

**REVIEW UNDER ARTICLE 24.2 OF THE APPLICATION OF THE
PROVISIONS OF THE SECTION OF THE TRIPS AGREEMENT
ON GEOGRAPHICAL INDICATIONS**

Responses to the Checklist of Questions¹

Revision

PERU

By means of a communication from its Permanent Mission, dated 2 February 2001, Peru has submitted a number of amendments to be made to its responses as contained in document IP/C/W/117/Add.16. These amendments concern the responses to questions 2, 3, 4, 5, 6, 7, 8, 10, 15, 16, 17, 21/22, 23, 25, 26, 33, 43, 49 and 52/53 under I as well as those to questions 1, 2/3 and 4 under II.

I. RESPONSES TO THE QUESTIONS IN DOCUMENT IP/C/13

A. GENERAL

1. Is protection for geographical indications provided through unfair competition law, e.g. passing off, false designation of origin; through a formal procedure from notification/registration before full protection is available; or through both? Does the recognition of a geographical indication require registration?

Peru's unfair competition law (Decree Law No. 26122) does protect geographical indications because it considers that the performance of acts or the use of expressions which may mislead as to the geographical origin of a product or service is unfair. In particular, it deems unfair the use of false "indications of sources" and false "appellations of origin", as well as the unauthorized use of appellations of origin, even where accompanied by such expressions as "type", "model", "system", "kind", "variety" or the like.

2. Is there one single regime of protection of geographical indications for all products? If not, identify the different regimes.

The legal regime in Peru as set out in its domestic law (Legislative Decree No. 823, the Industrial Property Law) and in the supranational Andean Law (Decision 486 of the Commission of the Cartagena Agreement) includes a set of provisions on the protection of geographical indications

¹ Documents IP/C/13 and IP/C/13/Add.1.

which cover the expressions "appellations of origin"² and "indications of source".³ Appellations of origin apply to all products, provided they meet the relevant recognition requirements.

Similarly, there are provisions in the trademarks regime involving absolute prohibitions on registering distinguishing signs where they reproduce, imitate or contain an appellation of origin that is protected with respect to the same products or to different products when such use could lead to confusion or mistaken association with the appellation or involve unfair exploitation of its renown; contain a protected appellation of origin for wines or spirits; consist of a national or foreign geographical indication likely to lead to confusion regarding the products or services to which they apply; or where their use may mislead the public with regard to the origin, source, qualities or characteristics of goods for which trademarks are used.

3. Do(es) the regime(s) of protection of geographical indications also extend to services?

Peruvian legislation includes a specific regime on "appellations of origin", and in this respect, in keeping with the definition contained in Article 219 of Legislative Decree No. 823 and Article 201 of Decision 486, it applies solely to goods and not to services. At the same time, it contains a chapter on "indications of source" according to which, pursuant to Article 222, an indication of source may be used with respect to a service.

4. What provisions of law or regulations are directed to the recognition of geographical indications required by Article 22.2 and Article 23.1 of the TRIPS Agreement? Citations to laws should be provided and, if the texts of the laws have not been notified to the WTO, copies should be supplied pursuant to Article 63.2.

The following legal provisions apply in Peru to recognition and protection of appellations of origin and suppression of the improper use of geographical indications:

- Legislative Decree No. 823, the Industrial Property Act.
- Decree Law No. 26122, the Unfair Competition Act.
- Decision 486 of the Commission of the Cartagena Agreement.

5. If the required recognition of geographical indications is not provided through statutes or regulations, please explain, in detail, the mechanism or mechanisms through which the protection required is provided.

The concept set out in Article 22.1 of the TRIPS Agreement does not draw a distinction between an appellation of origin and an indication of source. Indeed, it employs an expression that encompasses various levels of protection, depending basically on the nature of the goods distinguished by the indication and their use on the market at the time of entry into force of the Agreement.

However, in Peru the legislation relates both to the indication of source regime and the appellation of origin regime.

² The expression "appellation of origin" shall be understood to mean a geographical indication consisting of the name of a specific country, region or place or consisting of a name which, without being that of a specific country, region or place, relates to a specific geographical area, used to designate a product originating therein and whose quality, reputation or other characteristics are due exclusively or essentially to the geographical environment in which it is produced, including natural and human factors.

³ The expression "indication of source" shall be taken to mean a name, expression, image or sign that indicates or evokes a particular country, region, locality or place.

6. Please provide a few examples of domestic geographical indications protected in accordance with the means discussed above and indicate the means by which such protection is provided.

For example, Peru recognizes "Pisco" as a domestic appellation of origin, one that has been used since the 18th century and distinguishes and protects the grape brandy produced for many years on the coast of the Departments of Lima, Ica Arequipa, Moquegua and the valleys of Locumba, Sama and Caplina in the Department of Tacna.

Pisco is geographically a place on Peru's southern coast which has existed since the beginning of the 17th century with that name. It is a town, a port and province and they acquired a great reputation for producing a grape brandy which took on precisely the name of the region in which it was produced and the port through which it was exported. The qualities typical of this brandy are the result of an exclusive Peruvian production process developed in that region, as well as the use of a variety produced by a genetic mutation of black grapes, caused by the plant's adaptation to the soil and climate of the Pisco region, which extend into the valley where similar conditions prevail.

The legal instruments protecting appellations of origin in Peru are the following:

- Legislative Decree No. 823, the Industrial Property Act.
- Decree Law No. 26122, the Unfair Competition Act.
- Decision 486 of the Commission of the Cartagena Agreement.

It should be noted that the Peruvian Government has been engaging in activities to recognize a number of possible appellations of origin used in the various geographical areas of Peru.

7. Is the higher level of protection required for wines and spirits under Article 23.2 of the TRIPS Agreement provided for any other product? If so, please specify such products and the law under which they are protected.

Article 23.2 of the TRIPS Agreement establishes a higher level of protection for wines and spirits in that any registration of a trademark which contains or consists of a geographical indication identifying wines or spirits shall be denied for wines or spirits not having that origin. This protection is provided by Article 215 of Decision 486.

At the same time, Peruvian industrial property law (Legislative Decree No. 823 and Decision 486 of the Commission of the Board of the Cartagena Agreement) establishes that signs cannot be registered as trademarks if they are apt to mislead business circles or the public as to the source of the products or services involved. It also states that signs cannot be registered as trademarks if they reproduce, imitate or contain a protected appellation of origin, for the same products or for different products, when their use could create a risk of confusion or mistaken association with the appellation, or involve an unfair exploitation of its renown; or contain a protected appellation of origin for wines and spirits or consist of a domestic or foreign geographical indication that is apt to cause confusion with respect to the goods or services to which they apply, or whose use could mislead the public as to the origin, source, qualities or characteristics of the goods for which the trademarks are used.

B. DEFINITION AND CRITERIA FOR RECOGNITION

8. How are geographical indications defined?

Title XII of Decision 486 (Geographical Indications) provides for two alternatives: firstly, "appellations of origin", defined as a geographical designation consisting of the name of a particular country, region or locality, or of a name which, without being that of a particular country, region or locality, refers to a specific geographical area, which name is used to designate a product originating therein whose quality, characteristics or renown are exclusively or essentially due to the geographical environment in which it is produced, including both natural and human factors; and secondly, "indications of source", defined as "a name, expression, image or sign that indicates or evokes a particular country, region, locality or place".

Similarly, Peru's Industrial Property Law (Legislative Decree No. 823) defines an "appellation of origin" as one that uses the name of a region or geographical location within the country that serves to designate a product originating therein whose quality and characteristics are exclusively or essentially attributable to the natural and human factors specific to the said region or location.

9. Would such a definition comprise geographical indications identifying products of a certain quality or reputation which are indirectly linked to a specific region?

Under the definitions contained in the above-mentioned legal provisions, the relevant geographical connection and qualitative connection (natural and human factors) would be essential for the purpose of recognition of an appellation of origin.

10. In determining whether recognition should be given a geographical indication, what criteria are considered?

Recognition of an appellation of origin involves determining whether the appellation is in keeping with the definition in the above-mentioned legal provisions, with emphasis on the natural and human factors of the geographical area of production, extraction, or manufacture of the products to be distinguished by the appellation, as well as the quality, renown and other particular characteristics of the products in question.

11. Is there any human creativity involved in the making of specific products under protection by the system of geographical indications? If so, how much? And do these products involve any human factors?

In view of the nature of an appellation of origin, which owes its existence to the place's natural and human factors (which should be unique), the human participation in the making of the product protected by an appellation of origin is often conspicuous, since protection of an appellation is recognized precisely because of such human factors, combined with the natural ones.

12. Are there any other intellectual property rights involved, such as patents for example?

Under the Peruvian appellations of origin regime, the requirement is that the product designated by the appellation should originate in a particular geographical region or area, and that the quality or characteristics of the product are due exclusively or essentially to the place's natural and human factors; if the possibility of other intellectual property rights such as patents or trademarks were involved, such involvement would not be essential.

13. What authority, if any, may define the geographical region or area for which rights are claimed and on what basis is such definition made?

The competent authority for declaring the protection of an appellation of origin in Peru, and hence for determining the geographical area covered by the rights, is the Distinguishing Signs Office of National Competition and Intellectual Property Protection Institute (INDECOPI).

14. Does your legislation contain criteria for homonymous geographical indications for wines?

Peruvian legislation does not contain criteria for homonymous geographical indications or appellations of origin.

15. Does your national legislation provide for recognition and protection of geographical indications or appellations of origin of foreign countries?

Yes. Legislative Decree No. 823, Peru's Industrial Property Law, stipulates that the State shall, by the conclusion of bilateral or multilateral agreements, promote the recognition abroad of Peruvian appellations of origin, granting as a matter of reciprocity, protection to foreign appellations of origin by registration in a special section of the Register of Appellations of Origin.

Similarly, under Decision 486 the competent national authority may declare protection of appellations of origin of member countries of the Andean Community where the application for such protection is filed by producers, extractors, manufacturers or craftsmen who have a legitimate interest or by the public authorities of those countries. Where the application is filed by a third country, protection may be granted as long as it is provided for in an agreement to which the member country is a party.

16. Is there any specific prohibition in the legislation/regulations/rules/procedures covering geographical indications not protected in the country of origin? If so, please specify the relevant statutory provision.

Article 218 of Decision 486 stipulates that, in the case of recognition of appellations of origin of member countries of the Andean Community, the appellation or origin must have been declared as such in its country of origin. Similarly, Article 219 of Decision 486 stipulates that for countries outside the Andean Community, appellations of origin must have been declared as such in their countries of origin. Accordingly, under the terms of Decision 486, in the case of a foreign appellation of origin not recognized or protected in the country of origin, no application for protection can be made in any country of the Andean Community.

C. PROCEDURE FOR RECOGNITION

17. With respect to any formal system for recognition of geographical indications, must the applicant be a governmental organization or can a private entity own the rights to a geographical indication?

In Peru, protection of an appellation of origin can be declared *ex officio* or at the request of anyone who has a legitimate interest therein. Natural and legal persons are deemed to hold a legitimate interest if they are directly engaged in the extraction, production or manufacturing of the products that are to be protected by the appellation of origin, as are associations of producers. State, departmental, provincial and municipal authorities will also be considered interested parties in the case of appellations of origin from their respective areas.

18. What are the competent authorities where the protection of a geographical indication can be obtained?

In Peru the competent authority for applications to protect an appellation of origin is the Distinguishing Signs Office of the National Competition and Intellectual Property Protection Office (INDECOPI).

19. Do the procedures which lead to the recognition of a geographical indication take place ex officio or must they be based on the initiative of an entity or person?

In Peru protection of an appellation of origin may be declared ex officio.

20. What, if any, fees are involved in the application and maintenance of rights in a geographical indication?

The fees to apply for a declaration of protection of an appellation of origin are administrative charges.

21/22. If criteria must be set out in an application for recognition of a geographical indication, are those criteria purely geographic in nature? What other criteria, if any, must be set out in an application for recognition of a geographical indication?

The law requires that, for the purpose of applying for recognition of an appellation of origin, not only geographical criteria (area of production, extraction or manufacture of the product) must be given, but also a detailed description of the product, together with references regarding the quality, renown and other characteristics as well as the human factors influencing the definition.

23. What information must be supplied in an application for rights in a geographical indication?

An application for protection of an appellation of origin must include the following information:

- Name, domicile, place of residence and nationality of the applicant(s);
- the legitimate legal interest on which the request for protection is based;
- the appellation of origin applied for;
- the geographical area of production, extraction or manufacture of the product;
- a detailed description of the product or products to be distinguished by the appellation applied for, together with a description of the qualities, renown and other essential characteristics of the product(s);
- any other information required by the competent Office.

24. Must the goods or services with respect to which a geographical indication is claimed be set out?

Yes. It is compulsory to describe in detail the products for which the application for an appellation of origin is being made.

25. What mechanisms are provided to oppose the recognition of a geographical indication? How is an investigation conducted after such a complaint?

Once an application for protection of an appellation of origin is admitted and the official requirements have been met, it is published in the Official Gazette (*Diario Oficial El Peruano*),

following the procedure for the registration of trademarks. Hence, anyone who is affected has 30 working days following publication to file an opposition and, where appropriate, the applicant has 30 further working days to make any corresponding rebuttals. The competent authority may require further technical reports, specialist research or certificates on the characteristics and quality of the products in order to resolve any claims or opposition to recognition of an appellation of origin.

26. Who can oppose the recognition of a geographical indication?

The recognition of an appellation of origin may be opposed by anyone who demonstrates a legitimate interest, and that person may invoke the prohibitions contained in the law. Accordingly, no appellation of origin may be declared as such if it does not comply with the legal definition, if it is contrary to good morals or to public order, if it misleads the public as to the geographical origin, the nature, the method of manufacture or the quality, renown or other characteristics of the products concerned, or if it is a common or generic indication.

27. If your national legislation provides for recognition and protection of geographical indications or appellations of origin of foreign countries, what is the procedure that has to be followed in order to obtain such recognition and consequent protection?

See the responses to questions 15 and 16 above.

D. MAINTENANCE

28. How long does recognition for a geographical indication continue?

The period of validity of a declaration of protection of an appellation of origin is determined by whether the conditions that led to the appellation continue to exist, in the opinion of the competent Office, which may declare the period terminated if the conditions have not been maintained. However, interested parties may apply for it again if they consider that the conditions for protection have been restored, without prejudice to administrative appeals provided for in law.

29. If recognition of a geographical indication must be renewed or reaffirmed, what information must be provided in order to effect such a renewal or reaffirmation? Specify any fees involved in renewal or reaffirmation.

In order for the declaration of protection to remain effective, it is enough to demonstrate that the conditions which led to recognition continue to exist.

30./31. Must a geographical indication be used in order to maintain rights? If so, how is such use determined? Is there a specified limit for non-use before rights in a geographical indication cease and, if so, what is that limit?

Our legislation does not contain any provision whatsoever on the use requirement in order to maintain rights in an appellation of origin.

32. Who monitors the use of geographical indications to determine if the criteria identified in the application continue to be met?

INDECOPI's Distinguishing Signs Office determines that the conditions which led to recognition of an appellation of origin still exist and ensures that it is properly used.

33. If a government entity is responsible for monitoring the use of geographical indications, what are its procedures for doing so?

Unauthorized use of an appellation of origin will be deemed a punishable offence. Moreover, the Distinctive Signs Office of INDECOPI is entitled to cancel, *ex officio* or upon request, the authorization to use an appellation of origin if the appellation is not being used under the terms on which the authorization was issued.

34. Are there means by which interested parties may request termination of a geographical indication based on non-use or failure to maintain the criteria identified in the application? Describe the procedure.

Since the period of validity of a declaration of recognition of an appellation of origin is subject to the continued existence of the relevant conditions, any interested party may apply to the competent Office for it to declare the period of validity terminated; it is sufficient to submit a request with the supporting evidence.

35. Do the procedures which lead to forfeiture of a geographical indication take place *ex officio* or must they be based on the initiative of an entity or person?

It is possible for the competent authority to declare, *ex officio*, termination of the protection of an appellation of origin, if it considers that the conditions which led to recognition have not been maintained. Similarly, the competent authority may, *ex officio* or upon request, declare forfeiture of the authorization to use a protected appellation of origin, after hearing the parties, if it was issued contrary to the law.

E. SCOPE OF RIGHTS AND USE

36. May anyone who meets the criteria submitted to obtain recognition of a geographical indication use that geographical indication after recognition is given or must additional criteria or procedures be followed by that party before use is permitted?

Under Legislative Decree No. 823, the Industrial Property Act, the State is the holder of Peruvian appellations of origin and grants authorization to use them, for which reason a person who applies for and secures recognition of protection of an appellation of origin must also request authorization to use it, a procedure that is different from the declaration of protection procedure.

37. Who makes the determination regarding use of a geographical indication by particular parties, the entity responsible for the recognition or the entity that obtained the recognition?

Anyone who meets the requirements set out in the declaration of protection of an appellation of origin can ask to be granted authorization to use it, and the entity responsible for recognition and protection (INDECOPI's Distinguishing Signs Office) verifies whether the requirements pertaining to the geographical area and the quality or characteristics of the product are met, and where appropriate grants authorization.

38. Are there fees involved in receiving authorization to use a particular geographical indication and, if so, what are those fees and how are they established?

The only fees involved are the charge for processing the application for authorization to use the appellation. Accordingly, once the authorization is obtained, there is no obligation to pay any additional sum.

39. If there is a dispute regarding use of a geographical indication by a particular party, what procedures are followed to resolve it?

Any unauthorized use of a protected appellation of origin is resolved in an infringement procedure. There may also be disputes that an appellation of origin is being used other than under the terms on which the authorization was granted, in which case the method used is the procedure to cancel the authorization for use. The law also covers the possibility of nullifying the authorization, ex officio or upon request, in cases in which the authorization has been granted contrary to the law.

40. Must individual authorized users of a geographical indication use that geographical indication continually to retain their right to use it and, if so, how is their use determined and how long will this use be permitted?

Current domestic regulations do not establish any cancellation or other kind of extinction of an authorization to use an appellation of origin simply because it has not been used. Accordingly, use of the appellation of origin does not figure as a compulsory requirement to maintain the right to utilize it.

41. If there is a dispute over continuity of use by a particular party, how is it resolved?

Authorization to use an appellation of origin is granted for ten years, which is renewable. If, before expiry of that period, there is any disagreement regarding the viability of continued use, interested parties may use the method of cancellation or nullity (as detailed in reply 39) to terminate authorization.

42. Does the regime for protection of geographical indications allow geographical indications to be licensed and, if so, what conditions are imposed on such licenses? If such conditions are not met, what is the effect on the geographical indication?

See the responses to questions 36 and 37 above.

43. How is the "grandfathered use" of the geographical indication under Article 24.4 of the TRIPS Agreement applied in your country?

Article 24.4 of the TRIPS Agreement is reproduced practically verbatim in Article 215 of Decision 486.

At the same time, Article 238 of Legislative Decree No. 823 stipulates that persons using an appellation of origin before the date on which it was declared shall have a period of one year to apply for authorization to use it.

F. RELATIONSHIP TO TRADEMARKS

44./45./46. What steps are taken to ensure that, in recognizing a geographical indication, the obligations of Article 16.1 of the TRIPS Agreement are not nullified and impaired? What steps are taken to ensure that, in recognizing a geographical indication, the obligations of Article 16.2 and 16.3 of the TRIPS Agreement are not nullified and impaired? What procedures are foreseen in the case of a conflict of a geographical indication with a trademark?

Peruvian law sets out provisions whereby trademarks are cancelled in the event of a conflict with geographical indications and appellations of origin. The law also specifies a procedure in the event of an infringement of an exclusive right. In such cases, the existence of a better or prior right must be demonstrated.

G. ENFORCEMENT

47. How are rights in the geographical indication enforced? Are provisions available under unfair competition law? Trademark law? Other laws? Provide citations to the laws and, if they have not been notified under Article 63.2 of the TRIPS Agreement, please provide copies.

Peruvian legislation provides for specific procedures to defend and protect an appellation of origin. One method is the infringement procedure for unauthorized use of a protected appellation of origin; another is the procedure to cancel and nullify the authorization to use an appellation of origin, and even the rules on unfair competition include some cases which are penalized, such as false indications of source and false appellations of origin.

48. Who has the right to enforce a geographical indication?

The State is the right-holder of Peruvian appellations of origin. Protection may also be invoked by legitimized third parties who consider that they have been affected by acts or circumstances which involve a contravention of their right.

49. What judicial or administrative bodies have jurisdiction over enforcement actions related to geographical indications? Are there fees involved and, if so, what are those fees?

The administrative body with jurisdiction over action to enforce the rules on appellations of origin is the INDECOPI Distinguishing Signs Office. The only fees required are the charges for processing the procedures involved.

The decisions of the second administrative tribunal (INDECOPI Tribunal for the Defence of Competition and Intellectual Property) may be challenged judicially.

50. Must the public be notified of the existence of a geographical indication and, if so, how and how often?

Peruvian law establishes that a declaration of protection of an appellation of origin shall be published, once only, in the Official Gazette (*Diario Oficial El Peruano*) and in any other national newspaper.

51. Is unauthorized use of a geographical indication subject to criminal action and, if so, describe the procedures. If the law has not been notified pursuant to Article 63.2 of the TRIPS Agreement, please provide a copy.

The criminal law does not contain any specific rule whereby unauthorized use of an appellation of origin is deemed an offence, and therefore it would not be subject to criminal action.

H. INTERNATIONAL AGREEMENTS

52./53. Is your government party to an international, including bilateral or plurilateral, agreement for the notification and/or registration of geographical indications? If so, please name the international agreement and explain the relationship between it and your national legislation. What other international agreements, if any, have been entered into? What do those agreements provide?

Peru is party, aside from the Cartagena Agreement, which establishes a common regime for the protection of appellations of origin (Decision 486), to the Paris Convention for the Protection of Industrial Property, which contains rules on false indications of source, and to the Interamerican General Convention on Trademark and Trade Protection, concluded in Washington D.C. in 1929,

which includes rules on unfair competition and in particular on false indications of geographical origin and source.

II. RESPONSES TO THE QUESTIONS IN DOCUMENT IP/C/13/ADD.1

A. GENERAL QUESTIONS (SECTION A OF DOCUMENT IP/C/13)

1. Does your country's industrial property law and/or related law prevent the use of geographical indications identifying wines or spirits against products not originating in the place indicated by the geographical indication, 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?

Article 215 of Decision 486 stipulates that Member Countries shall prohibit the use of an appellation of origin that identifies wines or spirits against such products not originating in the place indicated by the appellation of origin, 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.

Legislative Decree No. 823 (Industrial Property Law) establishes that the use of an appellation of origin by unauthorized persons shall be considered a punishable offence, including cases where they are accompanied by such indications as kind, type, imitation and the like, capable of confusing the consumer. Again, Decree Law No. 26122 (Unfair Competition Law) states that it is deemed unfair to use false indications of source and false appellations of origin and to make unauthorized use of appellations of origin, even where they are accompanied by such expressions as type, model, system, kind, variety or the like.

B. DEFINITION OF GEOGRAPHICAL INDICATIONS AND CRITERIA FOR RECOGNITION (SECTION B OF DOCUMENT IP/C/13)

2/3. Is there a clear distinction between the terms "geographical indications", "appellations of origin" and "indications of source" in your country's industrial property law and/or related law, or are there any substantive criteria to distinguish these terms? Does your legislation contain criteria for homonymous geographical indications for wines and spirits?

See the responses to questions 8 and 14 under I.

C. RELATIONSHIP TO TRADEMARKS (SECTION F OF DOCUMENT IP/C/13)

4. Does your country's industrial property law and/or related law provide for the refusal or invalidation of a trademark registration which consists of or contains geographical indications identifying wines or spirits with respect to such wines or spirits not originating in the indicated territory?

Peruvian industrial property legislation establishes four instances or grounds for irregistrability of trademarks relating to geographical indications and hence for invalidating such registration as has been granted in case of violation. Firstly, it is not possible to register as trademarks any signs which reproduce, imitate or contain an appellation of origin that is protected for the same products or for different products when its use could cause confusion or mistaken association with the appellation. The second instance concerns appellations of origin consisting of a national or foreign geographical indication that is liable to cause confusion in relation to the products or services to which it is applied. Thirdly, it is not possible to register as trademarks any signs which may mislead business circles or the public in particular as to the geographical source, nature, method of manufacture, characteristics or qualities or suitability for use of the products or services concerned.

And the last instance concerns cases involving signs which contain a protected appellation of origin for wines and spirits.
