



25th Anniversary

Alan C. Drewsen
Executive Director

By Fax: (202) 395-3640

March 26, 2004

Ms. Sandy McKinzy
Office of the United States
Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: *EC GI's Dispute (DS 174)*

Dear Ms. McKinzy:

The International Trademark Association (INTA) welcomes the opportunity to comment on the issues raised by the World Trade Organization (WTO) dispute settlement proceedings (Docket No. WTO/DS 174) regarding the EC Council Regulation 2081/92 as amended, which governs the protection of geographical indications (GI) for agricultural products and foodstuffs within the European Union (EU).

INTA serves as the voice of trademark owners before the WTO Secretariat and its Member States. INTA is a 126-year-old not-for-profit organization comprising more than 4,000 member companies and firms from more than 150 countries. It is the largest organization in the world dedicated solely to the interests of trademark owners. The membership of INTA, which crosses all industry lines and includes manufacturers, licensing entities and retailers, values the essential role that trademarks play in promoting effective commerce, protecting the interests of consumers, and encouraging free and fair competition.

INTA acknowledges that geographical indications are important intellectual property rights that deserve to be protected, but not in a way prejudicial to established trademark rights. Since 1995, INTA has continually raised concerns regarding the inequitable treatment of trademark rights by the EU through its 1992 Regulation 2081/92 as amended by the 1997 EC Council Regulation 535/97. We prepared a report on this matter in 1998 and provided it to the USTR and the European Commission for consideration.

INTA raised in its report three main issues of importance to trademark owners: national treatment, the trademark safeguard clause (TRIPS Article 24(5)) and the "first-in-time, first-in-right" principle (TRIPS Article 16(1)). The last issue in particular, which is also referred to as the "priority" principle, remains of paramount importance to us.

International Trademark Association

1133 Avenue of the Americas, New York, NY 10036-6710 USA

+1 (212) 768-9887 • f: +1 (212) 768-7796 • www.inta.org • adrewsen@inta.org


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In response to substantiated claims that Regulation 2081/92 violates the TRIPS Agreement, the EU amended the Regulation in various respects through EC Council Regulation No. 692/2003 of April 8, 2003. The EU amendments are a step toward rectifying the problems involving the preferential treatment of geographical indications. In particular, INTA welcomes the deletion of Article 17 on Simplified Procedure, as the Regulation previously did not provide for any right of objection, an essential requirement for protecting acquired rights. We also welcome: the introduction of an opposition right for third-country nationals; the amended Article 14(1), which now establishes that priority for both geographical indications and trademarks are to be judged in reference to the application date; and the amended Article 14(2), which now extends also to trademark rights acquired through use in addition to registered trademarks.

Despite these positive amendments, the Regulation continues to contravene the TRIPS Agreement in one specific and major way: **it does not fully ensure the exclusivity of prior trademarks, no matter their level of fame and degree of use.** INTA is particularly concerned that the amended Regulation continues to grant unequal treatment to trademarks vis-à-vis geographical indications. More specifically, under the amended Regulation a prior validly registered trademark is not protected as an exclusive right unless it is well known and used for a certain "length of time."¹ Therefore, a validly registered trademark that does not meet these requirements will be forced to coexist with a later geographical indication. INTA believes that such coexistence, which introduces consumer confusion into the marketplace and impairs the substantial investment made by trademark owners, is incompatible with the fundamental rule of exclusivity of the prior right as endorsed in Article 16 of the TRIPS Agreement and is highly discriminatory against trademarks. Such coexistence would be unacceptable even if trademarks and geographical indications were treated equally in the Regulation, but, in fact, all prior geographical indications, famous or not, could block the registration and use of a later trademark. INTA does not argue that trademarks should always have precedence, but that whichever intellectual property right – trademark or geographical indication – is first in time should also have the exclusive right to that word or mark.

In the context of the current WTO negotiations on a Multilateral Register for Wines and Spirits and on the possible extension of GI rights to products other than wines and spirits, INTA believes that it is of utmost importance to reaffirm the rights of all trademark holders in relation to users of geographical indications and to provide for equal treatment of all trademarks and geographical indications, based on the well-established intellectual property principles of territoriality, exclusivity and priority.

Sincerely,



¹ Article 14(3) of ECC Regulation 2081/92 does not specify the length of time required.