

WIPO/GEO/SFO/03/2Rev.

ORIGINAL: English

DATE: July 17, 2003



WORLDINTELLECTUAL
PROPERTYORGANIZATION

WORLDWIDESYMPOSIUM ONGEOGRAPHICALINDI CATIONS

organized by
theWorldIntellectualPropertyOrganization(WIPO)
and
theUnitedStatesPatentandTrademarkOffice(USPTO)

SanFrancisco,California,July9to11,2003

INTRODUCTIONTOGEOG RAPHICALINDICATIONS ANDRECENT
DEVELOPMENTSINTHE WORLDINTELLECTUALP ROPERTYORGANIZATION
(WIPO)ANDTHEWORLD TRADEORGANIZATION (WTO)

*documentpreparedbyMr.HannuWager,Counsellor,
IntellectualPropertyDivision,WorldTradeOrganization*

Introduction

1. The Fourth Ministerial Conference of the WTO was held in Doha, Qatar, in November 2001. At that Conference, Ministers adopted the Doha Ministerial Declaration¹, which provides the mandate for negotiations on a range of subjects, including on agriculture and services, as well as issues concerning the implementation of the present agreements. The negotiations are taking place in the Trade Negotiations Committee (TNC) and its subsidiaries. Other work under the work programme has been taken up in regular WTO councils and committees. The Declaration puts issues related to development at the core of the work programme – hence the Doha round negotiations are often referred to as the Doha Development Agenda. The negotiations should be concluded not later than 1 January 2005. Progress in these negotiations is to be reviewed at the Fifth Ministerial Conference in Cancún, Mexico, on 10 -14 September this fall.

2. The WTO's work programme on intellectual property is mandated by the TRIPS Agreement in combination with the declarations and other decisions adopted at the Doha Ministerial Conference. There are three recurrent items in this work programme that concern geographical indications: first, negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits, second, issues related to the extension of additional protection available under Article 23 of the TRIPS Agreement to products other than wines and spirits, and, third, the review of application of TRIPS provisions on geographical indications under Article 24.2.

3. My intention is to provide you with some factual information on the status of work in each of these three areas. It should be noted that protection of geographical indications is also being raised by some delegations in the context of the agriculture negotiations, and there are two consultations underway under the disputes settlements system concerning the protection of geographical indications. At the end of my presentation, I will say a few words about the developments in these areas.

4. Let me now turn to the negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits. These negotiations are mandated by Article 23.4 of the TRIPS Agreement and the first sentence of paragraph 18 of the Doha Ministerial Declaration.

5. Article 23.4 of the Agreement provides that

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

¹Document WT/MIN(01)/DEC/1. This and other WTO documents referred to in this paper are available on the WTO Documents Online database that can be accessed through the WTO website at <http://www.wto.org>.

6. The TRIPS Council initiated preliminary work on this matter in 1997. Pursuant to a mandate contained in the Council's annual report of 1996², issues relevant to a notification and registration system for spirits were part of this work.

7. At this stage of its work, the Council gathered information from WTO Members on systems for the registration of geographical indications which they operated, and the WTO Secretariat prepared background notes on existing notification and registration systems for geographical indications relating to wines and spirits, as well as on such systems relating to products other than wines and spirits. The first concrete proposals in the TRIPS Council regarding the establishment of a multilateral system of notification and registration of geographical indications were made in 1998.

8. The Doha Ministerial Conference set a deadline for completing these negotiations, namely the Cancún Ministerial Conference to be held this September. It also made it clear that the multilateral system for notification and registration will apply to both wines and spirits. Let me quote from the first sentence of paragraph 18 of the Doha Ministerial Declaration:

"With a view to completing the work started in the Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPS) on the implementation of Article 23.4, we agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference."

9. The negotiations on the register, like all other negotiations pursued under the terms of the Doha Ministerial Declaration, are organized and managed in accordance with paragraphs 45 to 51 of that Declaration. These provide that the conduct, conclusion and entry into force of the outcome of the negotiations shall be treated as part of a "single undertaking" (subject to some qualifications), among other things. However, as I already mentioned, the negotiations on the register are to be completed by the next Ministerial meeting, whereas the date for the completion of the negotiations as a whole has been set at 1 January 2005.

10. The TNC agreed in February 2002 that the negotiations on the register will take place in Special Sessions of the TRIPS Council. The first Special Session was held in March 2002.

11. Let me now say a few words about the status of this work in the Special Session of the TRIPS Council. As the first phase of its work, the Special Session discussed various proposals as well as issues relating to a registration system on a basis of a list of issues prepared by the Chair. The WTO Secretariat has prepared a compilation of the points made in this discussion.³ It also summarizes the main proposal on a multilateral system that Members have made.

12. The Special Session has now moved into a negotiating phase. To facilitate these negotiations, the Chair circulated last April a draft text of a multilateral system, containing a number of options reflecting the different views of delegations.

²Paragraph 34 of document IP/C/8.

³Documents TN/IP/W/7/Rev.1 and TN/IP/W/7/Rev.1/Corr.1.

13. The work so far has made significant progress in crystallizing the issues and focusing on possible legal formulations. However, profound differences remain, in particular on the key question relating to the legal effects of the multilateral system.

14. At one end of the spectrum is the so-called "joint proposal",⁴ among whose sponsors are Argentina and a number of other Latin American countries, Australia, Canada and the United States. Under this proposal, WTO Members wishing to participate in the system would submit a list of domestic geographical indications for wines and spirits recognized as eligible for protection under the national legislation. Following the receipt of notifications, the Secretariat would compile a database of all notified geographical indications for wines and spirits. As for the legal effect of such registration, WTO Members choosing to participate in the system would commit to consult, along with other sources of information, the database when making decisions regarding recognition and protection of geographical indications for wines and spirits in accordance with their national legislation.

15. At the other end of the spectrum, there is a proposal by the European Communities⁵ pursuant to which participating Members would notify geographical indications that identify goods as originating in their respective territories. Upon publication of a geographical indication thus notified, an 18-month time-period would start running within which other WTO Member countries could examine it and formally challenge its protection. At the end of this 18-month period, the geographical indication would be registered. Challenges made within the 18-month period would be entered in the register as well. Disagreements resulting from challenges should be solved by direct negotiations between the Members concerned. As to the legal effect, Members participating in the system should provide legal means for interested parties to use the registration as a presumption of the eligibility for the protection of the geographical indication. Moreover, WTO Members who would fail to challenge the protection of a particular geographical indication within the 18-month period would no longer be in a position to refuse its protection on the basis that the geographical indication does not meet the definition contained in Article 22.1 of the TRIPS Agreement, or because it is false in the sense of Article 22.4, or to claim that it falls within the exception contained in Article 24.6 relating to generic terms. These latter legal effects would apply under the EC proposal to all WTO Members, whether or not they would participate in the system.

16. Hungary has also proposed that if bilateral negotiations concerning disagreements resulting from a challenge, envisaged in the EC proposal, do not yield a mutually satisfactory result within the 18-month period, the dispute arising from the challenge should be settled by binding multilateral arbitration.⁶

17. Hong Kong, China has sought middle ground by proposing a system under which a registration would create a presumption regarding three points—the ownership of the geographical indication, and that the geographical indications satisfy the definition in Article 22.1 and is protected in its country of origin.⁷ Since the presumption would be rebuttable, the final say on these matters would remain with national authorities. There would

⁴Document TN/IP/W/5.

⁵Document IP/C/W/107/Rev.1.

⁶Document IP/C/W/255.

⁷Document TN/IP/W/8.

benopresumptionregardingtheapplicabilityorinapplicabilityoftheexceptionsinArticle24 (otherthanArticle24.9,i.e.thatthegeographicalindicationinquestionisprotectedinits countryoforigin).Thesematterswouldbeleftentirelytonationallegislation.Fo rthis reason,HongKong,Chinadoesnotseetheneedtoenvisageamultilateralchallenge procedure.⁸

18. IwouldnowliketoturntotheseconditemongeographicalindicationsontheWTO's workprogramme,namely issuesrelatedtotheextensionoftheprote ctionofgeographical indicationsprovidedforinArticle23oftheTRIPSAgreementtoproductsotherthanwines andspirits.Thismatterconcernsthepossibilityofextendingtheadditionalprotection requiredforgeographicalindicationsforwinesands piritsunderArticle23togeographical indicationsforotherproducts,whicharesubjecttoalowerminimumlevelofprotectionunder Article22.ThisquestionhasturnedouttobeverydivisiveamongWTOMembers,withboth proponentsandopponentsofsu chextensionincludingbothdevelopedanddeveloping countries,andmanyMembersstillappearingtobeundecidedontheirposition.

19. ThisissuesurfacedfirstontheWTOagendaasaresultoftheheavilynegotiatedTRIPS Councilreporttothe1996SingaporeMinisterialConference.Thisreportrecognizedthat proposalonextensioncouldbemadeinthecontextofthereviewforeseeninArticle 24.2of theTRIPSAgreementoftheapplicationoftheSectiononGeographicalIndications.⁹The issueofextension wasformallyputontheTRIPSCouncilagendaasaspecificitemin September2000attherequestofSwitzerlandandanumberofotherdelegations.

20. TheissuefiguredalsointhepreparationsfortheDohaMinisterialConference.The agreementreachedbyMinistersinDohaisreflectedinthesecondsentenceofparagraph18of theDohaMinisterialDeclaration,whichreadsasfollows:

"We note that issues related to the extension of the protection of geographical indications provided for in Article 23 to pro ducts other than wines and spirits will be addressedintheCouncilforTRIPSpursuanttoparagraph12ofthisDeclaration."

21. Inparagraph12oftheMinisterialDeclaration,Ministersunderscoredthattheyhad takenadecisiononthe50orsomeasuresina separateministerialdocument –aDecisionon Implementation-RelatedIssuesandConcerns –andaddedthat"negotiationsonoutstanding implementationissueshallbeanintegralpartoftheWorkProgrammeweareestablishing". Furthermore,Ministersstat edthatwheretheyhadprovidedaspecificnegotiatingmandatein theDeclaration,therelevantimplementationissueshallbeaddressedunderthatmandate; andthattheotheroutstandingimplementationissueshallbeaddressedasamatterofpriority bytherelevantWTObodies,whichshallreporttotheTNCbytheendof2002forappropriate action.

22. AcontroversyastotheinterpretationoftheMinisterialDeclarationinrespectofthe extensionissuesurfacedalreadyattheDohaMinisterialConference. Proponentsofextension advancedthatthereisnowaclearmandatetolaunchnegotiationsonthisissue,whilefrom

⁸Formoreinformation,seethereportbytheChairmanoftheSpecialSessionoftheCouncilfor TRIPStotheTradeNegotiationsCommittee,dated4July2003,circulatedindocumentTN/IP/8.

⁹Paragraph34ofdocumentIP/C/8.

the opponents' side it was claimed that there was no agreement to negotiate any extension and that consensus would be required at the end of 2002 in order to launch any such negotiations.¹⁰

23. Discussions on extension have focused on two aspects of the issue: the procedure and mandate, on the one hand, and the merits of extension, on the other. At the end of 2002, proponents of extension proposed that the TNC adopt guidelines for the negotiations on the extension. Such guidelines should provide that, first, the protection of Article 23 of the TRIPS Agreement shall apply to geographical indications for all products; second, the exceptions contained in Article 24 of the TRIPS Agreement shall apply *mutatis mutandis*; and, third, the multilateral register to be established shall be open for geographical indications for all products.¹¹ The opponents stated, in turn, that the TRIPS Council had had an exhaustive discussion on the issues related to extension of geographical indications for products other than wines and spirits and no consensus had developed in support of recommending to the TNC that negotiations be undertaken on extension, and proposed that the TRIPS Council advise the TNC that the Council has completed its discussion and that no further action be taken.¹² At present, the Director-General is consulting Members on how to carry forward the work.

24. The merits of such extension were extensively debated in the TRIPS Council until the end of last year. At the Council's meetings last September and November, Members systematically addressed various aspects of the matter on the basis of three baskets of issues identified by the Chair. In general, the two groups of Members tend to have opposing views on many aspects of extension. Just to give you one example: the proponents argue that consumers would benefit from greater certainty as to the true origin of products they buy; while the opponents argue that consumers would be confused by the need to introduce new, unfamiliar terms to designate products. However, I believe that I do not need to get into the details of the arguments given that in the next panel we have representatives from both sides of this debate.¹³

25. I will now turn to the third GI item on the WTO's work programme, namely the review of the application of the provisions of the Section on geographical indications under Article 24.2 of the TRIPS Agreement. This Article is one of the many found in various WTO Agreements which require further work to be done by WTO Members jointly in the relevant WTO body. Article 24.2 provides that the Council shall keep under review the application of the provisions of the GI Section of the Agreement, and that first such review shall take place within two years of the entry into force of the WTO Agreement.

26. This issue has been a standing item on the TRIPS Council's agenda since November 1996. Let me briefly describe some of the main aspects of the Council's work on this item to date.

¹⁰ Documents WT/MIN(01)/W/8, 9 and 11.

¹¹ Document TN/C/W/7.

¹² Document IP/C/W/395.

¹³ For more information, see Annual Report (2002) of the Council for TRIPS circulated in document IP/C/27.

27. A checklist of questions was circulated in May 1998, which sought information on the way Members had provided protection for geographical indications. To date, the Council has received information from 44 Members in response to the questionnaire. These responses, except for the most recent ones, have been summarized by the Secretariat.¹⁴
28. At its meeting in November 2000, the Council initiated a detailed review of the experience and practice with the application of the TRIPS provisions on geographical indications. In order to structure the discussion, the Chair encouraged Members to use the main section headings of the Secretariat's summary paper to which I just referred. In addition, a number of documents have been circulated in relation to this agenda item, and some Members have posed questions to each other concerning their respective GI regimes.
29. More recently, the Council's discussions have focused on the question of how to carry forward this review. At its meeting last June, the Council requested the Secretariat to update its summary note to which I referred earlier, and invited those Members that had not yet provided information in response to the checklist to do so.
30. The wealth of information produced by this review to date is available on the WTO website. May I add that further information on how Members have implemented their TRIPS obligations in the area of geographical indications can be found in their notifications of their implementing legislation and in the records of the Council's reviews of Members' implementing legislation.
31. As I mentioned at the outset, the protection of geographical indications is being addressed also in other contexts in the WTO. The European Communities has proposed that, in the context of the agriculture negotiations, a list of names currently used by producers of agricultural products other than the rightholders in the country of origin should be established so as to prohibit such use. As I understand it, this proposal is intended to be complementary to the work on geographical indications in the context of TRIPS which I have described. Some other Members have argued that the Doha text on agriculture does not provide a mandate for this proposal.
32. As a final point, I would like to note that there are two consultations underway under the disputes settlement system concerning the protection of geographical indications. Altogether, the WTO disputes settlement system has been invoked 25 times in respect of the TRIPS Agreement, and these are the first two disputes concerning geographical indications.
33. In April 2003, the United States requested additional consultations with the European Communities regarding the protection of trademarks and geographical indications for agricultural products and foodstuffs.¹⁵ The United States indicated that this request was intended to supplement but not to replace an earlier request for consultations with the European Communities, filed in June 1999.¹⁶ In April 2003, also Australia requested consultations with the European Communities regarding protection of trademarks and geographical indications for agricultural products and foodstuffs.¹⁷ Both complaints allege

¹⁴Document IP/C/W/253.

¹⁵Document WT/DS174/1/Add.1.

¹⁶Document WT/DS174/1.

¹⁷Document WT/DS290/1.

violations of, *inter alia*, national and most-favoured-nation treatment obligations. Some fifteen other Members have requested to join these consultations as so-called third parties.

[End of document]