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

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CROSS PROMOTION

COMMUNICATION FROM MEXICO

The following communication, dated 5 November 2019, is being circulated at the request of the delegation of Mexico.

1 BACKGROUND

1. Since 2012, the Codex Committee on Nutrition and Foods for Special Dietary Uses (CCNFSDU) has been working on revising and updating the Standard for follow-up formula (CXS 156-1987).
2. At the 40th Session of the CCNFSDU, held from 26 to 30 November 2018, the proposed draft revised Standard for follow-up formula (hereinafter "the proposed draft") was discussed. It was agreed to submit its labelling provisions for endorsement by the Codex Committee on Food Labelling (CCFL) at its 45th Session, which would be held from 13 to 17 May 2019 in Ottawa, Canada. One of the issues that was discussed was the labelling provision contained in Section A, paragraph 9.6.4., of the proposed draft, which refers to "*cross promotion*".
3. The provision reads:

9.6.4. Products shall be labelled in such a way as to avoid any risk of confusion between infant formula, follow-up formula for older infants, (name of product) for young children, and formula for special medical purposes, and to enable consumers to make a clear distinction between them, in particular as to the text, images and colours used. Cross promotion between products is not permitted in product labelling. (Emphasis added)
4. At the 45th Session of the CCFL, the item "Consideration of labelling provisions in draft Codex standards (endorsement)" (CX/FL 19/45/1 Rev) was included in the agenda. The CCFL examined the labelling provisions submitted by the Codex committees and consequently included the proposal to endorse the labelling provisions contained in the proposed draft (CX/FL 19/45/4), but without the last sentence on "*cross promotion*", recommending further discussions on this matter.
5. Subsequently, at the 42nd Session of the Codex Alimentarius Commission held in Geneva, Switzerland, from 8 to 12 July 2019, comments in favour of the endorsement of the proposed draft were made. The Commission decided to endorse the text of the proposed draft, but stressed that the concept of "*cross promotion*", described at the end of paragraph 9.6.4., should continue to be examined in the CCNFSDU Committee, especially in light of its possible incompatibility with international obligations under the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO).
6. The concept of "*cross promotion*" in paragraph 9.6.4. of the draft Standard for follow-up formula (CXS 156-1987) will be further discussed at the 41st Session of the CCNFSDU to be held in Düsseldorf, Germany from 24 to 29 November 2019.

2 LINK TO WTO COMMITMENTS

7. The Codex Alimentarius Commission is an international organization engaged in standardization-related activities under Article 2.4 of the Agreement on Technical Barriers to Trade (TBT).¹ This means that if a prohibition on "*cross promotion*" were included in an international Codex Alimentarius standard, all WTO Members would be obliged to use that standard as a basis for their own technical regulations.

8. Paragraph 9.6.4. prohibits "*cross promotion*" between product categories in product labelling. However, the term "*cross promotion*" is not defined in the proposed draft. First, the absence of a definition may create uncertainty about the scope and impact of the prohibition on "*cross promotion*" if the proposed draft is endorsed, as drafted, by the Codex committees. Depending on what is meant by "*cross promotion*", such an international standard could affect the use of protected trademarks, on the basis of the obligations established in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

9. Under Article 15 of the TRIPS Agreement:

Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. [...]

10. A single undertaking may produce "infant formula, follow-up formula for older infants, (name of product) for young children, and formula for special medical purposes". Consequently, the prohibition on "*cross promotion*" between product categories in product labels or labelling could be interpreted (in the absence of clarification on the scope of that definition) as a prohibition on the use of the same trademark for different categories of products, or it may possible to use the same trademark, but in a different way (e.g. through variations in colour), to avoid the appearance of "*cross promotion*". This could undermine the capability of a trademark to distinguish the products of one undertaking from those of other undertakings, as stated in Article 20 of the TRIPS Agreement.²

11. Although Article 17 of the TRIPS Agreement provides for exceptions to the rights conferred by a trademark, a prohibition on "*cross promotion*" must be examined to determine whether it could be justified under this Article, as it provides that such exceptions must take account of the legitimate interests of the owner of the trademark and of third parties.³

12. The objective of the TRIPS Agreement is to establish obligations for Members to grant and protect intellectual property rights in their respective territories, by providing minimum standards of protection that must be adopted. In light of the above, a certain degree of discretion is permitted with regard to establishing levels of protection that exceed those already provided for in the Agreement; however, international obligations relating to granting protection to intellectual property rights, such as trademarks, are not flexible.

¹ Article 2.4 of the TBT Agreement reads: Where technical regulations are required and relevant international standards exist or their completion is imminent, Members shall use them, or the relevant parts of them, as a basis for their technical regulations except when such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued, for instance because of fundamental climatic or geographical factors or fundamental technological problems.

² Article 20 of the TRIPS Agreement reads: The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings. This will not preclude a requirement prescribing the use of the trademark identifying the undertaking producing the goods or services along with, but without linking it to, the trademark distinguishing the specific goods or services in question of that undertaking. (Emphasis added)

³ Article 17 of the TRIPS Agreement reads: Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

3 RECOMMENDATION

13. Mexico recommends analysing the definition of "*cross promotion*", as well as the implications for TRIPS Council members of including the prohibition on "*cross promotion*" between categories of follow-up formula for infants in an international Codex Alimentarius standard, without having due clarification of the scope of this prohibition or its possible effects.

14. Mexico supports pursuing the discussion on the prohibition on "*cross promotion*" between categories of follow-up formula for infants in the various Codex Alimentarius bodies, and recommends that the WTO, as an intergovernmental organization with observer status in this international standardization body, take note of the concern that this concept's lack of clarity could generate for its Members.
