

RECENT DEVELOPMENTS AT THE INTERNATIONAL LEVEL IN THE FIELD OF TRADEMARKS

1. The principle of territoriality, which lies at the heart of the existing laws on trademarks, is more and more challenged by globalization, thus creating an increased need for international cooperation. On an international level, the protection of trademarks has already a firm basis in the existing international legal framework, created by the Paris Convention for the Protection of Industrial Property, the TRIPS Agreement and the Trademark Law Treaty. This international legal basis is, however, also challenged by the rapid globalization of trade, and in particular by the vastly expanding electronic commerce.

I. IMPROVING THE PROTECTION OF WELL-KNOWN MARKS

Joint Recommendation on the Protection of Well-Known Marks

2. Globalization increases the need for an efficient protection of well-known marks on a worldwide basis. Trademark owners operate in a growingly integrated global marketplace. Fame and reputation often spread faster than the trademarked goods themselves. It is becoming easier to take a “free ride” on the reputation of a well-known mark before the trademark owner has had a chance of getting local protection for his mark. Even though the Madrid Agreement Concerning the International Registration of Marks and the Protocol to that Agreement facilitate the international protection of trademarks, it is simply impossible to register and maintain trademark registrations in all international classes in all jurisdictions.

3. There is already an international legal framework in place. The Paris Convention requires Member States, in Article 6*bis*, to protect well-known marks without registration against unauthorized registration or use in their territory. The TRIPS Agreement further requires, in Article 16.2 and 16.3, that registered well-known marks be protected against infringing use for goods or services non-similar to those for which the mark is registered or used. The details of protection and, in particular, the criteria whether a mark is well known or not are, however, left to national laws. Considerable differences continue to exist. WIPO has, in 1995, convened a “Committee of Experts on Well-Known Marks” for the purpose of considering the “criteria that should be applied to define what a well-known mark is...and what measures could be taken to make the protection of well-known marks more effective in the world.”¹ The Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) has continued this work. At its second session, second part, in July 1999, six Articles were adopted, which

¹ 1994-95 Program of WIPO, document AB/XXIV/2, item 04(3).

have been adopted by the Assembly of the Paris Union and the WIPO General Assembly as a joint recommendation.²

4. The Recommendation is intended to clarify and supplement the existing international protection of well-known marks as established by Article 6*bis* of the Paris Convention and by Article 16.2 and 16.3 of the TRIPS Agreement. It includes detailed provisions intended to the application of the existing international standards for the benefit of national legislators, who can take inspiration from these provisions.
5. They supplement the existing international standards in that:
 - they provide, in Article 2(1), a non-exhaustive list of factors that Member States must consider when determining whether a mark is a well-known mark, such as, in particular, that a mark shall be considered to be a well-known mark if it is determined to be well known in at least one relevant sector of the public of a Member State (Article 2(2)(b));
 - they list, in Article 2(3), factors that Member States may not require as a condition for determining whether a mark is a well-known mark such as, in particular, that a mark has been used or registered or that an application for registration has been filed in that Member State (Article 2(3)(i));
 - they require that a well-known mark, which is not registered in the country where protection is sought, be protected against use of an identical or similar mark for dissimilar goods or services, even though in certain cases a Member State may require that the well-known mark be well known by the public at large (Article 4(1)(b) and (c));
 - they provide for remedies in cases of conflicts between well-known marks and business identifiers (Article 5 of the draft provisions) and between well-known marks and domain names (Article 6 of the draft provisions).
6. The Recommendation does, of course, not have the same legal effect as the Paris Convention or the TRIPS Agreement, which are binding on all States party to them. However, it is hoped that it will have persuasive authority as a recommendation by two authoritative bodies within WIPO, and that it will be able to persuade States to bring their national legislation in line with the provisions. However, a significant number of countries have already implemented these provisions in their legislation. Moreover, the adoption as a recommendation does not preclude the provisions from being incorporated into a treaty at a later stage.

² WIPO Publication No. 833(E).

II. PROTECTING TRADEMARKS ON THE INTERNET

7. Trademarks have entered the Cyber Space and, as computer-based communications cut across territorial borders, trademark owners are not only confronted with new opportunities in the exploitation of their marks, but also with new dangers and predicaments. Even though it is fair to say that the Internet is not the Wild West, as many had feared, there are still risks involved. Domain Name Grabbing or Cybersquatting is just one of them. Use of trademarks on the Internet can also give rise to more general legal problems.

8. WIPO has addressed these problems in three ways:

(i) in the context of the WIPO Domain Name Process;

(ii) by including in the Joint Recommendation for the Protection of Well-Known Marks an Article specifically addressing conflicts between well-known marks and domain names; and

(iii) by examining, in the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), the legal problems that result in general from the use of a mark on the Internet. Only this last point is dealt with in this document.

9. So far, nobody who participates in electronic commerce, commercially or as a consumer, can rely on a clear, consistent and the further development of this medium. These problems are accentuated by the fact that numerous differences continue to exist among national or regional legal systems in these fields of law.

10. The majority of the problems are due to the fact that the law of trademarks is territorially limited, whereas the medium Internet is globally accessible. It becomes increasingly problematic to deal with problems arising in the potentially borderless world of electronic commerce with laws which are territorially limited and which differ widely from country to country. Questions of territoriality lie at the very heart of industrial property law as a whole. In the law of trademarks they are particularly important with regard to the concept of use: whether a sign has been used in particular country is relevant for determining whether such use has established, maintained or infringed a trademark right in that country. But under what circumstances can the use of a sign on the Internet be considered to have taken place in a particular country? Can mere use on the Internet be considered to have taken place in every country in which the sign is visible on a computer screen? In this case, someone who uses a trademark on the Internet could be considered to infringe conflicting trademark rights in every country that is connected to the Internet and be taken to court in potentially each of them. In such a case the user might not even be able to rely on the fact that he or she holds a registered trademark right in the particular sign, because trademark rights are territorially limited and not automatically recognized in other countries. Whereas trademarks can be owned by different people in different countries and coexist independently of one another, this is

more different on the Internet where a sign is visible on computer screens all over the world. What was coexistence of rights in the real world turns into “conflict of rights” on the Internet. Such legal ambiguities are a burden on the future development of electronic commerce.

11. Every commercial entity that wants to participate in electronic commerce needs to make use of signs in order to distinguish itself from other commercial entities, or its goods or services from those offered by other commercial entities. Enterprises need to build recognition and goodwill, and inspire confidence in themselves and in their brands, particularly when operating in virtual markets in which face-to-face interactions are infrequent, there is little or no opportunity to inspect goods or services before purchasing them, and consumers are willing to reward trusted sources which offer competitive goods and services. In these circumstances, distinctive signs such as trademarks, trade names or geographical indications become a vital means of identifying and distinguishing itself.

12. However, the use of such signs is regulated on a territorial basis whereas the use itself is, at least potentially, as global as the Internet itself. So far, nobody who participates in electronic commerce, commercially or as a consumer, can rely on a clear, consistent and predictable legal framework. The tension between the territorial basis of industrial property laws and the global nature of the Internet challenges the future of industrial property laws which fail their purpose if they cannot guarantee a sufficient degree of legal certainty. It also threatens the further development of electronic commerce which needs a reliable legal basis.

Joint Recommendation on the Protection of Marks on the Internet

13. WIPO has started to address these legal problems in 1998 in the framework of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT). Draft provisions were discussed in 1999 and 2000, were adopted by the Committee on March 2001 and proposed and adopted as a joint recommendation by the WIPO General Assembly and the Paris Assembly in September 2001³.

14. These provisions include all rights in distinctive signs which are “territorial”, in particular trademarks, trade names or geographical indications. These rights are summarized by the term “industrial property rights in signs.” The provisions do not contain a comprehensive list of such rights, but leave it to the Member States which forms of “industrial property rights in signs” they recognize.

15. The provisions do not constitute a self-contained trademark law for the Internet, but are intended to guide the application of existing national or regional laws to legal problems resulting from the use of a sign on the Internet. They address three main problems:

³ WIPO Publication N° 845

1. When can use of a sign on the Internet be considered to have taken place in a particular country?
2. How can those who own conflicting rights in identical or similar signs be enabled use these signs concurrently on the Internet?
3. How can courts take account of the territorial basis of industrial property rights in signs when determining remedies?

16. The first question is relevant for determining whether use on the Internet has contributed to establishing, maintaining or infringing an industrial property right in a sign in a particular country. The provisions are based on the assumption that not each and every use of a sign on the Internet should be treated as taking place in the Member State concerned, even though it might be accessible to Internet users based in that State. This fact is expressed in the term “commercial effect.” Only use that has a “commercial effect” in a Member State, shall be treated as having taken place in that Member State. The provisions provide a detailed but non-exhaustive list of factors which can be relevant for determining commercial effect, such as actual delivery of goods or services, language, interactivity of the web site, registration of the web site under a country code top level domain etc.

17. The second question is a direct consequence of the tension between territorial rights and a global medium. Because of that territoriality, different owners can hold industrial property rights in identical or similar signs in different countries. This can create problems if a sign is used on the Internet. Because of the necessarily global nature of the Internet such use might be considered as infringing a right under the law of a Member State in which the right of the user is not recognized. What was coexistence of rights in the real world turns into “conflict of rights” on the Internet. In the discussions taking place in the SCT, it was emphasized that such conflicts should be resolved on the basis of a fair balance of interest, providing effective protection for right holders without unreasonably burdening commercial activities on the Internet.

18. The provisions introduce what might be called a “notice and avoid conflict” procedure. Right holders who use their sign in good faith would be exempt from liability up to the point when they are notified of a conflicting right. As a consequence, they could not be subjected to any injunction, or held liable for any damages occurring, before notification. Users would, therefore, not be forced to undertake a worldwide search for conflicting registered or unregistered rights before using their sign on the Internet. However, once they have been notified of a conflicting right, they have to take reasonable measures for avoiding or ending the conflict. If they fail to do so, they are subject to liability.

19. In order to provide right holders with a sufficient degree of legal certainty as to how to avoid liability for the infringement of conflicting rights which they are already aware of, Member States would have to accept a “qualified disclaimer” as a sufficient measure to avoid liability. Such disclaimers are statements designed to avoid a commercial effect

in a particular country, and to avoid confusion with the other right holder. The user would also have to abide by his statement by asking customers where they are located, and refusing delivery to those who have indicated that they are based in the country disclaimed. Users would, however, not be required to verify the statements made by their customers because this is almost impossible in cases where the whole transaction takes place over the Internet.

20. The third question also addresses a problem resulting from the tension between territorial rights and a global medium. An injunction to cease every use of a sign on the Internet would go far beyond the territory in which a conflicting industrial property right in that sign exists. It would have an effect which is as global as the Internet. A decision as to remedies should therefore take the territorial limitation of industrial property rights in marks or other signs into account. Remedies should be limited, as far as possible, to the territory in which the industrial property right is recognized, and they should only be available if the allegedly infringing use of the sign can be deemed to have taken place in that territory. This is determined with regard to the “commercial effect” of such use in the Member State in question. Thus, the “commercial effect” of Internet use should serve as a yardstick for determining a “proportionate” remedy. Use of a sign on the Internet that infringes an industrial property right in a Member State should not be prohibited any more than is proportionate to the commercial effect that such use has produced in that Member State. Injunctions should generally be limited to what is necessary to prevent or remove the commercial effect in the Member State (or the Member States) in which the infringed right is protected, and damages should be granted only for the commercial effect of the use in that Member State.

21. The provisions require courts to be creative in considering limitations of use designed, on the one hand, to avoid a commercial effect in the Member State, or in the Member States, in which the infringed right is protected, and to avoid any confusion with the owner of that right on the other hand, such as “qualified disclaimers”, gateway web pages and the like. Prohibitions to cease every use of a sign on the Internet might still be necessary in certain cases. However, the provisions exempt such users from such “global injunctions” if they hold a right in the sign they use on the Internet, and do not act in bad faith.

III. HARMONIZING FORMAL REQUIREMENTS FOR TRADEMARK REGISTRATIONS

The Trademark Law Treaty (TLT)

22. Procedures regarding the registration of trademarks differ from country to country. They sometime require a wide range of formalities, causing difficulties for trademark applicants and owners. A first successful step towards the harmonization and simplification of such formalities by providing for maximum requirements was undertaken by the Trademark Law Treaty (TLT), which was adopted in October 1994 and which has, in the meanwhile, been ratified by 31 States.

23. The TLT covers formal requirements regarding applications for registration (Article 3) and the grant of a filing date (Article 5), requests for recording changes in names or addresses (Article 10) and changes in ownership (Article 11), requests for the correction of mistakes (Article 12), and requests for the renewal of a registration (Article 13). In addition, the TLT addresses a number of general issues, such as the representation of applicants (Article 4), the division of applications or registrations (Article 7), requirements regarding signatures and other means of self-identification (Article 8), and the classification of goods and services (Article 9).

24. As a general matter, the TLT sets maximum standards indicating what Member States may require, and what they may not require in procedures before an Office. Member States may not require anything that is not expressly permitted in the article addressing the procedure in question. Trademark Offices are only entitled to require further information if they may reasonably doubt the veracity of the information received. Moreover, the TLT eliminates certain requirements which are considered particularly burdensome, such as the legalization of signatures (Article 8(4)). And finally, it introduces a number of features which facilitate the successful conclusion of procedures, for example by obliging Member States to accept multi class applications (Article 3(5)), by allowing the division of applications or registrations (Article 7), and by providing a number of Model International Forms which have to be accepted by Offices in all Contracting Parties.

25. The Model International Forms include all permitted requirements in proceedings before an Office. No Contracting Party may reject an application or request that is filed on a Model International Form if it is filed in a language accepted by the Office. However, Contracting Parties may also create “individualized international forms.” Such forms must not contain mandatory requirements additional to or contrary to the Treaty or the Regulations.

26. The TLT offers benefits for applicants and owners, trademark Offices and trademark attorneys.

27. Applicants and owners will benefit from the increase in legal certainty provided by the TLT since they can rely on the fact that Offices are prohibited from requiring anything that is not expressly mentioned in the Treaty. This, together with the prohibition of particularly cumbersome and costly requirements, will facilitate the filing of trademark applications, and the administration of registrations in foreign countries. Thus, trademark owners will have easier access to international trademark protection at a reduced cost.

28. The streamlining of procedures will reduce the administrative burden on Offices of both industrialized and developing countries. Moreover, easier access for applicants will lead to an increase in the number of filings. Both factors can enhance revenues, the benefits of which could be passed on to applicants in the form of lower fees. The increase in the number of filings can be expected to enhance the business of trademark agents and attorneys.

The Joint Recommendation Concerning Trademark Licenses

29. A further attempt for harmonization concerns the recordal of trademark licenses, which is mandatory in several countries. At its last session in March 2000, the SCT has adopted six articles⁴ which were presented to and adopted by the September 2000 session of the Assembly of the Paris Union and the WIPO General Assembly as a joint recommendation⁵.

30. The Joint Recommendation supplements the Trademark Law (TLT) and provides a maximum list of indications and elements that an Office may require for the recordal of a license (Article (2(1)); Offices are free to require some only of the listed elements, but may not require other or additional information (Article 2(7)). In order to facilitate the processing of requests in several countries, the Recommendation provides a Model International Form which contains all the information that an Office may require; Offices are obliged to accept requests that contain all the indications or elements specified in that Form (Article 2(3)). In Articles 4 and 5, the Joint Recommendation also attempts to limit the effect of non-compliance with recordal requirements to the license agreement itself.

IV. CURRENT WORK UNDERTAKEN BY THE SCT IN THE FIELD OF TRADEMARKS

Further harmonization of Formalities in the Field of Marks

31. At the eighth session of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) in May 2002, SCT members committed themselves to work towards further simplifying and streamlining the procedures concerning formal requirements for the registration of trademarks and other related procedures.

32. Trademarks formality requirements are currently governed by the WIPO Trademark Law Treaty (TLT), which serves to harmonize and simplify the formal requirements involved in registering a trademark and other related procedures. Since the adoption of this Treaty in 1994, the evolution of technology, the solution of questions concerning voting rights, and the recent adoption of international norms on trademark licenses, have raised the need for a revision of the TLT to address, at least, the creation of an Assembly, provisions on electronic filing, the incorporation of the WIPO Joint Recommendation concerning Trademark Licenses, and further simplification of formalities in the TLT.

33. The following issues were proposed for discussion:

34. *Creation of an Assembly.* So far, the only possibility to revise the TLT, including its regulations, is to convene a diplomatic conference. The TLT has no assembly

⁴ WIPO document SCT/5/2.

⁵ WIPO publication N° 835

competent to decide changes to the regulations. The creation of an assembly, like in other international instruments such as the PCT, Madrid Protocol or the Patent Law Treaty (PLT), was prevented in 1994 by a lack of consensus concerning the voting rights of intergovernmental organizations. In view of recent developments in the context of the Madrid Union and the adoption of the Geneva Act of the Hague Agreement, and considering the provisions adopted in the framework of the Patent Law Treaty (PLT), it appears that a consensus may now be possible on this issue.

35. *Electronic Filing.* In 1994, the TLT only envisaged, in Article 3(2), presentation of the application for the registration of a mark on paper or by telefacsimile. Recent developments of electronic communications, paperless policies regarding applications of national or regional offices, and consensus in international agreements such as the PLT (Article 8), have stressed the need for introducing specific provisions concerning electronic filing.

36. *Incorporation of the Joint Recommendation Concerning Trademark Licenses.* Provisions concerning trademark licenses were adopted as a Joint Recommendation at a joint session of the WIPO General Assembly and of the Paris Union Assembly, in September 2000. Since simplification of the formalities concerning the recordal of trademark licenses should have been included in the scope of the TLT in 1994, the incorporation of the adopted provisions on trademark licenses in the revised TLT is therefore particularly appropriate.

37. *Limitation of Mandatory Representation.* Under Article 4(2) of the TLT, “any contracting party may require that, for the purposes of any procedure before the Office, any person who has neither a domicile nor a real and effective industrial and commercial establishment on its territory be represented by a representative.” In order to further simplify the formalities relating to representation, it might be opportune to introduce a provision, along the lines of Article 7(2) PLT, which would not permit a Contracting Party to require representation for the purposes of certain procedures before the Office, such as the filing of an application for the purposes of the filing date, the mere payment of a fee, or any other procedure that may be as prescribed in the Regulations.

38. *Relief in Respect of Time Limits.* The TLT does not contain a provision addressing relief in respect of formal mistakes, such as the failure to comply with a time limit for an action in a procedure before the Office. It would be therefore appropriate to introduce a provision, along the lines of Articles 11 and 12 of the PLT, which oblige a Contracting Party, under certain conditions, to provide for an extension of a time limit, continued processing or the reinstatement of rights.

39. At its last meeting, the SCT discussed revised draft provisions⁶ of the TLT prepared by the WIPO Secretariat on the basis of similar provisions contained in the Patent Law Treaty (PLT), which was adopted in 2000. The SCT agreed to build on the TLT to further simplify and expand the harmonization of formalities by introducing provisions on electronic filing, relief in respect of time limits fixed by the intellectual property office

⁶ WIPO Document SCT/8/2

(IPO) and on reinstatement of rights after a finding of due care or unintentionality by the IPO. Discussions will continue on these points and on others provisions at the next meeting (November 2003) of the SCT.

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TRADEMARKS

2.303 “A trademark is any sign that individualizes the goods of a given enterprise and distinguishes them from the goods of its competitors.” This definition comprises two aspects, which are sometimes referred to as the different functions of the trademark, but which are, however, interdependent and for all practical purposes should always be looked at together.

Service Marks

2.308 Since service marks are signs that are very similar in nature to trademarks, basically the same criteria can be applied, so service mark protection has sometimes been introduced by a very short amendment to the existing trademark law, simply providing for the application to service marks, mutatis mutandis, of the provisions on the protection of trademarks.

Collective Marks

2.312 A collective mark may be owned by an association which itself does not use the collective mark but whose members may use the collective mark; typically, the association 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.

Certification Marks

2.315 The certification mark may only be used in accordance with the defined standards. 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, the “open shop” principle applies.

2.316 An important 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.

Signs which May Serve as Trademarks

2.319 If we adhere strictly to the principle that the sign must serve to distinguish the goods of a given enterprise from those of others, the following types and categories of signs can be imagined:

- *Words*: This category includes company names, surnames, forenames, geographical names and any other words or sets of words, whether invented or not, and slogans.
- *Letters and Numerals*: Examples are one or more letters, one or more numerals or any combination thereof.
- *Devices*: This category includes fancy devices, drawings and symbols and also two-dimensional representations of goods or containers.
- Combinations of any of those listed above, including logotypes and labels.
- *Colored Marks*: This category includes words, devices and any combinations thereof in color, as well as color combinations and color as such.
- *Three-Dimensional Signs*: A typical category of three-dimensional signs is the shape of the goods or their packaging. However, other three-dimensional signs such as the three-pointed Mercedes star can serve as a trademark.
- *Audible Signs (Sound Marks)*: Two typical categories of sound marks can be distinguished, namely those that can be transcribed in musical notes or other symbols and others (e.g. the cry of an animal).
- *Olfactory Marks (Smell Marks)*: Imagine that a company sells its goods (e.g. writing paper) with a certain fragrance and the consumer becomes accustomed to recognizing the goods by their smell.
- *Other (Invisible) Signs*: Examples of these are signs recognized by touch.

Requirement of Distinctiveness

2.328 A trademark, in order to function, must be distinctive. A sign that is not distinctive cannot help the consumer to identify the goods of his choice. The word “apple” or an apple device cannot be registered for apples, but it is highly distinctive for computers. This shows that distinctive character must be evaluated in relation to the goods to which the trademark is applied.

2.329 The test of whether a trademark is distinctive is bound to depend on the understanding of the consumers, or at least the persons to whom the sign is addressed. A

sign is distinctive for the goods to which it is to be applied when it is recognized by those to whom it is addressed as identifying goods from a particular trade source, or is capable of being so recognized.

2.330 The distinctiveness of a sign is not an absolute and unchangeable factor. Depending on the steps taken by the user of the sign or third parties, it can be acquired or increased or even lost. Circumstances such as (possibly long and intensive) use of the sign have to be taken into account when the registrar is of the opinion that the sign lacks the necessary distinctiveness, that is, if it is regarded as being not inherently distinctive.

2.331 There are, of course, different degrees of distinctiveness, and the question is how distinctive a sign must be in order to be registrable. In that connection a distinction is generally made between certain typical categories of marks—fanciful or coined trademarks which are meaningless and the others. A famous example of the first category is the KODAK trademark.

2.332 These trademarks may not be the favorites of the marketing people, since they require heavy advertising investment to become known to consumers. They inherently enjoy very strong legal protection, however.

2.333 Common words from everyday language can also be highly distinctive if they communicate a meaning that is arbitrary in relation to the products on which they are used. The same is true of the corresponding devices. Examples are the famous CAMEL trademark for cigarettes (and the equally famous device mark) and the previously-mentioned APPLE mark (both the word and the device) for computers.

Lack of Distinctiveness

2.338 What are the criteria governing the refusal of registration for lack of distinctiveness?

Generic Terms

2.339 A sign is generic when it defines a category or type to which the goods belong. It is essential to the trade and also to consumers that nobody should be allowed to monopolize such a generic term.

2.340 Examples of generic terms are “furniture” (for furniture in general, and also for tables, chairs, etc.) and “chair” (for chairs). Other examples would be “drinks”, “coffee” and “instant coffee”, which shows that there are larger and narrower categories and groups of goods, all having in common that the broad term consistently used to describe them is generic.

2.341 These signs are totally lacking in distinctiveness, and some jurisdictions hold that, even if they are used intensively and may have acquired a secondary meaning, they cannot be registered since, in view of the absolute need of the trade to be able to use

them, they must not be monopolized. For these reasons the High Court of Delhi, India, in 1972 refused registration of the JANTA trademark as in Hindi the word means cheap in price.

Descriptive Signs

2.342 Descriptive signs are those that serve in trade to designate the kind, quality, intended purpose, value, place of origin, time of production or any other characteristic of the goods for which the sign is intended to be used or is being used.

Other Signs Lacking Distinctiveness

2.345 Signs may lack distinctiveness for other reasons. This is true of a device which, owing to its simplicity or pure illustrative or ornamental character, may not capture the consumer's attention at all as a sign referring to the origin of the product, but rather as a mere illustrative part of the packaging of the goods offered to him.

2.346 An example (with regard to words) would be a relatively long advertising slogan recommending the goods to the consumer which, even when reproduced on the packaging, would be much too complex to be understood by consumers as a reference to the origin of the product.

2.347 In practice the authorities have to deal with certain other typical categories of cases which in many laws are expressly listed as grounds for refusal, and which are dealt with below.

Reference to Geographical Origin

2.348 References to geographical origin (as opposed to the origin of the goods in the sense of the origin-indicating function) are basically not distinctive. They convey to the consumer an association with the geographical name, indicated either as the place of manufacture of the goods in question or of ingredients used in their production, or—depending on factual circumstances—with certain characteristics of the goods attributable to their origin.

Letters, Numerals and Basic Geometrical Shapes

2.353 It is certainly true that consumers will not normally regard letters, numerals or simple geometrical shapes as indications of the origin of the goods. Nevertheless, letters, numerals and their combinations can become distinctive through use and—as said before—the so-called legitimate interest of other traders in making fair use of them should be no reason for refusal. The recent international trend therefore goes towards accepting the registration of such signs more liberally.

2.354 Furthermore, even without any use, letters and numerals can be registrable if they are applied for in a fanciful device.

Foreign Script and Transliterations

2.355 Imagine the use of a Thai script mark in India or Sri Lanka, the use of Chinese characters in Switzerland, Singhala characters in the United States of America or Japanese characters (Katakana, Kandi) anywhere but in Japan. For the great majority of ordinary consumers these marks are purely fanciful devices. Consequently, they are in principle distinctive, except where the sign has no more than an ornamental effect, depending on its graphic presentation.

2.356 Since these marks are distinctive, they are basically registrable. The registrar may, however, ask for a translation (a description of its meaning) in local script.

Colors

2.357 The use of words and/or devices in colors or combined with colors generally increases their distinctiveness. Consequently, applications for such signs claiming the colors shown or described in the application are easier to register. The first trademark registered in the United Kingdom in 1876 (and still on the register) was a triangle (a basic geometrical shape) in red. However, protection is then in principle restricted to the actual colors in which the mark is registered.

2.358 Signs consisting exclusively of individual colors or of color combinations can be registrable trademarks. It is a matter for practice in the various countries to determine whether they are considered inherently distinctive or—more probably—basically descriptive with the possibility of becoming distinctive through use.

Names, Surnames

2.359 Company names and trade names are registrable, except where they are deceptive or not distinctive.

2.360 Common surnames are not registrable in some countries, since they are not distinctive. As for less common surnames, it is, in such countries, important to establish whether another meaning in everyday language will be overwhelmingly recognized by consumers. If there is such a dominant meaning, the sign is registrable on the condition that the meaning in question is not descriptive of the goods for which the mark is to be used.

Exclusions from Registration on other Grounds—Public Interest

Deceptiveness

2.361 Trademarks that are likely to deceive the public as to the nature, quality or any other characteristics of the goods or their geographical origin do not, in the interest of the public, qualify for registration.

Reference to Geographical Origin

2.365 Signs that are descriptive or indicative of geographical origin are false for products that do not come from the region described or indicated. In such cases the consumer will be deceived if the reference to the geographical origin has the wrong connotations for him.

2.366 This is particularly true if the region or locality has a reputation. Famous examples of such signs are “Champagne” and “Swiss Chocolate.”

Partial Deceptiveness

2.370 We have seen that the question whether or not a trademark is inherently deceptive must be examined in relation to the goods in respect of which the application is made. Depending on the list of goods, therefore, an application may be distinctive for some, descriptive for others and/or deceptive for still others. In such cases the examiner has to require a limitation of the list of goods. Should the applicant not agree to such limitation, the examiner refuses the whole application in some countries. In others, he accepts the application only for the goods for which, in his opinion, the mark is not deceptive and refuses it for the others.

Signs Contrary to Morality or Public Policy

2.371 Trademark laws generally deny registration to signs that are contrary to morality or public policy..

Signs Reserved for Use by the State, Public Institutions or International Organizations

2.372 A country generally protects its national flag, its official name and the names of official institutions in its own interest. Furthermore, countries are obliged by Article 6ter of the Paris Convention also to protect the notified signs of other member States and international intergovernmental organizations (such as the United Nations Organization).

Protection of Trademark Rights

2.373 A trademark can be protected on the basis of either use or registration. Both approaches have developed historically, but today trademark protection systems generally combine both elements. The Paris Convention places contracting countries under the obligation to provide for a trademark register. Over one hundred and fifty States have

adhered to the Paris Convention. Nearly all countries today provide for a trademark register, and full trademark protection is properly secured only by registration.

2.374 Use does still play an important role, however: first of all, in countries that have traditionally based trademark protection on use, the registration of a trademark merely confirms the trademark right that has been acquired by use. Consequently, the first user has priority in a trademark dispute, not the one who first registered the trademark.

Consequences of Non-Use

2.378 The principal consequence of unjustified non-use is that the registration is open to cancellation at the request of a person with a legitimate interest. There is moreover a tendency to require of the registered owner that he prove use, since it is very difficult for the interested third party to prove non-use. In the interest of removing “deadwood” from the register, such reversal of the burden of proof is justified.

2.379 The burden of proof should be on the trademark owner not only in cancellation proceedings but also in any other proceedings where the owner is alleged to have taken advantage of his unused trademark right (opposition procedure, infringement action).

2.380 No evidence of use should be required for the renewal of a trademark registration, however. This is an administrative complication which is unnecessary in view of the fact that an interested person can at any time at all take appropriate action against an unused trademark registration.

2.381 Non-use does not always lead to invalidation of the trademark right. Non-use can be justified in the case of force majeure, and any other circumstance that is not due to fault or negligence on the part of the proprietor of the mark, such as import restrictions or special legal requirements within the country.

Application for Registration

2.390 Applications for registration of a trademark are to be filed with the competent government authority which in most countries is the same as the authority competent for processing patent applications. Usually, it is called “Industrial Property Office” or “Patent and Trademark Office” or “Trademark Office.”

2.391 In general, countries provide for an application form, the use of which is mandatory in certain countries. The application form has to be completed with the name and address of the applicant. Foreigners have either to give an address for service in the country or to use an agent holding a power of attorney to be signed by the applicant. Often further formalities are imposed. The Trademark Law Treaty (TLT) contains, in Article 3, an exhaustive list of information which Trademark Offices of Contracting Parties may require for a trademark registration, and expressly prohibits certain formalities, such as authentication or legalization, which are considered unnecessary and particularly

burdensome. The TLT also provides Model International Forms which contain all relevant information and which have to be accepted by Offices of Contracting Parties.

2.392 The sign filed for registration must appear in the application form or in an annex to it. If it is intended that the sign should be registered in color, the colors must be claimed and a specimen in color or the description of the color(s) must be submitted.

2.393 If a three-dimensional sign is filed for registration, it is necessary to claim protection of the sign in its three-dimensional form. The sign must moreover be graphically represented in a manner that allows it to be reproduced for a twofold purpose: it must be possible to register it (regardless of the form in which the register is established, that is, whether the marks are entered in a book, collected in a card index or integrated in a computerized system). Owners of prior rights must be able to take note of the trademark application, which normally is ensured by its publication in a trademark journal.

2.394 The applicant has also to list the goods for which the sign is to be registered. Trademark laws provide generally for a classification of goods for the purposes of registration. In some countries a separate application has to be made for each class, while in others one application is sufficient for several classes.

2.395 An important treaty for international trade is the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, which establishes an international classification of goods and services for the purpose of registration of trademarks.

2.396 Finally, one or more lots of fees have to be paid for the registration of a trademark. A country may provide for a single, all embracing fee or several (application fee, class fee, examination fee, registration fee, etc.). Both systems have advantages and disadvantages. On the one hand, it is simpler and more cost-efficient to charge a single fee. On the other hand, this may lead to unjust consequences for applicants who decide to withdraw the application totally or partially during the registration procedure (for example, because of an objection from the owner of a prior right, or because of insurmountable objections from the registrar.

Examination

Examination as to Form

2.397 Countries generally accept an application for registration of a trademark only if the formal requirements are fulfilled.

Examination as to Substance

2.398 Most countries examine trademark applications as to substance in the interest of both the public and competitors.

2.399 One has to make a clear distinction between two types of grounds for refusal.

2.400 Trademarks may be examined for absolute, objective grounds for refusal, that is, whether they are sufficiently distinctive, not deceptive, not immoral, etc. Such an examination is highly desirable in the interest of consumer protection, but for competitors too, and for the trade in general, it is important that nobody should be able to monopolize a descriptive or even a generic term by a simple administrative act.

2.401 The laws of many countries provide also for examination on relative grounds, that is, whether the rights applied for are identical or similar to prior rights that have been applied for or granted for identical or similar goods. Such examination may either be made ex officio and/or on the basis of an opposition procedure.

Refusal of Registration

2.409 Before issuing a total or partial refusal of the application, the office should give the applicant an opportunity to make observations.

2.410 The decision refusing an application either partly or totally must be open to appeal. Depending on the legal system of the country, the appeal may be lodged with the registrar, with an administrative appeal board or with the court.

Date of Registration

2.411 If the application leads to registration, the office issues a certificate to the owner. The owner's exclusive right exists from the date of registration. However, the priority of the right should date back to the date of filing for registration. While it is true that the application is not normally a sufficient basis for bringing an infringement action against a later right, it must be a valid basis for an opposition procedure. And, even more importantly, the date of the application for registration will be decisive in a later court case. The time that passes before an application leads to registration varies a great deal, and in certain cases can be very long. A later application can for various reasons lead to registration sooner (for instance where the earlier application was refused by the examiner and finally granted on appeal). Clearly, the owner of the earlier application must have the prior right in relation to the owner of a later application.

2.412 Furthermore, the applicant can claim the priority of his national registration under Article 4 of the Paris Convention if the application in the foreign country is made within six months of the filing date of the first application.

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GEOGRAPHICAL INDICATIONS

Introduction

2.671 “Champagne”, “Cognac”, “Roquefort”, “Chianti”, “Pilsen”, “Porto”, “Sheffield”, “Havana”, “Tequila”, “Darjeeling”—are some well-known examples for names which are associated throughout the world with products of a certain nature and quality. One common feature of all those names is their geographical connotation, that is to say, their function of designating existing places, towns, regions or countries. However, when we hear these names we think of products rather than the places they designate.

2.672 Those examples show that geographical indications can acquire a high reputation and thus may be valuable commercial assets. For this very reason, they are often exposed to misappropriation, counterfeiting or forgery, and their protection—national as well as international—is highly desirable.

2.673 With the exception of design law, there is probably no category of intellectual property law where there exists such a variety of concepts of protection as in the field of geographical indications. This is maybe best demonstrated by the term “geographical indication” itself, which is relatively new and appeared only recently in international negotiations.

2.674 The Paris Convention for the Protection of Industrial Property does not contain the notion of geographical indication. Article 1 paragraph (2) defines as subjects of industrial property, *inter alia*, indications of source and appellations of origin. This is the terminology traditionally applied and still officially used in the conventions and agreements administered by WIPO. According to this terminology, the following distinction is made between indications of source and appellations of origin: “indication of source” means any expression or sign used to indicate that a product or service originates in a country, a region or a specific place, whereas “appellation of origin” means the geographical name of a country, region or specific place which serves to designate a product originating therein the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural or human factors or both natural and human factors.

2.675 It is important to highlight the difference between indications of source and appellations of origin. The use of an appellation of origin requires a quality link between the product and its area of production. This qualitative link consists of certain characteristics of the product which are exclusively or essentially attributable to its geographical origin such as, for example, climate, soil or traditional methods of production. On the other hand, the use of an indication of source on a given product is merely subject to the condition that this product originates from the place designated by

the indication of source. Appellations of origin can be understood as a special kind of indication of source. According to the terminology traditionally applied, the term “indication of source” comprises all appellations of origin, but, in its general use, it has become rather a designation for those indications of source which are not considered to be appellations of origin.

2.676 The term “geographical indication” has been chosen by WIPO to describe the subject matter of a new treaty for the international protection of names and symbols which indicate a certain geographical origin of a given product. In this connection, the term is intended to be used in its widest possible meaning. It embraces all existing means of protection of such names and symbols, regardless of whether they indicate that the qualities of a given product are due to its geographical origin (such as appellations of origin), or they merely indicate the place of origin of a product (such as indications of source). This definition also covers symbols, because geographical indications are not only constituted by names, such as the name of a town, a region or a country (“direct geographical indications”), but may also consist of symbols. Such symbols may be capable of indicating the origin of goods without literally naming its place of origin. Examples for such indirect geographical indications are the Eiffel Tower for Paris, the Matterhorn for Switzerland or the Tower Bridge for London.

2.677 On the other hand, the term “geographical indication” is also used in the EC Council Regulation No. 2081/92 of July 14, 1992, on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs and in the Agreement on TRIPS. In both texts, this term is applied to products whose quality and characteristics are attributable to their geographical origin, an approach that closely resembles the appellation of origin kind of protection. In other words, “mere” indications of source are not covered by the specific notion of geographical indication used in those two legal texts. However, this presentation, in trying to take into account all existing forms of protection of geographical indications, uses the term in its widest meaning.

2.678 When considering geographical indications as a special kind of distinctive sign used in commerce and thus as a particular category of intellectual property, it is important to distinguish them from trademarks: whereas a trademark identifies the enterprise which offers certain products or services on the market, a geographical indication identifies a geographical area in which one or several enterprises are located which produce the kind of product for which the geographical indication is used. Thus, there is no “owner” of a geographical indication in the sense that one person or enterprise can exclude other persons or enterprises from the use of a geographical indication, but each and every enterprise which is located in the area to which the geographical indication refers has the right to use the said indication for the products originating in the said area, but possibly subject to compliance with certain quality requirements such as prescribed, for example, in administrative decrees governing the use of appellations of origin.

2.679 What is meant by “protection” of geographical indications? First of all, protection means the right to prevent unauthorized persons from using geographical

indications, either for products which do not originate from the geographical place indicated, or not complying with the prescribed quality standards. The second aspect related to the issue of protection is the question of protecting geographical indications against becoming generic expressions: in that case they have lost all their distinctiveness and, consequently, will lose their protection. The question whether a geographical indication is a generic term and void of any protection is, in the absence of an international agreement, to be determined by national law. It might well be that a geographical name is regarded in one country as a geographical indication and is protected accordingly, whereas it is considered to be a generic or semi-generic term in another country. Notorious examples for such diverging treatment of geographical names are the French names “Champagne” and “Chablis” which, in France, are only allowed to be used for products originating from a certain geographical area and produced according to certain quality standards, whereas, in the United States of America for example, they are regarded as being semi-generic names, and therefore may be also used for wines not originating from the French area of production. This aspect of protection is especially important in the context of international protection of geographical indications and is dealt with, for example, by the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

Protection of Geographical Indications on the National Level

2.680 As regards the various forms of protection of geographical indications on the national level, three main categories can be distinguished. The first category comprises all possibilities of protection which are not based on a decision taken by the competent authority establishing protection with respect to a particular geographical indication, but which result from the direct application of legislative provisions or principles established by jurisprudence. The second category covers the protection of geographical indications through registration of collective marks (including agricultural labels) or certification marks (or guarantee marks). The third category includes all special titles of protection of geographical indications which result from a decision made by the competent government authority establishing the protection. This category, in particular, comprises the protection of appellations of origin—whether they result from a registration with the industrial property office, as under the new Russian law, or from the adoption of decrees, as is the practice in France since the adoption, in 1919, of a special law for the protection of appellations of origin.

Registration of Collective Marks or Certification Marks

2.684 The protection of a given geographical indication may not only be based on a public or administrative act, but may also result from a private initiative. With regard to the latter approach, collective marks or certification marks provide a means for the protection of geographical indications independent of statutory or judicial measures. The concepts of collective mark and certification mark (or, in some countries, guarantee 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.

2.685 A collective mark is a mark the use of which is only allowed to 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 association which exclusively grants its members the right to use it. The association may be a domestic one or a foreign one. Normally, the use of the collective mark is governed by regulations which have to be submitted to the industrial property office together with the application for registration. The question whether a geographical indication is registrable 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 exclusion has been abolished by some countries.

2.686 Once a geographical indication has been 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, in case of conflict with a senior right, the members of the association may be excluded from using the collective mark. Moreover, the registration of a geographical indication as collective mark may not, *per se*, prevent the mark from becoming a generic term. Furthermore, the laws of some countries contain strict use requirements which may result in the cancellation of the registration of the collective mark in case it is not continuously used.

2.687 In contrast to collective marks, certification marks and guarantee 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 council or an association which is not engaged in the production or the trade of the products concerned. The latter is of particular importance because it is the owner of the certification mark who must ensure that the goods bearing the certification mark possess the certified qualities. A certification mark may be used to certify, *inter alia*, the origin of products or services. The application for the registration of a certification mark has to be accompanied by regulations which govern the use of the certification mark. Regarding the registrability of geographical indications as certification marks and guarantee marks, the same principles as for the registration of collective marks apply.

2.688 Where a geographical indication has been registered as a certification mark or guarantee mark, it may normally be used by everybody whose products comply with the requirements set out in the regulation. Such right to use, however, may not exist in case of conflict with a senior right. The institution which owns the registered certification mark or guarantee 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. In general, the protection of a geographical indication through registration as certification mark or guarantee mark is equivalent to that conferred by registration as a collective mark.

The Law of Unfair Competition

2.690 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.

2.691 Although the conditions for a successful action for unfair competition vary from country to country, the following basic principles appear to be generally recognized. In order to be protectable, 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 products or services. Under some national laws, proof of damages or the likelihood of damages caused by such misleading practices is required.

2.692 Whereas 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 be protectable by 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.

Protection of Geographical Indications on the International Level through Multilateral Treaties

2.693 Three multilateral treaties administered by WIPO contain provisions for the protection of geographical indications: the Paris Convention for the Protection of Industrial Property, the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (hereinafter referred to as the Madrid Agreement), and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (hereinafter referred to as the Lisbon Agreement).

The Paris Convention for the Protection of Industrial Property

2.694 Several provisions of the Paris Convention deal specifically with indications of source or appellations of origin: Article 1(2) contains a reference to “indications of source” and “appellations of origin” in the list of objects of industrial property; Article 10 deals with the protection of indications of source; Article 9 provides for certain sanctions which are applicable, *inter alia*, in cases of direct or indirect use of false indications of source; and Article 10^{ter} reinforces the provisions of Articles 9 and 10.

2.695 Article 1(2) provides that the protection of industrial property has as its object, among others, “indications of source” or “appellations of origin.” The obligation to protect indications of source is specifically provided for in Article 10, but there are no special provisions in the Paris Convention for the protection of appellations of origin. Nevertheless, Articles 9, 10 and 10^{ter} are applicable to appellations of origin since each appellation of origin by definition constitutes an indication of source.

2.696 Article 10(1) is the basic provision of the Paris Convention on indications of source. It provides that the sanctions prescribed by Article 9 in respect of goods unlawfully bearing a trademark or trade name apply to any use of a “false indication of the source” of a product. This means that no indications of source may be used that refer to a geographical area from which the products in question do not originate. For the provision to be applicable, there is no need for the false indication to appear on the product, since any direct or indirect use, for example in advertising, is sanctionable. However, Article 10(1) does not apply to indications which, without being false, may mislead the public, or at least the public of a certain country: for example, where certain geographical areas in different countries have the same name but only one of those areas is internationally known for particular products, the use of that name in connection with products originating from another area may be misleading, but not sanctionable.

The Madrid Agreement for the Repression of False and Deceptive Indications of Source on Goods

2.702 The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods is a special agreement within the framework of the Paris Union. The Agreement aims at the repression not only of false, but also of deceptive, indications of source.

2.703 Article 1(1) of the Madrid Agreement provides that any product bearing a false or deceptive indication by which one of the States party to the Madrid Agreement or a place situated therein is directly or indirectly indicated as being the country or place of origin, must be seized on importation into any of the States party to the Madrid Agreement.

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

2.709 The limited geographical scope of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration is due to particular characteristics of the substantive provisions of the Agreement.

2.710 Article 2(1) contains a definition according to which 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.” It follows that only names conforming to the definition may be protected by virtue of the Lisbon Agreement. Simple indications of source (which can be used for products whose characteristics do not result from the geographical environment) are excluded from its purview. This limitation has prevented the accession of countries which do not know the concept of appellation of origin.

2.713 Article 1(2) provides that the countries party to the Lisbon Agreement undertake to protect on their territories, in accordance with the terms of the Agreement, the appellations of origin of products of the other countries party to the Lisbon Agreement, recognized and protected as such in the country of origin and registered at the International Bureau of WIPO. Therefore, in order to be protected under the Lisbon Agreement, the appellation of origin must fulfill two conditions. The first condition is that the appellation of origin must be recognized and protected as such in the country of origin (the latter being defined in Article 2(2)). This condition means that it is not sufficient for the country in question to protect its appellations in a general way. Each appellation still has to benefit from distinct and express protection, deriving from a specific official act (a legislative or administrative provision, or a judicial decision, or a registration). Such an official act is required because the specific elements of the object of protection (the geographical area, the lawful users of the appellation of origin, the nature of the product) must be determined. Those elements must be indicated in the application for international registration in accordance with Rule 1 of the Regulations under the Lisbon Agreement.

2.714 The second condition laid down by Article 1(2) is that the appellation of origin must be registered with the International Bureau of WIPO. Articles 5 and 7 of the Agreement itself and the Regulations set forth the procedure for international registration.

2.715 Article 2(2) defines the country of origin as being “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.”

2.716 Article 5(1) and the corresponding provisions of the Regulations issued under the Lisbon Agreement define the procedure for international registration. International registration must be applied for by the competent Office of the country of origin, and therefore may not be requested by interested parties. The national Office, however, does not apply in its own name for international registration, but in that of “any natural persons or legal entities, public or private, having a right to use (in French, “titulaire du droit d’user”))” the appellation, according to the applicable national legislation. The

International Bureau of WIPO has no competence to examine the application with respect to substance; it may only make an examination as to form. Under Article 5(2) of the Lisbon Agreement, the International Bureau notifies the registration without delay to the Offices of the countries party to the Lisbon Agreement and publishes it in its periodical “Les Appellations d’origine” (Rule 7 of the Regulations).

2.717 In accordance with Article 5(3) to (5), the Office of any State party to the Lisbon Agreement may, within a period of one year from the receipt of the notification of registration, declare that it cannot ensure the protection of a given appellation. Apart from the time limit mentioned, the right of refusal is subject to only one condition: the grounds for refusal must be indicated. The grounds which may be so indicated are not restricted by the Lisbon Agreement; this in fact gives each country the discretionary power to protect or refuse to protect a registered appellation of origin. In all countries not having made a declaration of refusal, the registered appellation enjoys protection. However, if third parties have been using the appellation in a given country prior to the notification of the registration, the Office of that country may, under Article 5(6) of the Lisbon Agreement, grant them a maximum of two years in which to terminate such use.

2.718 The protection conferred by international registration is unlimited in time. Article 6 provides that an appellation which has been granted protection cannot be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin. Article 7 provides that the registration need not be renewed and is subject to payment of a single fee. An international registration ceases to have effect only in two cases: either the registered appellation has become a generic name in the country of origin, or the international registration has been canceled by the International Bureau at the request of the Office of the country of origin.

2.719 The content of the protection afforded to an appellation of origin registered under the Lisbon Agreement, according to Article 3 of the Agreement, is very extensive. Any usurpation or imitation of the appellation is prohibited, even if the true origin of the product is indicated or if the appellation is used in translated form or qualified by terms such as “kind”, “type”, “make”, “imitation”, or the like.

Protection of Geographical Indications at the International Level through the Provisions of Bilateral Agreements

2.722 A further possibility of international protection of geographical indications is the conclusion of bilateral agreements between two states. A number of countries have entered into such agreements. In general, such bilateral agreements consist of lists of geographical indications which were drawn up by the contracting parties and an undertaking to protect the geographical indications of the respective contracting parties. The agreement usually also specifies the kind of protection that is to be granted. Although in general useful, bilateral agreements cannot constitute an entirely adequate

solution to the problem of the lack of international protection because of the multiplicity of negotiations required and, resulting therefrom, an inevitable diversity of standards.

Provisions of The TRIPS Agreement on Geographical Indications

2.723 Part II, Section 3 of the TRIPS Agreement is dedicated to geographical indications. The general norm of protection is provided by Article 22.2, which reads as follows:

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

- *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 the origin in a manner which misleads the public as to the geographical origin of the good;*
- *any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).”*

2.724 Article 22.2 is supplemented by Article 22.3 and 22.4. Article 22.3 deals specifically with the registration of trademarks, containing or consisting of a geographical indication, for goods not originating in the territory indicated, if the use of those trademarks for such goods would be misleading as to the true place of origin of the goods. The remedy that must be available in that situation is refusal or invalidation of the trademark registration, either ex officio, if the applicable law so allows, or at the request of an interested party.

2.725 Article 22.4 stipulates that the protection under Article 22.1 to 3 must also be made available in respect of the use of deceptive geographical indications, i.e., geographical indications that are literally true, although they falsely represent to the public that the goods on which they are used originate in a different territory.

2.726 Article 23.1 provides for additional protection for geographical indications for wines and spirits. It reads as follows:

“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.”

2.727 Article 23.1 has a footnote with the following wording:

“Notwithstanding the first sentence of Article 42, Members may, with respect to these obligations, instead provide for enforcement by administrative action.”

2.728 Article 23.1 is supplemented by a paragraph dealing specifically with the registration of trademarks for wines containing or consisting of a geographical indication for wines, and the registration of a trademark for spirits containing a geographical indication for spirits, where the wines and spirits in question do not have the indicated geographical origin. Registration of trademarks falling under that provision has to be refused or canceled, either ex officio if the applicable law so allows, or at the request of an interested party.

2.729 Article 24 contains a number of exceptions to the obligations under Articles 22 and 23. Broadly 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.

2.730 The first exception (Article 24.4) gives the right to WTO Members to allow 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 preceding April 15, 1994, or in good faith preceding that date.

2.731 The second exception relates to rights in trademarks (Article 24.5). It basically states that the implementation of the Section on geographical indications by a WTO Member is without prejudice to the registration of trademarks identical with or similar to geographical indications, to the application for registration of such trademarks, or the right to use such trademarks, if the following conditions are fulfilled: an application for the registration of such a trademark must have been filed, or the trademark must have been registered, or, where the right to the trademark was acquired by use, that trademark must have been used, in good faith, in the WTO Member concerned, before the TRIPS Agreement became applicable in that Member, or before the geographical indication in question is protected in its country of origin.

2.732 The third exception (Article 24.6) is related to geographical indications of a WTO Member which are considered by another WTO Member to be a term customary in common language as the common name for goods or services or, where the geographical indication is used for products of the vine, it 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 TRIPS Agreement.