INTA Model Framework for the Establishment of a Multilateral System of Notification and the Registration of Geographical Indications for Wines and Spirits pursuant to TRIPS Article 23 (4)

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The position of the International Trademark Association¹ ("INTA") in relation to the principles to be followed in establishing a multilateral system for the notification and registration of geographical indications for wines and spirits in accordance with TRIPS Article 23 (4) was set out in a Concept Paper in 2004 - "the INTA Concept Paper" (see annex). The INTA Concept Paper set forth a number of important background issues and considerations and proposed a system based on the approach taken by the Patent Cooperation Treaty and the Madrid System for the protection of trademarks which would include the following key elements:

- Notification/registration through an international body to the participating states.
- Ex officio examination of protectability in the country of protection (as opposed to the country of origin²).
- Refusal/opposition on the basis of prior trademark rights.
- Ability to challenge the registration in the WTO members’ courts.

The principles to be applied to the system mandated by TRIPS Article 23 (4) have been debated at great length at the World Trade Organization (WTO) in the Doha Development Round since 2001 and formal communications have been received by the WTO, between 2003 and 2005, from the following three members or groups of members of the WTO:

- Hong Kong, China³
- The European Communities⁴
- The governments of Argentina, Australia, Canada, Chile, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, New Zealand, Chinese Taipei and the United States⁵

¹ INTA is a 131-year-old not-for-profit membership organization dedicated to the support and advancement of trademarks and related intellectual property concepts as essential elements of trade and commerce. INTA counts over 5800 members in 190 countries. INTA members are interested in the development of clear and consistent principles of trademark and unfair competition laws around the world. INTA has been an official non-governmental observer to the World Intellectual Property Organization (WIPO) since 1979, and actively participates in all WIPO trademark-related proposals. INTA has influenced WIPO trademark initiatives, such as the Trademark Law Treaty, and is active in other international arenas including the Asia Pacific Economic Cooperation Forum (APEC), the Association of Southeast Asian Nations (ASEAN), the European Union and the World Trade Organization (WTO).
² "Country of origin" actually referring to jurisdiction of origin since not all WTO members are individual countries, e.g. the European Communities
³ See TN/IP/W/8 dated April 23, 2003
⁴ See TN/IP/W/11 dated June 14, 2005
⁵ See TN/IP/W/10 dated April 1, 2005 and the latest revision of the latter (TN/IP/W/10/Rev.2 dated July 24, 2008) with Costa Rica, Guatemala, Japan, Korea, Nicaragua, Paraguay and South Africa as additional sponsors.
The WTO has provided a helpful side-by-side presentation of the three proposals, (TN/IP/W/12 dated September 14, 2005, TN/IP/W/12/Add.1 dated May 4, 2007 and TN/IP/W/12/Add.1/Corr.1 dated May 10, 2007) as well as informative discussion papers and compilations of issues and points (see e.g. TN/IP/W/7 dated February 18, 2003).

The European Communities and a strategic alliance of over 100⁶ WTO members have recently presented a modified proposal for a multilateral register in the form of draft "modalities", i.e. key parameters for further negotiation within the Doha Round negotiation package (see TN/C/W/52 of July 19, 2008).

Disagreement on these and other geographical indications issues has characterized the negotiations in the Doha Development Round since 2001. None of the three proposals above has gained consensus among WTO members.

INTA recognizes geographical indications as an important form of intellectual property and supports the concept of a multilateral register for notification of wine and spirit geographical indications provided such register also protects the interests of trademark owners pursuant to the principle of First in Time, First in Right. This document builds on the principles set forth in the INTA Concept Paper and outlines a framework for a registration system which is both consistent with TRIPS and takes reasonable account of the interests of both trademark owners and those with rights in geographical indications.

**Preliminary**

- The procedural mechanics presented in this document are based upon those utilized for multilateral registration systems such as the Madrid Protocol.

- It is recommended that, based on its experience in administering such multilateral registration systems, the administering body for the proposed system for a multilateral register for wine and spirit geographical indications should be WIPO based on a memorandum of understanding to be agreed to by WTO and WIPO.

- All WTO members that wish to enjoy the benefits of the multilateral register for wines and spirits must be a party to the system, i.e., a WTO member or its nationals could not obtain registration on the multilateral register absent the WTO member offering protection to foreign nationals through the multilateral register. Participation, therefore, is optional for WTO members in accordance with TRIPS Art. 23 (4).

- Each participating WTO member shall designate a lead competent authority responsible for administering the system in its own territory. The competent

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⁶ Including Albania, Brazil, China, Colombia, Ecuador, Iceland, India, Indonesia, the Kyrgyz Republic, Liechtenstein, the Former Yugoslav Republic of Macedonia, Pakistan, Peru, Sri Lanka, Switzerland, Thailand, Turkey, the ACP Group and the African Group
authority may be a Trademark Office or other appropriate ministry responsible for the administration of intellectual property rights.

- The competent authority shall establish a means for indicating the registration [or classification] of TRIPS Article 23 GIs (referred to as “Domestic Article 23 Register”). This may be a separate unique register, or integrated into an existing trademark or appellation register, possibly even as a distinct [classification] of intellectual property, and may be restricted to rights that are separately registered under other protection schemes pursuant to the WTO member’s legislation such as trademarks, certification marks or appellations of origin. The purpose of creating a Domestic Article 23 Register is to allow protected geographical properties from differing recognition systems (e.g., geographical certification marks, appellations of origin, denominations of origin, etc.) to be recognized equally as Article 23 GIs. The registration on the Domestic Article 23 Register shall specifically identify the geographical region of production.

- For purposes of complying with non-discrimination provisions of TRIPS, a WTO member’s Domestic Article 23 Register must be open to foreign nationals of WTO members for direct registration of a foreign GI on the Domestic Article 23 Register for that WTO member, regardless of whether the jurisdiction of the foreign applicant is a WTO member which has chosen not to participate in the multilateral register system. However, a national of a WTO member may not rely on a registration on a Domestic Article 23 Register outside of the country of origin to participate in the multilateral register.

**Application for Protection**

*Stage 1 – Application for recognition of geographical indication in country of origin*

- Application for inclusion of GIs on the multilateral register may be made by any natural or juridical person or entity permitted to own or authorize the use of a GI under the WTO member’s legislation in the country of origin where the designated geographical region is located (“Interested Party”). The Interested Party will apply for protection under the international system by first filing an application in prescribed form with the designated competent authority in the country of origin for registration of the GI on the Domestic Article 23 Register. The country of origin may charge fees for the processing of such applications.

- The competent authority shall determine what types of protected geographical properties shall be allowed registration on the Domestic Article 23 Register, e.g., geographical certification marks, collective marks, appellations, denominations of origin, etc., and the scope of the regions identified by such geographical properties, so long as such properties comply with the GI requirements of TRIPS Article 22.1 and are for use with wines or spirits. These geographical properties
may be required to first be recognized pursuant to other domestic systems (e.g., as certification marks or appellations of origin), or may be allowed to be directly recognized on the Domestic Article 23 Register by the competent authority. Once a GI has been recognized on the Domestic Article 23 Register, application may be made for protection through the multilateral register system.

- The application to the multilateral register will designate the participating WTO members to which the international application is to be extended. Similar to the provisions under the Madrid System for international trademark registration, the WTO member for which protection of a wine or spirit geographical indication has been requested, may require the payment of a fee for purposes of processing the request.

**Stage 2 – Notification of application to WIPO by competent authority in country of origin**

- Once an application has been submitted by a citizen of a WTO member to that WTO member’s competent authority requesting protection of a GI registered on the Domestic Article 23 Register, the competent authority will notify WIPO, forward details of the application in prescribed form to WIPO, including any limitations of use required for the GI (e.g., wine composed of a blend of certain varieties of grapes from a prescribed area), and certify to WIPO that, pursuant to the provisions of Article 22.1 of TRIPS, the term constitutes a GI for wines or spirits in the country of origin.

**Stage 3 – Examination and registration by WIPO**

- WIPO will examine the application as to formalities but not substance. If accepted by WIPO, WIPO will enter the geographical indication in the multilateral register and publish details of the registration in an international gazette and/or on the WIPO web site.

- WIPO will notify the registration to the competent authorities of all designated jurisdictions.

**Stage 4 – Examination of application by competent authorities in designated jurisdictions**

- The competent authority in each designated jurisdiction should examine the geographical indication in order to determine its protectability in accordance with its own legislation consistent with TRIPS Article 22. It should refuse protection on “absolute” grounds - if the geographical indication is generic in the designated jurisdiction or is primarily misdescriptive or is comprised of or includes any element or terminology, the use of which is unlawful or prohibited in the designated jurisdiction, and should also refuse registration on “relative” grounds – i.e. if the geographical indication conflicts with other prior trademark or GI rights. Relative grounds of examination refusal based on conflict with prior rights are warranted in the light of the provisions of TRIPS which implicitly recognize
the principle of First in Time, First in Right in the event of conflict between geographical indications and prior protected trademarks, a point specifically confirmed by the WTO Dispute Settlement Panel in decisions WT/DS 174 and WT/DS 290. In the event of a relative grounds refusal based on a prior conflicting right, the system should also provide mechanisms by which the GI applicant has the opportunity to challenge such prior conflicting right based on accepted principles, such as abandonment, bad faith or fraudulent registration and evidence of prior use by the GI applicant.

- A geographical indication accepted for protection by a competent authority in accordance with the above will be registered on the Domestic Article 23 Register and will thereafter be protected according to the WTO member’s legislation in conformance with TRIPS Articles 22 and 23. It will be the responsibility of the competent authority to establish and maintain this register.

- Details of registrations on the Domestic Article 23 Register made pursuant to the international registration system will be published by the competent authority in a gazette or other appropriate publication.

- In order to promote the efficient processing of requests for protection and to provide certainty to applicants, the competent authority must either refuse or approve a request for protection within 18 months of the date of notification of international registration by WIPO. This provision is consistent with a similar provision under the Madrid Protocol.

Stage 5 – Oppositions and cancellations

- Any application accepted by a competent authority and registered in accordance with the above may be subject to administrative opposition and/or cancellation proceedings and shall be subject to cancellation proceedings before the WTO members’ courts in accordance with its legislation (i.e. local trademark laws or the laws applying to geographical indications). Grounds for opposition and/or cancellation will include the absolute and/or relative grounds described in Stage 4.

- Any action for cancellation in a designated jurisdiction based on conflict with a prior right must be initiated within five years of registration of the foreign GI on the Domestic Article 23 Register or within 78 months from the date of notification of international registration by WIPO to the designated jurisdiction in cases where the designated jurisdiction fails to either refuse or approve a request for protection within the required 18 month period following notification of international registration by WIPO.

- The international registration and all corresponding registrations in designated jurisdictions will be cancelled:

7 The decisions of the Panel published on 15 March 2005 and determining issues disputed between the EU and the US and Australia in relation to EU Council Regulation 2081/92.
• if, within 5 years of registration in the international register, the geographical indication is cancelled or otherwise ceases to be entitled to protection in its country of origin; or
• in the event of failure to renew the international registration (see below).

Renewals

• An international registration shall be effective for a period of 10 years from the date of registration by WIPO in the international gazette and shall be renewable for further periods of 10 years without limit in point of time.
ANNEX

Establishment of a Multilateral System of Notification and the Registration of Geographical Indications for Wines and Spirits pursuant to TRIPS Article 23 (4)

The International Trademark Association (INTA) has closely followed the ongoing negotiations within the World Trade Organization's (WTO) Council for Trade-Related Aspects of Intellectual Property Rights on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits. INTA acknowledges the report of the "discussions on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits: compilation of issues and points" (TN/IP/W/7) of 18 February 2003 and the Chairman's report on the 5th Special Session of the Council for TRIPS (TN/IP/5) of 28 February 2003.

INTA notes that the Chairman recalls that the Special Session has a mandate to negotiate the establishment of a multilateral system by the Fifth Session of the Ministerial Conference. INTA would like to raise a number of substantive issues in the framework of the ongoing discussions and negotiations and to propose for consideration a possible alternative to the proposals now before the Special Session.

INTA General Position

INTA is agreeable to negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits. INTA recognizes that geographical indications are important intellectual property rights (IPR) to be protected as any other intellectual property rights, e.g. trademarks, patents and copyrights. INTA contributed to the discussions on the protection of geographical indications for several years and is currently running a major educational campaign through publications and conferences in many WTO members.

While INTA clearly supports the protection of geographical indications, INTA also firmly advocates that such protection must not prejudice other existing intellectual property rights, including trademarks. INTA is convinced that it is possible to achieve a harmonious co-existence of protection systems for geographical indications and other intellectual property rights, including trademarks: conflicts between these rights should be resolved pursuant to the well-established intellectual property principles of territoriality, exclusivity and priority.

INTA has gained experience through educational sessions on geographical indications, and believes that the establishment of a multilateral system is premature. Many members are in the middle of the implementation of the provisions of the TRIPS Agreement on geographical indications and are starting to become familiar with geographical indications and their protection. So problems and conflicts resulting from the introduction of a new system for IPR protection are appearing only now. Those problems should be
carefully analysed before introducing a new system, even though such system is meant to facilitate the protection of geographical indications.

INTA is also aware of the strict negotiating schedule of the TRIPS Council. Therefore, INTA believes that it is timely to raise a number of substantive issues concerning the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits (the System) and to offer for the TRIPS Council's consideration elements on which the System could be based.

**Current Models for a Multilateral System**

INTA believes that the necessary point of departure for a discussion on the establishment of the System must be the fact that geographical indications are recognized as a type of intellectual property pursuant to TRIPS Article 1 (2).

As such, geographical indications stand on equal footing with all other categories of intellectual property that are subject of Section 1 through 7 of Part II of the TRIPS Agreement. Geographical indications are also recognized as private rights (para 4 of the Preamble) which does not exclude, however, that these private rights may be held by an association, a collective or a public entity and used by several users. Because of the recognition of geographical indications as intellectual property rights under the TRIPS Agreement, geographical indications are neither inferior nor superior to any other type of intellectual property, such as patents and trademarks.

As any other IPR, geographical indications could be administered by a system of protection similar to other systems of IPR protection. INTA recommends getting guidance from these existing systems: the Patent Co-operation Treaty and the Madrid System for the International Registration of Marks.

**The Patent Cooperation Treaty (PCT):** The PCT makes it possible to seek patent protection for an invention simultaneously in a number of jurisdictions by filing an international patent application with one designated patent office. Only one office will carry out the initial search on whether the patent application meets the patent requirements of novelty and of inventiveness. Such a filing system saves applicants significant costs and maintains the priority in the designated jurisdictions at the same time. The patent application will, however, be examined in each of the designated jurisdictions pursuant to the members' own legislation. At this stage, third parties may object to the patent application, which means that the protection of third party rights rests entirely with the individual contracting parties.

**The Madrid System (MS):** The Madrid System facilitates the protection of trademarks as it leads to trademark protection in several designated jurisdictions through a single registration. After having applied for a trademark registration in one jurisdiction, the applicant may file a request for an international registration with the jurisdictional trademark office where the basic application was filed. The member’s office will transmit
the request to WIPO. If WIPO finds that the international application complies with the requirements under the MS, it registers the mark on the international register and publishes it in the WIPO Gazette. After the trademark is published, it extends to all jurisdictions designated by the applicant in the international application. Each designated jurisdiction has the right to refuse protection of the international registration in its territory based on the grounds stated in Article 6 quinquies of the Paris Convention. Furthermore, any third party claiming a prior right in a designated jurisdiction may challenge the trademark registration on grounds of this prior right in opposition proceedings (where available) and/or court proceedings (all jurisdictions).

**Key Features for the GI Multilateral System:** From the PCT and the MS models, INTA extracts a number of important features and conditions that would facilitate the registration and notification of any intellectual property right in the framework of a system of IPR protection:

- The international notification/registration should be based on the existence of a jurisdiction’s application/registration.
- The notification should be facilitated through an international body.
- The examination of whether the intellectual property right at issue meets the protection requirements should be carried out in the jurisdiction where protection is sought.
- Third parties may be able to challenge the application and/or registration before the members’ own offices and/or jurisdictional courts where protection is sought.

**Resolution of Conflicts: Territoriality, Priority, Exclusivity**

INTA firmly believes that the System – if introduced in the near future – should be built on the experience gained under the PCT and the MS. The analysis above shows that these systems are founded upon and fully compatible with the principles of territoriality, as well as priority and exclusivity, when it comes to possible conflicts with third-party rights. They also provide for legal remedies for owners of prior rights, which is in line with the requirements of Part III of the TRIPS Agreement. INTA believes that these principles are highly appropriate for the establishment of the System as shown by the following two examples.

**The “Veracruz” Appellation of Origin:** Under the Lisbon Agreement for the Protection of Appellations of Origin and their international registration, Mexico had applied for the appellation of origin "Veracruz" for coffee recognizing the high quality and outstanding reputation of coffee beans from the Veracruz region. While most members of the Lisbon Agreement accepted this appellation of origin, Portugal refused the protection. The reason for such refusal was that Portuguese consumers would believe that "Veracruz" comes from Brazil rather than the Mexican region of Veracruz. The reason for this perception is historic. "Veracruz" was also the Portuguese name for Brazil at the time when Brazil was still a Portuguese colony. Since Brazil is also known for its high quality coffee, Portuguese consumers would most likely associate a "Veracruz" coffee with
Brazil rather than Mexico. It is obvious that this consideration applies mainly if not only to Portugal. It was therefore most appropriate to examine the protectability of the appellation of origin at issue in the jurisdiction of protection (Portugal) and not at the level of the notifying international body, here WIPO.

*The “Budweiser” Appellation of Origin:* Another example is the refusal of appellation of origin no. 49 under the Lisbon Agreement containing the word "Budweiser". Among other states this appellation of origin was refused by Mexico. The reason for the refusal was that the alleged appellation of origin was identical to the famous trademark for beer, BUDWEISER. Under such circumstances, the appellation of origin conflicted with the validly registered prior trademark right of a third party and was misleading to consumers who would associate the use of the word "Budweiser" with the well-known beer.

These examples illustrate that members’ own offices and courts are in the best position to undertake an IPR priority examination because the question of priority of an IPR registration will differ from one jurisdiction to another and prior IPR will not be registered in all jurisdictions where protection of the conflicting geographical indication is sought.

**Pitfalls of a Binding Multilateral System**

While INTA supports a System where the geographical indications are examined at the member level and can be challenged at the member level, INTA opposes the establishment of a multilateral system that would lead to binding protection in all members. Such a system, apparently favored by some delegations, would severely prejudice the continued use of generic terms grandfathered under TRIPS Article 24 (6) and prior trademark rights, the exclusivity of which is mandatory under TRIPS Article 16.

Such a System would be prejudicial because of the diverse usage and status of certain terms. For example, a particular term can be a geographical indication in one jurisdiction, a trademark in another and a generic term in a third country/jurisdiction. The word "Pils" or "Pilsen" for beer may serve as an example. The designation is still protected as an appellation of origin under the Lisbon Agreement. It is a generic term in many Member States of the European Union, such as Germany, Denmark and Sweden and PILSEN has for decades been the best selling beer brand and a registered trademark in Uruguay.

There is a clear interest of users of generic terms to prevent the registration of a geographical indication in a jurisdiction where this term is generic and there is an equally crucial interest of the owner of a prior trademark to defend the exclusivity of the prior trademark granted under TRIPS Article 16 in jurisdictions where the trademark was validly registered in good faith prior to the geographical indication.

Under a PCT/MS-like system, users of a generic term and the owners of prior trademarks alike will be able to seek legal protection before the members’ offices and/or the
members' courts. Those courts are usually trained and familiar with conflicts of intellectual property rights and best placed to examine whether a designation constitutes a generic term or conflicts with a prior IPR.

Under a binding System, established at the level of an international organization such as the WTO, private parties will not have standing before such a body. Users of a generic terms and owners of prior IPR would have to bring an opposition proceeding (provided that such ground for objection exists under the System) in all jurisdictions where their rights are jeopardized by geographical indications registrations.

Experience under the Lisbon Agreement has clearly shown that governments are very reluctant to spend their scarce resources for the cause of third-country nationals wishing to defend either a prior right or their export market where they wish to be able to continue the use of a generic term.

In particular, for smaller or medium sized companies, the costs for persuading a government to take up its case to the WTO will be prohibitive. A trademark owner who owns a trademark registration conflicting with a geographical indication in 50 jurisdictions would have to persuade the governments of 50 jurisdictions to raise an objection with the WTO in order to defend the exclusivity of the prior trademark. The costs involved in such exercise will considerably exceed the costs of filing opposition proceedings or a cancellation action before all members’ courts. Furthermore, in many cases, the trademark owner will not succeed in persuading a government to raise an objection on its behalf, since such an objection may conflict with the specific government's interests in the protection of its own geographical indications.

The situation will be worse for users of generic terms. Such users use these terms on export markets. The market share of one particular company is often limited. Hence, the costs for persuading several governments to take up the third-country exporter's case to the WTO will in most cases be prohibitive.

**Conclusion**

INTA believes that a new multilateral System for geographical indications should not deviate from the experience gained under the PCT and MS. In line with systems facilitating the international protection of other intellectual property rights, namely patents and trademarks, the ultimate decision on the protection of a geographical indication must rest with the competent authorities of the participating states. Legal remedies must be available for the users of generic terms and, in particular, the owners of prior intellectual property rights. INTA believes that anything else would be incompatible with Part III of the TRIPS Agreement.

INTA therefore recommends that the System should follow a Madrid-like or PCT-like approach and include the following key elements:
- Notification/registration through an international body to the participating states.
- *Ex officio* examination of protectability in the jurisdiction of protection.
- Refusal/opposition on the basis of prior (trademark) rights.
- Ability to challenge the registration in the members’ own courts.

A System built on these concepts will facilitate the protection of geographical indications such as the Madrid System facilitates the protection of trademarks and the PCT facilitates the protection of patents. At the same time it will recognize that geographical indications are what they are deemed to be under TRIPS, an intellectual property right, the importance and value of which equals trademarks and patents.