

# WORLD TRADE ORGANIZATION

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

### OVERVIEW OF EXISTING INTERNATIONAL NOTIFICATION AND REGISTRATION SYSTEMS FOR GEOGRAPHICAL INDICATIONS RELATING TO WINES AND SPIRITS

#### Note by the Secretariat

#### **I. INTRODUCTION**

1. At its meeting of 27 February 1997, the Council agreed to initiate preliminary work on issues relevant to the negotiations specified in Article 23.4 of the TRIPS Agreement through an information-gathering activity (IP/C/M/12, paragraph 73). In this connection, the Council requested the Secretariat, at its meeting of 19 September 1997, to prepare a factual background note on existing international notification and registration systems for geographical indications relating to wines and spirits, according to an agreed outline (IP/C/M/15, paragraph 56 and Annex). It was agreed that the note would cover those registration systems which, in some fashion, covered wines and spirits, i.e. including those which, apart from wines or spirits, also covered other products.

2. In response to this request, the present note has been prepared. In accordance with the outline for the note agreed by the Council, it compiles information about the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration and about other multilateral as well as bilateral and regional notification and registration systems.

3. In preparing the note, the Secretariat consulted with WIPO and the Office International de la Vigne et du Vin (OIV)<sup>1</sup> and obtained source material from these international organizations. The Secretariat also acquired useful information at the Symposium on the Protection of Geographical Indications in the Worldwide Context organised by WIPO in cooperation with the Hungarian Patent Office in Eger, Hungary, on 24 and 25 October 1997 and from the records of the previous five such WIPO Symposia.

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<sup>1</sup>In this connection, the Secretariat received a note from the OIV explaining, *inter alia*, that, in 1947, the OIV had recommended that all wine-producing nations should establish, under the auspices of the OIV, an inventory of the appellations of origin of wines and wine-spirits (OIV Resolution 1/1947). The General Assembly of the OIV has reaffirmed the need for the realisation and publication of an inventory of geographical indications on various other occasions. Work is underway in the OIV on the establishment of data base and, to date, eleven OIV Member States have submitted their lists of geographical indications to the OIV.

## II. MULTILATERAL AGREEMENTS

### (i) Lisbon Agreement for the Protection of Appellations of Origin and their International Registration

#### Introduction

4. The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 31 October 1958 is a special agreement within the meaning of Article 19 of the Paris Convention for the Protection of Industrial Property ("Paris Convention"). The Agreement entered into force on 25 September 1966 and was revised by the Act of Stockholm of 14 July 1967, which entered into force on 31 October 1973. The Agreement is open to any country which is party to the Paris Convention and countries which are party to the Lisbon Agreement constitute a Special Union ("Lisbon Union") within the framework of the Union for the Protection of Industrial Property ("Paris Union").

5. To date, 18 countries are party to the Lisbon Agreement. Most of these countries joined in the twenty years following its adoption in 1958, namely Algeria, Bulgaria, Burkina Faso, Congo, Cuba, the Czech Republic, France, Gabon, Haiti, Hungary, Israel, Italy, Mexico, Portugal, the Slovak Republic, Togo and Tunisia. Only one country has joined in the last twenty years, namely Costa Rica on 30 July 1997.

6. Parties to the Agreement undertake to protect on their territories the appellations of origin of products of the other countries of the Lisbon Union, provided that these are recognised and protected as such in the country of origin and registered at the International Bureau of WIPO.

#### Coverage

7. The Agreement applies, regardless of the products covered, to "appellations of origin" which meet the specific definition contained in its Article 2, which reads as follows:

"In this Agreement, '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."

#### Requirements for Protection

8. Protection under the terms of the Agreement is based on an international registration of an appellation of origin effected by the International Bureau of WIPO. International registration is effected on request by the government of the member country whose name constitutes the appellation of origin or in which the area to which the appellation of origin refers is located. Under Article 1(2) of the Agreement, an appellation of origin must be protected as such in the country of origin before it can be registered by the International Bureau. Although this condition is not examined and enforced by the International Bureau, it can be invoked as a ground in a declaration of refusal of protection by other parties to the Lisbon Agreement (see under "Registration Procedures" below). Article 2(2) of the Agreement stipulates that the country of origin is "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."

## Legal Effect of Registration

### - Duration of Protection

9. The registration is valid without any limitation in time. International registration of an appellation of origin under the Agreement ensures its protection without any need for renewal. However, if the appellation of origin ceases to be protected as such in the country of origin, the other countries party to the Lisbon Agreement become free to consider such an appellation as a generic term (see Articles 6 and 7).

### - Scope of Protection

10. International registration of the appellation of origin has the effect that all countries that are party to the Lisbon Agreement (in addition to the country of origin) have to grant protection under its Article 3 against any usurpation or imitation of the appellation of origin, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as "kind", "type", "make", "imitation" or the like.

11. Once the procedure allowing for the refusal of protection has been completed (see under "Registration Procedures" below) and the registration of an appellation of origin has become legally effective, the protection against usurpation or imitation is absolute; the Agreement does not specify any exceptions and only allows some flexibility regarding the phasing out of prior use of the appellation by third parties in other countries of the Lisbon Union (see under "Registration Procedures" below).

### - Persons Entitled To Take Legal Action

12. Under Article 8 of the Lisbon Agreement, legal action required for ensuring the protection of appellations of origin may be taken in each of the countries of the Lisbon Union under the provisions of the national legislation:

1. at the instance of the competent Office or at the request of the public prosecutor;
2. by any interested party, whether a natural person or a legal entity, whether public or private.

## Registration Procedure

### - Application for Registration and Notification to Countries of the Lisbon Union

13. International registrations of appellations of origin under Article 5 of the Agreement take place at the request of the Offices of countries of the Lisbon Union in the name of any natural persons or legal entities, public or private, having, according to their national legislation, a right to use such appellations.

14. The procedure for obtaining an international registration of an appellation of origin under the Lisbon Agreement is that, first, an application is to be submitted to the International Bureau of WIPO, in French and on a form supplied by the International Bureau, dated and signed by the competent Office of the country of origin making the application and accompanied by the required registration fee. Once the application is in conformity with these formal requirements, the appellation of origin is registered by the International Bureau.

15. According to Rule 1(2) of the Regulations under the Lisbon Agreement, applications must also contain the following indications<sup>2</sup>:

- (a) the country making the application;
- (b) the Office competent to receive notifications from the International Bureau;
- (c) the owner or owners of the appellation of origin;
- (d) the appellation of origin whose registration is requested;
- (e) the product to which the appellation applies;
- (f) the area in which the product is produced;
- (g) the title and date of legislative or administrative provisions, or of judicial decisions, recognising protection in the country making the application.

16. Appellations of origin are recorded in the International Register kept by the International Bureau in the chronological order of the applications complying with the formal requirements mentioned under (a) and (c)-(e) in the previous sub-paragraph.

17. As soon as an appellation of origin has been registered, the International Bureau sends to the Office which applied for the registration a certificate reproducing the indications recorded in the International Register. Recordings are also published by the International Bureau in a periodical entitled "Les appellations d'origine".

18. The registration is also notified, with the same indications, to the Offices of all the countries of the Lisbon Union. The Offices in question are asked to return to the International Bureau, duly dated and signed, confirmation of receipt including the date of reception of the notification of the registration. This date is specified in Article 5(3) of the Lisbon Agreement as the starting-date of the time-limit within which a country of the Lisbon Union can notify a declaration of refusal of protection and it is understood that it is also the starting-date of the time-limit in Article 5(6) within which prior use of the appellation by third parties has to be phased out (see further under the next indent below).

19. As regards newly acceding countries, notification of their accession to countries of the Lisbon Union by the Director General of WIPO ensures according to Article 14(2)(b) and (c), of itself, in the territories of these countries, the benefits of the provisions of the Lisbon Agreement to appellations of origin which, at the time of accession, are the subject of an international registration under the Agreement, subject to the time-limit for refusal of protection. In practice, this means that newly acceding countries have one year from the date of their accession to notify their refusal to protect an appellation of origin that forms part of the existing stock of registrations.

- Refusal of Protection

20. Articles 5(3) to 5(5) of the Lisbon Agreement allow the Office of any other country of the Lisbon Union to declare within a period of one year from the receipt of the notification of registration that it cannot ensure the protection on its territory of the appellation of origin whose registration has been notified. Such a declaration must be addressed to the International Bureau, together with an indication of the grounds therefor, which will notify the declaration to the Office of the country of origin and indicate it in the International Register.

21. The grounds on which such a declaration can be made are not specified in the Lisbon Agreement. According to Article 5(3) of the Agreement, the "Office of any country [of the Lisbon Union] may

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<sup>2</sup>According to Rule 5(4) of the Regulations under the Lisbon Agreement, modifications of the registration relating to the country of origin, the owners, the appellation of origin or the product to which it applies shall necessitate a new international registration.

declare to that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, but only in so far as its declaration is notified to the International Bureau, together with an indication of the grounds therefor, within a period of one year from the receipt of the notification of registration, and provided that such declaration is not detrimental, in the country concerned, to the other forms of protection of the appellation which the owner thereof may be entitled to claim, [through other international agreements or by virtue of national legislation or court decisions]."

22. As mentioned above, if a country of the Lisbon Union does not avail itself of the possibility to refuse protection through a declaration under Article 5(3), it is held to ensure protection of the notified appellation against any usurpation or imitation as stipulated in Article 3 of the Lisbon Agreement. However, in case of prior use of the appellation by third parties in the country in question, Article 5(6) of the Lisbon Agreement stipulates that that country will be allowed a limited period for phasing out use by these third parties. The provision in question reads as follows:

"If an appellation which has been granted protection in a given country pursuant to notification of its international registration has already been used by third parties in that country from a date prior to such notification, the competent Office of the said country shall have the right to grant to such third parties a period not exceeding two years to terminate such use, on condition that it advises the International Bureau accordingly during the three months following the expiration of the period of one year provided for in paragraph (3) above."

A special form can be obtained from the International Bureau of WIPO for this purpose. When the International Bureau receives the notification in question, it will transmit that notification to the Office of the country of origin and take it up in the International Register.

- Opposition to Refusal

23. It is stipulated in Article 5(5) that interested parties "may resort [in the refusing country] to all the judicial and administrative remedies open to the nationals of that country". When making a declaration under Article 5(3), countries are, therefore, asked to indicate on the refusal form information about the possibilities and procedures for review, including the relevant time-limits and instances.

Practice under the Lisbon Agreement

24. Up to 1 January 1997, the International Bureau of WIPO has registered 738 appellations of origin from the following countries: France (472), Czech Republic (70)<sup>3</sup>, Bulgaria (48), Slovak Republic (37)<sup>3</sup>, Hungary (28), Italy (26), Algeria (19), Cuba (18), Tunisia (7), Portugal (6), Mexico (4), Israel (1). Most of those registrations were effected during the years 1967 to 1985 (more than half - 440 registrations - in 1967, the year after the entry into force of the Lisbon Agreement). In the same period, 13 registrations were cancelled.<sup>4</sup>

25. Up to 1 January 1997, altogether 90 refusals have been pronounced in respect of international registrations, by the following countries: Mexico (35), Israel (16), Cuba (11), Czechoslovakia (9),

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<sup>3</sup>108 appellations of origin were registered in the name of the former Czechoslovakia, of which 70 have been attributed to the Czech Republic and 37 to the Slovak Republic, whereas one was cancelled.

<sup>4</sup>According to Rule 5 of the Regulations under the Lisbon Agreement, any Office which has applied for international registration may at any time request the International Bureau to cancel that registration. According to Rule 1(5), such an Office is also entitled, when applying for an international registration, to state that it renounces protection in one or some of the countries, specified by name, which are party to the Agreement; under Rule 5(1), it can also notify the International Bureau at a later time that it renounces protection in one or some of these countries or request it to modify the indication in the International Register in this regard.

France (6), Haiti (6), Portugal (4), Hungary (2), Italy (1). All these refusals were made during the years 1967 to 1981. The International Bureau has also received 30 communications concerning the cancellation of an initial refusal.

26. Appellations of origin registered under the Lisbon Agreement cover a large range of products, including not only wines and spirits, but also other beverages, fruits and vegetables, dairy products, meat products, fish, honey, various other agricultural produce, products of handicraft or industry and extractive products such as salt and silica.

(ii) International Registration Systems for Marks

27. International registration systems for marks can be used with respect to collective marks, certification marks or guarantee marks and there are countries where signs or indications which may serve, in trade, to designate the geographical origin of goods or services may constitute collective, certification or guarantee marks. The main international registration treaties concerning marks are the Madrid Agreement Concerning the International Registration of Marks ("Madrid Agreement") of 14 April 1891, as revised and amended, and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of 27 June 1989, which became operational on 1 April 1996. These instruments are special agreements under Article 19 of the Paris Convention and provide for the international registration of marks at the International Bureau of WIPO. Registration may also be obtained for collective marks, including certification marks or guarantee marks.

28. To be able to enjoy the advantages of the Madrid Agreement, the applicant must be a national of one of the countries party to the Agreement ("Madrid Union") or be domiciled or have a real and effective industrial or commercial establishment in one of these countries. The mark in question must first be registered in the trademark office of the country of origin before an application for international registration can be filed with the International Bureau of WIPO. International registrations are published by the International Bureau and notified to the countries of the Madrid Union designated in the application for international registration, which have the right to declare, within a period of one year from the date of international registration, that protection cannot be granted to the mark in their territory. The grounds for such refusal must accompany the declaration and cannot be other than those which would apply, under the Paris Convention, in the case of a mark filed for national registration.

29. The Madrid Protocol introduces certain new features aimed at removing the difficulties that were preventing certain countries from adhering to the Madrid Agreement. In particular, the Protocol allows applicants to base their application for international registration on an *application* for registration in the country of origin; countries of the Madrid Union may elect to have a period of 18 months, instead of one year, for submitting the declaration of refusal (and an even longer period in the case of opposition); the fee system is different; rejection of the basic application in the country of origin (or invalidation of the basic registration, or of a registration resulting from a basic application, in the country of origin within five years of the date of international registration), while leading to cancellation of the international registration, entitles the holder of the international registration to transform its international registration into national applications without losing the date of the international registration, or of any applicable priority date.

### III. BILATERAL AND REGIONAL AGREEMENTS

30. A number of countries have concluded, over the years, bilateral or regional agreements on the protection of geographical indications. Many of these agreements provide for the designation of specific geographical indications to be protected in the parties and would appear to follow two main models:

- Agreements which establish an open-ended international system for the registration of geographical indications which meet criteria of general application specified in the agreement, after compliance with procedures specified in the agreement. Apart from the arrangements within the European Communities, on which information has been circulated in document IP/C/W/76/Add.8, the only agreement of this nature on which the Secretariat has information is that of the Bangui Agreement, of 7 March 1977, Concerning the Establishment of the African Intellectual Property Organization. Further information on this is contained below.
  - Many other bilateral agreements and some regional agreements specify lists of geographical indications from each of the countries party to the agreement to which protection shall be provided, sometimes in conjunction with minimum standards defining the protection to be accorded. These agreements do not provide internal mechanisms by which additions can be made to the lists; such additions require the conclusion of a new agreement amending the earlier agreement. The traditional model for such agreements is the Agreement between Germany and France, of 8 March 1960, on the Protection of Indications of Source, Appellations of Origin and Other Geographical Denominations. Information on this Agreement is contained below as well as on two other bilateral agreements, which follow a broadly similar approach, and on NAFTA.
- (i) Bangui Agreement of 2 March 1977 Concerning the Creation of OAPI (African Intellectual Property Organization)

#### Introduction

31. The Bangui Agreement of 2 March 1977 creates a common system for the protection of intellectual property applicable, to date, in 14 French-speaking African countries, namely Benin, Burkina Faso, Cameroon, Chad, Central African Republic, Congo, Côte d'Ivoire, Gabon, Guinea, Mali, Mauritania, Niger, Senegal and Togo. The régime is applicable for each area of intellectual property covered by the various annexes to the Agreement, including one on appellations of origin (Annex VI) and establishes independent national rights effective in the legal systems of each of the OAPI countries as well as a common industrial property service in the sense of Article 12 of the Paris Convention. Under Article 11 of the Agreement, OAPI shall ensure the registration of appellations of origin and the publication of registered appellations of origin in accordance with a common procedure.

#### Coverage

32. The Agreement defines in Article 1 of Annex VI the term "appellation of origin" as "the geographical denomination of a country, a region or a specific place used to designate a product which originates therein and the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural factors, human factors or both natural and human factors; a denomination which refers to a specific geographical area for the purpose of certain products, without

being the denomination of a country, region or a specific place, also qualifies as such a geographical denomination." "Product" is defined as "any natural, agricultural, handicraft or industrial product".<sup>5</sup>

### Requirements for Protection

33. According to Article 3 of Annex VI, appellations of origin are protected as such, if they have been registered by OAPI or if registration results from an international convention. Burkina Faso, Congo, Gabon and Togo are party to the Lisbon Agreement. The benefits of Annex VI are also available to foreigners, but foreign appellations of origin can only be registered by OAPI as a result of an international convention. Excluded from protection are, according to Article 4, appellations which are not in conformity with the above-mentioned definition or which are contrary to morality or public order or which, in particular, are liable to mislead the public as to the nature, origin, manufacturing process, characteristic qualities or the suitability for the purpose of the products concerned. Article 5 stipulates who are entitled to file applications for registration (see further under "Common Registration Procedure" below).

### Legal Effect of Registration

#### - Scope of Protection

34. Article 11 of Annex VI lays down that only producers carrying on their activity in the geographical area indicated in the register are entitled to use, for commercial purposes, the registered appellation of origin for the products indicated in the register, to the extent that these products have the essential characteristic qualities indicated in the register. With respect to products that have thus been put on the market by these persons under a registered appellation of origin, any person has the right to use the appellation of origin. Otherwise, any use for commercial purposes of the registered appellation of origin, or of a similar denomination, for products indicated in the register, or similar products, is unlawful, even where the true origin of the product is indicated or the appellation is used in translated form or accompanied by terms such as "kind", "type", "make", "imitation" or the like.

#### - Remedies

35. Under Article 12, any interested person as well as any interested grouping of producers or consumers can take action against the perpetrator of the unlawful use of the registered appellation of origin and against persons contributing to this use, with a view to putting an end to the unlawful use or to prohibiting imminent unlawful use and to the destruction of labels and other documents used, or liable to be used, for such unlawful use. Anyone who has suffered damage as a result of the unlawful use can claim reparation of the damage from the perpetrator of the unlawful use and from persons which contributed to that use.

36. Article 13 stipulates the penalties for anyone who wilfully uses a registered appellation of origin unlawfully: a term of imprisonment of three months to one year and/or a fine of 50.000 to 300.000 francs CFA.

### Common Registration Procedure

37. Applications are to be submitted to the Ministry responsible for industrial property in the country in question, which will record the date of filing and transmit the application to OAPI if the Ministry

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<sup>5</sup>The translation of language from the Agreement in the present paper is unofficial.



has no objections with respect to the application. OAPI examines whether the applicant is entitled to apply for registration and the application is to be rejected if this is not the case.

38. Article 5 of Annex VI lays down that applications for the registration of appellations of origin can be filed by:

1. natural or legal persons carrying on an activity of producer in the geographical area indicated for the products in question, as well as groupings of such persons;
2. or any competent authority.

In this regard, the term "producer" is, according to Article 1, defined as follows:

- (i) any farmer or any other person who exploits natural products;
- (ii) any person who manufactures handicraft or industrial products;
- (iii) anyone who trades in these products.

39. OAPI also examines whether applications are in conformity with the following formal requirements, as stipulated in Article 6 of Annex VI:

- (a) the name, address and nationality of the applicant as well as in which capacity the person in question applies for registration;
- (b) the appellation whose registration is requested;
- (c) the geographical area to which the appellation applies;
- (d) the products for which the appellation is used, in terms sufficiently precise to allow, in particular, determination of whether they are raw materials, semi-finished products or finished products;
- (e) where appropriate, the essential characteristic qualities of the products for which the appellation is used;
- (f) proof that the prescribed fees have been paid.

Once the above-mentioned requirements are complied with, the appellation of origin will be recorded in the special register of appellations of origin, which will be notified to the applicant.

- (ii) Agreement of 8 March 1960 Between the Federal Republic of Germany and France on the Protection of Indications of Source, Appellations of Origin and Other Geographical Denominations

40. The traditional example of an agreement entirely devoted to the protection of indications of source and appellations of origin under which countries have exchanged lists of names to be protected in each other's territories is the Agreement of 8 March 1960 Between the Federal Republic of Germany and France on the Protection of Indications of Source, Appellations of Origin and Other Geographical Denominations. The agreement lays down that the names on the German list will be protected in France on the basis of German law, while French law would determine the protection in Germany of the names on the French list. Adding names to the lists requires amendment of the agreement and, therefore, new negotiations.

(iii) EC-Hungary Agreement

41. A more recent example is the 1993 Agreement between the European Communities and the Republic of Hungary on the reciprocal protection and control of wine names. Under this Agreement, Hungary must protect, as regards wines originating in the Communities: references to the Member State in which the wine originates; specified terms under which wines are sold in the Communities; and the geographical indications and traditional expressions referred to in an annex to the agreement. Similar obligations for the European Communities apply to references to Hungary and the geographical indications and traditional expressions referred to in an annex, which are those which appear in the Hungarian wine legislation. The Agreement further stipulates that, in Hungary, the protected Community names are reserved exclusively to the wines originating in the Communities to which they apply and may not be used otherwise than under the conditions provided for by the laws and regulations of the Communities or, in their absence, of the Member States. The reverse situation applies in the Communities. Detailed provisions on the application of this protection are also specified.

(iv) EC-Australia Agreement

42. Reciprocal protection of wine names and related provisions on description and presentation comparable to those specified in the Agreement between the Community and Hungary can also be found in the 1992 Agreement concluded between the Community and Australia on trade in wine. Coverage of protection to be provided under the agreement of a number of names is subject to a phasing-in period.<sup>6</sup>

(v) NAFTA

43. Another example of the type of agreement referred to above is the 1992 North American Free Trade Agreement (NAFTA). NAFTA deals with the protection of geographical indications in Chapter XVII on Intellectual Property and in Annex 313 to Chapter III on National Treatment and Access of Goods to the Market. The Intellectual Property Chapter lays down a number of provisions concerning the protection of geographical indications which correspond largely with Articles 22.1-4 and 24.4-9 of the TRIPS Agreement. Separately, Chapter III, Annex 313, entitled "Distinctive Products", specifies "Bourbon Whiskey", "Tennessee Whiskey", "Canadian Whiskey", "Tequila" and "Mezcal" as distinctive products under NAFTA of the United States, Canada and Mexico, respectively. Accordingly, NAFTA countries other than the country of origin are not allowed to permit the sale of any product under the relevant name in question, unless it has been manufactured in the country of origin in accordance with the laws and regulations in the country of origin governing its manufacture.

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<sup>6</sup>The EC-Australia Agreement has a wider scope than merely the protection of geographical indications. As stipulated in its Article 1, the objective is, on the basis of non-discrimination and reciprocity, to facilitate and promote trade in wine originating in their respective territories. Apart from the protection of wine names, the Agreement also stipulates the oenological practices and processes and compositional requirements for wine that the parties agree to recognise reciprocally.