

MARQUES Position

on the Issues of concern to be addressed in response to the Survey on the Lisbon System

The Basis for Protection in the Country of Origin

Some have interpreted the phrase “recognized and protected as such” in Article 1(2) of the Lisbon Agreement as restricting eligibility for registration and protection under the Agreement to appellations of origin recognized and protected under *sui generis* legislation in the country of origin. Others take the view that this phrase does not impose a means by which an appellation of origin should be protected in the country of origin, nor the specific legal form of protection, as long as the geographical denomination in question meets the definition provisions of Article 2 of the Agreement. Rule 5(2)(a)(vi) of the Regulations under the Lisbon Agreement broadly refers to protection in the country of origin by virtue of legislative provisions, administrative provisions, judicial decisions or registration.

Question 1: Should the basis for protection in the country of origin in Article 1(2) of the Agreement and Rule 5(2)(a)(vi) of the Regulations be revised, in view of the different means of protection existing around the world for geographical indications?

Article 1(2) of the Agreement does not provide any limits as to means of protection of appellations of origin in countries that are parties to the Agreement. On the contrary, it allows countries to choose the means of protection themselves while requiring only that the appellations of origin are recognized and protected in the country of origin. Similarly, Rule 5(2)(a)(vi) of the Regulations suggests different acts (legal, administrative or judicial) that are usually used in different countries to introduce a system for protection of indications of geographical origin. Therefore, there is no need to revise the provision as to the basis for protection. It reflects the correct interpretation of the existing provisions of the Agreement.

Nevertheless, taking into account that in some countries or regions GIs might be considered protected through certification marks or collective marks and that seems to be the understanding of WIPO according to certain documents, if said kind of trademarks are interpreted to constitute appellations of origin for the purposes of the agreement, then more clarification would be desirable. As to the text of article 1 (2), it might be more correct to delete “as such”, as the expression “as such” seems to be intended to mean something and to stress some difference with other signs, and might even seem to preclude trademarks from being treated as appellations of origin.

If this kind of trademark is accepted as an appellation of origin for the purpose of the agreement, then the consequences of a possible double protection should be considered.

The possible use of the system by applicants from countries in relation to which certification trademarks, collective trademarks or guarantee trademarks are accepted as basis for an application for protection through Lisbon might lead to inconsistency in comparison with those of countries where this is not possible, e.g., at the time of getting protection in a third country.

Terminology and Definitions

A number of domestic laws exist under which protection is available for appellations of origin on the basis of a definition that corresponds to the definition provisions of Article 2 of the Lisbon Agreement. Other domestic laws provide protection for geographical indications on the basis of the definition provisions of Article 22.1 of the TRIPS Agreement. Domestic legislation also exists with both a definition for appellations of origin and a definition for geographical indications or variations of those terms. Moreover, there are also domestic laws dealing with the same subject matter without defining the term “appellation of origin” or the term “geographical indication”.

Question 2: Should the definition provisions of Article 2 of the Lisbon Agreement be amended?

The concept of appellation of origin is well-established and has been consolidated throughout the years. The Lisbon Agreement represents the consecration of this concept at international level. The requirement of a link between the geographical environment (natural and human factors) and the quality and characteristics of the product is essential. This requirement must not be weakened by a broader definition which would include further types of geographical names. In particular, protection should not be granted when the quality and characteristics of the product do not have any link with natural factors.

To that extent the current definition in Article 2(1) should therefore remain unchanged as it reflects the objective of the Lisbon Agreement to provide a strong protection to a well-defined category of geographical names.

In addition to that, it could be useful to bring the English text of the Lisbon Agreement into correspondence with the French (in which it was signed) and the Spanish texts to eliminate misunderstanding as to the characteristics of the appellations of origin (the English text of the Agreement requires “the quality and characteristics of the product”, while the French and Spanish refer to “the quality or characteristics”

On the other hand, as to the terminology, the concept “appellation of origin” may create confusion with other concepts such as designation of origin and geographical indication in countries where those other concepts co-exist, as it is the case of the EU Member States. This would be particularly true in certain cases like, e.g., Spain, if it finally ratifies the Agreement, as the Spanish translation of the expression “appellation of origin” in the Lisbon Agreement is “denominación de origen”, which is exactly the same as the Spanish wording used for one of the two types of names protected under the EU scheme of regulation 510/2006 on agricultural products and foodstuffs (which are “denominaciones de origen (designations of origin)” and “indicaciones geográficas (geographical indications)”, both preceded by the expression “protected”). This would lead to the existence of two types of “denominación de origen”, one under Lisbon and another under EU regulations, which would only differ from each other due to the addition of the expression “protegida” (namely, “protected”), which is added to those protected under the EU regulation and for obvious reasons could even render more confusing the situation for consumers.

A possible option could be to foster the reference to the Lisbon appellation as “International appellation of origin”. This could contribute to clarify the situation in a similar manner to what happens in the trademark field where Community registrations, International registrations and National registrations are more easily differentiated. That terminology also may serve to automatically associate the corresponding concepts with their respective regulations and effects.

Scope of Protection

The Lisbon Agreement does not define the terms “usurpation” and “imitation”, as contained in its Article 3, but the negotiating history would appear to indicate that these terms are aimed to prevent use of an internationally registered appellation of origin on a product of the same kind not originating from the area to which the appellation of origin refers or a product of the same kind that, while originating in that area, does not meet the quality or characteristics on which protection for the appellation of origin is based.

Question 3: Should Article 3 of the Lisbon Agreement be amended so as to address the protection of appellations of origin against use on products that are not of the same kind and, if so, on the basis of what criteria?

Apart from the negotiation history of the Lisbon Agreement, which tends to indicate that Article 3 does not apply to the use on products which are not similar to the ones protected by the international registration, the TRIPS chapter on geographical indications (art. 22-24) might also be taken into consideration. According to TRIPS 22(3) concerning the specific case of conflicting trademarks and GIs, it seems that the goods in question must be identical or similar for the trademark to be refused or invalidated. For the additional protection granted to wine and spirits GIs in TRIPS 23(1) and (2), the scope of protection is even more restrictive as it is limited to uses on identical goods.

In this context, the scope of protection of Article 3 should remain limited to identical or similar goods. However, an extension to the use on products which are not of the same kind could be considered when this use is made in bad faith to take unfair advantage of the appellation’s reputation or when without due cause it is likely to dilute it.

Question 4: What amendments would be necessary to Article 3 in connection with the answer to questions 1 and 2 above?

No amendment.

Effects of Registration

The negotiating history of the Lisbon Agreement shows that the Lisbon system is meant to: (a) require a country of origin to provide information in international applications allowing the other member countries proper examination as to whether they can protect the internationally registered appellations of origin concerned; (b) require these other countries to take position within a period of one year from receipt of the notification of an international registration and, in case they submit a declaration of refusal, to specify the grounds for such refusal; and (c) shield such an appellation of origin against becoming a generic denomination.

Question 5: As regards point (a) above, are there elements in the application and registration procedures requiring improvement and, if so, which are these elements?

Information should be provided on the characteristics of the products which are essentially attributable to the geographic origin.

Question 6: As regards point (b) above, are there elements in the procedures for the notification of refusals, withdrawals of refusals and statements of grant of protection requiring improvement and, if so, which are these elements?

For better clarity, the grounds of refusal (prior rights, genericness of the appellation in the country concerned, etc.) should be listed explicitly in Article 5 of the Lisbon Agreement.

Question 7: As regards point (c) above, would there be a need to amend Article 6 of the Lisbon Agreement, in order to allow for certain exceptions, or does the phrase “cannot, in that country, be deemed to have become generic” provide sufficient leeway in that respect?

No amendment needed.

Question 8: Are there elements in the procedures of Rule 16 of the Regulations under the Lisbon Agreement concerning the notification by a member country of an invalidation of the effects of an international registration and its recording in the International Register requiring amendment and, if so, which are these elements?

The term "elements" in Rule 16 (iv) should be concretized in order to facilitate the application of the provision.

Prior Users

Question 9: Would there be a need to amend Article 5(6) of the Lisbon Agreement, or does the fact that Article 5(6) of the Lisbon Agreement and Rule 12 of the Regulations under the Agreement only apply in case a member country does not notify a declaration of refusal provide sufficient leeway in this respect?

Article 5(6) sets a phasing-out period for, among others prior trademarks conflicting with a newly registered appellation. According to the current interpretation, the phasing-out is not optional; there is only flexibility about the period (up to 2 years). Even if Article 5(3) allows the national authorities to notify to WIPO that they cannot ensure the protection of the appellation in their territory (declaration of refusal), the System does not protect prior trademark rights in the event that a Member State omits, for whatever reason, to notify this declaration to WIPO within the foreseen period of one year. In the absence of such declaration, the use of prior trademarks conflicting with the registered appellation must be terminated in the Country concerned, without any form of compensation for the Trademark Owner.

This mechanism amounts to an expropriation which is unacceptable from the perspective of Trademark Owners. It is one of the reasons why only few Countries have adhered to the Lisbon System.

This provision is also contrary to the TRIPS Agreement which allows the coexistence of geographical indications and trademarks under certain conditions. According to TRIPS 24(5), coexistence is possible when the trademark has been applied for or registered in good faith or acquired in good faith through use before the date of application of TRIPS in the Member State concerned or before the geographical indication is protected in its country of origin. In such cases, the validity of the trademark and the right to use it remain guaranteed.

As the Lisbon Agreement is not exempted from TRIPS provisions - see the exhaustive list of exemptions in TRIPS 2(2) - Article 5(6) must be reformulated in order to comply with TRIPS and to guarantee the coexistence of trademark rights acquired in good faith:

- 1) before the application of the Lisbon Agreement in the Country concerned; or**
- 2) after the application of the Lisbon Agreement in the Country in question but before the appellation is protected in its country of origin.**

Such an amendment would provide Trademark Owners with a guarantee that their existing good faith rights are not in danger of being destroyed by the international filing of appellations of origin under the Lisbon Agreement. This might facilitate the adhesion of new Countries to the Lisbon System.

Other Issues

Question 10: What other issues concerning law or practice directly or indirectly related to the functioning of the Lisbon system do you consider require amendment or modification of the existing Lisbon Agreement and would you like to bring to the attention of the Working Group on the Development of the Lisbon System?

a) We wish to raise some questions as to the compatibility and coordination of the Lisbon System with the EU System for the protection of geographical indications as we consider that they should be studied more in depth by the Working Group.

According to Community Law, regulation (EC) No 510/2006 for agricultural products and foodstuffs (and formerly regulation (EC) No 2081/1992) is the only regulation for geographical indications and designations of origin for the goods covered by that regulation in the European Union. There is no other way of obtaining protection in the European Union.

The recent judgment of the ECJ (Grand Chamber) of 8 September 2009 in Case C-478/07, literally states that Regulation (EC) No 510/2006 “is exhaustive in nature, with the result that that regulation precludes the application of a system of protection laid down by agreements between two Member States, such as the bilateral instruments at issue in the main proceedings, which confers on a designation, which is recognised under the law of a Member State as constituting a designation of origin, protection in another Member State where that protection is actually claimed, despite the fact that no application for registration of that designation of origin has been made in accordance with that regulation”.

This would seem to may make irrelevant the Lisbon System in relations between EU members for products covered under 510/2006, as the only way to protect geographical indications, as such, between Member States, is to protect them through the procedure set in that regulation and the protection given is that provided by it.

On the other hand, the fact that the only way to protect GIs in the European Union for the goods protected under those regulations is through said regulation also poses the question of what protection/effect those geographical indications from Non-EU countries protected under Lisbon would enjoy in the Member States of the EU, which were applied for after the entry into force of EC regulation No 2081/1992 (the predecessor of No 510/2006).

Similar questions could be posed concerning the other products which are the object of specific EU GI regulations, as it is the case of wines and spirits (according to their respective regulations).

As to goods for which there are no specific EU regulations, nowadays there would not seem to be any problem, although possible projects of the EU to extend protection to other products (as it derives from the report commissioned by the EU Directorate

General for Trade, which was finalised in November 2009) also should be kept in mind for the same reasons set above, as the situation could change in the future.

b) The Working Group should deal with the coexistence of the Lisbon system with other national, regional and international systems for protection of indications of geographical origin. Special attention should be paid to the problems faced by those parties to the Agreement, which are EU members.

Obviously, if a way could be found for the EU (which nowadays has 27 countries, which is more than the current number of members of the Lisbon Agreement) to join the agreement, then all or most of these queries would be solved.

c) As part of the EU Green Paper on agricultural quality policy, the issue of the advertising of PGI/PDO ingredients used in processed products/prepared foods was raised. The consultation of the various stakeholders showed that a majority of respondents was in favour of laying down rules on the use/advertising of PDO/PGI as ingredients. The Working Group on the Lisbon System should follow the developments of these discussions at EU level and examine if similar provisions can be included in the Lisbon Agreement as well.

d) The Working Group should deal with the issue of co-existence of homonym appellations of origin. Similar or identical geographical names do exist in different countries. A procedure for negotiating the possible registration of homonymous names between the interested parties would be of help.

e) An effective system for dispute settlement between the Parties could be of interest.

f) The interpretation of the expression “detrimental” in article 5(3) should be clarified.