention to use the AO/GI. On the other hand, the USA and Canada, which protect GIs through trademarks, see these positions incompatible with their internal legal framework. oriGIn insisted on the fact that pragmatic solutions must be found. As a way of example, we explained that under the current Lisbon Agreement (as well as under the new system as defined so far), a country has the possibility to refuse the protection of a given AO/GI if - in its view – the name contained in the international application does not match the definition of AO/GIs as defined in the Agreement itself. As a result, providing information on the very nature of AO/GIs registered under the Agreement would increase the chances of obtaining the protection in a large number of contracting Parties, which is the very objective of an international registry such the one established by the Lisbon Agreement.

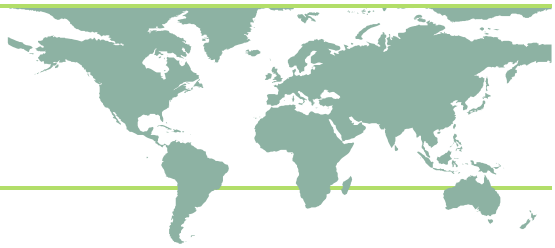
Topic b. represents the most difficult to overcome. While the Lisbon Agreement current contracting Parties (supported by the EU and Switzerland) aim at a high and ambitious level of protection (excluding paragraph 3 of art.11 of the Draft Revised Agreement), the USA (supported by Australia



and South Korea) would like to be able to provide a level of protection compatible with their national legal framework. oriGIn stressed the fact, for the sake of legal certainty and predictability for producers and consumers, the Revised Agreement should limit the possibility for Parties to depart from the agreed upon level of protection for AO and GIs. No progress was registered in this respect.

The same kind of divergent opinions are to be registered on macro-topic c., with existing contracting Parties supporting the possibility for States to negotiate the withdrawal of a refusal to protect an AO/GI by a given contracting Party and advocating for the establishment of an exhaustive list of grounds for invalidating an AO/GI protected in the country via the Lisbon Agreement. On the other hand, the USA, Australia and South Korea believe that the issue of protecting or not protecting a given AO/GI, as a matter of law, should not be negotiated by States and that the list of grounds for invalidation should be non-exhaustive. oriGIn, again, insisted on the need to find pragmatic solutions, by saying that the current Lisbon Agreement practice shows that refusals are not always based on legal grounds (such as pre-existing trademarks), but rather on the alleged generic nature of the AO/GI at stake (often with no court rulings confirming this) or the non-respect of the AO/GI definition. In such cases, informal talks among the Parties (which by the way can take place anyway if the countries involved so agree, even if not mentioned in the Revised Lisbon Agreement) can be extremely useful to solve these kind of issues.

Finally, on macro-topic d., the USA, Australia and South Korea insisted on the fact that, maintenance fees should be paid with respect to registered AO and GIs to tackle the problem of financial sustainability of the Lisbon Agreement (currently running a deficit). Likewise, those countries believe that, on top on the one-off fee (plus eventually the maintenance fees) to be paid to the WIPO Secretariat for the international registration of an AO/GI, individual fees should be paid in those countries that require a thorough examination of the international application before being in the position to accept or refuse the protection of an AO/GI in their respective jurisdictions. Current members of the Lisbon Agreement (as well as the EU and Switzerland), on the other hand, believe that maintenance fees would modify the very nature of AO/GI. Moreover, it was mentioned that the current deficit of the Lisbon Agreement is mainly due to the costs incurrent in running the exercise of reviewing the Agreement itself (in this respect, 10 meetings of the WG were organized since 2009) and that the finalization of the exercise, expected next year, should reduce and progressively eliminate the deficit in the future. oriGIn stressed the fact that, when fixing the level of fees, the fact that a large majority of GI beneficiaries are small enterprises, with limited financial resources, should be taken into account.



ii. The Preparatory Committee of the Diplomatic Conference for the Adoption of the Revised Lisbon Agreement on Appellations of Origin and Geographical Indications, *Geneva, 30-31 October 2014*

In preparation of the meeting, the WIPO Secretariat had prepared the Draft Rules of Procedure of the Diplomatic Conference (document available at http://www.wipo.int/edocs/mdocs/mdocs/en/li_r_pm/li_r_pm_2.pdf). In line with the WIPO practice and the Vienna Convention on the Law of Treaties, such Draft Rules provide that, while the Diplomatic Conference will be open to all WIPO Member States and Observers, the right to vote on the modification of the Agreement will be given exclusively to the contracting Parties of the current Lisbon Agreement.

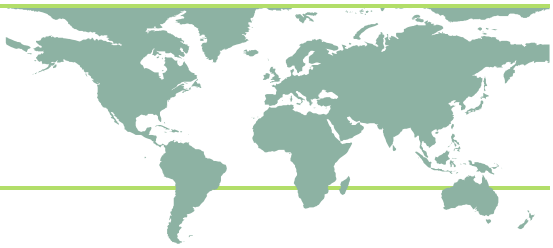
One Lisbon Agreement Member – Israel – supported by several WIPO Member States which are not currently part of the Lisbon Agreement, presented alternative rules, which would give the right to vote to all WIPO Members. This in light of the fact that, by introducing GIs in the scope of the Agreement, the very nature of this will change (in other worlds, in the opinion of the proponents of such rules, we are not before a Revised Lisbon Agreement, but rather a new international treaty). The Israel proposal is available at http://www.wipo.int/edocs/mdocs/mdocs/en/li_r_pm/li_r_pm_5_rev_1.pdf

As no other Lisbon Member supported the Israel proposal, the Draft Rules of Procedure of the Diplomatic Conference were adopted as presented by the WIPO Secretariat.

Finally, as Portugal withdrew its proposal to host the Diplomatic Conference, it was agreed this will take place in Geneva on 11-21 May 2015.

iii. oriGIn follow-up activities

As a matter of fact, for GI groups it is crucial to have a high and predictable level of protection for AO and GIs protected via the Lisbon Agreement. Likewise, it is important to obtain an international registry open to a large number of countries. This means that the Revised Agreement should be ratified beyond the current Agreement contacting parties. As a result, in our view, a certain level of flexibility must be shown to accommodate the requests of non-Lisbon Member countries that are



showing signs of interest for the Revised Agreement. Among the 2 main contentious issues – level of protection and fees – we recommend a thorough discussion among the oriGIn network, with the objective to agree on which kind of flexibility can be considered acceptable by GI groups.