

GEOGRAPHICAL INDICATIONS
THE SIGNIFICANCE OF 'EXTENSION' IN THE TRIPS AGREEMENT
AND ITS BENEFITS FOR WTO MEMBERS

Communication from Bulgaria, Cyprus, Czech Republic, Estonia, European Commission, Georgia, Hungary, India, Kenya, Kyrgyz Republic, Latvia, Liechtenstein, Malta, Macedonia, Poland, Romania, Slovak Republic, Slovenia, Sri Lanka, Switzerland, Thailand, Turkey

The following communication, dated 8 July, has been received from the Permanent Mission of Switzerland with the request that it be circulated to participants.

In accordance with para. 18 of the Doha Ministerial Declaration and the Trade Negotiations Committee (TNC) decision in February 2002, the TRIPS Council has given priority to its work on the extension of the protection provided in Article 23 of the TRIPS Agreement for geographical indications (GIs) for products other than wines and spirits (referred to as 'extension'). Since the Council was unable to meet the December 2002 deadline for recommending appropriate action, the TNC has held consultations on 'extension' since the beginning of 2003. Recently, the Director-General has also engaged in consultations in an effort to come to a decision on 'extension'.

The purpose of this communication is to summarize the essence of 'extension': what it entails, its goals and its benefits¹.

I. 'EXTENSION' IN BRIEF

1. The goal of 'extension' is to ensure that GIs will only be used for products actually originating from the place indicated by the GI on a product in the future.
2. GIs are an intellectual property right equal to trademarks, designs or patents. None of these intellectual property rights discriminates among categories of products in granting effective protection.
3. There are no commercial, economic or legal reasons to limit effective protection only to GIs for wines and spirits or not to provide such protection also to GIs for all other products.

¹ For a more detailed presentation, see communications in doc. IP/C/W/204/Rev.1, IP/C/W/247/Rev.1, IP/C/W/308/Rev.1, JOB(02)/32 and IP/C/W/353 as submitted to the TRIPS Council by a large group of WTO Members in favor of 'extension'.

4. 'Extension' means simply providing the more effective protection of Article 23 of the TRIPS Agreement, currently available only for GIs of wines and spirits, also for GIs of all other products.
5. 'Extension' does *not* demand rollback protection! The exceptions to protection provided for in Article 24 of the TRIPS Agreement will continue to apply under 'extension', thus providing the necessary flexibility for its application. These exceptions include reasons such as established long-term use of a GI in good-faith for products not having the corresponding origin, or indications which are already used generically in a Member State.
6. 'Extension' will facilitate the protection and enforcement of GIs in many instances because under the more effective protection of Article 23 of the TRIPS Agreement, the burdensome and costly misleading test and/or proof of unfair competition required by Article 22 of the TRIPS Agreement will not have to be established anymore.
7. 'Extension' will prevent non-generic GIs from becoming so. When GIs become generic through illegitimate free-riding and usurpation, they lose all economic value. Under the effective protection of Article 23, the use of GIs in translations or in expressions such as "kind", "style" or "imitation" is prohibited.
The current unsatisfactory TRIPS regime prohibits for example the use of a GI such as "Napa Valley type wine" for a wine produced in Switzerland, while at the same time allowing "Antigua-style coffee" produced in Switzerland.
8. 'Extension' does not require the establishment of new legislative or administrative national regulations (such as a register) because, as currently under Article 23, Members States are free how to implement the level of protection of Article 23 of the TRIPS Agreement.
9. 'Extension' will create a level playing field in the TRIPS Agreement for geographical indications of all products, thereby strengthening the value of GIs as a marketing tool and making them more attractive for all WTO Members.
10. In a time of globalizing and highly-competitive trade, the added-value of a GI creates new and better opportunities for quality products, especially for smaller and developing Member States and a valuable alternative to the benefit of economies of scale.

II. 'EXTENSION' IN THE TRIPS AGREEMENT

The implementation of 'extension' in the TRIPS Agreement will require only minor modifications of the text of Article 23 and corresponding changes in Article 24 of the TRIPS Agreement. The limitation to wines and spirits will be deleted and replaced with a neutral reference to products, thereby extending the more effective protection of this Article to GIs for all products².

III. PROPOSAL REGARDING THE MODALITIES OF 'EXTENSION'

In submission JOB(02)/194 of 26 November 2002 to the TRIPS Council, which was later circulated as TNC document TN/C/W/7 on 29 November 2002, Members in favor of 'extension' proposed that the TNC adopts the following guidelines for the negotiations on 'extension':

² A proposal in the annex to this communication and as submitted by Bulgaria to the TRIPS Council in September 2002 illustrates how 'extension' could be implemented in the TRIPS Agreement (see also doc. IP/C/M/37/Add.1, para. 118, page 25, footnote 3).

- (a) the protection of Article 23 of the TRIPS Agreement shall apply to GIs for all products;
- (b) the exceptions contained in Article 24 of the TRIPS Agreement shall apply *mutatis mutandis*;
- (c) the multilateral register to be established shall be open for GIs for all products.

IV. CONCLUSION

'Extension' will open new market opportunities by preventing trade distortions. The benefits resulting from 'extension' will foster development of local rural communities and encourage a quality agricultural and industrial policy. In a time of trade liberalization in these sectors, 'extension' will help make GIs a valuable tool for the marketing and promotion of quality products from developing and developed countries alike.

The TRIPS Council has examined exhaustively the questions and concerns raised in the context of the discussions on 'extension' during the last few years. At a crucial time in the Doha Round where important decisions in other fields of negotiations are to be taken, it is also the moment for the TNC to make a decision in favor of 'extension'.

ANNEX

The following proposal³ illustrates how 'extension' could be implemented in the TRIPS Agreement with regard to Article 23 TRIPS Agreement:

Article 23: Additional Protection for Geographical Indications for ~~Wines and Spirits~~

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying ~~goods~~ wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits for such goods not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.
2. The registration of a trademark for ~~wines~~ goods which contains or consists of a geographical indication identifying ~~wines or for spirits which contains or consists of a geographical indication identifying spirits~~ such goods shall be refused or invalidated, *ex officio* if a Member's legislation so permits or at the request of an interested party, with respect to such ~~wines or spirits~~ goods not having this origin.
3. In the case of homonymous geographical indications for ~~wines~~ the same goods protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

³ Proposal made by Bulgaria at the TRIPS Council in September 2002, see document IP/C/M/37/Add.1, para. 118, page 25, footnote 3.