

**Council for Trade-Related Aspects
of Intellectual Property Rights**

Original: English

**REVIEW UNDER ARTICLE 24.2 OF THE APPLICATION OF THE
PROVISIONS OF THE SECTION OF THE TRIPS AGREEMENT
ON GEOGRAPHICAL INDICATIONS**

Questions posed by the United States to the European Communities

The present document reproduces questions posed by the United States as a follow-up to some of the responses to the Checklist of Questions (IP/C/13 and IP/C/13/Add.1) which the Council had received from the European Communities and their member States as contained in document IP/C/W/117/Add.10. These follow-up questions were communicated to the Secretariat by the delegation of the United States at the meeting of the Council on 21 March 2000.¹

Checklist Question 1 and Response from the EC

Is protection for geographical indications provided through unfair competition law, e.g., passing off, false designation of origin; through a formal procedure for notification/registration before protection is available; or through both? Does the recognition of a geographical indication require registration?

Wines [...]

At Community level the recognition of a geographical indication for wines requires its recognition by the Producer Member State as well as registration and publication in the Official Journal of the European Communities (Article 1, paragraph 3 of Regulation No. 823/87; Article 72, paragraph 2 of Regulation (EEC) No. 822/87; and Article 2, paragraph 3, point (i) of Regulation (EEC) No. 2392/89). This system provides protection ex officio.

[...]

Follow-up Questions from the US

(a) How is ex officio protection provided? Please provide examples of instances where the geographical indications of non-EC nationals have been protected ex officio.

(b) We are also aware that Regulation (EC) No. 1493/99 ("Council Regulation (EC) No. 1493/1999 of 17 May 1999 on the common organization of the market in wine"), in Annex VII(F)(2) explicitly calls for the cancellation of trademarks, by 31 December, 2002, that

¹ In the present document, the relevant questions in the Checklist are reproduced in italics, the EC responses in normal font and the US follow-up questions in bold type.

incorporate geographical indications for wine. Further, item (G) of the same Annex states that third-country geographical indications (with respect to imported wines for human consumption) will be protected only "by means of agreements with the third countries concerned, negotiated and concluded in accordance with the procedure laid down in Article 133 of the Treaty (of Rome)." Please explain how the requirements for cancellation of trademarks and bi-lateral negotiations are consistent with the EC's obligations under the TRIPS Agreement.

Other geographical indications in relation to agricultural products and foodstuffs

Council Regulation (EEC) No. 2081/92 sets out the procedure for the registration of geographical indications in the Community territory. The procedure contained in Articles 5, 6 and 7 is as follows:

- (1) A group of producers must submit a detailed application for registration to the competent authority of the Member State, in accordance with the conditions specified in the Regulation.
- (2) If the application is considered to be in conformity with the Regulation, it shall be referred to the Community authorities, who will verify that the conditions of the Regulation have been formally satisfied and will publish the application in the *Official Journal* to allow other parties the opportunity to raise objections.
- (3) If an objection is raised, the final decision on registration is taken by the Commission and the Member States.

The Member States are responsible for controlling the application of the Regulation.

When a name is registered in conformity with the definitions and the procedure established in the Regulation, it is protected ex officio (against the uses as referred to in Article 13).

[...]

Follow-up Questions from the US

(a) Regulation (EEC) No. 2081/92 is currently the subject of a WTO Dispute Settlement complaint by the United States (WT/DS174/1). In this complaint, dated 1 June 1999, the United States contends that Regulation (EEC) No. 2081/92, as amended, does not provide national treatment with respect to geographical indications and does not provide sufficient protection to pre-existing trademarks that are similar or identical to a geographical indication. This situation appears inconsistent with the EC's obligations under the TRIPS Agreement, including Articles 3, 16, 24, 63 and 65 of the TRIPS Agreement.

(b) Article 10 of Regulation (EEC) No. 2081/92 requires that, in order to obtain protection in the EC, third countries must have in place an inspection and enforcement system that mirrors that of the EC. Please explain how the unilateral imposition of the EC system on third countries, as a prerequisite for obtaining geographical indication protection in the EC, is in compliance with the EC's TRIPS obligations.

(c) Article 11 of Regulation (EEC) No. 2081/92 provides for a procedure whereby "any Member State" may submit that a condition in a product specification has not been met, and may send a "duly substantiated application" to the Commission, and pursuant to which, the Commission may cancel the registration. By contrast, if a national of a third country believes

that a condition of a registration is not being met, and seeks the cancellation of the registration, the Regulation appears to provide no recourse. How is this consistent with the National Treatment requirements of the TRIPS Agreement?

Checklist Question 8 and Response from the EC

How are geographical indications defined?

Wines

Quality wine produced in a specified region (PSR): "specified region" is defined as a wine-growing area or combination of wine-growing areas which produces wine possessing special quality characteristics (Article 3, paragraph 1). It is designed by its geographical name (Article 15, paragraph 3 of Regulation (EEC) No. 823/87). Some exceptions are permitted and enumerated in this Article.

Table wine designated with a geographical unit which is defined as a small locality or group of such localities, a local administrative area or part thereof, a wine-group sub-region or part thereof or a region other than a specified region which is reserved for table wines meeting certain production requirements, particularly as regards vine varieties, minimum natural alcoholic strength by volume and organoleptic characteristics (Article 4, paragraphs 1 and 3 of Regulation (EEC) No. 2392/89). Member States may make the use of a geographical ascription for designating a table wine conditional, in particular, on the wine having been produced wholly from certain clearly specified vine varieties and coming exclusively from the territory, precisely demarcated, whose name it bears (Article 72, paragraph 2 of Regulation (EEC) No. 822/87).

Spirits

On a case-by-case basis as listed in Article 5(3)(b) in conjunction with Annex II of Regulation (EEC) No. 1576/89.

Other products

Regulation (EEC) No. 2081/92 provides in Article 2 for two definitions:

"Geographical indication" means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff originating in that region, specific place or country, and which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.

"Designation of origin" means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff originating in that region, specific place or country, and the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area.

Furthermore, Article 2, paragraph 3 of Regulation (EEC) No. 2081/92 provides for the protection of certain traditional geographical or non-geographical names designating an agricultural product or foodstuff originating in a region or a specific place which fulfil the conditions set out for designations of origin.

Geographical indications and designations of origin are protected in the same way.

Follow-up Question from the US

With respect to Article 2, paragraph 3 of Regulation (EEC) No. 2081/92, how does the EC provide for protection of prospective geographical indications that are non-geographical names?

Checklist Question 14 and Response from the EC

Does your legislation contain criteria for homonymous geographical indications for wines?

Wines

Yes, the general principle for the products of the wine sector is that the geographical name can be used only to designate products of the region to which the name had been assigned according to national and Community legislation (Article 15, paragraph 4 of Regulation (EEC) No. 823/87). With respect to imported wines, paragraphs 2 and 3 of Article 29 of Regulation (EEC) No. 2392/89 apply the same general principle and provide for exceptions only in the case where the name is used in accordance with traditional and consistent usage and on condition that its use is governed by rules in the country concerned. Due regard must be given to the practical risk of confusion.
(...)

Follow-up Question from the US:

With respect to imported wines, what is meant by "rules of the country concerned." For example, if a third country protects geographical indications via its trademark system, would a trademark law be considered "rules in the country concerned"? If not, why not?

Checklist Question 16 and Response from the EC

Is there any specific prohibition in the legislation/regulations/rules/procedures covering geographical indications not protected in the country of origin? If so, please specify the relevant statutory provision.

The principle of protection of a geographical indication is recognition and protection in the country of origin.

However, the Directives on labelling and advertising always apply independently of the recognition of a geographical indication in the country of origin.

Follow-up Question from the US:

How is EC recognition of a foreign geographical indication achieved? For example, does "protection in the country of origin" require that the country of origin have in place national laws describing a particular geographical region and setting for the quality standards for the goods, similar to the provisions detailed in the regulations notified in the EC's answer to Question 1, above?

Checklist Question 17 and Response from the EC

With respect to any formal system for recognition of geographical indications, must the applicant be a governmental organization or can a private entity own the rights to a geographical indication?

Wines

The recognition must be made by a governmental organisation.

The right of using a geographical indication is reserved for the professionals who are established in the area and who respect the conditions of production already established and recognised.

Other products

Pursuant to Article 5 of Regulation (EEC) No. 2081/92, only a group of producers and/or processors working with the product shall be entitled to apply for registration.

Follow-up Question from the US:

The answer is unclear. May only a governmental organization/entity apply for recognition of a geographical indication in the EC? If so, how is this compatible with the TRIPS Agreement? How is the limitation on who may use a geographical indication compatible with the requirements of the TRIPS Agreement?

Checklist Question 18 and Response from the EC

What are the competent authorities where the protection of a geographical indication can be obtained?

Wines

Each Member State appoints the competent authority to protect geographical indications (Article 16 of Regulation (EEC) No. 823/87).

Other products

After the entry into force of Regulation (EEC) No. 2081/92, recognition of geographical indications or designations of origin can be obtained only through a Community procedure.

Follow-up Question from the US:

Where does one find guidance to the referenced "Community procedure"? If this is not publicly available, please explain the operation of the referenced "Community procedure" in detail sufficient so nationals of third countries understand the steps necessary to obtain protection of geographical indications in the EC.

Checklist Question 19 and Response from the EC

Do the procedures which lead to the recognition of a geographical indication take place ex officio or must they be based on the initiative of an entity or person?

Wines and spirits

It lies in the competence of Member States which must respect Community law for wines (Regulation (EEC) No. 823/87) and spirits (Regulation (EEC) 1576/89).

Other products

Registration pursuant to Regulation (EEC) No. 2081/92 is only granted upon request. In accordance with Article 5, a group or a natural or legal person (producers and/or processors working with the product) shall be entitled to apply for registration.

Follow-up Question from the US:

Please provide examples of Member State laws or procedures that detail how a national of a third country may obtain recognition of a geographical indication for wines and spirits, and for other products.

Checklist Question 26 and Response from the EC

Who can oppose the recognition of a geographical indication?

Wines and spirits

It is the competence of Member States, but, generally, any legal or natural person who considers his/her legitimate interests are damaged can oppose the recognition of a geographical indication.

Other products

Member States or any legitimately concerned natural or legal person.

Follow-up Questions from the US:

See U.S. follow-up questions to the EC's answer to Question 1, above. In addition, Article 22.2 of the TRIPS Agreement specifically requires that Members provide the legal means for interested parties to prevent misuse, yet Article 17 of Regulation (EEC) No. 2081/92 does not provide for pre-registration opposition procedure with respect to certain geographical indications. Please explain how the absence of this procedure is consistent with the EC's obligations under the TRIPS Agreement.

How may interested parties, as required under Article 22.2 of the TRIPS Agreement, challenge the validity of a geographical indication after recognition has been granted?

Checklist Question 27 and Response from the EC

If your national legislation provides for recognition and protection of geographical indications or appellations of origin of foreign countries, what is the procedure that has to be followed in order to obtain such recognition and consequent protection ?

The following answer is based on the understanding that the question refers to the possibility of "recognition" of a geographical indication or appellation of origin of a third country in the sense of "participation in existing domestic regimes providing for positive recognition (positive lists)". It does not refer to "protection" within the meaning of the TRIPS Agreement. With respect to the latter, please see the replies to questions nos. 4 and 15 above.

Wines and spirits

Inclusion in a positive list is possible by agreement.

Other products

The recognition of geographical indications or designations of origin of foreign countries pursuant to Regulation (EEC) No. 2081/92 can be obtained in accordance with Article 12:

- by agreement
- by the procedure established in the Regulation as regards application for recognition.

The same conditions as for EC products apply.

Follow-up Question from the US:

Article 22.2 of the TRIPS Agreement requires that Members provide the legal means for interested parties to prevent acts of unfair competition or the use of any means that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the goods. Regulation (EC) No. 1493/99 indicates that geographical indications for certain types of wine will be protected ONLY by means of agreements with the third countries concerned. Please explain how this requirement fulfils the EC's obligations under Article 22.2 of the TRIPS Agreement.

Checklist Question 34 and Response from the EC

Are there means by which interested parties may request termination of a geographical indication based on non-use or failure to maintain the criteria identified in the application? Describe the procedure.

Wines

This is the competence of Member States.

(...)

Follow-up Question from the US:

Please reference the relevant law/regulations of each Member State which addresses the means by which interested parties may request termination of a geographical indication based on non-use or failure to maintain the criteria identified. If no relevant laws/regulations are available, please explain why.

Checklist Question 44 and Response from the EC

What steps are taken to ensure that, in recognizing a geographical indication, the obligations of Article 16. 1 of the TRIPS Agreement are not nullified and impaired?

The relationship between marks and geographical indications is established at Community level in the following instruments:

- Council Directive (EEC) No. 104/89 harmonising Member States' legislation concerning trademarks excludes the registration of a trademark that is made up exclusively of a geographical indication (Article 3c) or that can, by nature, mislead the public, e.g., on the geographical origin of the product (Article 3g),
- Regulation (EC) No. 3288/94 amending Regulation (EC) No. 40/94 on the Community trademark provides in Article 7 that the Harmonization Office in Alicante shall refuse to register an application for the registration of a Community trademark:

(1) which consists exclusively of an indication which may serve, in trade, to designate the geographical origin of goods, or

(2) for wines, which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical identifying spirits with respect to such wines or spirits not having that origin.

Third parties may initiate an invalidity procedure against a registered Community trademark before the Harmonization Office on the same grounds, pursuant to Article 51 of the said Regulation.

- Regulation (EEC) No 2392/89 establishing general rules concerning the designation and presentation of wines defines more precisely in Article 40, paragraph 2 the corresponding situations from a trademark angle.

Furthermore, there are special provisions for well-known registered brand names.

- Article 13 of Regulation (EEC) No. 2333/92 establishing general rules concerning the designation and presentation of sparkling wines. There are also special provisions for well-known registered brand names.

- Article 14 of Regulation (EEC) No 2081/92 concerning the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

This provision establishes the following:

- (1) a geographical indication is not registered where, in the light of a trademark's reputation, renown and length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.,
- (2) when a geographical indication has been registered, a trademark attempting to evoke or to usurp the geographical indication shall be refused.,
- (3) the use of a trademark evoking a geographical indication and registered before this geographical indication may continue if the trademark was registered in good faith and if the appropriate provisions of Directive (EEC) No. 89/104 have been complied with.

Follow-up Question from the US:

In light of the explicit mention of geographical indications and trademarks ("brand names") in Regulation (EC) No. 1493/99, please explain what steps are taken to ensure that, in recognizing a geographical indication, the obligations of Article 16.1 of the TRIPS Agreement are not nullified and/or impaired?

Please explain how the requirement contained in Regulation (EC) No. 1493/99 for cancellation of trademarks containing geographical indications, even where the trademarks were registered in the EC prior to 31 December, 1985 and in continuous use, is consistent with the EC's obligations under Article 16.1 of the TRIPS Agreement.
