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NOTES ON THE DRAFT REVISED LISBON AGREEMENT ON APPELLATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS

Document prepared by the Secretariat

The Annex of the present document contains Notes on the Draft Revised Lisbon Agreement on Appellations of Origin and Geographical Indications, as contained in document LI/WG/DEV/9/2. Where a provision appears not to require explanation, no note has been provided.

[Annex follows]

NOTES ON THE DRAFT REVISED LISBON AGREEMENT ON APPELLATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS

LIST OF ARTICLES

Chapter V: Administrative Provisions

Chapter VI: Revision and Amendment

Chapter VII: Final Provisions

NOTES ON ARTICLE 1: ABBREVIATED EXPRESSIONS

1.01 Following the example of the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (hereinafter referred to as "the Geneva Act"), Article 1 explains a certain number of abbreviated expressions and defines several terms used throughout the Draft Revised Lisbon Agreement. While several abbreviated expressions and definitions contained in Article 1 are similar to those contained in the Regulations under the Lisbon Agreement, others have been added whenever it appeared necessary as in the case of the provisions below.

1.02 Item (xii) concerns the geographical area where the good or goods designated by the appellation of origin or identified by the geographical indication should originate, in accordance with Article 2.

1.03 Item (xiii): in respect of a good from a geographical area of origin situated in, or covering, more than one Contracting Party, reference is made to Article 2(2), second sentence.

1.04 Item (xiv) defines the term "Contracting Party", which is used instead of the term "countries" in the Lisbon Agreement and the 1967 Act, as the Revised Lisbon Agreement is aimed to be open for accession by States as well as intergovernmental organizations.

1.05 Item (xv) defines the term "Contracting Party of Origin". The notion of "Contracting Party of Origin" is used to determine which Contracting Party is eligible to register a given appellation of origin or geographical indication. The determining factors in this respect are: (1) the geographical area of origin of the good; and (2) the legislation under which the appellation of origin or geographical indication is protected in the territory of the Contracting Party where the geographical area of origin is situated – see Article 2(1) –, which is also important for determining which Contracting Party should be regarded as the Contracting Party of Origin in the case of a Contracting Party that is a member State of an intergovernmental organization.

1.06 Item (xvi): the term "Competent Authority" also applies to the authority jointly designated by two or more Contracting Parties in each of which parts of a geographical area of origin are situated – see Article 5(4) –, if such Contracting Parties have established an appellation of origin or geographical indication jointly in respect of a good originating in a trans-border geographical area of origin, as referred to in Article 2(2), second sentence.

1.07 Item (xvii) defines the term "beneficiaries", following the concerns expressed in paragraph 199, fourth sentence, of the Report of the sixth session of the Working Group (LI/WG/DEV/6/7).

1.08 Item (xviii): as the Revised Lisbon Agreement would be open to certain types of intergovernmental organizations, the accession criteria for intergovernmental organizations have been set out in Article 28(1)(iii).

NOTES ON ARTICLE 2: SUBJECT-MATTER

2.01 The subject-matter to which the Revised Lisbon Agreement would apply, as drafted, namely appellations of origin and geographical indications, is defined in several different ways under national and regional laws. Moreover, these laws do not all identify the subject-matter by the terms appellation of origin and geographical indication. Article 2(1) establishes, for the purposes of the Agreement only, common denominators for the titles of protection existing at the national or regional level, while recognizing the differences. The provision does this on the basis of the definitions of Article 2 of the Lisbon Agreement and Article 22.1 of the TRIPS Agreement. The prerequisite "protected in the Contracting Party of Origin" is based on Article 1(2) of the Lisbon Agreement.

2.02 The footnote to Article 2(1)(a)(i) was introduced in order to accommodate those who have expressed a need to provide some leeway in respect of the cumulative requirements "natural and human factors" in the definition of an appellation of origin. In this regard, reference is made to the discussion on this issue at the fourth session of the Working Group, where several delegations indicated the need for such flexibility, notably the Delegations of Indonesia and of Iran (Islamic Republic of). In addition, the Delegation of the Republic of Moldova invited Lisbon member States to give some thought to the case of those 20 appellations of origin for mineral water already registered under the Lisbon Agreement, in order to determine in particular what the exact involvement of the human factor in that kind of product was, and more generally what would be the implication of the human factor in determining the substantial qualities of any other natural resource, such as stones, salt, or any other product mostly influenced by natural factors (see, in particular, paragraphs 72, 78 and 86 of the report of the fourth session of the Working Group (document LI/WG/DEV/4/7).

2.03 The current Lisbon Agreement contains in its definition of "country of origin" (Article 2, paragraph (2)) a requirement of reputation. The bracketed phrase at the end of draft Article 2(1)(a)(i) reading "and which has given the good its reputation" would incorporate this requirement into the definition of an appellation of origin that would be used for the purposes mentioned in Article 2(1)(b). At the eighth session of the Working Group, it appeared that this might prevent appellations of origin registered under EU legislation from qualifying as an appellation of origin under the Revised Lisbon Agreement, as the definitions applying under EU legislation in respect of appellations of origin do not contain a requirement of reputation. For that reason, the phrase mentioned above has been put between square brackets. As an alternative, Article 2(1)(a)(i) presents a proposal to explicitly provide for the option to base an appellation origin on "reputation". This would also accommodate a concern raised by the delegation of the Islamic Republic of Iran at the sixth session of the Working Group, as reflected in paragraphs 91 to 93 of the report of that session, that, without such an option, Article 2(1)(a)(i) could be interpreted as meaning that in each and every case a fact-finding mission would have to be conducted to establish whether the quality or characteristics of the products are actually due to the geographical environment.

2.04 The phrases "or another denomination known as referring to such area" and "or another indication known as referring to such area" concern denominations and indications that are strictly speaking not geographical, but which have obtained a geographical connotation. Such possibility also exists under the Lisbon Agreement, as confirmed by the Lisbon Union Council in 1970 (see the document entitled "Problems Arising from the Practical Application of the Lisbon Agreement" (AO/V/5 of July 1970) and the Report of the fifth session of the Lisbon Union Council (document AO/V/8 of September 1970)).

2.05 The term “good” has been used throughout the English version of the Draft Revised Lisbon Agreement, notably in Articles 2, 5 and 10, to align the terminology used with the one contained in the TRIPS Agreement.

2.06 Following the concern expressed by several delegations at the fifth session of the Lisbon Working Group as regards the geographical coverage of the notion of “geographical area of origin”, paragraph (2) makes it clear that the geographical area in question may consist of the entire territory of a Contracting Party or a region, locality or place in such territory. In addition, the second sentence of paragraph (2) specifies that appellations of origin or geographical indications for goods originating in trans-border areas of origin could also be the subject of international registrations under the Revised Lisbon Agreement, without requiring Contracting Parties concerned, however, to establish such appellations of origin or geographical indications jointly. In this regard, see further Note 5.03.

2.07 At the seventh session of the Working Group, it was proposed that an interpretative statement might be adopted at the Diplomatic Conference where the Revised Lisbon Agreement would be concluded, indicating that “*notoriété*” and “*réputation*”, in the French version, and “*notoriedad*” and “*reputación*”, in the Spanish version, should be considered synonyms for the purposes of the Revised Lisbon Agreement.

NOTES ON ARTICLE 3: COMPETENT AUTHORITY

3.01 As the competence for granting or registering rights in appellations of origin or geographical indications varies among national and regional systems for their protection, it is important for the Revised Lisbon Agreement to require each Contracting Party to designate an entity responsible for the administration of the Agreement in its territory and for communications with the International Bureau under the procedures of the Revised Lisbon Agreement and its Regulations. Rule 4 of the Draft Regulations would require each Contracting Party to notify the name and contact details of the designated entity upon accession to the Revised Lisbon Agreement.

3.02 Although it is preferable that a Contracting Party designates a single Competent Authority, there may be reasons for a Contracting Party to designate more than one, as indicated in the Notes on Rule 4(2). In such a case, the International Bureau may face difficulties in determining to which of these Competent Authorities it should communicate a given notification. Rule 4(2) would therefore require the Contracting Party to provide clear indications in that respect. Failing such clarity, the International Bureau will be obliged to send its notifications to all the Competent Authorities the Contracting Party may have designated and leave it to them to determine which of them is responsible in respect of a given notification. By the same token, the International Bureau would be obliged to accept an application from such Contracting Party irrespective of which of the Competent Authorities presents it.

3.03 Following the discussion at the seventh session of the Working Group, a second sentence was added to Rule 4(1), for the benefit of the necessary transparency in regard to the applicable enforcement procedures in a Contracting Party in respect of appellations of origin and geographical indications.

NOTES ON ARTICLE 4: INTERNATIONAL REGISTER

4.01 Article 4 would make it clear that the International Register of the Revised Lisbon Agreement, to be kept by the International Bureau, would not only incorporate the registrations effected under the Revised Lisbon Agreement, but also the registrations effected under the Lisbon Agreement or the 1967 Act. Rule 7 elaborates on this.

NOTES ON ARTICLE 5: APPLICATION

5.01 Article 5(2) and Article 5(3) determine that international applications are to be presented to the International Bureau and are filed in the name of the beneficiaries of the appellation of origin or geographical indication, as defined in Article 1(xvii). As regards the entitlement to present an international application, reference is made to Note 1.05. The text of Article 5(2)(ii) emerged from the discussions at the fifth and sixth sessions of the Working Group[1]. Following the discussions at the seventh session of the Working Group, the term "legal entity" will not be defined in the Revised Lisbon Agreement. However, the term should be understood broadly and cover, in any event, legal entities having legal standing to assert rights in a given appellation of origin or geographical indication, such as federations and associations representing holders of a right to use the appellation of origin or geographical indication. The phrase "or other rights in the appellation of origin or geographical indication" aims to make it clear that the term "legal entity" also extends to holders of certification marks or collective marks.

5.02 Article 5(3) is an optional provision. It allows Contracting Parties who so desire to permit international applications to be presented directly to the International Bureau by the beneficiaries, as defined in Article 1(xvii), or a legal entity, as referred to in Article 5(2)(ii), as an alternative to submission by the Competent Authority. This option was included in view of the conclusion of the Chair of the Working Group, as reflected in of paragraph 176, final sentence, of the Report of the second session of the Working Group (document LI/WG/DEV/2/5) concerning a suggestion made in response to the Survey on the Lisbon System. In light of the various comments made at the third, fourth and fifth sessions of the Working Group, as regards the requirement of proof of protection in the Contracting Party of Origin, the current text would require that such direct international applications also simply be subject to the provisions in the Regulations concerning mandatory and optional particulars. Following the discussions at the seventh session of the Working Group, paragraph (3)(b) was added, making the application of paragraph (3)(a) subject to the deposit by a Contracting Party of a declaration indicating that it permits direct applications by the beneficiaries, as defined in Article 1(xvii), or a legal entity, as referred to in Article 5(2)(ii).

5.03 Article 5(4) is also an optional provision. The provision is presented in square brackets, as there is no consensus as to whether such a provision should feature in the Revised Lisbon Agreement. If the provision is retained, appellations of origin and geographical indications for goods originating in trans-border geographical areas of origin could be the subject of international registrations under the Revised Lisbon Agreement. However, adjacent Contracting Parties would not be required to establish such appellations of origin or geographical indications jointly. Instead, each Contracting Party may prefer to file an individual separate application only for the part of the trans-border area situated in its territory, and of course not for the entire trans-border area. The same applies in respect of direct applications

[1] See, in particular, document LI/WG/DEV/5/7, paragraphs 168 and following, as well as document LI/WG/DEV/6/7, paragraphs 199, 211 and 220.

by the beneficiaries, as defined in Article 1(xvii), or a legal entity, as referred to in Article 5(2)(ii). Direct applications under Article 5(4)(b) – i.e., by the beneficiaries, as defined in Article 1(xvii), or a legal entity, as referred to in Article 5(2)(ii) – are only possible if the adjacent Contracting Parties have both deposited the declaration referred to in Article 5(3)(b). Article 5(4) only deals with the exceptional situation when the adjacent Contracting Parties have jointly established an appellation of origin or geographical indication and would require them to designate a common Competent Authority for the appellation of origin or geographical indication concerned.

5.04 Article 5(5) makes a distinction between two types of mandatory particulars in respect of international applications, namely the particulars that are necessary for the application to obtain a filing date (see Article 6(3)) and other mandatory requirements (see Rule 5(2)).

NOTES ON ARTICLE 6: INTERNATIONAL REGISTRATION

6.01 The provisions presented in Article 6 are based on the premise that an internationally registered appellation of origin or geographical indication, in order to be protectable in all Contracting Parties, should, at least, meet the definition requirements of Article 2(1).

6.02 Item (v) in paragraph (3) appears in square brackets, as there was no consensus on its inclusion following the discussion on Article 6 at the eighth session of the Working Group.

NOTES ON ARTICLE 7: FEES

7.01 The Articles of the Draft Revised Lisbon Agreement have been divided over seven different Chapters, for ease of reference. For the sake of consistency and to make the proposed Chapter II concerning the application and the international registration as complete as possible, a stand-alone article concerning the registration fee and other fees to be paid has been included as Article 7. As far as the nature and the amount of such fees are concerned, reference is made to Rule 8, as well as to Article 24(4)(a).

7.02 As regards Article 7(2), it should be noted that, because geographical indications and appellations of origin are based on identifiers of geographical areas, there is a limit to the number that may ever exist. In any event, unlike in other registration systems in respect of intellectual property rights, there will never be a continuous and major flow of new applications. Consequently, provisions will be necessary to deal with any deficit that the Lisbon Union may be faced with, at least as long as the membership of the Revised Lisbon Agreement will not encompass all WIPO member States. The current Lisbon Agreement provides in its Article 11(3)(v) that Lisbon member States should pay contributions in case of a deficit. Article 7(2)(b) of the draft Revised Lisbon Agreement, instead, would leave it to the Assembly to deal with a deficit, by establishing an *ad hoc* maintenance fee to be paid in respect of each international registration.

7.03 Following the views expressed by several delegations at the fifth and sixth session of the Working Group (paragraphs 207-209 of document LI/WG/DEV/5/7, and paragraphs 200, 213-217, 221-226 of document LI/WG/DEV/6/7), paragraph (3) provides that reduced fees shall be established for certain international registrations, in particular for those from developing countries or least-developed countries. Such fee reductions are to be established by virtue of a decision of the Assembly amending Rule 8.

7.04 At the eighth session of the Working Group, the Delegation of the Russian Federation suggested that the Revised Lisbon Agreement should allow a Contracting Party to require the payment of a fee to cover the cost of the examination of international registrations notified to its

Competent Authority. Following the discussion on this proposal, as reflected in document LI/WG/DEV/8/7 Prov., paragraphs 85 to 113, the Chair concluded that the Secretariat would include in square brackets a text providing for the option for Contracting Parties to require holders of international registrations to pay a fee, to cover the cost of examination. This would be combined with the option for the applicant to renounce protection in one or more Contracting Parties. The reason for the introduction of such a fee would be to accommodate those countries or intergovernmental organizations, where the law requires applicants and right holders to pay a fee for the work to be carried out by the competent entity at the national or regional level. Moreover, despite the possible establishment of such fees in respect of an international registration under the Revised Lisbon Agreement, the acquisition of rights to protect an appellation of origin or geographical indication in the country requiring the fee would still be cheaper and quicker under the international registration procedure of the Revised Lisbon Agreement than under the national procedure.

NOTES ON ARTICLE 8: PERIOD OF VALIDITY OF INTERNATIONAL REGISTRATIONS

8.01 Article 2(1)(a) specifies, *inter alia*, that international registrations effected under the Revised Lisbon Agreement are dependent upon the protection of the appellation of origin or geographical indication in its Contracting Party of Origin. At the seventh and eighth sessions of the Working Group, the possible introduction of renewal fees was discussed. As a result, the present draft of the Revised Lisbon Agreement proposes, in Article 7(2)(b), that the Assembly may establish *ad hoc* maintenance fees in the event that the Lisbon Union faces a deficit. See further the Notes on Article 7 and Rule 8.

8.02 Two possibilities for cancellation are specified. The first possibility (paragraph (2)) concerns the situation that the registered appellation of origin or geographical indication is no longer protected in the Contracting Party of Origin, in which case its Competent Authority would be obliged to request cancellation of the international registration. The other possibility (paragraph (3)) may occur if and when the Assembly has established an *ad hoc* maintenance fee under Article 7(2)(b) and this fee is not paid.

NOTES ON ARTICLE 9: COMMITMENT TO PROTECT

9.01 Article 9(1) is modeled on Article 14(2) of the Geneva Act of the Hague Agreement, with the necessary adaptations in view of the structure of the draft Revised Lisbon Agreement as well as the difference in subject-matter.

9.02 Article 9(1) establishes an obligation for Contracting Parties to protect registered appellations of origin and geographical indications along the lines of Article 1(2) of the Lisbon Agreement, unless protection has been renounced in respect of a given Contracting Party or the Contracting Party has submitted a refusal declaration or the effects of a given international registration have been invalidated by a court in the Contracting Party and this invalidation is no longer subject to appeal.

9.03 As regards the last part of Article 9(1), this understanding is already reflected in paragraphs 7 and 8 of document LI/WG/DEV/2/2, paragraphs 79 and 80 of document LI/WG/DEV/2/5 and paragraph 56 of document LI/WG/DEV/3/4.

9.04 In respect of the phrase “within its own legal system and practice but in accordance with the terms of this Act”, reference is made to Note 2.01. The flexibility that this phrase provides is modeled on Article 1.1 of the TRIPS Agreement. In addition, the phrase aims to clarify that, for example, any possible limitation to the enforcement of rights in a geographical

indication or appellation of origin due to acquiescence will be subject to the national or regional law of the Contracting Party concerned.

9.05 Article 9(2) is modeled on Rule 8(3) of the Regulations under the current Lisbon Agreement.

NOTES ON ARTICLE 10: PROTECTION UNDER LAWS OF CONTRACTING PARTIES AND OTHER INSTRUMENTS

10.01 The provisions of Article 10 confirm that the Revised Lisbon Agreement, which would stipulate the level of protection to be accorded in respect of registered appellations of origin and geographical indications, would not itself be an obstacle to the possibility for Contracting Parties to establish more extensive protection than required under the Revised Lisbon Agreement. Obviously, such other protection should not diminish or interfere with the enjoyment of the rights afforded by the Revised Lisbon Agreement. Moreover, international registration would not prejudice any other protection that the appellation of origin or geographical indication in question may benefit from in a Contracting Party. Reference is also made to Article 15(2) and Article 19(4) in this regard.

10.02 Paragraph (2) leaves Contracting Parties free as regards the form of legal protection under which they provide the protection to be provided under the Revised Lisbon Agreement in respect of registered appellations of origin or geographical indications. In addition to the form of protection, Contracting Parties would also remain free to determine the name of the title of protection granted under their own legal system – for example, the English term under EU law for "*appellation d'origine*" is not "appellation of origin", but "designation of origin". Another example relates to China, which under its Trademark Law allows for the registration of geographical indications as certification marks on the basis of a definition that contains elements of both Article 2(1)(a)(i) and 2(1)(a)(ii) of the draft Revised Lisbon Agreement.

10.03 The provisions of paragraph (3) establish a safeguard clause in respect of other forms of protection that may be available in a Contracting Party than the protection to be accorded under the Revised Lisbon Agreement. Under paragraph (3), a Contracting Party that has issued a refusal under Article 15 in respect of a registered appellation of origin because it takes the view that the denomination fails to meet the definition of an appellation of origin, should nevertheless provide protection if the denomination meets the definition of a geographical indication.

10.04 In view of the discussions at the eighth session of the Working Group, the last part of the provision contains a number of square brackets accompanied by a footnote explaining that the provision would not create any obligation for Contracting Parties to adhere to any of the international instruments mentioned.

NOTES ON ARTICLE 11: PROTECTION IN RESPECT OF REGISTERED APPELLATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS

11.01 At its sixth session, the Working Group agreed on the basic approach in respect of Articles 11 and 12. At the seventh and eighth sessions of the Working Group, the text was further refined. As a result, the bracketed phrase "[which would amount to its usurpation or imitation [or evocation]]" has been separated from the item (i) of Article 11(1)(a) and is presented as item (ii) – still bracketed, as the terms "usurpation or imitation" and "evocation" do not belong to the usual legal terminology of several countries. In view of the discussions at the eighth session of the Working Group, for the same reason item (iii) has been put in square

brackets – in conjunction with the new paragraph (3). Moreover, in the final part of Article 11(1)(a), the provision clarifies that, when the registered appellation of origin or geographical indication is not reproduced in exactly the same way, such use is also covered by the provisions of Article 11(1)(a) if the differences are immaterial. The footnote to Article 11(1)(a) clarifies that, if the protection of a given registered appellation of origin or geographical indication is subject to an exception in the Contracting Party of Origin, such exception may also be applied by the other Contracting Parties.

11.02 The purpose of Article 11(2) is to prevent the registration of trademarks that consist of or contain a registered appellation of origin or a registered geographical indication by someone not authorized to use the registered appellation of origin or geographical indication. However, such registrations of trademarks containing a registered appellation of origin or geographical indication by someone who is authorized to use the registered appellation of origin or geographical indication would be acceptable, unless the person in question does so in a way that conflicts with any of the provisions of Article 11(1). In Contracting Parties that protect registered appellations of origin and geographical indications through trademark legislation, the registered appellation of origin or geographical indication will by definition be incorporated in a trademark. Moreover, holders of the right to use a registered appellation of origin or geographical indication may own a trademark that contains the registered appellation of origin or geographical indication as part of the trademark.

11.03 At the eighth session of the Working Group, it became clear that not only item (ii) but also item (iii) of Article 11(1)(a) is problematic for a number of countries that are not party to the Lisbon Agreement or the 1967 Act, as the terms used in these items are alien to the legal framework of these countries. Current Lisbon member States, however, attach great importance to the terms used in these items. A possible way out is presented in paragraph (3), which would allow Contracting Parties to provide the protection stipulated in items (ii) and (iii) of Article 11(1)(a) on the basis of an alternative wording, modeled on Article 16.3 of the TRIPS Agreement, as adapted in order to relate to geographical indications and appellations of origin.

11.04 As regards the relationship with trademarks, the relevant provisions of the TRIPS Agreement provide as follows:

(i) Both Article 22.3 (any good) and Article 23.2 (wines and spirits only) of the TRIPS Agreement stipulate that the registration of a trademark which contains or consists of a geographical indication with respect to products not originating in the territory indicated shall be refused or invalidated (*ex officio* if the WTO member's legislation so permits or at the request of an interested party).

(ii) Article 22.3 of the TRIPS Agreement, further, adds as a condition that "use of the indication in the trademark for such goods in that WTO member is of such a nature as to mislead the public as to the true place of origin".

(iii) Article 24.5 of the TRIPS Agreement lays down the following exception to the rights accorded to a geographical indication: "Where a trademark has been applied for or registered in good faith, or where rights have been acquired through use in good faith either:

(a) before the date of application of these provisions in that Member as defined in Part VI; or

(b) before the geographical indication is protected in its country of origin; 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".

(iv) Article 17 of the TRIPS Agreement would appear to allow WTO members to provide, similarly, limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

(v) Article 24.7 of the TRIPS Agreement lays down an acquiescence provision, allowing a WTO member to provide that any request made in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that WTO member or after the date of registration of the trademark in that WTO member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that WTO member, provided that the geographical indication is not used or registered in bad faith.

11.05 The issue of prior trademark rights is addressed in Article 13(1).

11.06 Following the discussions at the seventh session of the Working Group, Article 11 no longer contains provisions explicitly dealing with homonymous appellations of origin and geographical indications. The footnote to Article 11 explains the existing practice under the Lisbon Agreement and the 1967 Act in respect of appellations of origin that are the subject of an application and that happen to consist of or contain a term occurring also in another appellation of origin.

NOTES ON ARTICLE 12: SPECIFICITY

12.01 At its sixth session, the Working Group agreed on the basic approach in respect of Articles 11 and 12. The square brackets around “[be considered to have]” reflect the difference of view as to whether the wording of Article 6 of the current Lisbon Agreement should be used or more straightforward wording.

12.02 The position of anyone who was using a denomination constituting a registered appellation of origin or geographical indication prior to the date on which the international registration took effect in the Contracting Party concerned should be considered safeguarded by Article 15(3). In this connection, the footnote to Article 12 is meant to make it absolutely clear that the provision only deals with generic use initiated after protection of the registered appellation of origin or geographical indication became effective in a given Contracting Party. The term “generic character” also features in Article 4 of the Madrid Agreement on Indications of Source.

12.03 At the eighth session of the Working Group, it was confirmed that Article 11 is problematic for a number of countries. As a result, the phrase “cannot be [considered to have] become a generic term or name” as a whole has been put in square brackets, in order to signal that the wording of that phrase is the problematic part of the provision. If its text is maintained, a number of countries would need an alternative (see Note 11.03) or have the option of making a reservation under Article 30. A square bracketed phrase has been added as a possible compromise text. The title of the provision was modified for the same reason. Its focus is now on the fact that an appellation of origin or geographical indication concerns a specific good or specific goods. Its aim is to preserve this specificity.

12.04 The footnote defines the term “generic” taking into account the provisions of Article 24.6 of the TRIPS Agreement.

NOTES ON ARTICLE 13: SAFEGUARDS IN RESPECT OF OTHER RIGHTS

13.01 In view of the discussion at the sixth session of the Working Group, Article 13 no longer incorporates the relevant provisions of the TRIPS Agreement by reference, but specifies how the provisions of the TRIPS Agreement in respect of prior trademark rights and other legitimate rights would apply under the Revised Lisbon Agreement.

13.02 Following the discussion on Article 13(1) at the eighth session of the Working Group, the Chair concluded that, for the next session of the Working Group, the Secretariat should present a draft with three options, i.e. Article 13(1) as contained in document LI/WG/DEV/8/2 (Option A), the text proposed by the Delegation of the United States of America (Option B) and a compromise text, to be prepared by the Secretariat (Option C). The text of Option A combines elements of Articles 17 and 24.5 of the TRIPS Agreement. The text of Option B builds only on Article 17 of the TRIPS Agreement. The text of Option C is based on the underlying idea that Article 13(1) needs to cover both a coexistence system and a "first in time and first in right" system, in view of the discussion at the eighth session of the Working Group. In this regard, reference is made to the report of that session (document LI/WG/DEV/8/7 Prov., paragraphs 188 to 209). According to the WTO Panel Reports on the disputes initiated by Australia and the United States of America, respectively, against the European Union concerning EC Regulation 2081/92, the coexistence provisions under that Regulation in respect of, on the one hand, protected appellations of origin and geographical indications and, on the other hand, prior trademarks can be regarded as limited exceptions under Article 17 of the TRIPS Agreement, which provides for limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

13.03 Article 13(2) deals with the situation of appellations of origin and geographical indications that contain overlapping denominations or indications, for example, the appellations of origin "*Porto*" for a generous wine (liqueur wine) from Porto in Portugal and "*Porto Vecchio*" for wines from Porto Vecchio on the French island of Corsica.

13.04 The fact that Article 13 no longer mentions the possibility, for right holders of prior trademarks and holders of the right to use an appellation of origin, to negotiate the modalities of a possible termination of use under the prior trademark, as contained in Article 12 of an earlier version of the draft new instrument contained in document LI/WG/DEV/4/2, does not mean to indicate that such possibility would not exist under Article 13 of the present draft. The sentence has been removed because of the comments made during the fourth session of the Working Group, that the existence of such a possibility is obvious and its specification in the Draft Revised Lisbon Agreement, therefore, unnecessary.

13.05 Article 13(3) is based on Article 24.8 of the TRIPS Agreement: "The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public".

13.06 Article 13(4) does not safeguard all prior rights, but only plant variety and animal breed denominations. Other rights can only be safeguarded if and when used as a ground for refusal under Article 15. Lacking a refusal, Article 17(1) may apply. Under Article 24.4 of the TRIPS Agreement, WTO members are not required to prevent continued and similar use of a particular geographical indication of another WTO member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the

territory of that Member either (*a*) for at least 10 years preceding 15 April 1994 or (*b*) in good faith preceding that date.

NOTES ON ARTICLE 14: LEGAL REMEDIES AND LEGAL PROCEEDINGS

14.01 Article 14 is based on the provisions contained in Article 8 of the Lisbon Agreement and the 1967 Act. This article has been re-worded to take into account the concerns expressed by some delegations at the sixth session of the Working Group (in particular, paragraphs 97 and 163 of the Report contained in document LI/WG/DEV/6/7). This provision would simply require national or regional legislation to provide for and make available effective legal remedies and legal proceedings for the protection and enforcement of registered appellations of origin and geographical indications. The word "legal" is not meant to exclude the application of administrative measures.

NOTES ON ARTICLE 15: REFUSAL

15.01 Article 15 concerns the procedure for issuing refusals following the receipt of a notification of international registration. As suggested during the fourth session of the Working Group, time limits are not specified in the Agreement but in the Regulations, so that modifications can be adopted by the Assembly of the Special Union and would not require a diplomatic conference, as would be the case if time limits were specified in the Revised Lisbon Agreement itself. The provision is based on Draft Provision G of document LI/WG/DEV/3/2, Annex II and is a redrafted version of Article 5(3) of the current Lisbon Agreement.

15.02 Article 15(3) introduces the obligation for Contracting Parties to establish procedures enabling interested parties to present possible grounds for refusal to the Competent Authority and request the Competent Authority to notify a refusal under Article 15(1). As under the current Lisbon system, refusals can be based on any ground (see Note 16.02).

15.03 In respect of paragraph (5), interested parties affected by a refusal might, alternatively, have the opportunity to resort to arbitration or mediation.

NOTES ON ARTICLE 16: WITHDRAWAL OF REFUSAL

16.01 The possibility to negotiate the withdrawal of a refusal is explicitly mentioned in paragraph (2). As mentioned in the Acts of the 1958 Diplomatic Conference where the Lisbon Agreement was concluded, "the procedure envisaged provides countries, which receive the notification of an appellation of origin via the International Bureau, with the possibility to oppose any situation that exists *de facto* or *de jure* that would prevent protection being granted on all or part of the territory of the restricted Union. The period of one year from the time the notification is received is easily sufficient to allow such opposition. A refusal must be accompanied by the grounds on which the country decides not to grant protection. <u>These grounds constitute a possible basis for discussion for the purpose of reaching an understanding</u>[2]".

16.02 The term "interested parties" refers to the same persons referred to in Article 15(5). The term also appears in Articles 22 and 23 of the TRIPS Agreement.

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[2] Unofficial translation of the official French text.

16.03 A reference is also made to Article 24.1 of the TRIPS Agreement, which provides that WTO members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23 and that the exception provisions of Article 24.4 through 24.8 shall not be used by a WTO member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, WTO members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

NOTES ON ARTICLE 17: PRIOR USE

17.01 Unlike Article 5(6) of the Lisbon Agreement, Article 17 of the Draft Revised Lisbon Agreement limits the provisions allowing Contracting Parties to provide for adaptation periods, in connection with the termination of prior use, to prior use that is not safeguarded under Article 13, notably generic use of a denomination constituting a registered appellation of origin, or an indication constituting a registered geographical indication, initiated prior to the international registration becoming effective in a given Contracting Party. The footnote to Article 12 defines what should be considered to be a "generic denomination or indication". Any such prior use can be used as a ground for refusal, but if it is not used as a ground for refusal, the phasing out provision would be applicable.

17.02 As suggested during the fourth session of the Working Group, time limits are specified in the Regulations, so that modifications can be adopted by the Assembly of the Special Union and would not require a Diplomatic Conference, as would be the case if time limits were specified in the Revised Lisbon Agreement itself.

17.03 In view of the safeguards under Article 13 in respect of the prior rights addressed in that provision, the Draft Revised Lisbon Agreement does not contain phasing out periods in respect of prior uses under such rights, except to the extent that such prior rights incorporate a registered appellation of origin or geographical indication as a generic denomination or indication, and the prior rights manifestly do not extend to that denomination or indication, as specified in the footnote to Article 17.

17.04 Paragraph (2) clarifies that the defined period for the termination of prior use referred to in paragraph (1) may also apply for terminating prior use as a generic denomination or indication in case a refusal is withdrawn or in case a statement of grant of protection is notified following a refusal.

17.05 Paragraph (3) clarifies that withdrawal of a refusal that was based on use under a prior trademark or other right addressed in Article 13 would not mean that Article 13 would no longer apply. At the same time, the provision clarifies that withdrawal of such a refusal because of the cancellation, revocation, non-renewal, or invalidation, of the prior trademark or other prior right makes Article 13 inapplicable. Consequently, a situation of coexistence would be established following the withdrawal of such a refusal, except when the withdrawal was the result of the cancellation, revocation, non-renewal, or invalidation, of the prior trademark or other right addressed in Article 13.

NOTES ON ARTICLE 18: NOTIFICATION OF GRANT OF PROTECTION

18.01 Article 18 concerns the notification of grant of protection to a registered appellation of origin or geographical indication, and its subsequent publication by the International Bureau. Such a notification can be presented within the one-year period after receipt of the notification of international registration – in case within that period it has become clear that no refusal will be

issued – or following a refusal; if a decision has been taken to withdraw the refusal, a statement of grant of protection can be notified instead of a withdrawal of refusal. The procedures are specified in the Draft Regulations.

NOTES ON ARTICLE 19: INVALIDATION

19.01 Article 19 deals with invalidation of the effects of an international registration in a given Contracting Party. In view of the discussion at the eighth session of the Working Group, the present draft presents two Options. Under Option A, no limitation would apply as to the grounds on the basis of which invalidation can be pronounced, on the understanding that Contracting Parties shall provide that invalidation can be pronounced on the basis of a prior right. The footnote shows a list of what can be considered to reflect all possible grounds for invalidation. Option B would limit the grounds for invalidation to two situations: (1) the existence of a prior right; and (2) non-compliance with the definition. In case of the expiry of the protection in the Contracting Party of Origin, Article 8(2) requires the Contracting Party of Origin to request cancellation of the international registration.

19.02 Before an invalidation is pronounced, the beneficiaries, as defined in Article 1(xvii), and a legal entity as referred to in Article 5(2)(ii) must have been granted an opportunity to defend their rights, which in turn implies that they must first be informed that their registration is being challenged in a given Contracting Party.

19.03 As regards Article 19(4), please refer to Article 15(2).

NOTES ON ARTICLE 20: MODIFICATIONS AND OTHER ENTRIES IN THE INTERNATIONAL REGISTER

20.01 A specific provision addressing the issue of modifications of international registrations and other entries in the International Register has been incorporated in the Draft Revised Lisbon Agreement.

NOTES ON ARTICLE 21: MEMBERSHIP OF THE LISBON UNION

21.01 This provision clarifies that the Contracting Parties to the Revised Lisbon Agreement shall be members of the same Assembly as the States party to the Lisbon Agreement.

NOTES ON ARTICLE 22: ASSEMBLY OF THE SPECIAL UNION

22.01 The provisions of Article 22 are based, to a great extent, on those contained in Article 9 of the 1967 Act. However, whenever it appeared necessary, as in the case of the voting rights of intergovernmental organizations, such provisions have been supplemented by those contained in Article 21 of the Geneva Act.

22.02 As regards Article 22(2)(b), reference is made to the Guide to the Paris Convention by Prof. G.H.C. Bodenhausen, Note “(n)” on Article 13(2)(b) of the Paris Convention and Note “(d)” on Article 16(1)(b) of the Paris Convention.

22.03 With regard to intergovernmental organizations, Article 22(3)(a) is to be read in conjunction with Article 22(4)(b)(ii).

NOTES ON ARTICLE 23: INTERNATIONAL BUREAU

23.01 The provisions of this Article largely reproduce those contained in Article 10 of the 1967 Act.

NOTES ON ARTICLE 24: FINANCES

24.01 The provisions of this Article are modeled on those contained in the Geneva Act. However, the provision of Article 23(4)(b) of the Geneva Act has not been taken up in the draft Revised Lisbon Agreement. In this regard, reference is made to Note 7.02.

NOTES ON ARTICLE 25: REGULATIONS

25.01 This Article makes an express reference to the Regulations and defines the procedure for the amendment of certain provisions of the Regulations.

25.02 Paragraph (2) has been drafted along the lines of the corresponding provisions of the Singapore Treaty and the Patent Cooperation Treaty, which require the same threshold of a three-fourths majority.

25.03 Paragraph (3) establishes the superiority of the provisions under the Revised Lisbon Agreement over those contained in the Regulations so that, in the event of conflict between the two sets of provisions, the provisions of the Revised Lisbon Agreement shall prevail.

NOTES ON ARTICLE 26: REVISION

26.01 This provision, which confirms the standard rule that a treaty may be revised by a conference of the Contracting Parties, has been drafted along the lines of the provisions contained in the Singapore Treaty and the Geneva Act.

NOTES ON ARTICLE 27: AMENDMENT OF CERTAIN ARTICLES BY THE ASSEMBLY

27.01 The provisions of this Article are largely derived from those contained in the Geneva Act.

NOTES ON ARTICLE 28: BECOMING PARTY TO THIS ACT

28.01 The provisions of this Article have been drafted along the lines of Article 27 of the Geneva Act, as adapted in order to reflect accession criteria for intergovernmental organizations that would appear to take account of the conclusions of the Working Group on the Study contained in document LI/WG/DEV/2/3 and discussed at the second session of the Working Group.

28.02 Upon clarifying that the accession to the Revised Lisbon Agreement is not limited to States party to the Paris Convention, paragraph (1)(ii) lays down the accession criteria in respect of States that are not party to the Paris Convention.

28.03 The last sentence of paragraph (3)(b) should be read in conjunction with Article 31 and would allow a member State of the Lisbon Agreement or the 1967 Act that is also a member State of an intergovernmental organization to apply the Revised Lisbon Agreement instead of the Lisbon Agreement or the 1967 Act before the intergovernmental organization accedes.

NOTES ON ARTICLE 29: EFFECTIVE DATE OF RATIFICATIONS AND ACCESSIONS

29.01 This provision has been drafted along the lines of Article 28 of the Geneva Act to reflect the fact that both States and intergovernmental organizations may accede to the new instrument.

29.02 The first sentence of paragraph (4), which deals with the effects of accession, has been drafted along the lines of Article 14(2)(b) and (c) of the 1967 Act. A possibility to extend the time periods referred to in Article 15(1) and Article 17 of the Draft Revised Lisbon Agreement has been introduced in the last part of paragraph (4), in view of suggestions made in response to the Survey on the Lisbon system and the discussions at the second session of the Working Group.

29.03 As regards the bracketed reference to Article 7(4), see Note 7.04.

NOTES ON ARTICLE 30: PROHIBITION OF RESERVATIONS

30.01 This Article, which excludes any reservation to the Revised Lisbon Agreement, reproduces the text of Article 29 of the Geneva Act.

NOTES ON ARTICLE 31: APPLICATION OF THE LISBON AGREEMENT AND THE 1967 ACT

31.01 Paragraph (1) deals with relations between States that are party both to the Revised Lisbon Agreement and the Lisbon Agreement or the 1967 Act. The principle set out is that the Revised Lisbon Agreement alone would apply to the relations between those States. Thus, with respect to persons who derive their right to file an international application from a State bound both by the Revised Lisbon Agreement and by the Lisbon Agreement or the 1967 Act and who wish to obtain protection in other States party both to the Revised Lisbon Agreement and to the Lisbon Agreement or the 1967 Act, as the case may be, only the provisions of the Revised Lisbon Agreement will be applicable.

31.02 Paragraph (2) deals with relations between States party both to the Revised Lisbon Agreement and to the Lisbon Agreement or the 1967 Act, on the one hand, and States party only to the Lisbon Agreement or the 1967 Act without being at the same time party to the Revised Lisbon Agreement, on the other.

31.03 Reference is also made to Note 28.03.

NOTES ON ARTICLE 32: DENUNCIATION

32.01 This is a usual provision. To enable those who have organized their activities as a function of the accession of a Contracting Party to the Revised Lisbon Agreement to carry out the necessary adjustments in the event of that Contracting Party denouncing the Revised Lisbon Agreement, a minimum period of one year is provided in paragraph (2) for a

denunciation to take effect. Additionally, paragraph (2) ensures that the Revised Lisbon Agreement will continue to apply to any international application that is pending and to any international registration that is in force with respect to the Contracting Party that has denounced the Revised Lisbon Agreement at the time the denunciation takes effect.

NOTES ON ARTICLE 33: LANGUAGES OF THIS ACT; SIGNATURE

33.01 Article 33 provides, in particular, that the Revised Lisbon Agreement is to be signed in a single original in the six official languages of the United Nations and that all those texts will be equally authentic.

NOTES ON ARTICLE 34: DEPOSITARY

34.01 Article 34 states that the Director General is the depositary of the Revised Lisbon Agreement. The nature of the duties of the depositary of a treaty is defined, and a list of those duties is given, in Articles 76 and 77 of the Vienna Convention on the Law of Treaties. Those duties consist, in particular, in keeping the original text of the Revised Lisbon Agreement, in establishing certified copies of the original text and in receiving the instruments of ratification or accession that are deposited.

[End of Annex and of document]