

**Council for Trade-Related Aspects of  
Intellectual Property Rights**

Original: Spanish

**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 Questions<sup>1</sup>

Addendum

ECUADOR<sup>2</sup>

The present document represents the responses to the Checklist which the Secretariat has received from Ecuador, by means of a communication from its Permanent Mission, dated 20 November 1998.

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**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?**

Pursuant to the provisions of Article 239 of the Intellectual Property Act, the use of geographical indications by unauthorized persons shall be considered an act of unfair competition. With regard to the examples mentioned, it should be noted that the procedure established under Article 243 of the Act in question provides for a period within which anyone with a legitimate interest may submit a duly substantiated objection to the declaration. Rights of exclusive use of geographical indications are recognized through the declaration of protection issued by the National Directorate of Industrial Property.

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

There is only one regime of protection of geographical indications in Ecuador, as contained in the Intellectual Property Act.

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<sup>1</sup> Documents IP/C/13 and IP/C/13 Add.1.

<sup>2</sup> Ecuador has informed the Secretariat that responses to questions 3 and 6 of document IP/C/13 as well as responses to the questions contained in document IP/C/13 Add.1 will be provided in due course.

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

See footnote 2 on page 1 above.

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

See in particular the provisions of Article 239 and 240 of the Intellectual Property Act, which was duly notified to the WTO in accordance with Article 63.2 of the TRIPS 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 protection of geographical indications is provided under the Intellectual Property Act. See in particular Chapter IX, Articles 237-247.

**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.**

See footnote 2 on page 1 above.

**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.**

No.

**B. DEFINITION AND CRITERIA FOR RECOGNITION**

**8. How are geographical indications defined?**

Article 237 of the Intellectual Property Act provides that: "A geographical indication shall be understood to mean an indication which identifies a product as originating in the territory of a country, a region or locality of that territory, when a specific quality, reputation or other characteristic of the product is essentially attributable to its geographical origin, including natural and human factors".

**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 covers the points mentioned above.

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

The relevant criteria are those contained in Article 237 of the Intellectual Property Act. Furthermore, pursuant to Article 240 of the Act, indications which do not fit the prescribed definition may not be described as geographical indications. These include indications contrary to morality or public order or such as may mislead the public as to the source, nature, method of manufacture or characteristics or qualities of the products concerned; and common or generic indications used to

distinguish the particular product, when considered as such by persons with knowledge of the subject or by the general public.

**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 defining what is meant by geographical indication, Article 237 of the Intellectual Property Act states that the product identified by its particular characteristics must be attributed essentially to its geographical origin, including natural and human factors. This means that human creativity could be involved in the preparation of specific products protected by the system of geographical indications. No particular degree of human involvement is prescribed.

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

There is no rule expressly relating to this issue.

**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 National Director of Industrial Property. The definition of the region or area is based on whether the specific quality, reputation or other characteristic of the product is essentially attributable to its geographical origin.

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

Not specifically. However, Articles 239 and 240 of the Act contain applicable criteria in accordance with Article 22.4 of the TRIPS Agreement.

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

Yes, under the terms of Article 247 of the Intellectual Property Act. They may be declared protected on the basis of applications submitted by producers, extractors, manufacturers or craftsmen with a legitimate interest, or by their respective public authorities.

**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 247 provides that recognition of geographical indications of foreign countries requires that they should first have been declared as such in their countries of origin.

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?**

Under the terms of Article 241 of the Intellectual Property Act, geographical indications may be declared protected at the request of natural or legal persons.

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

In accordance with Article 242 of the Intellectual Property Act, the declaration of protection of a geographical indication shall be submitted to the National Directorate of Industrial Property.

**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?**

Article 241 of the Intellectual Property Act provides that a geographical indication may be declared protected ex officio or at the request of whoever demonstrates a legal interest, be it a natural or legal person.

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

For the time being, the applicable fees are those listed in Ministerial Agreement No. 0106 of 18 April 1997, published in Official Journal (Registro Oficial) No. 48 of 21 April 1997. However, pursuant to Article 368 of the Intellectual Property Act, a new schedule of fees, which has not yet been drawn up, is to be established for those matters.

**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. Article 245 of the Intellectual Property Act states that applicants must be persons who engage in the extraction, production or preparation of products identified by the geographical indication and who carry out that activity within the territory specified in the declaration.

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

Articles 241 and 245 provide that applicants "with a legitimate interest" must "directly" carry out the activity in which they engage.

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

In accordance with Executive Decree No. 447, regulating Decision 344 on industrial property (Official Journal No. 145 of 4 September 1997), and Article 134 of that Decision, the following information must be supplied:

- (a) Name, address, residence and nationality of the applicant or applicants, and their legal interest;
- (b) the geographical designation requested;
- (c) the geographical area of production, extraction or preparation of the product to be identified by the designation, such area to be delimited with reference to its geographical characteristics and political boundaries;
- (d) a detailed description of the product or products to be identified by the requested designation, as well as their characteristics.

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

There is no provision expressly concerned with this subject.

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

Under the terms of Article of 243 of the Intellectual Property Act, taken together with Article 208, anyone claiming a legitimate interest in raising an objection may request an extension of 30 working days following publication of the request for recognition in the Industrial Property Gazette, within which period the objection shall be substantiated. The National Industrial Property Directorate shall decide on objections.

Any complaint concerning recognition shall contain the underlying reason therefor and shall give rise to an administrative procedure in which all relevant information shall be collected with a view to determining whether there are grounds for an application for redress - to the same official - as provided for in Article 357 or, where appropriate, for an appeal to the Intellectual Property Committee, or an application for review to the same Committee. The District Administrative Courts may suspend implementation of the measure appealed against, either ex officio or at the request of a party, in the event that such implementation could cause damage which it would be impossible or difficult to repair.

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

In conformity with Article 243 of the Intellectual Property Act, Article 208 provides that any person (natural or legal) with a legitimate interest may oppose the requested declaration of recognition on duly substantiated grounds.

**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 Articles 241, 242, 243 and 247 of the Intellectual Property Act, applicants may submit the relevant application for protection to the National Directorate of Industrial Property, which shall examine it within 15 working days from receipt in order to determine whether it conforms with the required formalities. If such examination reveals that the application does not meet the requirements of form, the entity in question shall notify the petitioner in order for the latter to remedy any irregularities within 30 days. If they have not been remedied within the period referred to, the application shall be rejected.

In the event that the application for registration meets the formal requirements, the National Directorate of Intellectual Property shall order its publication, once only, in the Intellectual Property Gazette.

Within 30 days following publication, anyone who has a legitimate interest may submit a duly substantiated objection to the requested registration. In that event, the applicant shall be notified so that he may make submissions within the following 30 working days, after which the National Directorate of Industrial Property shall take the necessary decision.

If no objection is raised, the National Directorate of Industrial Property shall take a reasoned decision on the declaration of protection of the corresponding geographical indication.

D. MAINTENANCE

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

Article 243 of the Intellectual Property Act, taken together with Article 212, provides that recognition of a geographical indication shall have a duration of 10 years from the date on which it is given. Decision 344 of the Board of the Cartagena Agreement ratifies this period of recognition.

**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 conformity with Article 243 of the Intellectual Property Act, the second subparagraph of Article 213 provides that submission of the relevant application shall be sufficient for renewal, which shall be granted without further formalities under the same terms as the original registration.

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

Articles 243 and 220 of the Intellectual Property Act, taken together, provide that it is necessary to use a geographical indication in order to maintain rights or, at least, to give proper justification for non-use.

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

Articles 243 and 220 of the Intellectual Property Act jointly provide that, at the request of a party, the declaration shall be cancelled when the geographical indication has unjustifiably not been used during the three consecutive years preceding the date on which the action for cancellation is initiated.

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

The National Directorate of Industrial Property.

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

The procedures set out in the Regulations to the Intellectual Property Act.

**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.**

This can be done by means of a duly substantiated application in which cancellation of the declaration of protection is requested. Article 244 of the Intellectual Property Act provides that the period of validity of a declaration conferring the right to use a geographical indication shall be determined by the continued existence of the conditions on which it was based, which implies that a change in those conditions is sufficient grounds for a request to cancel the declaration and for the protection it provides to cease to have effect. On the other hand, upon cause shown that non-use of the geographical indication was due to *force majeure*, fortuitous circumstances or other official requirements with restrictive effect, the declaration of protection of the right shall not be cancelled.

With regard to the actual procedure, the basic formula used is the legal axiom that what has been done can be undone in the same way. This implies that the competent authority, the National Director of Industrial Property, shall examine the substantiated request, which shall be transmitted to the right holder; the latter shall have a period of 30 days to be heard in accordance with Article 246 and to submit evidence in support of his case. If no objection has been raised by the right holder, the declaration of protection shall be cancelled by means of a reasoned decision. In the event that the right holder claims the right to continued protection, the National Directorate of Industrial Property shall take a reasoned decision on the basis of the proceedings.

**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?**

In accordance with Article 246 of the Intellectual Property Act, the procedure may be carried out ex officio or at the request of a party.

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?**

Pursuant to Article 239 of the Intellectual Property Act, the right to use Ecuadorian geographical indications is recognized – and is therefore made effective – from the time the National Directorate of Industrial Property issues a declaration to that effect.

**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 entity that obtained the recognition.

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

Under Article 368 of the Intellectual Property Act, payment of a fee is required, which at the moment is determined by Ministerial Agreement No. 0106 of 18 April 1997, published in Official Journal No. 48 of 21 April 1997.

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

Article 374 of the Intellectual Property Act establishes the principle that any intellectual property dispute may be submitted to arbitration or mediation, in accordance with the Arbitration and Mediation Act.

**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?**

Articles 243 and 220 of the Intellectual Property Act, taken together, lay down the general principle that the right holder or licensees must use the geographical indication. Otherwise, its cancellation may be requested when it has not been used, without due cause, during the three years preceding the action for cancellation.

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

By evaluating the evidence submitted. It will be for the right holder to provide evidence of 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 licences? If such conditions are not met, what is the effect on the geographical indication?**

The declaration of protection of a geographical indication grants exclusive rights to the holder. However, Article 279 of the Intellectual Property Act establishes the general principle that industrial property rights – including rights in geographical indications – are transferable inter vivos or mortis causa. Article 280 adds that, in consequence, the holders of such rights may grant licences to third parties for their exploitation or use, by means of written contracts which shall not contain clauses restricting trade or provisions designed to promote unfair competition. The licensee must recognize the holder's right to receive royalties for exploitation of the right. The licence will be revoked if the licensee fails to comply with payment and other requirements.

**43. How is "grandfathered use" of a geographical indication, under Article 24.2 of the TRIPS Agreement, applied in your country?**

In accordance with the above-mentioned provision, in the light of the rules set out in Book II, Chapter IX and related provisions of the Intellectual Property Act.

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 236 of the Intellectual Property Act provides that distinctive appearances (Article 235) shall be protected in the same way as trade names.

Pursuant to Article 287 of the above-mentioned Act, and without prejudice to other legal remedies which may be applicable, any aggrieved natural or legal person may exercise the remedies provided for in the Intellectual Property Act, including preventive or precautionary measures.

**45. What steps are taken to ensure that, in recognizing a geographical indication, the obligations of Articles 16.2 and 16.3 of the TRIPS Agreement are not nullified and impaired?**

Article 217 provides that registration of a mark confers on the owner the right to take action against any third party who uses it without his consent and, in particular, carries out acts such as using in the course of trade a sign identical or similar to the registered mark, in connection with goods or services identical or similar to those in respect of which the mark is registered, when use of such sign might result in a likelihood of confusion or cause economic or commercial damage to its owner, or give rise to a dilution of its distinctive force. A likelihood of confusion shall be presumed when an identical sign is used to identify identical products or services.

The above provisions ensure that the obligations under Article 16.2 and 16.3 of the TRIPS Agreement, relating to the protection of geographical indications, are not nullified and impaired, since they recognize the right of exclusive use on condition of compliance with the requirements laid down in Articles 237 and 239. Use of the right by unauthorized persons shall be considered an act of unfair competition (Article 285) even where it is accompanied by terms such as "kind", "class", "type", "style", "imitation" or the like, which mislead the consumer.



Any aggrieved party may defend his rights pursuant to the provisions of Article 287 of the Act, without prejudice to other applicable legal remedies.

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

Those specified in the Act. In addition, from a practical standpoint, arbitration may be particularly useful if the relevant conditions are met.

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.**

An exclusive right to use a geographical indication is granted on the basis of the declaration made by the competent organization. The second subparagraph of Article 239 of the Intellectual Property Act - which was duly notified in accordance with Article 63.2 of the TRIPS Agreement - provides that use of a geographical indication by unauthorized persons shall be considered an act of unfair competition, even where it is accompanied by terms such as "kind", "class", "type", "imitation", and the like, which mislead the consumer.

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

Article 332 of the Intellectual Property Act provides that the observance and enforcement of rights in this area are in the public interest. The State exercises administrative supervision of intellectual property rights and will ensure that they are observed and enforced.

**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?**

In judicial matters, pursuant to Article 375 of the Intellectual Property Act, the district intellectual property courts and, if an offence is presumed to have been committed, the criminal courts. In the administrative field, the Ecuadorian Intellectual Property Institute shall have a watching brief over such rights on behalf of the State.

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

The Intellectual Property Act provides for the requirement of publication once only in the Intellectual Property Gazette.

**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, if an offence has been committed, as specifically stipulated in Article 319, subparagraph (h) of the Intellectual Property Act. The procedures are established in the Code of Criminal 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.**

Yes, at subregional level, as a member of the Andean Community, Ecuador applies Decisions 344 (Common Industrial Property Regime) and 351 (Common Regime for Copyright and Related Rights) of the Cartagena Agreement. At the multilateral level, the Agreement on Trade-Related Aspects of Intellectual Property Rights, TRIPS, of the WTO. As far as general rules are concerned, without prejudice to the provisions of the Intellectual Property Act, the applicable provisions are those contained in the international treaties or agreements on intellectual property in force in Ecuador.

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

No others which specifically deal with geographical indications.

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