

# WIPO



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**WORLD INTELLECTUAL PROPERTY ORGANIZATION**  
GENEVA

**SPECIAL UNION FOR THE PROTECTION OF  
APPELLATIONS OF ORIGIN AND THEIR INTERNATIONAL REGISTRATION  
(LISBON UNION)**

**ASSEMBLY**

**Twenty-Third (6<sup>th</sup> Extraordinary) Session  
Geneva, September 22 to 30, 2008**

REPORT

*adopted by the Assembly*

1. The Assembly was concerned with the following items of the Consolidated Agenda (document A/45/1): 1, 2, 3, 18, 22, 25 and 26.
2. The report on the said items with the exception of item 18, are contained in the General Report (document A/45/5).
3. The report on item 18 is contained in the present document.
4. Mr. Christophe Guilhou (France), Chair of the Assembly, presided over the meeting.

## ITEM 18 OF THE CONSOLIDATED AGENDA:

## MATTERS CONCERNING THE LISBON UNION

5. Discussions were based on document LI/A/23/1.

6. The Delegation of Costa Rica stated that it supported the proposal to establish a Working Group for the preparation of amendments to the Regulations under the Lisbon Agreement and was looking forward to participating in that Working Group. The procedures under the Lisbon Agreement should be adapted to new situations that Costa Rica and other countries were confronted with today. In this connection, thorough analysis of the legal instruments governing the Lisbon system was required. The issues noted in the document were important examples of questions requiring such legal analysis, but were not the only ones. Costa Rica had so far been a passive member of the Lisbon Union but was now in the process of filing a large number of applications for registration. The Delegation believed that a significant opportunity was now being presented for the modernization of this international instrument and for allowing the Lisbon Agreement to attract more Member States.

7. The Delegation of France also supported the proposal to establish a Working Group. On the occasion of the fiftieth anniversary of the Agreement, it seemed necessary to proceed with an adaptation and adjustment of the procedures under the Agreement and, in particular, to take full advantage of the electronic means of communication means available today. The protection of appellations of origin was a subject that was of particular importance for France. The Delegation assured the Assembly of its willingness to fully engage in the process of modernization of the Lisbon system.

8. The Delegation of Portugal also underlined the importance of the protection of appellations of origin and said that in today's globalized market, it had become more than ever necessary to improve this protection. The Delegation believed that inadequacies in the level of protection had led to abuses and was causing problems for various parties. Furthermore, the proposal to establish a Working Group presented a perfect opportunity to work towards amendments which were necessary to bring the Lisbon system up to date with the modern information society. There was need for simplified and more user-friendly procedures, which could be achieved with the help of electronic means of communication. Thus, the Lisbon system would become more attractive for countries and regions that were not part of it today. For the reasons stated, the Delegation of Portugal supported the establishment of a Working Group as proposed, stressing that it would be happy to contribute to it.

9. The Delegation of Portugal further drew the attention of the Members of the Assembly to the fact that, on October 30 and 31, 2008, a Forum on Geographical Indications and Appellations of Origin would take place in Lisbon, jointly organized by the National Institute of Industrial Property (INPI) of Portugal and WIPO. This Forum would be followed, on October 31, by a ceremony to celebrate the 50<sup>th</sup> anniversary of the adoption of the Lisbon Agreement. The Delegation of Portugal hoped that all delegations would attend those events.

10. The Delegation of Mexico noted that Mexico had been a party to the Lisbon Agreement for many years and that the issues related to geographical indications and appellations of origin had been for long the object of discussions, both at WTO and WIPO. The Delegation believed there was need to enlarge the membership of the Lisbon Union and to address some issues with a view to improving and modernizing the procedures under the Lisbon system, including with respect to the use of modern means of communication. Consequently, the Delegation supported the establishment of a Working Group as proposed. Finally, the Delegation spoke of the importance of the protection of appellations of origin as an element of competitiveness, especially for small and medium-sized enterprises, and its relationship with other areas of intellectual property, including the protection of traditional knowledge. It further recalled some historical aspects of appellations of origin both in Mexico and Italy.

11. The Delegation of Hungary stated that it attached the utmost importance to the improvement of the international protection of geographical indications and therefore welcomed and fully supported the proposal to establish a Working Group. It also noted that while the list of problems outlined in the document was highly indicative of the scope of possible future amendments, it was not exhaustive. The Delegation said that it would encourage countries, including developing countries that were not members of the Lisbon Union, to participate in the Working Group in order that any eventual amendments would reflect, as far as possible, their special needs and eliminate current obstacles for accession to the Agreement by those countries.

12. Being aware of the growing importance of appellations of origin and the interest on the part of producers and consumers in quality products, the Delegation of the Slovak Republic stated that it welcomed and supported the proposal to establish a Working Group. The Delegation spoke of the need for urgent and adequate responses in a rapidly-changing situation in global trade. It said that it was convinced that the time had come to respond to new challenges and to make the Lisbon system more attractive for all potential users.

13. The Delegation of the United States of America, as an observer, said that it understood why the issues identified in the document had been brought to the attention of the Assembly. However, it believed that while the WTO TRIPS Agreement contemplated that members could provide for the coexistence of homonymous geographical indications (of which appellations of origin were a subset), such a choice did not seem particularly helpful to the original owner in a given territory nor to consumers in such territory. It rather protected the late-comer. In contrast, providing priority and exclusivity to the earlier right protected both the owner as well as consumers. Thus, the Delegation said that while it appeared expedient to accept later-established or applied-for geographical indications or appellations of origin in a territory, over the existing protection given to an earlier-established geographical indication in that territory, it did not represent a particularly principled approach to the protection of private intellectual property rights. The Delegation said that institutionalizing co-existence of homonymous geographical indications or appellations of origin undercut and undermined the original owner's right in a given territory. The Delegation therefore expressed the hope that the membership of the Lisbon Union would carefully consider the situation before following any suggestion that accepting homonymous geographical indications or appellations of origin would be without consequence to existing property rights and consumers' expectations.

14. The Delegation of Cuba expressed its support for the proposal to establish a Working Group and suggested that adequate financial support should be provided to facilitate the participation of developing countries.

15. The Delegation of Peru stated that it was convinced that the Lisbon system required improvement and expansion and therefore supported the proposal for the establishment of a Working Group. It stated that it was important to bear in mind the main objective, namely the modernization of the system and enhancement of its user-friendliness, thus making the system as a whole more attractive, with a view to increasing the membership of the Union. The Delegation further concurred with the Delegation of Cuba concerning the financing of the participation of developing countries in the Working Group.

16. The Delegation of Italy stated that appellations of origin and geographical indications were strategic tools in the competitiveness of economies and also in the field of commerce and trade-related policy and made it possible to protect locally-specific product features. For that reason, the Delegation said that it would be happy to cooperate with the proposed Working Group. Referring to the earlier intervention by the Delegation of Hungary, the Delegation of Italy recalled that while the document had highlighted a number of difficult issues, it was nevertheless necessary to find a solution to all existing problems.

17. The Delegation of Chile said that, although Chile was not party to the Lisbon Agreement, it supported the proposal to modernize the Regulations. As regards the question of partial refusals notified by a certain number of Member States of the Lisbon Agreement in respect of the already recognized existence of a homonymous appellation of origin in their territory, the Delegation believed that the correct solution had been chosen. In the particular case in question, the homonymous appellation of origin in question happened to be the appellation of origin for a product originating in Chile which had been recognized by virtue of a bilateral agreement. Nevertheless, the Delegation believed that the Regulations could certainly be improved and should include provisions which recognized market realities in a positive fashion and in line with the provisions included in the TRIPS Agreement. Modernizing the Agreement should also aim at making the procedures more flexible. For example, consideration might be given to the possibility of Member States to amend initial declarations of refusal with respect to registered appellations of origin for reasons other than the partial withdrawal of a refusal. The Delegation would keep a close eye on the work of the Working Group and would be happy to actively participate as an observer.

18. The Delegation of the Islamic Republic of Iran said that the document had drawn attention to two particular issues and that it was important that these be considered, namely, the importance of amending the Regulations and aspects concerning communication in the Lisbon system. With regard to the former, the Delegation of the Islamic Republic of Iran said that it understood the points that were being raised and that certainly some aspects required attention. However, referring to the current status of the Lisbon Union, the Delegation said that it was a system with a low number of member States but that a number of countries were considering acceding. For that reason, the Delegation did not believe that it was appropriate to open the question of amendment of the Agreement at this time. The Delegation said that some of the system's members had only recently acceded and were in the process of establishing arrangements for the implementation of the Agreement. For those countries, amendment would result in logistical, administrative and legal difficulties. The Delegation said that for the reasons just mentioned, it would be better, instead of amending the Agreement, to concentrate on the promotion of the system as it stood. Further, an amendment of the Regulations now could jeopardize accession by new countries. Referring to

paragraph 4 of the document, the Delegation noted that the issuing of partial refusals had been implemented by a number of States and that the document had indicated that this was consistent with the Lisbon Agreement and the Regulations. In effect, therefore, the Delegation did not believe that this issue was a problematic situation. In conclusion, the Delegation said that more time was needed in order to have a better understanding of the situation and that it would be premature to amend the Agreement.

19. With regard to the issue of communications in the context of the Lisbon Agreement, the Delegation of the Islamic Republic of Iran said that this was relevant and that it should be considered. However, the Delegation did not believe that there was a definitive solution at hand and thought that it would be imprudent to be rushing in the direction of any one single solution at this moment. The Delegation said that it felt that there was a necessity for more time to consider all the implications and possibilities in this context. The Delegation made reference also to the potential difficulties for developing countries in the context of participation in a Working Group and said that if other Delegations continued to feel that there was a need for a Working Group, the Assembly could consider the matter again next year.

20. The Delegation of Spain, while noting that it was not a party to the Lisbon Agreement, confirmed that it was commencing to work on its accession soon. The Delegation also indicated its support for the establishment of a Working Group.

21. The Chairman noted that, apart from one, all Delegations had expressed support for the proposal to establish a Working Group and that it could therefore be said that there was broad consensus. The Chairman therefore proposed that, in the interest of making progress, the Assembly would note the reservations expressed by the Delegation of the Islamic Republic of Iran and, proceed with the establishment of the Working Group, taking into account the objections and reservations expressed by that Delegation.

22. In response to the intervention by the Chairman, the Delegation of the Islamic Republic of Iran stated its disagreement with the manner in which the situation had been characterized. The Delegation suggested continuing with the discussion and not to proceed towards a decision that would have legal implications for Member States.

23. Director General-Elect Francis Gurry underlined that the Assembly was not now asked to decide on amendment of the Regulations but only to establish a Working Group to explore the possibility of amendments and ways in which perhaps the Regulations might be improved.

24. Supporting the intervention made by the Director General-Elect, the Delegation of France proposed amending paragraph 8 of the document by adding the word "possible" before the word "amendments".

25. Supporting the Delegation of France and what had been stated by the Director General-Elect, the Delegation of Costa Rica said that, in its view, setting up a Working Group would not be premature because there were currently problems to be addressed and which needed to be resolved.

26. The Delegation of Italy also supported what had been said by the Director General-Elect and said that this had been a clear representation of the situation. It also indicated its support for the proposal by the Delegation of France. The Delegation of Italy also mentioned that it might be useful to have a clearer idea at this time as to what would be the membership and the procedure to be followed by the Working Group.

27. Stating that it was conscious of the procedures of international organizations, the Delegation of the Islamic Republic of Iran said it might agree to amend the proposed mandate of the Working Group but at this stage, it was concerned about the establishment of a Working Group to “prepare amendments”. The Delegation suggested, therefore, that the question be kept under consideration and be the subject of further consultations. It noted that the concerns expressed by it were more in the nature of serious concerns than a reservation.

28. In the same manner as the Delegations of Costa Rica, France and Italy, the Delegation of Peru said that this it believed that the proposal as had been elaborated by the Director General-Elect was precisely what was intended for the Working Group and indicated that it supported the proposal made by the Delegation of France regarding the modification of paragraph 8 of the document.

29. Stating that it shared the concerns of the Delegation of the Islamic Republic of Iran, the Delegation of Brazil suggested the addition at the end of paragraph 8 of the words “as well as for considering their legal implications”. The Delegation said that this would ensure that the Working Group would take into account the legal effect and consequences of any amendment.

30. The Delegation of Portugal stated that it supported the proposals made by the Delegations of France and Brazil.

31. The Delegation of Chile recalled that the current difficult issues also had implications for countries which were not members of the Lisbon Agreement, including Chile. It noted that coexistence of homonymous appellations was consistent with the Lisbon Agreement, but not required by it. In the case referred to by the Delegation in its earlier intervention, the majority of Member States of the Lisbon Agreement had not opted for this solution. Those that had opted for that solution had done so because of the existence of a bilateral agreement with Chile.

32. The Delegation of Chile stated that it supported the proposal made by the Delegation of France but that, in its view, that made by the Delegation of Brazil was not necessary. The Delegation concluded that a good solution would be to start with a Working Group that would take into consideration the views of both Member States and non-Member States.

33. The Delegation of Colombia suggested that reference might be made to paragraph 7 of the document, which referred merely to the possibility of amending the Regulations.

34. After holding informal consultations, the Chair proposed a reformulation of the text contained in paragraph 8 of the document so that the Assembly would, instead, be invited to decide on the establishment of a Working Group responsible for exploring possible improvements to the procedures under the Lisbon Agreement.

35. The Assembly took note of document LI/A/23/1 and decided to establish a Working Group responsible for exploring possible improvements to the procedures under the Lisbon Agreement. The Working Group would be composed of all Members of the Lisbon Union. Other WIPO Member States and interested organizations would be invited as observers.

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