

Worldwide Symposium on Geographical Indications

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Moderator: Ms. Liu Yan, Director General, International Cooperation Department, SAIC; Speakers: Mr David Muls WIPO, Mr Wolf Meier-Ewert WTO, Ms Nancy Omelko USPTO, and Mr Francis Fay EU.

Presentation by Mr Francis Fay, Head, Unit Geographical Indications, Directorate General Agriculture and Rural Development, European Commission, Belgium

The opinions expressed herein are those of the author and do not necessarily represent the views of the European Commission.

1. INTRODUCTION

Congratulate WIPO and State Administration for Industry and Commerce, with the support of the People's Government of Jiangsu Province, for organising the symposium. Over the years these events have become the milestones marking the progress in the global development of GIs.

Thank in particular our hosts, the People's Government of Yangzhou City and Jiangsu Administration for Industry and Commerce,

Welcome the presentations just made on developments in WTO and WIPO, including the Lisbon Agreement, and from the US on their approach on geographical indications.

I should like to take a step back, and look at how in the last 10 years or so, GIs have become an established and universal part of the intellectual property rights (IPR) family. That has implications for the European Union (EU), as for all countries, as we increasingly look beyond our borders to see how GIs are developing.

As an indication of the global impact being felt in the EU: we now protect 3323 EU¹ GIs and 1553 of non-EU countries, including 10 from China, protected mainly through international agreements. That is 1 in 3 within GIs protected in EU territory are from outside the EU.

Despite this growth, there continue to be distractions surrounding GIs, and particularly the nature of GIs as an instrument of IPR. I should like to address this aspect, and focus on the difference between an indication of provenance and a GI, the relation with generics and trade marks and conclude with reference to the EU convention on fundamental rights.

¹ Comprising 1325 agricultural products and foodstuffs, 1749 wines, 247 spirits and 5 aromatised wines (at 15.06.2017)

2. GEOGRAPHICAL INDICATION SYSTEMS: MAINSTREAM IPR

GIs as a stand-alone system of intellectual property rights have become mainstream. They are an essential part of the IPR instruments in countries across Asia, Europe and the Americas and are making inroads in Africa. Governments and stakeholders have seen the need for a specific tool that can protect the rights of local producers of agricultural and artisanal goods.

What exactly is being protected with the GI instrument? There are many opinions and some are distractions that take GIs out of their IPR context. Indeed, in the agricultural sphere, it is tempting to think of GIs as an ‘agricultural programme’, designed to secure ‘success in markets’, ‘higher profits’ and ‘loyal customers’ as an inevitable consequence of registration! The argument continues that GIs can be used to promote a pre-defined vision of quality, capture markets and boost trade surplus.

As attractive as such an extraordinary economic policy tool might be to some, we need to bring the debate back to reality. GIs can only be analysed through the prism of what they are, which is an intellectual property right. And one in the hands of producers.

GIs no more guarantee market returns, than a Plant Variety right guarantees a harvest, or a Trade Mark guarantees hits on social media.

The IPR nature of the GI can show us its potential, but also limitations. The instrument is remarkable enough. But it is only a tool to be used by producers and operators, who may succeed or fail.

What are the essential elements of a GI? I would like to highlight 2 central elements:

- First, the GI ‘identifies a good...’ When it is a GI, we say it *is Darjeeling*, not *from Darjeeling*. It becomes nominative. This explains how GIs, names of products intrinsically linked with area, need not be geographical names – like *Rooibos* which is not a place, even less a ‘provenance’: It is a world-renowned, and specific, product originating only from the unique region of Western Cape in South Africa.
- Second, the GI must have a given ‘quality, reputation or other characteristic’ essentially attributable to its geographical origin. This phrase captures the definition of quality. Not the subjective view of a high-placed government official, but identifiable characteristics and factors that link the production of the GI to a place.

The *Rooibos* GI highlights that we have to distinguish GIs from ‘indications of provenance’. There is a world of difference in the role of ‘citizens’ and ‘taxpayers’ – many are the same people, but that does not mean all citizens pay tax, nor that all taxpayers are citizens. So too, GIs and ‘indications of provenance’, describe very significantly different legal qualities.

While basic products like fruit and vegetables invariably come from the place of harvest, this is not the case for processed products. Agri-food products have developed according to agronomic constraints and supply and production challenges. For example, beer is often associated with its city of production and the skill of master-brewers rather than the origin of the hops. Bakery products,

processed meats and dairy products too, can owe their identity and special qualities to the processing stage. These are value-added products made from raw materials traded and sourced elsewhere. Indeed, to create the traditional product, a processor may need to insist on a quality of ingredient, rather than its provenance.

GIs reflect the world as it is, with complex supply chains, quality requirements and seasonal availability. And not an artificial world conjured by a rules-of-origin lawyer or other armchair expert.

The second critical difference between an indication of provenance and a GI is the causal link between product characteristics and the territory – the environmental factors or the *savoir faire*. What distinguishes the GI is the link – raw materials or processing – to a defined geographical area. That is the "USP" (unique selling point) of a GI: the critical factor that switches from a 'descriptor' to a 'name'. And from 'labelling' to 'intellectual property right'.

3. GIs, GENERICS AND TRADE MARKS

Let me turn to the interaction between GIs and generics and trade marks. I recall, but must refute, the allegation that GIs are closing down trade marks and generics. This is simply not true.

On generics, the position is clear that generic names cannot be registered as GIs. There is no doubt: whether in TRIPS, Lisbon Agreement or any GI scheme, like that of the EU.

A more contentious issue has emerged, however, and that concerns territoriality. IPRs are fundamentally territorial rights – protection in one territory does not afford protection nor assumption of protection in another. However, we hear increasingly the grievance that because a name is deemed generic in one territory, this is itself proof of genericity elsewhere.

This is a rather uni-centric view of the world: '*what I see from my perspective, must be the same you see from yours*'. There is an argument that the circumstances which led to genericity in one place, may also have operated to achieve genericity in another. But we have to look at the factors in each territory.

The EU courts have spoken on genericity of geographical names. And settled on the definition that the name of the product has, in the eyes of the consumer, lost its connotation with the original place of origin. Needless to say, this is a wholly territorial test.

On trade marks, and for plant varieties, the situation is clear, fair and balanced. All IPR have to be upheld: so where rights conflict and overlap, an equitable outcome has to be found to balance those rights. There is no country that gives an absolute exclusive right to a trade mark. Two factors, among several, stand out to limit trade marks:

- First they must have been registered in good faith. This is *sine qua non* and an absolute ground for refusal, and a ground for cancellation if the mark was registered. No trade mark in bad faith is safe. And that is irrespective of whether there is a GI or not. So if an operator sees a market opportunity to benefit by

registering trade marks they know full-well are the famous names belonging to other producers, that knowledge can put at risk their trade marks.

- The second restraint on trade marks is the Article 17 of TRIPS² ‘limited exception’, for reasons such as descriptive use. There has been a WTO Panel brought by Australia and the US against the EU on GIs³. The Panel’s Solomon-like report was actually welcomed by both sides in the dispute. It contains a clear ruling on Article 17 concerning GIs and trade marks. It is one the EU, US and Australia could all live with.

The basic result was that the EU regime, which allows most later in time GIs to coexist with an earlier trade mark, was compatible with Article 17. The trade mark is not deleted; it continues to prevent uses by all other operators, save one class – the legitimate users of a GI. The fundamental issue is that the 2 forms of intellectual property can coexist.

The GI instrument does not undermine other IPRs, but rather achieves balanced coexistence. Rights acquired in good faith are respected. GIs are, just like trade marks, designs, patents, plant varieties, one tool in the IPR box. GIs, as a collective form of IPR, secure protection against unfair practices like misuse, imitation, or false information – just like, and rightly so, any other IPR.

Why is the coexistence rule important? Why can GI applicants not be quicker off the mark and live by the first-in-time rule?

The GI is an unwieldy instrument, and a very public one: producers have to get together, agree a specification, agree a geographical area and finally submit an application. By the time they have done that, good faith trade marks may have been registered.

But the capture by a single entity of the name of a product produced collectively and where its added-value attaches to a geographical area, is contrary to public policy. In fact, irrespective of GIs, trade mark examiners will be more than likely to reject such applications for trade marks. But there have been exceptions. We are now seeing some confusion in marketing on the internet, with protected names being used via the web across borders. The allocation of domain names is a further matter that needs specific attention to ensure not only that consumers are not misled, but that the original producers do not find themselves unable to market on line the original product.

The trade mark registration in the US of *Rooibos* gives a practical example of the limitations and suboptimal outcomes of a trade mark only system.

In sum, we can conclude that GIs – as developed in the EU and around the world – do not violate prior rights. A good-faith trade mark that includes a place name is not

² Article 17 TRIPS: "Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties."

³ WTO Panels: European Communities – protection of Trademarks and geographical indications for Agricultural products and foodstuffs, Complaint by the United States DS174EC and Australia DS 290

threatened. It may need to coexist with a later-in-time GI, but other than this limited exception all other rights remain intact.

We can also conclude that GI protection cannot capture generics. On territoriality principle of IPR generic status only applies in one jurisdiction. No global concept. Applies to part of a compound GI as to a single word.

Opposition processes give strength to any IPR. Enshrined in EU practice.

4. GIS FOR ALL

The EU convention of fundamental rights contains a brief but telling article⁴ (also Article 17) that '*Intellectual property rights shall be protected*'. This applies to trade marks as much as to GIs and is a principle for establishing the balance mentioned earlier. IPR is a fundamental right in European Union.

This ensures balance of TMs and plant rights. Underlines for GIs must have that causal link to be IPR and not names of provenance.

Faced with such a clear fundamental right, no EU institution could suggest that small producers or minor operators only selling their product locally, should be denied protection. It would be as absurd to refuse a GI on agronomic or trade criteria, as to deny a trade mark application. All producers, whatever their size and market outlets have the right to apply for registration of a GI and have the right for their case to be judged on its merits.

5. CONCLUSION

In conclusion, we can now see GIs as a distinct IP instrument, almost universally available in the world.

It fills a void left by trade marks, for which registration of a collective right in a product having a geographical name presents difficulties.

GIs are only a legal instrument. Dry and cold, like a legal act of marriage. But once registered, it is the producers and operators who breathe life and activity into their newly acquired legal status. With a registered GI, producers have an intangible asset that can be used to back up bank-loan applications for investment in their product and marketing strategies, safe in the assurance that their valuable property right is protected.

They can achieve fame and profit, or they may not. Nothing in the IPR – in the GI – determines whether they succeed.

But also nothing in the rules prevents a producer group from registering 'because they are too small' or 'they don't sell enough product internationally'. This kind of thinking is anathema to IPR.

⁴ Convention of fundamental rights of the European Union, Article 17(2): "Intellectual property shall be protected."

*Francis Fay,
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