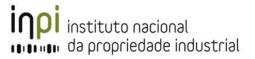
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NATIONAL INSTITUTE OF INDUSTRIAL PROPERTY

WORLD INTELLECTUAL PROPERTY ORGANIZATION

# FORUM ON GEOGRAPHICAL INDICATIONS

# AND APPELLATIONS OF ORIGIN

jointly organized by the World Intellectual Property Organization (WIPO)

and

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# CHALLENGES TO THE LISBON SYSTEM

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## I. INTRODUCTION

1. We live in an era of challenges. The global economy and the information society pose challenges that almost all systems of human society have to face up to and cope with. This goes for legal regimes, including the intellectual property system, too. It goes without saying that the Lisbon system, i.e. the system established under the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (hereinafter referred to as the "Lisbon Agreement")<sup>1</sup>, is not an exception to this general trend, either. This presentation is intended to draw up an inventory of the challenges the Lisbon system currently faces. It will not aspire to address issues which are related to the protection of various indications of geographical origin but fall outside the scope of the Lisbon Agreement, nor will it attempt to make an exhaustive list of all the problems that might await solution in the Lisbon system.

2. The Lisbon system still has to prove that it is neither a Sleeping Beauty that no prince wants to awaken, nor a cuckoo in the nest of industrial property rights having nothing in common with the others. It can do so by coping with the following main challenges:

- it has to comply with divergent national (regional) approaches and accommodate a wide variety of concepts;

- it has to fit in with the international legal environment that has changed a lot since its establishment;

- it should prove, or be made, flexible enough for purposeful interpretation;

- it may have to be further developed by the institution of efficient dispute settlement mechanisms;

- it has to provide for an adequate treatment of cases of coexisting appellations and/or double entitlements to protection;

- its geographical scope has to be extended and it has to become an autonomous system in operational and, if possible, financial terms.

3. When making efforts to revitalize the Lisbon system, a gradual approach seems warranted in line with the general legal principle of proportionality. First we have to establish the proper interpretation of the relevant provisions and, if possible, agree on it<sup>2</sup>. Should this not prove feasible we might have to discuss and eventually adopt amendments to the Regulations under the Lisbon Agreement (hereinafter referred to as the "Lisbon Regulations"). Only if those amendments were not regarded as sufficient should we consider a revision of the Agreement itself or the conclusion of a new treaty. History<sup>3</sup> as well teaches us this kind of caution. In 1974, the World Intellectual Property Organization (WIPO) started work on the preparation of a new multilateral treaty for the

<sup>&</sup>lt;sup>1</sup> To avoid lengthy quotations from legal texts in this presentation but also to facilitate understanding, the relevant provisions of the Lisbon Agreement are reproduced in Annex I to this paper.

<sup>&</sup>lt;sup>2</sup> Under Article 9(2)(a)(i) of the Lisbon Agreement, the Assembly of the Special Union "shall deal with all matters concerning [...] the implementation of this Agreement".

<sup>&</sup>lt;sup>3</sup> SCT/8/4, paragraphs 66-85

protection of appellations of origin and indications of source. After a first session of a Committee of Experts in 1974, the International Bureau of WIPO prepared a draft treaty, which was submitted to the second session of the Committee in 1975. However, work on that draft treaty was later discontinued. In the late 1970s and the early 1980s, preparations for the revision of the Paris Convention for the Protection of Industrial Property (hereinafter referred to as the "Paris Convention") also extended to the protection of geographical indications, but those preparations did not result in a revision of the Convention. In 1990, the WIPO Committee of Experts on the International Protection of Geographical Indications considered the establishment of a new treaty dealing with the international protection of geographical indications. However, the Committee did not reach a common position on some fundamental questions and, therefore, did not meet for any further session.

## II. BUILDING ON SAND?

4. It has been pointed out several times that, unlike in the fields of patents and trademarks where the concepts of protection are practically the same in all countries of the world, there is no such uniform approach to the protection of indications of geographical origin<sup>4</sup>. At the national and regional level those indications are protected under a wide range of different principles, through different legal means. In the various jurisdictions, these vary from sui generis protection conferred by either normative acts (e.g. decrees) or decisions under public law, or registration by the competent authority in accordance with pre-defined normative criteria, to protection under trademark law, and unfair competition or passing off. The conclusion of the Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter referred to as the "TRIPS Agreement")<sup>5</sup> has not really changed this varied scenery. Firstly, that Agreement is based on the general principle that Members of the World Trade Organization (WTO) are "free to determine the appropriate method of implementing" its provisions "within their own legal system and practice" (see Article 1.1). Secondly, in respect of geographical indications, Article 22.2 is silent on the nature of the legal means Members are required to provide for interested parties. Similarly, the footnote to Article 23.1 clearly states that Members may also give effect to the provisions on additional protection for wines and spirits "by administrative action" instead of private enforcement by the "interested parties".

5. This variety of concepts is inevitably reflected in the applicable terminology. In this context, one is indeed confronted with a tower of Babel. The traditional WIPO terminology is based on Articles 1(2) and 10 of the Paris Convention, Article 1(1) of the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (hereinafter referred to as the "Madrid Agreement") and Article 2 of the Lisbon Agreement. The Paris Convention and the Madrid Agreement use the term "indication of

<sup>&</sup>lt;sup>4</sup> See e.g. SCT/8/4, SCT/8/5, SCT/9/4, SCT/10/4.

<sup>&</sup>lt;sup>5</sup> To avoid lengthy quotations from legal texts in this presentation but also to facilitate understanding, the relevant provisions of the TRIPS Agreement are reproduced in Annex II to this paper.

source", while the Lisbon Agreement relates to "appellations of origin". The TRIPS Agreement uses, and defines, the expression "geographical indication" (see Article 22.1). To complicate matters further, at least in Europe, Community legislation has established its own terminology, too. For instance, Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [hereinafter referred to as the "EC Foodstuffs Regulation"] distinguishes between two basic categories: geographical indications and designations of origin, although it provides the same protection for both (see Articles 2 and 13). In addition, that Regulation also stipulates that even "traditional [...] nongeographical names [...] shall also be considered as designations of origin or geographical indications", and, that "certain geographical designations shall be treated as designations of origin" [Articles 2(2) and 2(3)]. Furthermore, the EC's wine legislation uses the two basic expressions "geographical indications" and "designations of origin" but defines them slightly differently [see Article 34 of Council Regulation (EC) No 479/2008 of 29 April 2008 on the common organisation of the market in wine], while, in the case of spirits, it is only "geographical indications" that can be protected [see Article 15 of Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks].

It can be safely stated, even without a detailed comparison of the different 6. approaches, terms and definitions, that there is no other international registration system administered by WIPO that would have to cope with as divergent a legal background as that of the Lisbon system. The PCT as well as the Madrid and Hague systems can clearly benefit from a basic global understanding of what a patent, a trademark or an industrial design is. [Article 33 of the Patent Cooperation Treaty even defines the basic patentability criteria, although only for the purposes of establishing the written opinion (see Rule 43<sup>bis</sup>), and the international preliminary examination.] This kind of international consensus is manifestly lacking in respect of indications of geographical origin and the protection thereof. This is one of the biggest challenges the Lisbon system faces. It would have to comply with divergent approaches and build on a plethora of concepts and definitions that disperse like sand. The Lisbon system already seems inclusive enough to meet that challenge. However, its inclusive character could be strengthened and certainly be made more apparent so that more and more countries should realize that it could suit their specific needs no matter what type of protection they provide for indications of geographical origin within their own jurisdiction. One way to achieve this is to do away with the misunderstandings and prejudices surrounding the Lisbon system. Another way could be the revision of the Lisbon Agreement and its Regulations.

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#### III. FITTING IN WITH THE CHANGING INTERNATIONAL ENVIRONMENT

7. Ever since the conclusion of the TRIPS Agreement questions have repeatedly been raised as to the compatibility of the Lisbon Agreement with that Agreement. These questions mainly but not exclusively center on the differences in terminology and on the way, and the extent to which, the Lisbon system can be reconciled with the exceptions provided for in the TRIPS Agreement.

8. Countries of the Lisbon Union "undertake to protect [...] appellations of origin" [Article 1(2)]. Article 2(1) contains a definition of appellation of origin:

"(1) In this Agreement, "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."

9. This is often compared with the definition of geographical indications as contained in Article 22.1 of the TRIPS Agreement, which reads as follows:

"1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a 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."

10. There is a general belief that one of the differences between these two definitions is that the TRIPS Agreement covers a wider spectrum of signs than the Lisbon Agreement. This opinion stems from the fact that Article 21.1 of the TRIPS Agreement defines geographical indications as "indications which identify a good," whereas Article 2 of the Lisbon Agreement defines appellations of origin as "the geographical name of a country, region, or locality, which serves to designate a product." Therefore, the argument goes, Article 2 of the Lisbon Agreement does not cover appellations which are constituted by a sign other than a geographical name, for example, a non-geographical name or a figurative element, although such signs would fall under the definition of geographical indications in Article 22.1 of the TRIPS Agreement<sup>6</sup>. This may not be entirely true if one gives the term "name" a somewhat less restrictive interpretation. At the end of the day, a name is something that identifies. What identifies a good (or a product) can be regarded as its "name", even if it is a figurative element or a *stricto sensu* non-geographical name. It is perhaps a more functional approach that would be needed in this respect: no matter what a certain sign consists of, it can become a name or even a geographical name if it is used as such. For instance, under Article 2(1) of the EC Foodstuffs Regulation both "designations of origin" and "geographical indications" are defined as "names". In

<sup>&</sup>lt;sup>6</sup> SCT/5/3, paragraph 14

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addition, Article 2(2) of the Regulation clarifies that even "traditional non-geographical names" designating a product which fulfill the conditions of protection have to be considered designations of origin or geographical indications. There seems to be no obstacle to rendering a wider, more flexible interpretation to the notion "geographical name" as defined in Article 2(1) of the Lisbon Agreement to the effect that it should mean all sorts of signs that could serve to designate a product as originating in a certain geographical territory and that are actually used for that purpose. This interpretation would not conflict with the ordinary meaning<sup>7</sup> of the term "name", would take due account of the context in which it is used in the Lisbon Agreement as well as the purpose of the Agreement. In addition, this would also reflect the subsequent practice in the application of the Agreement as it appears that there are already some appellations of origin protected under the Lisbon Agreement that might not be qualified as a "geographical name" in the strictest sense of this term but could be regarded as such under a more flexible, functional interpretation. Last but not least, the proposed interpretation of the notion "geographical name" as defined in Article 2(1) of the Lisbon Agreement would also take account of the conclusion of the TRIPS Agreement as a subsequent international instrument establishing "relevant rules of international law applicable in the relations between the parties" to the Lisbon Agreement<sup>8</sup>.

11. Article 2(1) of the Lisbon Agreement, at least in its English version, requires that the quality and the characteristics of the product in question be due exclusively, or essentially, to the geographical environment, including natural and human factors. The definition of geographical indications contained in Article 22.1 of the TRIPS Agreement covers goods which have a given quality, reputation or other characteristic that is essentially attributable to their geographical origin. From the comparison of the two definitions most people draw the conclusion that goods that have "merely" a certain reputation, but not a specific quality being due to their place of origin, are not covered by the definition of appellation of origin as provided for in the Lisbon Agreement. However, if one looks at the French text of the Agreement, in which it was signed<sup>9</sup>, one will find that it refers to the quality or the characteristics (la qualité ou les caractères) of the product in question<sup>10</sup>. So these seem to be alternative and not cumulative elements of the definition and, thus, follow the same logic as that of Article 22.1 of the TRIPS Agreement. Then it becomes only a matter of interpretation whether reputation can be regarded as one of the characteristics a product (good) may have due to its geographical origin. It appears to be the case as the text of Article 22.1 of the TRIPS Agreement uses the term "characteristic" as the most general one encompassing "quality" and "reputation", too. In other words, under that provision "quality" and "reputation" are also

<sup>&</sup>lt;sup>7</sup> The Oxford Advanced Learner Dictionary of Current English (A. S. Hornby, Oxford University Press, 1998) contains the following entry: "**name** [...] **1** word(s) by which a person, animal, place, thing, etc is known and spoken to or of. [...] **2** (*sing* only) reputation; fame."

<sup>&</sup>lt;sup>8</sup> cf. Articles 31 and 32 of the Vienna Convention (1969) on the Law of Treaties.

<sup>&</sup>lt;sup>9</sup> cf. Article 33 of the Vienna Convention (1969) on the Law of Treaties.

<sup>&</sup>lt;sup>10</sup> "(1) On entend par appellation d'origine, au sens du présent Arrangement, la dénomination géographique d'un pays, d'une région ou d'une localité servant à désigner un produit qui en est originaire et dont la qualité ou les caractères sont dus exclusivement ou essentiellement au milieu géographique, comprenant les facteurs naturels et les facteurs humains."

"characteristics", and they are just singled out as the most characteristic ones that can be due to the geographical origin of the good in question. Furthermore, it can also be of some relevance that the Lisbon Agreement itself refers to the reputation the appellation of origin has given to the product [see the definition of the "country of origin" in Article 2(2)].

12. Article 22 of the TRIPS Agreement lays down general rules on the protection of geographical indications. Article 23 of that Agreement establishes additional protection for geographical indications for wines and spirits. It is often pointed out that the provisions contained in that Article grant essentially the same protection as the Lisbon Agreement, although only with respect to geographical indications for wines and spirits. As a counterbalance, Article 24 of the TRIPS Agreement contains a number of exceptions to the obligations under Articles 22 and 23. As it has been explained by the International Bureau of WIPO in a number of documents "[b]roadly speaking there are three categories of exceptions, namely continued and similar use of geographical indications for wines and spirits, prior good faith trademark rights, and generic designations"<sup>11</sup>. For a more in-depth analysis of the relationship between these exceptions and the Lisbon Agreement, the following general considerations may serve as points for departure.

13. Firstly, it is to be noted that Article 24.3 of the TRIPS Agreement contains a standstill provision ensuring that the higher levels of protection existing on January 1, 1995 cannot be reduced after that date:

"In implementing this Section [i.e. Section 3 on GIs], a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement."

14. That provision could be of some interest to those countries that were members of the Lisbon Agreement when the TRIPS Agreement entered into force with respect to them, in particular, if they were to find that the protection they provide for appellations of origin registered under the Lisbon Agreement is higher than required, or permitted, by other provisions of TRIPS Agreement.

15. Secondly, in accordance with the general principles relating to the interpretation of international treaties, it could be argued that, as far as geographical indications and/or appellations of origin are concerned, the TRIPS Agreement should be taken into account when interpreting the Lisbon Agreement, and *vice versa*, as these agreements mutually constitute "relevant rules of international law applicable in the relations between the parties". However, it is doubtful to what extent this provision [namely, Article 31(3)(c)] of the Vienna Convention on the Law of Treaties would be applied to the Lisbon Agreement in the TRIPS context, especially in the event of dispute settlement, as in the

<sup>&</sup>lt;sup>11</sup> SCT/5/3, paragraph 38, see also SCT/8/4 paragraph 61

*Tuna Dolphin*  $II^{12}$  case the panel has concluded that another international treaty would be relevant to the interpretation of a GATT (WTO) obligation only to the extent that the treaty was accepted by all GATT (WTO) parties. However, some commentators<sup>13</sup> are of the view that this interpretation is not consistent with Article 31(3)(c) of the Vienna Convention, as the word "parties", as used in that provision, seems to refer to the parties to the particular dispute, not to the parties to the (WTO) multilateral agreement in question.

16. Thirdly, there is a need to make a distinction between the exceptions provided for in Article 24 of the TRIPS Agreement depending on whether they are mandatory or optional. This distinction seems particularly important in the application of the principle set out in Article 1.1 of the TRIPS Agreement:

"Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement".

17. Where an exception under Article 24 of the TRIPS Agreement is optional (therefore, can be regarded as some sort of flexibility rather than a mandatory exception), WTO Members are free to refrain from invoking that exception and from implementing it within their legal system, in line with the principle enshrined in Article 1.1 allowing them to provide more extensive protection than is required by that Agreement. In contrast, where an exception under Article 24 of the TRIPS Agreement is mandatory, Members cannot refrain from implementing it, as that omission would "contravene" that particular provision of the Agreement, which is not allowed under Article 1.1. (This is, however, without prejudice to the applicability of Article 24.3 of the TRIPS Agreement to international registrations and the protection thereof in a certain Member that was already a Lisbon Union country when the WTO Agreement entered into force with respect to it.)

18. In view of their text, namely expressions such as "nothing in this Section shall require a Member", "a Member may require", or "there shall be no obligation", the exceptions provided for in Articles 24.4, 24.6, 24.7 and 24.9 appear optional<sup>14</sup>. Therefore,

<sup>&</sup>lt;sup>12</sup> United States – Restrictions on Imports of Tuna, DS29/R, 16 June 1994

<sup>&</sup>lt;sup>13</sup> Mitsuo Matsushita, Thomas J. Schoenbaum, Petros C. Mavroidis: The World Trade Organization, Law Practice, and Policy, Oxford, 2003, page71

<sup>&</sup>lt;sup>14</sup> It is worth noting that the Court of Justice of the European Communities has also described Articles 24.4 and 24.6 of the TRIPS Agreement as optional, and not mandatory, provisions in case C-347/03, *Regione autonoma Friuli-Venezia Giulia and Agenzia regionale per lo sviluppo rurale (ERSA) v Ministero delle Politiche Agricole e Forestali, Regione Veneto:* 

<sup>&</sup>quot;110 In the second place, Article 24(4) of the TRIPs Agreement provides that nothing in Section 3 of that agreement is to require a Member of the WTO to prevent continued and similar use of a particular geographical indication of another 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 for at least 10 years prior to 15 April 1994 or in good faith prior to that date.

<sup>&</sup>quot;111 It follows clearly from that provision that, although the Community is not required to prohibit continued and similar use of a particular geographical indication of another Member of the WTO

member countries of the Lisbon Agreement may disregard these exceptions if this is what they deem necessary for giving full effect to the provisions of the Lisbon Agreement within their own legal systems. However, it is likely to make the Lisbon Agreement less attractive for present and future members if its provisions prevent them from making use of these exceptions even when they would wish to do so.

19. When it comes to applying mandatory exceptions provided for in Articles 24.5 and 24.8 of the TRIPS Agreement, contracting countries of the Lisbon Agreement may find themselves in an even more difficult situation. Article 5(3) and Rule 9(2)(ii) require an indication of the grounds for a declaration of refusal if the competent authority of the contracting country declares that it cannot ensure the protection of an appellation of origin whose international registration has been notified to it, but neither the Agreement, nor the Regulations specify the grounds on which a declaration of refusal can be based. It happens in practice, and thus it seems broadly accepted, that an internationally registered appellation of origin is, and can be, denied protection in a contracting country to the Lisbon Agreement because existing prior rights would conflict with that appellation. This seems to be the only way<sup>15</sup> contracting countries to the Lisbon Agreement can apply the mandatory exceptions provided for in Articles 24.5 and 24.8 of the TRIPS Agreement concerning prior good faith trademark rights, and the right to use, in the course of trade and without misleading the public, a person's name. They cannot, for that purpose, invoke Article 5(6) of the Lisbon Agreement as it would only provide for a phasing-out period of two years, at most, for interested parties to terminate the use of prior trademarks and/or names conflicting with a protected appellation.

identifying wines or spirits by a national or domiciliary of a Member State in the territory of a Member State, as referred to in Article 24(4) of the TRIPs Agreement, that provision does not preclude such a prohibition.

<sup>&</sup>quot;112 In other words, Article 24(4) of the TRIPs Agreement must be interpreted as establishing, under the conditions which it lays down, a right and not an obligation to grant protection to any homonym. "113 As regards, in the third place, Article 24(6) of the TRIPs Agreement, that provision permits inter

alia the Community, as a Member of the WTO, to apply the provisions of that agreement in respect of a geographical indication of any other Member of the WTO with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of a Member State as of the date of entry into force of the WTO Agreement.

<sup>&</sup>quot;114 That provision therefore also establishes a right and not an obligation for the Community to grant protection to a Community grape or vine variety if that variety is the homonym of a geographical indication relating to a wine originating in a third country.

<sup>&</sup>quot;115 In those circumstances, the answer to the sixth question must be that Articles 22 to 24 of the TRIPs Agreement are to be interpreted as meaning that, in a case such as that in the main proceedings, which concerns homonymity between a geographical indication of a third country and a name including the name of a vine variety used for the description and presentation of certain Community wines made from it, those provisions do not require that that name may continue to be used in the future notwithstanding the twofold circumstance that it has been used in the past by the producers concerned either in good faith or for at least 10 years prior to 15 April 1994 and that it clearly identifies the country, region or area of origin of the protected wine in such a way as not to mislead the consumer." <sup>15</sup> But *cf.* Article 4 of the Lisbon Agreement. See also paragraph 28 of this presentation.

20. The recent two enlargements of the European Union (EU) have also posed certain challenges to the Lisbon system in terms of its capacity to deal with developments in international law relating to the protection of indications of geographical origin. The countries concerned are those new EU Member States that were already contracting countries of the Lisbon Agreement when they joined the EU on May 1, 2004 or January 1, 2007. They are Bulgaria, the Czech Republic, Hungary and Slovakia. Their Lisbon specific problems mainly stem from the transitional arrangements laid down in Commission Regulations for the protection of geographical indications and designations of origin for agricultural products and foodstuffs in connection with the EU accession of these countries. In the case of the Czech Republic, Hungary and Slovakia, Commission Regulation (EC) No 918/2004 applied. Article 1 of that Regulation contained the following provisions:

"The national protection of geographical indications and designations of origin within the meaning of Regulation (EEC) No 2081/92 [i.e. the predecessor of the "Foodstuff Regulation", which was in force on the date of these countries' accession to the EU] existing in the Czech Republic [...] Hungary [...] and Slovakia on 30 April [i.e. one day before the date of entry into force of the Treaty of Accession] may be upheld by those Member States until 31 October 2004.

"Where an application for registration under Regulation (EEC) No 2081/92 is forwarded to the Commission by 31 October 2004, such protection may be upheld until a decision has been taken in accordance with Article 6 of that Regulation.

"The consequences of such national protection in cases where the name is not registered at Community level are entirely the responsibility of the Member States concerned"

21. These transitional arrangements were hotly debated before their adoption. The newly acceding Member States of the EU raised a number of serious concerns about their compatibility with certain general principles of EU law such as non-discrimination, and the respect for acquired rights and the protection of legitimate expectations, and some of them even questioned the underlying assumption that national protection systems were not allowed to exist in parallel to the protection at Community level in respect of the products falling under the scope of the relevant Regulation. The new EU Member States that were also contracting countries of the Lisbon Agreement had specific concerns about the impact of the transitional arrangements in question. Their concerns were twofold.

22. Firstly, they wondered how they could fully comply with their obligations under the Lisbon Agreement with respect to appellations of origin of other contracting countries of that Agreement protected in their territories pursuant to the international registration of those appellations. It was doubtful whether they could act on behalf and in the name of third countries in order to ensure that the protection of the appellations of origin of those

third countries under the Lisbon Agreement be maintained even after EU accession and in accordance with the transitional arrangements in question. Under the current EC Foodstuffs Regulation that is clearly not possible (see Article 5), nor did that seem feasible under the previous Regulation (which was in force in 2004). Obviously, neither Community legislation, nor the Treaty of Accession could have created any obligation for third countries or could unilaterally have changed the legal status of the appellations of those third countries. In this context, it is worth noting that the Lisbon Agreement is a so-called pre-existing agreement of the new EU Member States concerned, and, therefore Article 6(10) of the Act of Accession<sup>16</sup> is to be applied to that Agreement. It reads as follows:

"To the extent that agreements between one or more of the new Member States on the one hand, and one or more third countries on the other, are not compatible with the obligations arising from this Act, the new Member State shall take all appropriate steps to eliminate the incompatibilities established. If a new Member State encounters difficulties in adjusting an agreement concluded with one or more third countries before accession, it shall, according to the terms of the agreement, withdraw from that agreement."

23. Secondly, the transitional arrangements of the Commission Regulation in question also led to concerns about the protection of appellations of new EU Member States under the Lisbon Agreement. These concerns were due to the fact that the principle of independence of rights as, for example, expressed in Articles 4<sup>bis</sup> and 6 of the Paris Convention for patents and trademarks, respectively, is not applicable to appellations of origin<sup>17</sup>. The dependence of a protected appellation on the protection in its country of origin results from Article 1(2) of the Lisbon Agreement. Under that Article an appellation of origin has to be protected in its country of origin so that it can be registered by the International Bureau and thus become protected in other countries of the Lisbon Union (in this regard see also Article 6).

<sup>&</sup>lt;sup>16</sup> Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded, OJ L 236, 23.9.2003. Interestingly, this provision provides a somewhat harsher treatment for the pre-existing agreements of these new Member States than the one granted, under Article 307 (ex Article) of the EC Treaty or provisions modelled on that Article, to those Member States that joined earlier or belonged to the "founding fathers" as these "old" Member States, unlike the new ones, were not compelled to eventually withdraw from pre-existing agreements incompatible with EU law.

<sup>&</sup>lt;sup>17</sup> SCT/8/5, paragraph 11

24. Since the enlargement of the EU in 2004, none of these problems have been resolved in an entirely satisfactory manner. Further studies seem to be called for in this respect, with the involvement of the International Bureau of WIPO, the European Commission and the countries that are members of both the EU and the Lisbon system. An overall rethinking of the relationship between the EU's acquis communautaire and the Lisbon Agreement may further the GI-related objectives of the two legal systems and resolve, at last, the problems of the countries that might feel as if they were caught in an international law crossfire.

## IV. GETTING LISBON RIGHT

25. Developing a proper understanding of certain provisions in the Lisbon Agreement and its Regulations is not only a challenge in itself but it can also help in coping with other challenges the Agreement currently faces. It is only a few examples that can be given here to illustrate this point. (Some issues relating to the interpretation of the Agreement have already been dealt with in the preceding part of this presentation concerning the way the Lisbon system can fit in with, or be adapted to, the changing international environment.)

26. Maybe the first thing to be underlined is that the Lisbon system is not limited to agricultural products, foodstuffs and beverages. It is not only what you can eat or drink. Hungarian examples for proving this include the lace from *Kiskunhalas*<sup>18</sup> and the porcelain of *Herend*<sup>19</sup>.

27. It is also important to point out that the Lisbon system is neutral to the way its member countries provide protection for appellations of origin. This is evidenced by one of the provisions defining the mandatory contents of the international applications. Rule 5(2)(vi) of the Lisbon Regulations contains a wide range of variations on how protection in the country of origin can be established and, for the purposes of international registration, be proven. It can be "the title and the date of the legislative or administrative provisions, the judicial decisions or the date and number of the registration by virtue of which the appellation of origin is protected in the country of origin". Therefore, Article 1(2) of the Lisbon Agreement should not be given an overly restrictive interpretation in this regard. It only requires that, in order for an appellation of origin to qualify for protection under the Agreement, it has to be recognized and protected as such in the country of origin, but it does not specify the type of protection the country of origin should provide for. It does not necessarily have to be based on a Lisbon-like domestic registration system. It can take any other possible form provided that it can meet the substantive requirements of the Agreement (such as the one contained in Article 3 concerning the content of protection).

<sup>&</sup>lt;sup>18</sup> Appellation No. 738
<sup>19</sup> Appellations No. 495 and No. 737

28. The full potential of Article 4 of the Lisbon Agreement would also be worth further exploring. It is to be noted that the text of that Article, contrary to the language in Article 1(2), does not refer to the protection of appellations "as such", which might mean that other forms of protection are also covered by this safeguard clause (which might, in turn, have interesting implications for the way the exceptions under Article 24 of the TRIPS Agreement can be applied within the Lisbon system). In addition, that Article of the Lisbon Agreement seem to provide for the possibility of coexisting appellations of origin and the parallel protection thereof in a given contracting country. So, it may really be worth recalling how that Article reads:

"The provisions of this Agreement shall in no way exclude the protection already granted to appellations of origin in each of the countries of the Special Union by virtue of other international instruments [...], or by virtue of national legislation or court decisions."

29. Article 6 of the Lisbon Agreement may also require a new, more careful reading. It provides that

"[a]n appellation which has been granted protection in one of the countries of the Special Union pursuant to the procedure under Article 5 cannot, in that country, be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin."

30. There are basically two things one may wonder in respect of this provision. Firstly, does it only prevent an appellation from having been deemed generic but not from in fact becoming generic, or, does it also exclude the latter? Secondly, does that Article prevent the operation of other, but similar, legal principles such as that of acquiescence<sup>20</sup>?

# V. SETTLEMENT OF DISPUTES UNDER THE LISBON AGREEMENT

31. Article 5(5) of the Lisbon Agreement provides for the following "dispute settlement mechanism" in the event of a declaration of refusal:

"The interested party, when informed by his national Office of the declaration made by another country, may resort, in that other country, to all judicial and administrative remedies open to nationals of that country."

32. What that Article provides for is a "normal" remedy for private applicants/right holders similar to those that are available when a patent or trademark application is refused by an IP office<sup>21</sup>. However, in the Lisbon system, the ground on which the refusal is based can directly be a piece of legislation or an administrative decree of normative

<sup>&</sup>lt;sup>20</sup> See e.g. Article 24.7 of the TRIPS Agreement, or Article 53 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ L 11, 14.1.1994, p. 1)

<sup>&</sup>lt;sup>21</sup> c.f. e.g. Article 5(3) of the Madrid Agreement Concerning the International Registration of Marks

character<sup>22</sup>. The same is true for the protection in the country of origin: it can also be based on legislative or administrative provisions<sup>23</sup>. Therefore, a country making a declaration of refusal can easily find itself in an inter-state conflict with the country of origin over the protection of the appellation in question. Hence, there may be a need for efficiently settling disputes between contracting countries of the Lisbon system. These may remain informal or might as well develop into formalized procedures.

33. In this context, another challenge is posed by the limited territorial effect of refusals. If a contracting country finds that an international registration that is notified to it conflicts with an appellation of origin of that country, it can only make a declaration of refusal with respect to its own territory, and that declaration will not have any effect in the other contracting countries. The only option that remains open is invalidation of the effects of the international registration in each contracting country concerned<sup>24</sup>. However, that option is almost exclusively governed by the national law of the contracting country concerned, and the availability of that remedy very much depends on the type of protection provided for appellations in that country.

34. It is worth noting that the draft multilateral treaty for the protection of appellations of origin and indications of source, prepared by the International Bureau of WIPO in  $1974-75^{25}$ , contained a chapter on the settlement of disputes through diplomatic channels<sup>26</sup>.

35. In addition, in the late 1990s various efforts were made in the WTO's Council for TRIPS to establish a multilateral register of geographical indications for wines and spirits under Article 23.4 of the TRIPS Agreement. Proposals from both the European Communities and their Member States<sup>27</sup>, and Hungary<sup>28</sup> extended to the establishment of opposition/challenge procedures. Hungary suggested the establishment of a special arbitration system in which final and binding decisions would have been taken with *erga omnes* effects. However, since then no agreement has been reached in the WTO on the establishment of a multilateral register under Article 23.4 of the TRIPS Agreement.

<sup>&</sup>lt;sup>22</sup> See Rule 9(2)(iii) of the Lisbon Regulations

<sup>&</sup>lt;sup>23</sup> See Rule 5(2)(vi) of the Lisbon Regulations

<sup>&</sup>lt;sup>24</sup> Rule 16 of the Lisbon Regulations

<sup>&</sup>lt;sup>25</sup> See paragraph 3 of this presentation

<sup>&</sup>lt;sup>26</sup> SCT/8/4, paragraph 70

<sup>&</sup>lt;sup>27</sup> IP/C/W/107, 28 July 1998

<sup>&</sup>lt;sup>28</sup> IP/C/W/234, 11 December 2000

## VI. WHEN TWO IS TOO MANY

36. In its recent document prepared for the Assembly of the Lisbon Union<sup>29</sup>, the International Bureau has drawn attention to cases where two homonymous appellations of origin coexist and contracting countries of the Lisbon Agreement may be obliged, either under the Lisbon Agreement, or by virtue of other international instruments to provide protection for both appellations. As the International Bureau has rightly pointed out, instead of the current practice of declarations of "partial refusals",

"it would be preferable to include new provisions in the Lisbon Regulations laying down specific procedures for the notification and recording of an acknowledgement or acceptance of protection, in whole or in part, of registered appellations of origin, which would also cater for the case of coexistence of homonymous appellations."<sup>30</sup>

37. The Working Group established by the decision of the Assembly<sup>31</sup> for exploring possible improvements to the procedures of the Lisbon Agreement will certainly look into this suggestion. The idea of introducing a "statement of grant of protection"<sup>32</sup> into the Lisbon system certainly deserves an in-depth examination, and can, in my view, be supported. Nevertheless, some additional comments might be helpful in developing a common understanding of the problem as well as the solution proposed by the International Bureau.

38. In respect of wines, the TRIPS Agreement already contains a provision on homonymous geographical indications. Under Article 23.4 of that Agreement, in the case of homonymous geographical indications for wines, protection is to be accorded to each indication, subject to the provisions in Article 22.4 concerning deceptive indications. European Community Regulations on the protection of geographical indications for wines and spirits also lay down relatively detailed rules on homonymous or homonymous geographical indications<sup>33</sup>. However, none of these legal instruments contain a definition of homonymous geographical indications.

39. The International Bureau of WIPO has already made an attempt to define, or at least, circumscribe the concept of homonyms.

<sup>&</sup>lt;sup>29</sup> LI/A/23/1

<sup>&</sup>lt;sup>30</sup> LI/A/23/1, paragraph 4

<sup>&</sup>lt;sup>31</sup> LI/A/23/2 Prov., paragraph 35

 $<sup>^{32}</sup>$  For recent developments concerning statement of grant of protection within the Madrid and Hague systems, see documents MM/A/40/1 and H/A/26/1 as well as MM/A/40/5 Prov., paragraph 15, and H/A/26/4 Prov., paragraph 6

<sup>&</sup>lt;sup>33</sup> Article 42 of Council Regulation (EC) No 497/2008, Article 19 of Regulation (EC) No 110/2008 of the European Parliament and of the Council, see also paragraph 5 of this presentation

"The term homonym is defined in *Merriam Webster's Collegiate Dictionary* (tenth edition) as "one of two or more words spelled and pronounced alike but different in meaning." This definition describes accurately the problems created by the use of homonymous geographical indications, namely two or more identical geographical indications used to designate the geographical origin of products stemming from different countries. The most frequent cases of homonymous geographical indications concern the names of regions which are located in different countries. An example for such a region would be an area situated along a river running through several countries, such as the Rhine river."<sup>34</sup>

40. One can easily subscribe to all elements of the definition provided by the International Bureau. However, the example it has given does not seem the most appropriate one. When the geographical name refers to the same geographical unit (e.g. the same river, mountain or region) situated in two (or more) countries, what we are confronted is not a case of homonyms as there is no "difference in meaning". In such a case, what we have to deal with is not, for instance, two wine regions bearing, just by chance, two homonymous names but a single wine region using the same geographical indication (or appellation of origin) for the wine produced there, and covering two or more countries of origin. For instance, the Commission Regulation implementing the EC Foodstuffs Regulation caters for this case as it provides for the possibility of trans-border applications that can be lodged jointly by several groups from the trans-border geographical area<sup>35</sup>. It might be worth considering whether the Lisbon Regulations could also expressly provide for a similar possibility. Currently, Rule 5(1) of the Lisbon Regulations refers to the competent authority (which has to present the international application to the International Bureau) in the singular but, perhaps, this does not necessarily have to be interpreted as to exclude international applications jointly presented by competent authorities of two or more countries of origin. Admittedly, explicit and more detailed provisions on this would prove certainly helpful. Neither that broad interpretation of Rule 5(1), nor a corresponding amendment to the Regulations seems to be excluded by the Lisbon Agreement itself. There is nothing in the Agreement that could justify the assumption that there can only be a single country of origin. In fact, Article 5(1) of the Lisbon Agreement uses the plural in this context:

"The registration of appellations of origin shall be effected at the International Bureau, at the request of the Offices of the countries of the Special Union  $[\ldots]$ ."

41. Turning back to homonyms as such, the issue of "false" homonyms needs to be addressed, too. It is questionable to what extent it can be regarded as a "true" case of homonyms where the geographical name was deliberately chosen to refer to a pre-existing geographical name already used as an indication of geographical origin in

<sup>&</sup>lt;sup>34</sup> SCT/5/3

<sup>&</sup>lt;sup>35</sup> Article 12 of Commision Regulation (EC) No 1898/2006

another country. Here, again, the difference in meaning seems to be lacking, or, at least, not to be significant enough. The reference in Article 23.3 of the TRIPS Agreement to Article 22.4 seems to cover this case and exclude it from the scope of provisions providing special treatment for homonyms.

42. It is only geographical indications (and/or appellations of origin) that fall within the scope of provisions providing special treatment for homonyms. This interpretation has been followed by the Court of Justice of the European Communities<sup>36</sup>. It is also reflected in relevant EU legislation. Other signs, names (e.g. the name of a grape variety), or indications are not covered by those provisions and cannot be regarded as homonyms in the application of the provisions in question.

## VII. SOME OTHER CHALLENGES

43. Compared to other global protection systems, namely to the PCT, and the Madrid and Hague systems, the Lisbon Agreement obviously has a limited membership<sup>37</sup> and a much narrower geographical coverage. In addition to the improvements already proposed, it could perhaps also facilitate the accession of new contracting countries and make the system more attractive to them if further working languages could be added to the current ones<sup>38</sup>. Widening the geographical scope of the Lisbon Agreement could be an area where different regional groups in WIPO could easily find some common ground. Protection of indications of geographical origin could also serve as an excellent example

<sup>&</sup>lt;sup>36</sup> C-347/03, *Regione autonoma Friuli-Venezia Giulia and Agenzia regionale per lo sviluppo rurale (ERSA) v Ministero delle Politiche Agricole e Forestali, Regione Veneto*; the Court has ruled that:

<sup>&</sup>quot;106 In the first place, Article 23(3) of the TRIPs Agreement stipulates *inter alia* that, in the case of homonymous geographical indications for wines, protection is to be accorded to each indication and that each WTO Member is to determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

<sup>&</sup>quot;107 Under Article 22(1) of the TRIPs Agreement, 'geographical indications' means indications which identify a good as originating in the territory of a Member of the WTO, 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.

<sup>&</sup>quot;108 As has already been held in paragraphs 88 to 97 of the present judgment, unlike the Hungarian name '*Tokaj*', the Italian names '*Tocai friulano*' and '*Tocai italico*' relate to the name of a vine or vine variety but are not a geographical indication within the meaning of the EC-Hungary Agreement on wines. In view of the fact that the meaning of 'geographical indication' as defined in the latter agreement is in essence the same as that adopted in Article 22(1) of the TRIPs Agreement, the same finding is dictated in the context of the TRIPs Agreement.

<sup>&</sup>quot;109 Consequently, Article 23(3) of the TRIPs Agreement is not applicable in the main proceedings since that case does not concern homonymity between two geographical indications."

<sup>&</sup>lt;sup>37</sup> The total number of contracting parties to the Lisbon Agreement is 26, while the PCT has 139 contracting states, and there are 84 and 54 members of the Madrid and Hague Unions, respectively. See at http://www.wipo.int/treaties/en/

<sup>&</sup>lt;sup>38</sup> Although what Rule 3(1) of the Lisbon Regulations provide for may be deemed sufficient. Under that Rule ,,[t]he international application shall be in English, French or Spanish".

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for how the protection of intellectual property can efficiently meet the special needs of developing countries.

44. More extended use of e-business tools<sup>39</sup> would also make the Lisbon system more attractive. Future reforms should aim at gradually developing that system into an autonomous one in both operational and, if possible, financial terms.

[Annexes follow]

 $<sup>^{39}</sup>$  See e.g. the proposals contained in paragraphs 5 and 6 of the International Bureau's recent document on the preparation of certain amendments to the Lisbon Agreement (LI/A/23/1).

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## ANNEX I

# Lisbon Agreement for the Protection of Appellations of Origin and their International Registration

# of October 31, 1958, as revised at Stockholm on July 14, 1967, and as amended on September 28, 1979

(extracts)

## Article 1

# [Establishment of a Special Union; Protection of Appellations of Origin Registered at the International Bureau]

(1) The countries to which this Agreement applies constitute a Special Union within the framework of the Union for the Protection of Industrial Property.

(2) They undertake to protect on their territories, in accordance with the terms of this Agreement, the appellations of origin of products of the other countries of the Special Union, recognized and protected as such in the country of origin and registered at the International Bureau of Intellectual Property (hereinafter designated as "the International Bureau" or "the Bureau") referred to in the Convention establishing the World Intellectual Property Organization (hereinafter designated as "the Organization").

# Article 2

# [Definition of Notions of Appellation of Origin and Country of Origin]

(1) In this Agreement, "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.

(2) The country of origin is the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its reputation.

# Article 3

# [Content of Protection]

Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as "kind," "type," "make," "imitation," or the like.

# Article 4

# [Protection by virtue of Other Texts]

The provisions of this Agreement shall in no way exclude the protection already granted to appellations of origin in each of the countries of the Special Union by virtue of other international instruments, such as the Paris Convention of March 20, 1883, for the Protection of Industrial Property and its subsequent revisions, and the Madrid Agreement of April 14, 1891, for the Repression of False or Deceptive Indications of Source on Goods and its subsequent revisions, or by virtue of national legislation or court decisions.

# Article 5

# [International Registration; Refusal and Opposition to Refusal; Notifications; Use Tolerated for a Fixed Period]

(1) The registration of appellations of origin shall be effected at the International Bureau, at the request of the Offices of the countries of the Special Union, in the name of any natural persons or legal entities, public or private, having, according to their national legislation, a right to use such appellations.

(2) The International Bureau shall, without delay, notify the Offices of the various countries of the Special Union of such registrations, and shall publish them in a periodical.

(3) The Office of any country may declare that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, but only in so far as its declaration is notified to the International Bureau, together with an indication of the grounds therefor, within a period of one year from the receipt of the notification of registration, and provided that such declaration is not detrimental, in the country concerned, to the other forms of protection of the appellation which the owner thereof may be entitled to claim under Article 4, above.

(4) Such declaration may not be opposed by the Offices of the countries of the Union after the expiration of the period of one year provided for in the foregoing paragraph.

(5) The International Bureau shall, as soon as possible, notify the Office of the country of origin of any declaration made under the terms of paragraph (3) by the Office of another country. The interested party, when informed by his national Office of the declaration made by another country, may resort, in that other country, to all the judicial and administrative remedies open to the nationals of that country.

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(6) If an appellation which has been granted protection in a given country pursuant to notification of its international registration has already been used by third parties in that country from a date prior to such notification, the competent Office of the said country shall have the right to grant to such third parties a period not exceeding two years to terminate such use, on condition that it advise the International Bureau accordingly during the three months following the expiration of the period of one year provided for in paragraph (3), above.

# Article 6

# [Generic Appellations]

An appellation which has been granted protection in one of the countries of the Special Union pursuant to the procedure under Article 5 cannot, in that country, be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin.

# Article 7

# [Period of Validity of Registration; Fee]

(1) Registration effected at the International Bureau in conformity with Article 5 shall ensure, without renewal, protection for the whole of the period referred to in the foregoing Article.

(2) A single fee shall be paid for the registration of each appellation of origin.

# Article 8

# [Legal Proceedings]

Legal action required for ensuring the protection of appellations of origin may be taken in each of the countries of the Special Union under the provisions of the national legislation: 1. at the instance of the competent Office or at the request of the public prosecutor; 2. by any interested party, whether a natural person or a legal entity, whether public or private.

[Annex II follows]

## ANNEX II

#### AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS AGREEMENT) (extracts)

# Article 1

## **Nature and Scope of Obligations**

1. Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice. [...]

SECTION 3: GEOGRAPHICAL INDICATIONS

# Article 22

# **Protection of Geographical Indications**

1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a 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.

2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

(a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;

(b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).

3. A Member shall, ex officio if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

# Article 23

## Additional Protection for Geographical Indications for Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like<sup>\*</sup>.

2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, ex officio if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

# Article 24

## International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to

<sup>\* [</sup>TRIPS Agreement note] Notwithstanding the first sentence of Article 42, Members may, with respect to these obligations, instead provide for enforcement by administrative action.

consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

2. The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.

4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another 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.

5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark 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.

6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.

7. A Member may provide that any request made under this Section 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 Member or after the date of registration of the trademark in that 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

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known in that Member, provided that the geographical indication is not used or registered in bad faith.

8. 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.

9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

[End of Annex II and of document]