

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

Responses to the Check-list of Questions¹

Addendum

HONDURAS

The present communication, dated 15 May 2007, is circulated at the request of the delegation of Honduras.

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 for notification/registration before protection is available; or through both? Does the recognition of a geographical indication require registration?

Yes, geographical indications are protected by provisions in the Honduran legislation approving the content of the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), which is incorporated in domestic law in accordance with Article 16 of the Constitution of the Republic of Honduras and Article 7 of the Public Administration Law, under which international treaties subscribed to by Honduras and ratified by the National Congress of the Republic shall be part of the domestic legislation of Honduras.

Furthermore, the Industrial Property Law (Decree No. 12-99-E of 30 December 1999) punishes (Article No. 168) acts of unfair competition relating to geographical indications with a fine amounting to ten to two hundred minimum wages, without prejudice to the penalties laid down in the Penal Code for the wilful use in trade, in respect of a good or a service, of a geographical indication that is false or likely to mislead the public as to its source or the identity of the producer, manufacturer or trader of the good or service.

The above-mentioned Law also affords protection in the form of appellation of origin, and prohibits the use, in the trading of goods, of a false or misleading appellation of origin, or the

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

imitation of an appellation of origin, even where the true origin of the goods is indicated, or a mistranslation of the appellation of origin is used, or the appellation of origin is used in conjunction with expressions such as "*kind*", "*type*", "*style*", "*imitation*" or *the like*.

According to Article No. 170 of Decree 12-99-E, an act of unfair competition is any act carried out in the course of business or for the purposes of business which offends against the rules of good faith and honest business uses and practices. The Law to Implement the Free Trade Agreement between the Dominican Republic, Central America and the United States (Decree No. 16-2006) provides in Article 15 that "the recognition and protection of a geographical indication involves observing prohibitions deriving from the third parties' rights applied for or registered earlier".

Article 129 of Decree No. 12-99-E provides that there is a period within which anyone having a legitimate interest may file a properly substantiated opposition to an application to register a geographical indication.

As to recognition of geographical indications, exclusive use rights take effect as from the registration of protection issued by the Property Institute through the General Directorate of Intellectual Property.

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

Honduras has one single protection regime for geographical indications, contained in the Industrial Property Law, Decree No. 12-99-E, which was amended by Decree No. 16-2006, the Law to Implement the Free Trade Agreement between the Dominican Republic, Central America and the United States.

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

The regime does cover services, under Article 123 of the Industrial Property Law.

4. What provisions of law or regulations are directed to the recognition of geographical indications required by Articles 22.2 and 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 provided pursuant to Article 63.2.

Recognition of the geographical indications referred to in Article 22.2 is covered by the Industrial Property Law, Articles 129, 168 and 170, which was properly notified to the WTO pursuant to Article 63.2 of the TRIPS Agreement.

As regards TRIPS Article 23.1, which deals with additional protection for geographical indications for wines and spirits, Honduran legislation grants protection in general to all types of geographical indications.

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 protection of geographical indications is provided for in the Industrial Property Law, Decree No. 12-99-E, particularly Chapter V, Articles 123 to 133, and Decree No. 16-2006, the Law to Implement the Free Trade Agreement between the Dominican Republic, Central America and the United States, Section III, Articles 14 and 15.

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.

Only one appellation of origin has been registered so far: *MARCALA*, which designates a coffee grown in a particular geographical area of Honduras.

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.

Protection for wines and spirits is provided for in the domestic legislation on industrial property in general.

B. DEFINITION AND CRITERIA FOR RECOGNITION

8. How are geographical indications defined?

In Honduras, Article 79.8 of the Intellectual Property Law establishes that: "*geographical indications shall mean indications which identify a good as originating in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristics of the good are essentially attributable to its geographical origin. Any sign or combination of signs, in any form whatsoever, shall be eligible to be a geographical indication.*"

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

The definition in Article 79(8) referred to above does include quality and reputation characteristics of goods and products when they are essentially attributable to their geographical origin.

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

For recognition of a geographical indication, account is taken solely of those characteristics of the good which are attributable to its geographical origin; it is also recognized in Honduras that any sign or combination of signs, in any form whatsoever, shall be eligible to be a geographical indication, pursuant to Article 79(8), as amended, of the Industrial Property Law. Article 127 prohibits registration of any appellation of origin which is contrary to the definition in the above-mentioned article.

Furthermore, Article 123 of the same law states that: "*a geographical indication may not be used in trade, in respect of a product or a service, when it is false or misleading as to the origin of the good or service, or when its use may create confusion or unwarranted expectations on the part of the public with regard to the origin, source, characteristics or qualities of the good or service.*"

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?

The making of specific products under protection by the system of geographical indications does involve human creativity. Besides the characteristics attributable exclusively or essentially to the geographical environment in which the goods are produced, there are also natural factors and

human factors, covered by Article 79(9) of the Industrial Property Law. As we see it, the techniques and methods the inhabitants of a region use in making a product confer on it a high degree of distinctiveness.

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

There are no express provisions on this subject in Honduran law.

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

The authority empowered to define the geographical region or area is the Property Institute, through the General Directorate of Intellectual Property. The definition is reached on the basis of aspects such as quality, reputation or other characteristic of the good essentially attributable to its geographical origin.

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

Honduran legislation lays down no specific criteria for homonymous geographical indications for wines. However, Articles 79(8), 123 and 127 of the Industrial Property Law contain general grounds applying to geographical indications for the purposes of TRIPS Article 22.4.

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

Yes, Honduran legislation does provide for recognition and protection of geographical indications, in Articles 125 and 126(2) of the Industrial Property Law. They may be protected when the application is filed by foreign producers, manufacturers or craftsman, and competent public authorities having a legitimate interest.

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.

There are no specific provisions on this subject.

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?

Articles 125, 126 and 132 of the Industrial Property Law say that protection for geographical indications may be declared upon application by natural or legal persons, but do not specify whether the latter refers to a government organization or private entity.

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

According to Articles 125 and 126 of the Industrial Property Law, protection of a geographical indication shall be submitted to the Property Institute through the General Directorate of Intellectual Property (Industrial Property Registry Office).

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?

Articles 125 and 129 of the Industrial Property Law provide that the protection of a geographical indication shall be upon request by persons proving a legitimate interest or upon application by one or more producers, manufacturers or craftsmen having their production or manufacturing establishment in the region or locality in the country that corresponds to the appellation of origin.

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

The registration and alteration of an appellation of origin is subject to payment of the following fees: (a) for registration of an appellation of origin: seven hundred lempiras (L 700.00); (b) for alteration of an appellation of origin: three hundred and fifty lempiras (L 350.00), in accordance with Article 174(6) of the Industrial Property Law.

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

They are essentially, but not exclusively, geographic in nature.

22. What other criteria, if any, must be set out in an application for recognition of a geographical indication?

Articles 130 and 132 of the Industrial Property Law specify that applicants "with a legitimate interest" must carry out "directly" the activity they perform.

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

According to Article 128 of Industrial Property Law (Decree No. 12-99-E), the information to be provided is essentially the following:

- (a) Name, address, and nationality of the applicant or applicants and the location of their production or manufacturing establishments;
- (b) the geographical indication for which registration is sought;
- (c) the geographical area of production to which the appellation of origin refers;
- (d) the goods for which the appellation of origin is used;
- (e) a brief description of the essential qualities or characteristics of the goods for which an appellation of origin is sought; and

- (f) payment of the corresponding fee.

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

There is no express provision in Honduran law.

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

According to Article 129 of the Industrial Property Law, the procedures for examining, publishing, opposing and registering shall be governed by the provisions applying to the registration of trademarks. An investigation into a complaint about recognition of a geographical indication shall be conducted according to the procedure laid down in the Administrative Procedure Law.

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

According to Article 89 of the Industrial Property Law, any person (natural or legal) having a legitimate interest may file a substantiated opposition to an application for registration.

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?

According to the Industrial Property Law, applications for registration may be filed with the Property Institute through the General Directorate of Intellectual Property (Industrial Property Registry), which will examine them in order to determine whether they satisfy formal requirements. If the examination shows this not to be the case, the above-mentioned body shall so inform the applicant, which has 30 (thirty) days to amend the application. Otherwise, the application will be rejected.

Where an application meets the formal requirements, the General Directorate of Intellectual Property shall ascertain whether it is consistent with Article 79(8) of the Industrial Property Law and if it is, shall order that it be published once only in the Official Journal *La Gaceta*.

Within 30 days of publication, any person having a legitimate interest may file a properly substantiated opposition to the registration. In this case, the applicant shall be so informed in order that it may reply and the General Directorate of Intellectual Property shall rule on the matter.

In the absence of any opposition, the General Directorate of Intellectual Property shall issue, through the Industrial Property Registry, a substantiated decision on the protection of the geographical indication in question.

D. MAINTENANCE

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

It can be inferred from Articles 129 and 92 of the Industrial Property Law that recognition of a geographical indication lasts for a period of 10 (ten) years (renewable for a further ten years) from the date on which it is granted.

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.

According to Articles 93, 94 and 174(c) of the Industrial Property Law, in order to renew a geographical indication it is enough to file the appropriate application and renewal will be granted without further formalities on the same terms as upon initial registration. For each renewal, there is a fee of L 350.00 (three hundred and fifty lempiras).

30. Must a geographical indication be used in order to maintain rights? If so, how is such use determined?

According to Article 106 of the Industrial Property Law, in order to maintain rights it is necessary to use the geographical indication or at least account for its non-use, or to have restored it during the period of non-use. Use is determined when the goods or services that the geographical indications distinguish have been commercialized or are available on the market under this mark in such quantity and manner as are normal bearing in mind the size of the domestic market, the nature of the goods or services and the procedures for their marketing in Honduras, as prescribed in Article 81 of the law.

31. Is there a specified limit for non-use before rights in a geographical indication cease and, if so, what is that limit?

Article 106 of the Industrial Property Law provides that upon request, registration shall be cancelled in case of non-use of the geographical indication without due cause for the 3 (three) consecutive years preceding the date on which the request for cancellation is filed.

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

The monitoring is carried out by the Property Institute through the General Directorate of Intellectual Property (Industrial Property Registry).

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

The Property Institute applies the procedure laid down in the Law on Administrative Procedure.

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.

Article 133 of the Industrial Property Law allows requests for termination of a geographical indication in the form of a properly substantiated application for cancellation of the protection.

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?

According to Article 105 of the Intellectual Property Law, the process may be conducted ex officio or upon application.

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?

According to Article 80 of the Industrial Property Law, the right to use geographical indications is recognized – and so may be actually asserted – upon being registered for the purpose by the General Directorate of Intellectual Property.

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?

The decision as to use of a geographical indication lies with the entity that obtained the recognition.

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?

According to Article 174(6) of the Industrial Property Law, Decree No. 12-99-E, a fee of L 700.00 (seven hundred lempiras) applies.

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

Disputes concerning the use of geographical indications and rights to their use are heard by the Courts of Law pursuant to Article 132 of the Industrial Property 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 disuse be permitted?

Article 106 of the Industrial Property Law states that, as a general rule, the owner or licence holder must use the geographical indication, otherwise cancellation may be requested in case of non-use in the three-year period preceding the request unless due cause is shown or the annual "reauthorization" (*rehabilitación*) fee has been paid.

Use is determined when the goods or services that the indications distinguish have been marketed or are available on the market under that mark in such quantity and manner as are normal bearing in mind the size of the domestic market, the nature of the goods or services and the procedures for their marketing in Honduras, as prescribed in Article 81 of the same law.

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

Any dispute over continuity of use is resolved on the basis of evidence submitted or proof of payment for restoration of a geographical indication that has not been used. The basis for this is the Law on Administrative Procedure. It is for the owner of the right to prove use of the geographical indication.

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?

Yes, the regime for protection of geographical indications allows geographical indications to be licensed, since registration of protection of a geographical indication confers exclusive rights on the owner. Furthermore, under Article No. 16 of Decree No. 16-2006, the owners of these rights may grant third parties licences to use them, and the registration of a licence is not a requirement for asserting any of the rights it covers.

The effects of granting licences for the use of geographical indications are obtention of proper protection for them and avoidance of trade-restrictive measures and provision for the avoidance of acts of unfair competition.

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

In Honduras, "grandfathered use" of a geographical indication, under TRIPS Article 24.4, is applied in the light of the provisions of Chapter II, Section 1, Article 84(2) of the Industrial Property Law.

F. RELATIONSHIP TO TRADEMARKS

44. 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?

Article 84 of the Industrial Property Law prohibits registration as trademarks of the signs set out in any of the provisions of this Article, which include signs constituting an appellation of origin previously protected under the Law for the same goods, or for different goods when their use could give rise to a risk of confusion or association with the appellation of origin or would mean taking unfair advantage of its repute.

Under Articles 160, 163, 165 and 172 of the Law, without prejudice to any other legal action that may apply, any natural or legal person sustaining injury may engage in the administrative, civil or penal proceedings provided for in the Industrial Property Law.

45. 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?

Article 96 of the Industrial Property Law provides that registration of a trademark entitles the owner to take action against anyone that uses the mark without its consent and in particular, in respect of identical or similar goods or services for which the mark has been registered, carries out acts such as using in trade a sign identical or similar to the registered mark, in respect of goods or services identical or similar to those for which it has been registered, when use of the sign in question could give rise to confusion or cause the owner economic or commercial injury or cause dilution of the distinctive quality of the mark. The possibility of confusion shall be presumed to exist where an identical sign is used to distinguish identical goods or services.

The above provisions prevent any nullification or impairment of the obligations of TRIPS Article 16.2 and 16.3 as regards protection of geographical indications, since the regime recognizes exclusive use rights provided that the requirements in Articles 123 and 127 of the above-mentioned Law are fulfilled. Use of the right by unauthorized persons shall be treated as an act of

unfair competition (Article 170), even when the indication is accompanied by expressions such as "kind", "type", "style", "imitation" or the like which also cause confusion to the public.

Any party sustaining injury may defend its rights in accordance with the legal measures envisaged in Article 160 of the Law, without prejudice to any other applicable legal remedies.

46. What procedures are foreseen in case of a conflict of a geographical indication with a trademark?

The procedures established in the Industrial Property Law for any conflict between distinctive signs, such as opposition, envisaged in Article 89. Article 129 establishes that the procedures for the examination, publication, opposition and registration of appellations of origin shall be governed by the provisions applying to the registration of marks, where appropriate. Articles 105 and 106 of the Industrial Property Law also provide for invalidation and cancellation in the event of conflict between geographical indications or another distinctive sign.

Article 132, third paragraph, of the same Law provides that disputes concerning the right of use of a registered appellation of origin shall be heard by the Courts.

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.

Rights in a geographical indication are enforced on the basis of the decision taken by the competent body to authorize registration.

Article 170 of the Industrial Property Law sets out the acts constituting unfair competition for distinctive signs in general, including geographical indications.

Only in the Industrial Property Law are distinctive signs protected including trademarks and geographical indications, as set forth in Article 82.

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

The Property Institute, through the General Directorate of Intellectual Property (Industrial Property Registry Office) has administrative oversight of intellectual property rights and responsibility for their enforcement.

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?

As regards administrative proceedings, the Property Institute, through the General Directorate of Intellectual Property (Industrial Property Registry Office) is responsible for enforcing the provisions of the Industrial Property Law on geographical indications.

The civil courts hear claims for damages relating to intellectual property, and cases where there is a presumption of an industrial-property-related offence are heard by the criminal courts.

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

Yes, applications for registration of a geographical indication must be notified to the public. A notice is published once in the Official Journal *La Gaceta*, pursuant to Article 129 of the Industrial Property Law.

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.

Yes, Title VI, Chapter I of the Industrial Property Law lays down mandatory penal sanctions for offences involving unauthorized use of a geographical indication. The applicable procedures are laid down in the Code of Penal Procedure, which has been notified to the WTO.

H. INTERNATIONAL AGREEMENTS

52. 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.

At multilateral level, Honduras is a Member of the World Trade Organization (WTO) and the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) forms part of its domestic legislation. At regional level, Honduras is a signatory to the following free trade agreements: the CA-3/Mexico Free Trade Agreement together with the Republics of El Salvador and Guatemala, the Dominican Republic-Central America Free Trade Agreement and the Dominican Republic-Central America-United States Free Trade Agreement. As a general rule, without prejudice to the Industrial Property Law, the provisions on intellectual property contained in the above-mentioned international treaties in force in Honduras are applicable.

53. What other international agreements, if any, have been entered into? What do those agreements provide?

Honduras is a member of the Paris Convention for the Protection of Industrial Property, administered by the World Intellectual Property Organization (WIPO).
