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Comments of the International Trademark Association

***On the European Commission's GREEN PAPER-
Making the most out of Europe's traditional know-how: a possible
extension of geographical indication protection of the European Union to
non-agricultural products (COM (2014) 469 final)***

**Prepared by the
Geographical Indications Subcommittee of the Related Rights Committee**

The International Trademark Association (INTA) is a not-for-profit association of trademark owners and professionals from more than 190 countries throughout the world. Our Association is headquartered in New York with representative offices in Brussels, Shanghai and Washington, D.C. Representing the trademark community since 1878, INTA is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. INTA's membership includes over 6,400 trademark owners and professional firms spanning all fields of commerce and industry.

The relationship between trademarks and geographical indications (GIs) is an important issue for trademark owners. INTA has on many occasions in the past years contributed to various discussions and fora on the question of the sometimes conflicting interplay between the protection of geographical indications and the protection of trademarks. As for any other intellectual property right, INTA supports the need to protect geographical indications. However we also firmly advocate that such protection must not take place at the prejudice of other existing intellectual property rights including trademarks.

INTA is confident that it is possible to achieve harmonious co-existence of protection systems for geographical indications and other intellectual property rights, including trademarks, and believes that conflicts between these rights should be resolved on the basis of the well-established intellectual property principles of territoriality, exclusivity and priority and based on the principle of "first in time, first in right."

INTA takes note of the consultation launched by the European Commission by way of the Green Paper on Non-Agricultural Geographical Indications issued by the European Commission (COM(2014) 469 final) and renders the following observations on various specific questions raised in the Green Paper which have

a particular relation to INTA's area of expertise. In the following, we have kept the full questionnaire for an easier overview, but have italicized those questions in respect of which no specific comments are made and have bold typed those on which we do respond.

- 1. Do you see advantages or disadvantages in the currently diverse levels and means of GI protection for non-agricultural products in the different Member States of the EU? Please explain your response.*
- 2. Do you think that enhanced and harmonised EU GI protection for non-agricultural products, at EU level, could have positive economic effects in the internal market as set out above?*

3. Do you see adverse effects such protection could have on the EU economy?

We note that depending on the precise features of the suggested new protection regime for non-agricultural geographical indications at EU level, the potential new regime may well lead to an expansion of the zone of potential conflict between such rights and trademarks and generic terms. An excessive scope of protection could unduly prejudice the existing rights of trademark holders, create obstacles for traders in the development of new brands and limit the freedom to use generic terms. The existing GI protection regimes in the European Union already raise some concerns in this sense and if the solution proposed for the non-agricultural GIs would consist of similar features as the existing regimes, the proposed new protection regime would aggravate the situation by expanding the possible area of conflict.

- 4. Do you consider that a harmonised EU GI protection for non-agricultural products could benefit consumers?*

5. Do you see potential negative consequences for consumers?

See our response to question 3. An overreach of protection could create undue obstacles to free competition and lead to higher costs for consumers which may not be reasonably balanced by corresponding benefits.

- 6. Do you see potential benefits or disadvantages of harmonised EU GI protection for non-agricultural products on EU trade relations with third countries? If so, where?*
- 7. Do you believe that harmonised protection for non-agricultural GIs at EU level would help preserve the traditional cultural and artistic heritage reflected in the eligible products? Please explain your response.*

8. *Would such protection contribute to building social capital in the areas of production?*
9. *Do you believe that harmonised EU GI protection for non-agricultural products could help producers defend themselves against imitations and abuse? Please explain your response.*

10. How could competing producers protect themselves against an over-reach of GI?

INTA considers it crucial that appropriate objection and cancellation mechanisms be introduced to ensure that only those indications that actually deserve protection are effectively protected, in line with the mechanisms that also exist for other intellectual property rights.

Apart from the question of ensuring the fulfilment of the protection requirements, the broad scope of protection under the existing EU GI protection regimes carries a risk of an over-protection which can possibly lead to considerable problems for competitors, as the standard of protection goes beyond possible consumer deception and incorporates a range of concepts with somewhat unclear features.

Also, again, depending on the standard of protection that will be established, there is a risk that trademark offices may rely on the mere inclusion of a protected term or a term similar thereto to deny registration of trademarks even on behalf of entities that intend to use the trademarks at issue for goods from the area of origin and complying with the specification.

There are also risks that the specification requirements may limit further development and innovation in respect of the products under the GIs and that they could lead to discriminations between local producers.

11. What do you think of current alternatives to harmonised protection for non-agricultural GIs?

INTA considers that the protection of non-agricultural GIs through mechanisms of trademark law (collective trademarks, certification trademarks) is an effective mechanism which has the benefits of clear concepts and standards well tested in practice and jurisprudence that allow for predictability and which are in line with the fundamental principles of priority, exclusivity and territoriality that govern the relationship between IP rights.

We note that there is a range of examples of terms protected under the EU GI regime for agricultural products and foodstuffs that are also protected as collective Community trademarks.

12. If a new system was developed at EU level, should this protect GIs that cover non-geographical names which are unambiguously associated with a given place?

The protection of geographical indications was initially conceived for geographical terms in the first place, as is reflected for example in the current text of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration and the initial version of Regulation 2081/92, which imposed more restrictive conditions for the registration of non-geographical names than the current protection regime for geographical indications for agricultural products and foodstuffs (Regulation 1151/2012). We note that in cases of non-geographical names, it will be even more difficult for traders to recognize and avoid potential conflicts with geographical indications.

In case of an extension of protection to non-geographical names, appropriate steps should be taken to ensure (i) that the protection in fact covers only names that are unambiguously associated with a given place, and (ii) the scope of protection should be tailored in a way that an overprotection of such terms is avoided. These concerns relate particularly to the concepts such as "evocation," use in translated form and a protection in respect of goods not coinciding with those for which the term is protected (or even services).

13. If so, how could be the system ensure that such protection does not affect the rights of other producers?

The system should provide for appropriate mechanisms that ensure that only those terms that truly deserve protection are actually protected. This requires close scrutiny by the European Commission of applications for protection, objection mechanisms that ensure that affected third parties can raise their concerns and invoke prior rights, refusals of protection in case of a failure to fulfil the GI definition, genericness and conflicts with prior trademark rights, and cancellation mechanisms that ensure that only those terms for which there is an actual need and a continuing justification stay on the register.

14. Should similar protection also cover symbols such as the contours of a geographical area? If so, under what conditions?

It appears that the question refers to whether there should be a possibility to register such symbols separately as geographical indications in addition to the geographical name as such.

INTA questions whether there is a need to obtain a separate registration for such symbols as geographical indications, particularly if the scope of protection for the protected designations will be framed in a similarly broad way as under the existing regime for agricultural products.

15. Do you see a need to add any further exceptions to GI protection other than those already provided in TRIPS? Please explain your response.

INTA notes that Article 22 of the TRIPS Agreement – which establishes protection for all kinds of products – protects against misleading use whereas the existing EU regimes for the protection of agricultural GIs grant protection beyond misleading use. If the plan is to also provide for a broad protection beyond misleading use in the new regime, there would be far greater potential for possible conflicts between GIs and trademarks than is anticipated by articles 22 et seq. of TRIPS.

INTA considers it important to ensure that, in any new protection regime for GIs, appropriate safeguards are included that ensure that conflicts between trademarks and geographical indications will be resolved in line with the principles of priority, exclusivity and territoriality and in accordance with the principle of first in time, first in right.

16. *Do you see a need to differentiate between various protection schemes depending on the categories of non-agricultural products involved (sectoral approach)? If so, please explain why.*
17. *Do you think some products should be excluded from GI protection at EU level? If so, please specify.*
18. *How strong should the link be between non-agricultural products and their place of origin, in order to qualify for GI protection in any new system?*
19. *Should a new system allow for two types of link (one stronger than the other) between non-agricultural products and their area of origin?*
20. *Should there be differences depending on different types of products? Please explain.*
21. *Would a quality benchmark make sense for non-agricultural products?*
22. *How could such benchmark be defined?*
23. *Do you agree that there would be a need to check whether the specific characteristics, quality and origin of a GI are maintained during the whole period of protection? Please explain.*
24. *How do you think specific characteristics of the product should be defined to ensure quality and geographic origin meets the required standards, while not limiting innovation?*
25. *Should ‘quality, reputation and other characteristics’ be required in order to obtain GI protection for non-agricultural products? If not all, which of these elements do you think should be required? Please explain your choice.*

26. *What should a product specification include? Should minimum requirements be set? (For example, relating to frequency, method for selecting products, and parties involved in different production and distribution stages.)*
27. *Would harmonising national legislation be sufficient to effectively protect GIs for non-agricultural products across the internal market, or do you consider that a single EU-level protection system is required?*
28. *If you are in favour of a single EU system, should national systems of protection (e.g. the current sui generis national laws) continue to coexist? Please explain.*

29. If a new system were to be developed, do you think there should be a registration process to protect a non-agricultural GI?

If a new system is developed that allows for an EU-wide protection, it would appear appropriate to establish a formal registration process to ensure the fulfilment of the requirements for protection and transparency and allow interested parties to voice their concerns in the context of the process.

30. *Do you think that the potential costs of a system of registering GIs outweigh the costs of a system without registration?*

31. Do you think the registration process should involve a national element, e.g. checking compliance with product specifications, indicated geographical area, quality, reputation etc.?

INTA considers that it is crucial for appropriate checks be made to ensure compliance with the product specifications, the indicated geographical area, quality and reputation. This should not only be a matter for examination in the country of origin but also subject to full scrutiny by the European Commission and open to challenges from third parties.

32. If a new system is created, should producers and their associations be the only people allowed to apply to register non-agricultural GIs, or should other bodies be allowed to apply? If so, which ones?

Bearing in mind the interests of producers of third countries in which protection is given through certification mark systems, INTA proposes to open the system also to applications from certification bodies that are not actual producers.

33. *Should individual producers be allowed to apply?*

34. If a new system were to be created, would you agree that an objection process should be included and that it should be open to the same type of interested parties as under the agricultural GI rules?

INTA believes that in a potential new system, an objection process should be included to ensure that all interested parties can voice their concerns and obtain protection for their prior rights, preferably through objections filed directly with the Commission and not through the authorities of Member States, and that the grounds of objection should include issues relating to the suitability of the GI for protection as well as prior rights.

In particular, trademark owners should be entitled to challenge the registration of a GI based on their prior rights. We have previously voiced concerns in the legislative process for what has become Regulation 1152/2012 as to the features of the present objection regime for agricultural GIs in the EU. In particular, we have highlighted the fact that prior trademark rights should have relevance without qualification as to the reputation and renown and length of time of use and irrespective of whether there is protection in the entire European Union or only in one of its Member States.

We suggest establishing an opposition right for any party with a legitimate interest, including owners of prior trademarks, and that it be clarified (similar to the way in which it was clarified in Regulation 510/2006) that, in respect of prior trademark rights, a right in a single Member State represents a valid ground for refusal (see article 7(3) of Regulation 510/2006: "The criteria referred to in points (b), (c) and (d) of the first subparagraph shall be evaluated in relation to the territory of the Community, which in the case of intellectual property rights refers only to the territory or territories where the said rights are protected.")

35. Should protecting non-agricultural GIs at EU level by registration require the payment of a fee?

In line with the procedures for other intellectual property rights, it would be consistent to require a fee for the registration.

36. What level of registration fee would you consider to be fair?

The fee should be proportionate to the requirements for examination and the value of registration.

37. What scope of protection should be granted for non-agricultural GIs in the EU?

We note that the Green Paper refers to the standards of protection provided for in Articles 22 and 23 of the TRIPS Agreement, respectively, and that a reference is made to an increased risk of conflicts if a protection similar to what is established for wines and spirits in TRIPS was extended to non-agricultural GIs. INTA shares the concern about an increased area of conflict if a protection similar to Article 23 TRIPS was established for non-agricultural GIs.

INTA suggests to structure the scope of protection for non-agricultural GIs in line with the standards of trademark rights, which offers clear and predictable standards for avoiding a likelihood of confusion, dilution and free-riding on the reputation of reputed signs. INTA questions the actual need and appropriateness of the broad scope of protection in the present EU protection regimes for GIs (which includes concepts such as "evocation" which are unclear in their scope) and considers that they may lead to an over-protection of GIs, legal uncertainty and a broader area of conflict and could create obstacles to competition without an actual need for such a broad scope of protection for preventing cases of misuse.

38. Should the protection granted to non-agricultural GIs match the safeguards already provided to agricultural GIs at EU level. If so, how closely?

As explained in the response to the previous question, the regime for agricultural GIs at EU level provides for an overly broad scope of protection that leads to an increased area of conflict and legal uncertainty. A wording more closely in line with Article 22 of TRIPS and concepts of trademark law may be a more appropriate solution.

39. Would you prefer a system to monitor and enforce non-agricultural GI rights that was exclusively private, public, or a combination of public and private? Please explain, taking into account, if possible, the effectiveness and costs of action to enforce rights.

40. In your opinion, should GI protection for non-agricultural products be unlimited in duration, or limited with the possibility of renewal? If you suggest a limited duration, how long should this be?

In line with the procedures for other intellectual property rights, it would be consistent to establish for a limitation in time with the possibility of renewal. The protection terms for trademarks (usually 10 years) may be an example.

41. Do you agree that there should be the possibility to cancel a GI after registration?

INTA considers that there should be the possibility to cancel GIs after registration as is the case also for other intellectual property rights. INTA is of the opinion that the free availability of terms for use in commerce should not be unduly restricted by registrations for terms that do not fulfil the requirements for protection, are no longer in use or which no longer fulfil the applicable rules on their protection and commercialization. There also is a public interest in keeping the register of geographical indications clear of terms that never deserved, or no longer deserve, protection and/or for which there is no economic need and legal justification.

42. Who should be allowed to apply to cancel the GI?

In line with the public interest in ensuring that the registered terms are only those that actually deserve protection and to remove unjustified obstacles to free competition, INTA considers that cancellation proceedings should be generally available to any party with a legitimate interest. Furthermore, it should always be possible for registrations to be cancelled at the request of the group/entity on behalf of which the GI has been registered.

43. If a new system were to be established, would you agree that a cancellation process should be introduced, with the same terms and conditions as for agricultural GIs?

As stated in our responses to the previous questions, INTA is in support of a cancellation process and considers that the registrability and continued justification for geographical indications should be subject to full scrutiny in cancellation proceedings, that the cancellation grounds should not be limited to cases of non-compliance with the specification and the absence of products on the market over a prolonged period of time, and that the procedures should be available to any party with a legitimate interest. In our comments submitted in 2011 on the proposals for what has now become Regulation 1151/2012, we had already raised concerns about the somewhat narrower wording of the new cancellation provisions in comparison to Article 12 of Regulation 510/2006. It would be appropriate for the new regime to include a general rule such as "*Any natural or legal person having a legitimate interest, may request cancellation of the registration, giving reasons for the request.*" (Article 12, para.2, of Regulation 510/2006).

44. Do you think that GIs and trade marks should be subject to the pure 'first in time, first in right' principle (i.e. the prior right always prevails)?

INTA has been a firm supporter of the principle of "first in time, first in right" for many years. The INTA Board of Directors adopted in 1997 a formal resolution which endorses the "first in time, first in right" principle as the principle for resolving conflicts between trademarks and geographical indications (see <http://www.inta.org/Advocacy/Pages/ProtectionofGeographicalIndicationsandTrademarks.aspx>).

45. Should GIs prevail, in certain circumstances, over trade marks? Please explain.

In line with INTA's support of the principle of "first in time, first in right", INTA is of the view that in conflicts between trademarks and geographical indications in a given territory, the right which has the earlier priority in the country of protection shall generally prevail. This is without prejudice to (i) grounds of refusal or invalidation that may exist in the country of protection in respect of a potential descriptiveness or misleadingness of the earlier mark, (ii) grounds of refusal or invalidation that may exist in cases of bad faith, and (iii) exceptions of fair descriptive use that may be applicable.

INTA appreciates this opportunity to respond to the questions raised by the Green Paper.