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## STANDING COMMITTEE ON THE LAW OF TRADE MARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS

**Ninth Session**  
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### THE DEFINITION OF GEOGRAPHICAL INDICATIONS

*Document prepared by the Secretariat*

#### I. INTRODUCTION

1. The Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications ("SCT") decided at its eighth session (Geneva, May 27 to 31, 2002) that the International Bureau should prepare a document concerning the question of definition of geographical indications, as contained in the 1994 WTO Agreement on Trade-Related Aspects of Intellectual Property Rights ("the TRIPS Agreement").<sup>1</sup> The SCT agreed that the following issues should be addressed: application of the definition at the national level by different systems of protection; practical differences between the system of protection of geographical indications such as appellation of origin and the system of protection under collective and certification marks; links, reputation.

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<sup>1</sup> See Summary of Chair, SCT/8/6, and paragraphs 7 and 8.

2. This document addresses the TRIPS definition of “geographical indications” and several definitional issues related thereto:

- the application of the TRIPS definition at the national and regional level by different systems of protection, including practical differences between various systems (see paragraphs 9 to 26), and notably:
  - the size of the place of origin (i.e. potential ranging from a single vineyard to an entire country) (see paragraphs 16 to 26); and
  - the significance of the concepts of “links” and “reputation,” including the extent to which production of the good needs to be tied to the indicated geographical origin (see paragraphs 21 to 26).
- the practical differences between the systems of protection of geographical indications, such as appellations of origin, and the system of protection under collective and certification marks.

3. Before considering the TRIPS definition and related definitional issues, it is appropriate to note that the term “geographical indications” is grounded in international treaty law.<sup>2</sup> Indeed, the international legal rules associated with the protection of geographical indications do not derive their authority from long standing or widespread presence of analogous rules within national laws prior to signature of the TRIPS Agreement in 1994, such that these international rules could be considered to reflect general principles of law. On the contrary, widespread adherence to the TRIPS Agreement has had the consequence of introducing legal obligations concerning geographical indications into national legislation around the world.

4. The question of the definition of “geographical indications” has been raised in discussion during these seventh and eighth sessions of the SCT,<sup>3</sup> as well as in previous SCT documents prepared by the International Bureau.<sup>4</sup> At its eighth session, the SCT resolved to base further consideration of the topic on the definition provided by Article 22.1 of the TRIPS Agreement. The practical reasons cited for this decision include the fact that quite a

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<sup>2</sup> A brief history of the terminology is recalled in SCT/6/3/Rev. and SCT/8/5. A draft treaty formulated in 1974-75 under the auspices of WIPO settled upon the term “geographical indication” as a convenient means of comprehending within a single phrase both previous international treaty expressions of “indication of source” and “appellation of origin” (cf. the Paris Convention and the Special Unions created thereunder pursuant to the related Madrid and Lisbon Agreements). Further negotiation of the WIPO draft treaty on geographical indications was suspended after 1975 in light of proposals to add to the Paris Convention a new Article 10 *quater* devoted to geographical indications. While the Paris Revision Conference was not concluded, the term “geographical indication” promptly re-emerged in other international instruments: cf. in Council Regulation (EEC) No. 2081/92 of July 14, 1992, in the 1992 NAFTA Agreement, in Resolution ECO/2/92 of the International Vine and Wine Office (OIV), and in a bilateral trade agreement on wine concluded by the European Union and Australia in 1994.

<sup>3</sup> See documents SCT/7/4 and SCT/8/7 Prov.

<sup>4</sup> See documents SCT/5/3, SCT/6/3 together with SCT/8/4, and SCT/8/5.

number of countries now use the TRIPS definition as the basis for their national legislation on geographical indications, thus establishing it as a common denominator in this field of law.

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However, whatever the TRIPS definition is referring to, the substance of the concept of geographical indications is that a geographical indication is used to demonstrate a link between the origin of the product to which it is applied and a given quality, reputation or other characteristic that the product derives from that origin.

## II. THE DEFINITION OF "GEOGRAPHICAL INDICATIONS"

5. Determining the exact scope of application of the term "geographical indications" in particular national systems is the basic problem associated with the issue of definition. In other words, by what means is the determination made as to "what is a geographical indication, and what is not?"

6. Article 22.1 of the TRIPS Agreement defines "geographical indications" as:

*"indications which identify a good as originating in the territory of a [WTO] Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin."*

7. This definition is mainly derived from the definition of "appellation of origin" established by Article 2 of the 1958 Lisbon Agreement for the Protection of Appellations of Origin and their International Registration ("the Lisbon Agreement").<sup>6</sup> However, whereas Article 22.1 of the TRIPS Agreement defines geographical indications as "*indications which identify a good...*", Article 2 of the Lisbon Agreement defines appellations of origin as "*the geographical name... which serves to designate a product...*". Geographical indications are thus not restricted to geographical names, but may also include other signs of geographical significance whether composed of words, phrases, symbols or emblematic images. In addition, it can readily be seen that Article 22.1 of the TRIPS Agreement applies to "goods", whereas Article 2 of the Lisbon Agreement applies to "products". Moreover, Article 22.1 of the TRIPS Agreement applies to goods "*where a given quality, reputation or other characteristic is essentially attributable to its geographical origin*", whereas Article 2 of the Lisbon Agreement applies to products "*the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors*". Geographical indications are thus not restricted to products having a quality and characteristics due to natural and human factors associated with the geographical environment of the place of origin, but rather include goods having a given quality, reputation or other characteristic which is essentially attributable to its geographical origin. The phrase "quality, reputation or other characteristic" is also used in EEC Council Regulation No. 2081/92 of July 14, 1992, on the Protection of Geographical Indications and Designations of Origin for Agricultural Products

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<sup>5</sup> See document SCT/8/7

<sup>6</sup> "*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."

and Foodstuffs.<sup>7</sup> Although the concept of appellations of origin can thus be seen to lie at the heart of the concept of geographical indications, the criteria defining geographical indications seem less restrictive than the criteria defining appellations of origin.<sup>8</sup>

8. In addition, it must always be kept in mind that the terms “indication of source”, “appellation of origin”, and “geographical indication” are used in different international legal instruments.<sup>9</sup> Rights and obligations flowing from those instruments exist only in relation to the specific term 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 whenever reference is made to a particular international instrument.<sup>10</sup>

9. At the national level, the type of definition given to the term “geographical indication” varies from country to country.<sup>11</sup> Prior to their adherence to the WTO Agreements, only some WTO Member States had in place special systems for the protection of geographical indications as such or minimal intellectual property legislation concerning geographical indications directly. Developing countries and countries in transition were accordingly afforded a five-year transition period following adherence to WTO undertakings before their TRIPS obligations would enter into force. Many such States have based their new legislation concerning geographical indications on the TRIPS definition. Other States have sought to modify and adapt their existing legal systems for the protection of IP rights in geographical terms to their new TRIPS obligations concerning geographical indications. The various types of national systems of protection for appellations or other indications of geographical origin developed prior to the advent of the TRIPS Agreement have already been described in documents SCT/8/4 and SCT/8/5 and need not be repeated herein.

10. Of particular relevance to the present document, the WTO Secretariat has compiled the answers to a questionnaire concerning 37 national legal systems pertaining to geographical indications.<sup>12</sup> The report notes that countries having established special protection systems

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<sup>7</sup> This regional definition for “geographical indications” may in turn be compared with the European definition of “designation of origin”, a term equivalent to appellation of origin: “designation of origin: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or foodstuff.”

<sup>8</sup> See Document SCT/5/3.

<sup>9</sup> 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 (“the 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 either treaty, but Article 1(1) of the Madrid Agreement on Indications of Source clarifies what is meant by the term 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.”

<sup>10</sup> Further information on the specific characteristics of the meanings of “appellation of origin” and “indication of source” is contained in document SCT/8/4.

<sup>11</sup> Provisions of trademark and unfair competition law also applicable to geographical indications are not included for purposes of this discussion.

<sup>12</sup> WTO Document IP/C/W/253 dated 4 April 2001 at page 4. The 37 countries are: Australia, Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, Ecuador, European Communities, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands,

for geographical indications employ statutory definitions based either on the TRIPS model or the Lisbon model for appellations of origin, and/or their own national definitions for the protection of geographical indications used for particular products, such as for wines, agricultural products and foodstuffs, or specific definitions of an administrative nature. <sup>13</sup>

11. Within the TRIPS model, noted variations on the TRIPS definition include: <sup>14</sup>

- addition of the phrase “including natural and human factors”;
- limitation to wines and liquors where the “established quality, general reputation, and other characteristics of the liquor are mainly attributable to its geographical origin”;
- “the geographical name of a specified region, which serves to designate a product or a processed product originating therein”;
- provision for protection of non-geographical names as appellations of origin if they relate to specific geographic areas;
- addition of requirements that the production and/or processing and/or preparation take place in the defined geographical area;
- for certain products, stipulation of product specifications.

12. Within the Lisbon model, noted variations from the TRIPS definition include: <sup>15</sup>

- for wines and foodstuffs, additional requirements of notoriety and approval procedures;
- “has to be known to designate”;
- “the name of a geographical region or place” based on “the place’s natural and human factors”;
- requirement that the production, processing, and preparation take place in the defined geographical area;
- product specification requirements for certain products.

13. Particular national definitions typically relate to particular products only, such as wines and cheese. <sup>16</sup> A number of such special regimes are listed in Annex B to the WTO study:

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[Footnote continued from previous page]

Portugal, Spain, Sweden, United Kingdom, Hong Kong (S.A.R.), Hungary, Iceland, Japan, Korea, Liechtenstein, Mexico, New Zealand, Norway, Peru, Romania, Slovak Republic, Switzerland, Turkey, United States of America, and Venezuela.

<sup>13</sup> Id., at paragraph 31.

<sup>14</sup> Id., at paragraph 31 and note 28.

<sup>15</sup> Id., at paragraph 31 and note 29.

<sup>16</sup> Id., at paragraph 31 and notes 30-32.

- *Denominación de origen*
- Agricultural and Food Product Labels and Certificates
- *Denominación Específica*
- Quality Wines Produced in Specified Regions
- Table Wines
- Viticultural Areas and Appellations of Origin (for Wines)
- *Appellation d'Origine* (for Wines)
- *Appellation d'Origine Contrôlée* (for Wines)
- Geographical Designations (for Spirits)
- Geographical Indication (for Wine or Grape Products)
- Geographical Indication (for Specified Goods)
- Indication of Source for Any Good or Service
- Indication of Source (Goods and Services)
- Reserved Descriptions (for Spirits)

14. It can easily be observed that the TRIPS definition basically involves at least three criteria: (A) an indication used to identify the geographical origin of a good, (B) corresponding to a State territory or a region or a locality of that territory, and (C) involving a special link with the quality, reputation or other characteristics of the good essentially attributable to the geographical origin.

A. “Indications which Identify a Good as Originating in [a certain] Territory \_\_\_\_\_”

15. It is simply axiomatic that a geographical indication identifies a good as originating in a particular place. The less obvious points relate to the size of the indicated place (Part B below), and the extent to which the production process (from raw material to transformation to packaging) must coincide with that place of origin (Part C below).

B. “The Territory of a [WTO] Member, or a Region or Locality in that Territory \_\_\_\_\_”

16. The WTO document reveals that a wider range of geographical units are referred to in the national legislation of the respondents to the questionnaire. The term employed often involves political and administrative boundaries, but also non-political geographical areas (especially in respect to products of the vine). In addition, some countries allow for non-geographical terms suggestive of geographical origin (so-called “indirect” geographical indications or traditional denominations), to be protected as geographical indications, either because their national legal definition expressly includes the possibility or does not exclude it.<sup>17</sup>

17. Examples of terms relating to political and administrative units include: <sup>18</sup>

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<sup>17</sup> Id., at paragraph 33.

<sup>18</sup> Id., at paragraph 33 and notes 34 to 56.

- political subdivisions on maps;
- continents, country or territory, region within that territory, state, county, *département*, canton, district, commune, city, village, local administrative unit or part thereof;
- locality, small locality or group of localities, area, place or specific place, linear feature, zone, street names, indications on maps.

18. Examples of terms relating to non-political geographical areas: <sup>19</sup>

- specified region, wine-growing area, combination of wine-growing areas, small locality or group of localities, restricted viticultural zone, vine-growing district, wine-growing sub-region or part thereof, region other than a specified region which is reserved for table wines meeting certain production requirements, wine-growing regions and villages, vineyard site or unit comprising several vineyard sites, vineyard site or area registered in the vineyard register, wine grape vineyard, community or part thereof, area cultivating *Landwien*, *château*, *domaine*, viticultural area, geographical indications recognized in specific regulations.

19. The criteria for delimiting non-political geographic areas, a practice most frequently conducted in the context of wine production, was found to aim at establishing the homogeneity of a production area and its distinctiveness as compared to others such areas.

20. The specific criteria referred to include: <sup>20</sup>

- natural features such as rivers, contour lines and other topographic features;
- geographical characteristics such as soil, drainage, climate, irrigation, and elevation;
- human features such as choice of varieties and methods of production;
- historical and traditional factors;
- economic considerations, notably equivalence of yield in the case of agricultural;
- products associated with a regional appellation.

C. “Where a Given Quality, Reputation or Other Characteristic of the Good is Essentially Attributable to its Geographical Origin”

21. Unlike products entitled to protection as an appellation of origin under the Lisbon Agreement, geographical indications as defined in the TRIPS Agreement do not explicitly refer to a combination of natural and human factors forming the distinctive quality and characteristics of the product. Rather, a given quality, reputation or other characteristic can provide the essential factor justifying the link with the indicated geographical origin (see paragraph 7).

22. The WTO study reveals that references to “quality” in the various definitions contained in national legislation are expressed with somewhat different formulations. These include, for example: “established quality,” “particular quality,” “given quality,” “specific quality,” “special quality characteristics,” “special outstanding quality distinguishing the product from

<sup>19</sup> Id., at paragraph 33 and notes 57 to 74.

<sup>20</sup> Id., at paragraph 35 and notes 78 to 98.

generic products,” “superior quality,” and “highest grade quality” as determined by reference to product standards defined by law or pursuant to customary practice in the industry.<sup>21</sup>

23. In respect to “reputation,” countries adopting the Lisbon model generally do not include this linkage factor in their national legislation, whereas countries adopting the TRIPS model have routinely done so. Indeed, the Lisbon model does not include reputation as a linkage factor connecting the product to the place. Instead, the reputation of the geographical place appears to rest on the quality and characteristics of the product for which it is best known. For countries whose legislation is categorized under the TRIPS model, the study shows that several have adopted a variety of qualifiers: “general reputation,” “given reputation,” “specific reputation,” etc.<sup>22</sup>

24. Little information was received from governments responding to the WTO questionnaire in respect to the content of “other characteristic” contained in Article 22.1 of the TRIPS.<sup>23</sup>

25. In addition to the TRIPS model (“essentially attributable”) and the Lisbon model (“due exclusively or essentially”), some national legislation has adopted other terms such as: “mainly attributable” or simply “attributable.” And some countries do not impose any causal link requirement.<sup>24</sup>

26. In respect to origin requirements, the WTO study observes that some countries state only general requirements that the product must be made in the indicated place or that the producer must be located in that area. Some countries provided more specific information about:<sup>25</sup>

- requirements that all stages of production (raw material, processing and preparation) must be in the designated area;
- requirements that the raw material (e.g.) grapes must have originated in the area in question (except in some cases of tolerance concerning a small proportion from another area);
- requirements that the stage of production which gives a product its distinctive character must have occurred in the area (e.g. for spirits);
- requirements that at least one of the stages of production have occurred in the area.

### III. THE PRACTICAL DIFFERENCES BETWEEN THE SYSTEMS OF PROTECTION OF GEOGRAPHICAL INDICATIONS, SUCH AS APPELLATIONS OF ORIGIN, AND THE SYSTEM OF PROTECTION UNDER COLLECTIVE AND CERTIFICATION MARKS

27. The various national systems for the protection of indications of geographical origin are grouped by the WTO document into three categories: Trademark law provisions devoted to collective marks and/or certification and guarantee marks; Specific protection systems for

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<sup>21</sup> Id., at paragraphs 40-41.

<sup>22</sup> Id., at paragraph 42.

<sup>23</sup> Id., at paragraph 43.

<sup>24</sup> Id., at paragraph 45.

<sup>25</sup> Id., at paragraph 37 and notes 100 to 104.



geographical indications and appellations of origin; and more general laws focusing on business practices, including laws and legislation pertaining to unfair competition and consumer protection.<sup>26</sup>

A. Collective Marks and Certification or Guarantee Marks

28. Collective marks and certification marks (in some countries guarantee marks) provide a certain level of protection for geographical indications generally on the basis of private initiative, and thus independently from other governmental initiative. Trademark typically identify individual enterprises as the origin of marked goods or services. Countries also provide for the registration of collective and certification marks for the use of more than one person or enterprise. Collective and certification marks are used to indicate the affiliation of enterprises using the mark or which refer to identifiable standards met by the products for which such a mark is used. Whereas descriptive geographical terms standing alone are usually excluded from registration as individual trademarks, the same geographical terms are often acceptable for use with collective or certification marks. National legislations allow for the registration of collective marks but may not always allow for the registration of certification marks. In common law jurisdictions, it is also possible to enforce common law rights in unregistered certification marks.

29. Article 7bis of the Paris Convention provides that the countries of the Union undertake to accept for filing and to protect collective marks. This provision ensures that collective marks are admitted for registration and protection in countries other than the country where the association owning the collective mark has been established. This means that the fact that the said association has not been established in accordance with the law of the country where protection is sought is no reason for refusing such protection. On the other hand, the Convention expressly states the right of each Member State to apply its own conditions of protection and to refuse protection if the collective mark is contrary to the public interest. Moreover, the Paris Convention does not define the term “collective mark”, nor does it specifically address certification marks. Article 7bis among the provisions of the Paris Convention incorporated into the TRIPS Agreement by virtue of Article 2.1.

30. The concepts of collective mark and certification mark differ from country to country. Depending on the applicable national law, a collective mark or certification mark may serve to indicate, inter alia, the origin of goods or services, and therefore may to some extent be suitable for the protection of a geographical indication. Such a mark does not entitle the proprietor to prohibit a third party from using in the course of trade such signs or indications, provided they are used in accordance with honest practices in industrial or commercial matters; in particular, such a mark may not be invoked against a third party who is entitled to use a geographical name.

31. Generally speaking, the main difference between collective marks and certification marks is that the former may be used only by particular enterprises, for example, members of the association which owns the collective mark, while the latter may be used by anybody who complies with the defined standards. Thus, the users of a collective mark form a “club” while, in respect of certification marks, an “open shop” principle applies.

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<sup>26</sup> Id., at paragraphs 8-9 and sections referred to therein.

(1). Collective Marks

32. A collective mark is a type of mark reserved for use by the members of a collective body. Such a body can be an association or cooperative of manufacturers, producers or traders. The collective mark is owned by the collective body which exclusively grants its members the right to use it. Typically, the collective body has been founded in order to ensure the compliance with certain quality standards by its members; the members may use the collective mark if they comply with the requirements fixed in the regulations concerning the use of the collective mark. Thus, the function of the collective mark is to inform the public about certain particular features of the product for which the collective mark is used. An enterprise entitled to use the collective mark may in addition also use its own trademark.

33. The question whether a geographical indication may be registered as a collective mark depends entirely on a given national law. Some national trademark laws exclude the registration of geographical indications as collective marks, although, more recently, that traditional exclusion has been abolished by some countries.

34. Normally, the use of the collective mark is governed by regulations which have to be submitted to the national trademark office together with the application for registration. These regulations might also specify the delimitation of the geographical area of production for the product on which the collective mark is to be used, or standards of production for such product. Any modification to the regulations has to be notified to the national trademark office.

35. Once a geographical indication is registered as a collective mark, the association that owns it has the right to prohibit its use by persons who are not members of the association. However, such a mark may not be invoked against a third party who is entitled to use the geographical name, and senior rights will be afforded priority. Moreover, the registration of a geographical indication as a collective mark may not, per se, prevent the mark from becoming a generic term.

36. The laws of some countries contain strict user requirements which may result in cancellation of the registration of the collective mark in case it is not continuously used. In several countries, the registration of a collective mark may be cancelled if the mark is used contrary to the provisions of the regulations or in a manner which misleads the public. Collective marks, therefore, can play a significant role in the protection of consumers against misleading practices.

37. The collective owners of a collective mark are not usually barred from using the mark themselves, a feature which distinguishes collective marks from the common law institution of certification marks (in former times called "standardization marks"). Apart from this difference, the conditions under which geographical terms may be registered as collective marks are quite similar to the conditions described below in connection with certification marks.

(2). Certification Marks

38. In contrast to collective marks, certification marks are not owned by a collective body such as an association of producers, but by a certification authority. Such authority may be a local governmental entity or a private association which is not itself engaged in production or

trade of the products concerned. The latter is of particular importance because the owner of the certification mark must ensure that the goods bearing the certification mark possess the certified qualities.

39. The definition of “certification mark” is not the same in all countries. In certain countries, for instance, a certification mark may not be used by all persons who comply with the defined standards, but only by enterprises which have been authorized by the owner of the certification mark to use that mark. Thus, in such countries, the difference between a certification mark and a collective mark is smaller than in other countries; it only relates to the purpose of those two kinds of marks: the certification mark refers to certain standards of goods or services, while the collective mark refers to the membership of its users in a particular organization.

40. The application for the registration of a certification mark is usually accompanied by regulations which will govern its use. A certification mark may normally be used by everybody whose products comply with the requirements set out in the regulation. A prior right will be afforded priority over the right to use a certification mark. The institution which owns the registered certification mark has the right to prohibit the use of that mark by persons whose products do not comply with the requirements set out in the regulations.

41. A common requirement for the registration of a certification mark is that the entity which applies for registration is “competent to certify” the products concerned. Thus, the owner of a certification mark must be the representative for the products to which the certification mark applies. This is an important safeguard for the protection of the public against misleading practices.

42. There are generally three types of certification marks, <sup>27</sup> one of which certifies that goods or services originate in a specific geographical region. The question whether a geographical indication may be registered as a certification mark depends entirely on a given national law.

43. A geographical term may thus be used, either alone or as a portion of a composite mark, to certify that the goods originate in the particular geographical region identified by the term. However, a geographical term which is geographically deceptive may not be registered as a certification mark. Expressions used to certify regional origin are not necessarily limited to terms which comprise precise geographical terminology. A distortion, an abbreviation, or a combination of geographical terms can be used as, or in, a geographical certification mark. It is also possible for a term which is not technically geographical to have significance as an indication of origin in a particular region.

44. Normally the entity which can exercise control over the use of a geographical term as a certification mark is a governmental body or a body operating with governmental authorization.

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<sup>27</sup> Other types of certification marks, not of particular relevance for geographical indications in certain cases, certify that the goods or services meet certain standards in relation to quality, materials, or mode of manufacture, or else certify that the performer of the services or the manufacturer of the goods has met certain standards or belongs to a certain organization or union.

45. When a geographical term is used as a certification mark, two elements are of basic concern: first, preserving the freedom of all persons within the geographical area to use the term and, second, preventing abuses or illegal uses of the mark which would be detrimental to all those entitled to use the mark.

46. The legal framework for the registration of certification marks generally assigns to the owner/applicant the task of defining, in the regulations governing the use of the proposed mark, the delimitation of the area of production of the good on which those marks are used and any applicable standard of production. This definition forms part of the specification filed with the application and, upon acceptance, becomes part of the registration.

47. The competent authority for receiving the application for the registration of a certification or collective mark, typically a national trademark office, does not necessarily examine details of the applications such as, for example, the delimitation of the production area, the existence of a link between the geographical term for which registration is requested and the qualities of the product in question, or, as the case may be, whether such a link is existing at all. However, it is usually possible for competitors and consumers to raise issues concerning the specification of a certification mark and to challenge the validity of a registered certification mark by initiating an opposition or invalidation procedure.

48. Certification marks may also be contrasted with individual trademarks and service marks by two characteristics. First, a certification mark is not used by its owner, but rather by other persons with the authorization of the owner. Second, a certification mark does not indicate an individual commercial source or distinguish the goods or services of one person from those of another person, but rather informs purchasers that the goods or services of a particular person possess certain characteristics or meet certain qualifications or standards, which may include in particular a geographical origin which is typically regional in character. The general message conveyed by a certification mark is that the goods or services have been examined, tested, inspected, or in some way checked by a person who is not their producer, pursuant to methods determined by the certifier/owner of the mark.

49. Further information regarding the protection of geographical indications through registration of collective marks or certification marks is contained in an information document prepared by the International Bureau for the WIPO Symposium on the International Protection of Geographical Indications held in Funchal (Madeira, Portugal) in October 1993 (WIPO Publication no. 729) as well as WIPO Document SCT/8/4.

### (3). Agricultural Labels

50. Mention may also be made of a special form of certification mark: the “agricultural label” (“*label agricole*”). An agricultural label is registered as a collective certification mark in the name of the entity that controls its use and certifies that a foodstuff for a non-nutritious and non-transformed agricultural product (such as cereals seeds) possesses a combination of specific characteristics and a level of quality which is higher than that of similar products. An agricultural label can be a national label or a regional label, the latter referring to characteristics which are specific, traditional or representative of a region. The label is not restricted to national products, but may not be used for products in respect of which an

appellation of origin has been established or for some categories of wines (even if not benefiting from an appellation of origin).<sup>28</sup>

## B. Specific Systems for Geographical Indications and Appellations of Origin

51. Systems for the protection of registered geographical indications and protected appellations of origin have many similarities, although differences as regards the scope of protection and the applicable procedure may depend on the national laws of countries applying these types of protection. Thus, the protection of a registered geographical indication will depend on prior registration pursuant to an administrative procedure, whereas the protection of an appellation of origin usually flows from the provisions of a specific law or decree devoted to that appellation of origin.

52. The basic difference between a geographical indication and an appellation of origin is that the link with the place of origin is stronger in the case of appellations of origin than for geographical indications (see paragraphs 7 and 21). For the appellation of origin product, the quality or characteristics result from its geographical origin. In the case of a geographical indication, one single criterion attributable to a geographical origin is sufficient, be it a quality or the reputation or some other characteristic. Moreover, for geographical indications as opposed to appellations of origin, the production of the raw material and the development of the product are not necessarily situated entirely in the defined geographical area.

53. Specific systems for the protection of appellations of origin and geographical indications have in common that the legal protection they provide is based on an act of public law (law, decree, ordinance) adopted at the conclusion of an administrative procedure involving representatives of the producers concerned and the government administration. Through this administrative procedure, important parameters for the geographical indication or appellation of origin are given legal definition, such as in respect to the associated product, the conditions of use, and the demarcation of the area of production and production standards. The defined legal parameters are then subject to direct application and enforcement by government agencies, either under civil, criminal, or administrative law, when determining whether a given registered appellation of origin or recognized geographical indication is used without authorization or in a manner contrary to the prescribed mode of use.

54. A group or a natural or legal person may apply for the registration of a geographical indication or the promulgation of a decree establishing an appellation of origin. The application must include the product specifications, including the name of the product, a description of the product including the raw materials and principal characteristics, the definition of the geographical area, a description of the method of obtaining the product, the details bearing out the link with the geographical origin, the inspection procedures, and specific labeling features. The application process typically involves an opposition procedure. Products sold under the registered geographical indication are thereafter subject to inspection

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<sup>28</sup> Further information on this institution can be found in the Annex to Bienaimé, “*The Protection of French Geographical Indications in France and Abroad*”, in WIPO Symposium on the International Protection of Geographical Indications held in Funchal (Madeira, Portugal) in October 1993 (WIPO Publication no. 729), p. 127 at 133.

by a designated authority. The cost of inspection is supported by the users of the registered geographical indication.

55. Registered names are typically protected against any:

- (a) direct or indirect commercial use of the geographical name in respect of products not covered by the registration insofar as those products are comparable to the products registered under that name or insofar as use of the geographical name exploits the reputation of the registered name;
- (b) misuse, imitation or revocation, even if the true origin of the product is indicated or if the protected name is translated or qualified by the words “style,” “type,” “method,” “as produced in,” “imitation,” or similar expression;
- (c) other false or misleading indications as to the source, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
- (d) any other practice liable to mislead the public as to the true origin of the product.

56. Governments applying such systems may set up public or private structures of control which can verify the conformity of the product and use of the geographical indication or appellation of origin with the specifications, from the production stage until the final marketing stage.

(1). Geographical Indications

57. A geographical indication generally consists of the name of a country, region or locality that serves to designate a product originating therein, the quality, reputation, or other characteristic of which is essentially attributable to the geographical origin. This means that products protected under this special title originate from a specific area and owe a specific quality, reputation or other characteristic to that place of origin. In order to ensure that the products satisfy the specified criteria, a control mechanism may be set up by competent authorities, and products are monitored regularly. Only products which satisfy the definitional criteria are protected by a geographical indication. In some countries, geographical indications are limited to agricultural products and foodstuffs, but the concept may be applied to other products as well.

(2). Appellations of Origin

58. An appellation of origin (sometimes called designation of origin) generally consists of the name of a country, region or locality that serves to designate a product originating therein, the quality and characteristics of which are due to the geographical environment, including both natural and human factors. This means that products protected under this special title originate from a specific area and owe their specific quality and characteristics to the geographical environment of their place of origin. In order to ensure that the products possess the specified qualities, a control mechanism may be set up by competent authorities, and quality controls are carried out regularly. Only products which comply with the defined standards are protected by an appellation of origin. Originally, appellations of origin only

concerned wines and spirits, but the concept has since been extended to include other products (such as dairy products, mainly cheese and butter), poultry and plant products.

(3). Registration procedure

(i) Authorities involved

59. The Ministry in charge of geographical indications, which reviews applications from producers group and decides whether a name will be registered;

- The relevant national body for appellation of origin and/or geographical indications, which reviews applications, forward a preliminary opinion to the Ministry and advises the competent authorities on steps to be taken to protect the name;
- Regional authorities, composed of government representatives and professionals, which issue opinion on applications for the recognition of products from their own regions;
- Certification bodies which verify compliance with products specifications and must notify any irregularities;
- Appellations and geographical indications associations, which prepare the application for registration on behalf of the producers.

(ii) Initiative

60. The initiative to apply for the registration of an appellation of origin or geographical indication may be taken by entities that are public or private (product consortiums, associations of producers...). Producers must form a group in order to be entitled to apply for registration. Producers group submits applications for registration to the relevant body, as specified in the applicable law. The producers in the region concerned must, for instance, form an association. They must also define their product, describe the production method and establish the boundaries of the relevant geographical area in a products specification. They must also provide details bearing out the link between the product and the relevant geographical area. Therefore, groups applying for registration of an appellation of origin or a geographical indication contact generally a certification body. This body must then certify the process used to produce, process and/or prepare the product. The certifying body is generally accredited according to national or regional standards laying down the general criteria for product certification bodies.

(iii) Application

61. In order to qualify, the product must comply with a products specification including *inter alia*, the product, a description of the product, including the nature of the raw materials and principal characteristics, history of the product, the description of the method of obtaining the product, the definition of the geographical area, the details bearing out the link with the geographical environment or the geographical origin, aspects allowing appraisal of its traditional character, details of the inspection structures, specific labeling details etc.. Only a group of producers and/or processors working with the same agricultural product is entitled to submit an application for registration to the competent authority.

(iv) Products specifications

62. Products specifications comply with the standards defined nationally or regionally (EC). The products should comply not only with the relevant horizontal standards but also with the products specifications. Products may therefore be subject to a dual control. These specifications contain the rules governing all stages of the production process, quality standards, packaging and marketing. Drawing up products specifications for any appellation (boundaries, animal and plant species, production methods...) requires not only a deep knowledge of the area but also determination on the part of the producers and the whole industry which need to join forces and define the requirements for an appellation to be recognized as such.

(v) Inspection

63. An inspection body offering adequate guarantees of objectiveness and impartiality and having the qualified staff and resources necessary to carry out the inspections checks whether the product meets the criteria laid down in the specification. The inspection body can be public or private, generally formally authorized by the competent ministry. The cost of the inspection is generally borne by the producers. The regulatory authorities monitor compliance with the specifications. They generally provide for inspection and certification to be carried out from the production stage to the commercialization, by an independent body. They withdraw the right of a producer or processor of a product, which fails to meet those criteria to use the appellation of origin and/or geographical indication designation.

(vi) Decisions

64. Decisions on registration are generally taken by the Ministry in charge of the geographical indications, working in conjunction with the relevant national committee for appellations of origin and/or geographical indications. The Ministry reviews the application and decides whether or not to register the product, taking into consideration the opinion of the relevant body for appellations of origin and/or geographical indications. Regional authorities may also give their opinion. If the application is accepted, it is published in the official journal or Gazette. An opposition procedure is then open for a period, which can vary from 3 to 6 months. Any natural or legal person legitimately concerned by the intended registration may object to it. If no objections are notified within the relevant period of time, the appellation of origin or geographical indication is entered in a register and published in the official journal or Gazette.

C. Legal regulation of business practices

(1). Unfair Competition Law

65. Article 10bis of the Paris Convention requires the provision of effective protection against unfair competition, defined as “any act of competition contrary to honest practices in industrial or commercial matters”. Article 10bis among the provisions of the Paris Convention incorporated into the TRIPS Agreement by virtue of its Article 2.1. and is also incorporated in its Article 22.2.



66. It is generally accepted that commercial practices which mislead the public with respect to the geographical origin of products constitute an act of unfair competition.<sup>29</sup> The use of a certain geographical indication for goods or services not originating from the respective area may be misleading and thus may deceive consumers. Furthermore, such use may constitute a misappropriation of the goodwill of the person who is truly entitled to use the geographical indication. An action for unfair competition – which, depending on the national law, is either based on statutory provisions, as interpreted by court decisions, or on common law – can be instituted in order to prevent competitors from resorting, in the course of trade, to such misleading practices. It can thus be said that unfair competition laws afford civil remedies to traders and producers damaged by the unauthorized use of geographical indications by third parties, rather than protecting the geographical indication as such.

67. At the national level, protection against unfair competition has developed differently in different countries. Although the conditions for a successful action for unfair competition will vary from country to country, the following basic principles appear to be generally recognized. In order to qualify for protection under unfair competition laws, a given geographical indication must have acquired a certain reputation or goodwill. In other words, the potential buyers of the product must associate the geographical indication with the place of origin of the goods or services. Such an action further requires that the use of the geographical indication on goods or services not originating from the respective geographical area is misleading, so that consumers are deceived as to the true place of origin of the goods or services. Under some national laws, proof of damages or the likelihood of damages caused by such misleading practices is also required. In common law jurisdictions, the action of passing off provides basic protection against dishonest business competitors. “Passing off” occurs when the goods or services of one person are represented as being the goods or services of another person. Some civil law jurisdictions have also adopted statutes, often based on judicial decisions, which also afford protection to unregistered geographical indications. However, one objective that is common to all different approaches is to provide an effective remedy against unlawful and dishonest business practices of competitors. In some countries, specific statutes providing for the repression of unfair competition also fulfil the function of consumer protection.

68. Where as the principle that misleading use of a geographical indication may give rise to an action for unfair competition is generally recognized, the outcome of such an action is uncertain. In particular, the extent to which the geographical indication in question must have acquired a reputation may vary from country to country. It may be required that the geographical indication must have been used in the course of trade for a certain time and that an association between the geographical indication and the place of origin of the products and services must have been created amongst the relevant circles. Therefore, a geographical indication, the reputation of which is not yet established on the market, may not be protectable against misleading use by competitors through an action for unfair competition. Furthermore, a geographical indication which has not been used for a certain time may lose its reputation and therefore may no longer qualify for protection through an action for unfair competition. Geographical indications which become generic terms in a particular country lose their distinctive character and are no longer protectable in that country. The protection of a geographical indication on the basis of unfair competition law also generally requires

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<sup>29</sup> See Article 4(2)(iv) of the WIPO Model Provision on Protection against Unfair Competition, and TRIPS Article 22.2(b).

evidentiary proof in judicial proceedings that the relevant public associates goods sold under a geographical indication with a distinct geographical origin and/or certain qualities. Fundamental determinations such as the area of production, the degree of reputation that must be attached to a specific geographic term, standards of production and the circle of producers who are entitled to use a given geographical indication are thus all determined in the context of judicial proceedings. Since lawsuits based on passing off for unfair competition are only effective between the parties to the proceedings, the distinctiveness of a given geographical indication needs to be shown each and every time that rights in the geographical indication are sought to be enforced.

69. On the other hand, the difficulties that may arise in cases where geographical indications are protected under unfair competition laws may be counterbalanced by advantages such as the absence of any formal registration procedures.

(2). Administrative Regulations

70. Administrative regulation of product labeling and food safety standards represent another means of ensuring fair trade and consumer protection. As far as geographical indications are concerned, some regulatory schemes 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. Then, regulatory schemes, however, permit an individual to object to misuse of a geographical indication both for a particular label and for a category of products.

71. Where geographical indications are used on goods the marketing of which is subject to administrative approval, such as for wines and spirits, this procedure may be applied also for controlling the use of geographic indications applied to those goods.

72. 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.

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