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Geographical Indications and TRIPS

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Geographical Indications and TRIPS

Professor Michael Blakeney

1. Introduction

Marks indicating the geographical origins of goods were the earliest types of trademark.⁴ Prior to the Industrial Revolution in Britain, which commenced in the eighteenth century, industrial production was on a small scale. The corporate form of industrial organization did not yet exist. For this reason, it was unnecessary for the law to develop the notion of protectable goodwill. Until this time, the principal products, which entered international trade, were primary products, such as minerals and agricultural produce and simple manufactured goods, such as pottery and woven fabrics. In the competition to earn revenues from the international trade, which was developing at that time, it became apparent that the products of particular regions were more saleable than comparable products from other regions, because of their superior quality. This superior quality resulted either from natural geographic advantages, such as climate and geology (eg Seville oranges, Kentish hops, Burgundy wine); recipes and food processing techniques, local to a region (eg Kyoto bean cakes, Malmesbury mead, Frankfurter sausages) or indigenous manufacturing skills (eg Toledo steel, Delft ceramic ware, Korean celadon ware).

To take advantage of the commercial attractiveness of these local reputations, merchants branded their goods with marks which designated the place of origin of these products. These brands utilized depictions of local animals (panda beer), landmarks (Mt Fuji sake), buildings (Pisa silk), heraldic signs (fleur de lys butter) or well known local personalities (Napoleon brandy, Mozart chocolates). These brands were tantamount to a warranty of the quality of these goods. To protect the commercial reputation of these goods, local legislators passed laws to prevent the adulteration of local produce by the addition of inferior introduced goods or ingredients. These laws punished the adulteration of goods and established systems of marking approved local goods with marks certifying their quality (eg wool marks for cloth, hallmarks, for goods made from precious metals) Where the reputation of local goods were attributable to the skills and technology of local artisans, associations, or guilds, of masterworkers grew up. The taxing authorities saw an advantage in preserving the skills and revenue earning capacities of these guilds and conferred upon them a monopoly of manufacture. To regulate this monopoly, the guilds developed service marks, or heraldic-type designs which were placed upon goods produced by guild members. These service marks were akin to the modern day certification marks which are warranties that goods meet quality standards set out in publicly available certification documents.

The evolution of trade marks, associated with the products of individual manufacturing plants, which developed with the Industrial Revolution, has not meant the disappearance of geographic marks. Particularly in Europe, substantial processed foods markets and markets for alcoholic beverages are dependent upon the continued recognition of geographical marks. Indeed, for European negotiators, the inclusion of these marks in the WTO Agreement on Trade Related Aspects of Intellectual Property (TRIPS Agreement) was a significant achievement of the Uruguay round of the GATT.

This paper describes the protection of geographical marks under national and international law, with particular attention to the scheme of protection for such marks envisaged for the WTO TRIPS Agreement.

2. Definitions

(a) Geographical Indications

Because of the diverse ways in which the protection of geographical indications has evolved under national laws, there is no generally accepted terminology. The following are the conventional definitions which can be found in the literature on geographical indications:⁵

‘Indication of Source’ refers to a sign that indicates that a product originates in a specific geographical region.

‘Appellation of Origin’ refers to a sign that indicates that a product originates in a specific geographic region only when the characteristic qualities of the product are due to the geographical environment, including natural and human factors.

‘Geographical Indication’ includes both of the above concepts.

For the purposes of the discussions of reform proposals in April 2001 by the TRIPS Council, the WTO Secretariat adopted the term "indications of geographical origin" to designate the different expressions used by WTO Members to protect geographical origin of products.⁶

(b) Trademarks

In general terms, trademarks are signs, which are used in order to distinguish the goods or services of one undertaking from the goods or services of another undertaking. In the TRIPS Agreement Article 15.1 states that “Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of another undertakings, shall be capable of constituting a trademark.” It follows from that definition

that the main function of a trademark is to distinguish the goods and/or services for which the trademark is used. Only trademarks that are distinctive can perform that function. The TRIPS Agreement does not give any indication under what circumstances a sign has to be considered distinctive in respect of certain goods or services. However, it is commonly accepted that, in order to be considered distinctive, signs used as trademarks must not be descriptive or deceptive.

As a general proposition, geographical indications are unlikely to be considered more than descriptive. Indeed, many trademark laws both explicitly disqualify geographic marks from protection as inherently distinctive marks and provide as a defence to trademark infringement, the fact that a mark identifies a geographic area which could be understood to constitute a reference to the origin of the relevant goods. However, it may be possible to use a geographical term as trademark in cases where that trademark, despite of being originally descriptive, has acquired distinctive character (or secondary meaning) through use.

3. *Geographical Indications under National Laws*

(a) English Passing Off Law

Protection against the wrongful appropriation of geographic indications is found in the English tort of passing-off. A recent authoritative definition of this term by the House of Lords, occurred in a case where an English alcoholic drinks manufacturer was sought to be enjoined from using the name 'Advocaat' to describe his product, as this drink was typically associated with a traditional recipe of eggs and brandy, developed by Dutch manufacturers⁷, was accused of passing off. The elements of the tort were identified by Lord Diplock as involving a misrepresentation made by a trader in the course of trade to prospective or ultimate consumers of goods or services supplied by him which is calculated to injure the business or goodwill of another trader, which causes causing actual or probable damage to the plaintiff.

From its earliest development the British law of passing off prevented the misuse of geographical terms. In *Dunnachie v. Young & Sons*⁸ the defendants were enjoined from marking their fire bricks "Young Glenboig" and advertising them as "made from Glenboig clay", because they were made from a seam of clay about two miles from Glenboig

The principal development of passing off law in relation to geographical indications occurred with the Spanish Champagne case⁹; in which formed the basis of protection for Champagne not only in England but also other common law jurisdictions.. The question which the court had to consider in that case was whether use of the term "Spanish Champagne" could be used in relation to a sparkling wine not produced in the French Champagne District. The suit was instituted by one of the French Champagne houses on behalf of themselves and all other persons who produce wine in the Champagne district and supply such wine to England and Wales. The plaintiffs alleged that wine produced by

the Champagne houses and each of them and supplied by them to England and Wales, was a naturally sparkling wine produced in the Champagne district by a process of double fermentation from the grapes grown in the Champagne District and that it was long known to the trade and public throughout the United Kingdom as Champagne and has as such acquired a high reputation. They alleged that any member of the trade or public in the United Kingdom ordering Champagne or seeing wine advertised or offered for sale as champagne, would expect the wine so ordered, advertised or offered for sale, to be a naturally sparkling wine produced in the Champagne district from grapes grown in the Champagne district and no other.

The trial judge observed that:

The region in which the Champagne vineyards are found is about a 100 miles east of Paris around Rheims and Epernay, where there is a chalky, flinty soil and the climate is subject to extreme variations of heat and cold. It appears that these factors give to the wine its particular qualities. since 1927 the Champagne Viticole District has been strictly limited by law, and only certain vineyards are allowed in France to use the name 'Champagne'. Wines produced from these vineyards are sold as 'Champagne', but goodwill has also become attached to the names of the shippers, or 'brand names' as they are called. The wine is a naturally sparkling wine made from the grapes produced in the Champagne district by a process of double fermentation which requires a considerable amount of care.

He ruled that it was established that 'Champagne' in England meant the product produced in the Champagne district of France by the plaintiffs and the other growers and shippers of that district.

This decision was followed in the 'Sherry case'¹⁰ in which Spanish Sherry producers, claimed exclusive rights in the mark 'Sherry' which they derived from the Jerez district of Spain. They sought to enjoin the use of the mark, 'British Sherry'. The court found that the term 'Sherry' was indeed a geographical indication, but that the plaintiffs were disqualified from a remedy because they had acquiesced for a long time in the use in the English market of marks such as 'Australian Sherry' and 'South African Sherry'

The Scotch Whisky case¹¹ was the third in the line of English cases on protecting geographical indications. The questionable practice was the export of Scotch whisky to Ecuador where it was to be resold in under the labels 'White Abbey' and "Scottish Archer' Scotch whisky after being admixed with local cane spirit. The evidence in the case disclosed that there were two basic types of Scotch whisky: that made from malted barley only, and grain whisky which is made from malted barley together with unmalted barley in varying proportions. These whiskies were produced by two different processes: the pot-still process for malt whisky and the patent or Coffey Still process for grain whisky. Almost all of the whisky sold to the public is blended whisky, where a number of malt whiskies are blended with a number of grain whiskies to produce the whisky sold to the public under brand names. The formula for each brand is secret. There was evidence that there were no blenders of Scotch outside of Scotland and England. The

court held that as producers of Scotch fell within the principle enunciated in the *Spanish Champagne* case and were entitled to have upheld the description of their product as 'Scotch whisky.'

Similar results were obtained by the Scotch Whisky manufacturers in passing off cases in South Africa. In *William Grant v. Cape Wine & Distillers*¹². The court held that a blend of Scotch Whisky with local spirit, together with advertising material showing a Scotsman in full Highland dress and carrying the slogan "ten years in Scotland makes all the difference" was actionable.. In *Long John International v. Stellenbosch Wine Trust*¹³ the court enjoined the sale of a product called "Ben Nevis Scotch Whisky Liqueur" with a Scottish theme to the label. The drink actually consisted of whisky distilled with water and sweetened with sugar.

The most recent consideration by an English court of geographical indications in a passing off context, again concerned the use of the name 'Elderflower Champagne' for the use of a soft drink¹⁴ Despite the unlikelihood of English consumers thinking that the Champagne houses of France were now involved in the production of soft drinks, the court took the view that the international significance of appellations of origin prevented their misuse, even in an apparently innocuous context.

(b) Unfair Competition Laws

The false or deceptive representation of the origin of goods is actionable under a number of unfair competition statutes in countries as diverse as Australia and Germany. In Australia, under its Trade Practices Act 1974, there is a general prohibition against misleading or deceptive conduct, which has been utilized as a supplement to passing off in cases involving the misuse of geographical designations¹⁵. Additionally, s.53 of that Act criminalizes the false representation of the origin of goods. Most cases have involved goods which are represented as having been made in Australia, but which have been fabricated in other countries, or merely assembled in Australia.¹⁶

Article 3 of the German Unfair Competition Act prohibits any person, in the course of business activity, for the purposes of competition, making deceptive statements concerning the origin of particular goods¹⁷ Examples of successful actions include those in relation to 'Dresdner Stollen', 'Lübecker Marzipan' and 'Elsässer Nudeln.'¹⁸

In these statutes, the primary concern of the legislators is the elimination of deceptive practices, rather than the conferral of private proprietary rights.

(c) Anglo-American Trademarks Statutes

As a matter of general principle, it is not usually possible to register a geographic name as a trademark. The philosophy of trademarks protection is to permit the registration only of distinctive marks. As a rule of thumb the registering office or the court will consider whether the geographic mark would be likely to be chosen in good faith by a trader to

indicate the origin of its products. Thus the mark 'Michigan' has been denied in Australia to the manufacturer of earthmoving equipment¹⁹ and the mark 'Glastonbury' has been denied to the manufacturer of sheepskin slippers in England.²⁰ A sufficiently indirect connotation may be unobjectionable under trademarks law but may fall foul of consumer protection or unfair competition law. For example the use of Cyrillic lettering to evoke Russia on vodka coming from another country or the use of the French language for a perfume originating from outside of France.

Where the geographic indication is entirely fanciful and not likely to be the legitimate choice of traders, such as 'Montblanc' for writing instruments or 'Thames' for stationery, the marks will be accepted as distinctive. Such a monopoly is granted, where either the geographic name is not the primary meaning of a word to consumers. For example, the marks 'Magnolia' and 'Monkey' although names of towns were registrable because their primary significance was as the names of a flower and animal, respectively.²¹ Where the reputation of a trader is so great that the geographic name has attracted the secondary signification of identifying the trader, eg 'Oxford' in 'Oxford University Press'²² registration will be permitted.

Additionally, the trademark laws of the USA and the UK, provide as a statutory defence to infringement, the good faith use, by a trader of the name of his place of business as a trademark. The central feature of this defence is the good faith requirement.

The principal difficulty in securing trademark protection for a geographic indication, is that if an eloquent description of the goods emanating from that region, it will inevitably be generic and lacking in distinctiveness. Examples of this genericity taken from the US case law are: 'Swiss Cheese', 'Worcestershire Sauce' and 'Chablis'.²³ Other examples which could be cited are: 'Bermuda Shorts', 'Vienna Schnitzel', 'French Fries' and 'Danish Pastry'.

(d) Certification Marks

The Anglo American system of registered certification marks is a departure from the trademark principle that no one can obtain an exclusive right in geographic names, which traders might legitimately wish to use. Thus under s.45 of the Lanham Act, it is possible to register the certification of 'regional or other origin' of goods. The registration is accompanied by the criteria which have to be met before the use of the certification is permitted. The leading US case involving the enforcement of a geographical indication as a certification mark is *Community of Roquefort v William Faehndrich, Inc.*²⁴ This case held that the designation 'Roquefort' was not a generic designation of blue cheese and that the owner of the certification mark was entitled to prevent the use of the mark on all cheeses not made in the French city of that name.

(e) Appellations of Origin

The most comprehensive system for the protection of geographic indications is that developed by France. Indications of source (indications de provenance) are protected through unfair competition law. Appellations of origin (appellations d'origine), on the other hand are protected through a more complex system. To qualify as an appellation of origin, the name of a product must be recognised as such through a judgment of a court or through an administrative act. A nexus must be shown between the region of origin and the characteristics of products. Examples of places which have been recognized as appellations of origin are the wine producing districts of Bourdeaux, Burgundy, Champagne and Cognac.

Registration is effected by a government agency, Institut National des Appellation d'Origine (INAO). This agency pursues infringements also in other jurisdictions.²⁵

Under the French law, producers in the registered area are granted the exclusive right to prevent others from using that appellation, 'where such use is liable to detract from, or weaken the notoriety of the appellation of origin'.²⁶

The registration approach to appellations of origin is obviously the logical way for nations to proceed. The major obstacle to widespread domestic legislation of this nature is that nations would obviously have to agree on the characteristic features of the goods from a geographic locality. The role of WIPO in securing harmonization in this area would seem to be self-evident.

4. International Protection of Geographical Indications

(a) Paris Convention for the Protection of Industrial Property, 1883²⁷

The first multilateral agreement, which included "indications of source or appellations of origin" as objects for protection by national industrial property laws, was the Paris Convention. Under Article 10(1) of the Paris Convention, provision, is made for seizure upon importation of goods bearing false indications of the source of goods or the identity of the producer.

Under Art. 10(2), any

...producer, manufacturer, or merchant whether a natural person or legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.

Article 10*bis* also afforded protection against false or misleading indications of source as a means of repressing unfair competition.

Included under the definition of unfair competition are any acts which create confusion, or allegations, the use of which in the course of trade are liable to mislead the public, as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of goods.

*(b) Madrid Agreement For the Repression of False or Deceptive Indications of Source of Goods, 1891*²⁸

The original form of Paris Convention prohibited the use of false geographical indications. A number of signatory nations proposed a more comprehensive form of regulation for what was considered to be a significant intellectual property abuse. The 1891 Madrid Agreement concerning the protection of geographical indications was their response. Article 1 provided that all goods ‘bearing a false or misleading indication’ to signatory country, or to a place in that country ‘shall be seized on importation’ However, this agreement failed to attract the accession of significant trading nations such as the USA, Germany and Italy. A threshold problem with this agreement and with subsequent revisions was the inability of nations to exempt geographical indications which had become generic within their borders.

*(c) Lisbon Agreement for the Protection of Appellations of Origin and their Registration, 1958*²⁹

The Lisbon Agreement established an international system of registration and protection of appellations of origin. It adopted the French definition of appellation of origin by restricting the protected indications to cases in which the quality and characteristics of a product are ‘due exclusively or essentially to the geographical environment, including natural and human factors’.

The Agreement provided for the registration, at the International Bureau of WIPO, of appellations of origin which are ‘recognized and protected as such, in their country of origin’. Countries are thus free to adopt their own system of designating appellations, either by judicial or administrative decision, or both. Once registered, a geographic indication is protected in other member nations. The countries have to ensure that any kind of usurpation or imitation is prohibited under their laws. Finally, the Agreement provides that no generic indication can be deemed generic in any other country, as long as it is protected in its country of origin.

The Lisbon Agreement failed to attract support from more than a few nations. One problem was that accession was confined to those nations which protected appellations of origin ‘as such’. Thus, states which protected this form of intellectual property under unfair competition or consumer protection laws were locked out. Also the Agreement did not make exception for geographic indications which had already become generic in member states.

(d) WIPO Proposals

In 1975 WIPO issued a Draft Treaty on the Protection of Geographical Indications. The Draft Treaty provided for the protection both of appellations of origin and geographical indications. Unlike the Lisbon Agreement, it did not require signatories to have domestic laws for the protection of appellations of origin. In 1990 WIPO issued a memorandum asserting the continuing need for a treaty on this subject.³⁰

In 1975 WIPO also issued a Model Law on geographical indications for adoption by developing countries. The Model Law defines 'appellation of origin' as

The geographical name of a country, region, or specific place which serves to designate a product originating therein, the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural factors, human factors, or both...; any name which is not that of a country, region or specific place is also considered a geographical name if it relates to a specific geographical area, when used in connection with certain products.

The Model Law also defines 'indication of source' as 'any expression or sign used to indicate that a product or service originates in a country or region or a specific place'. This would embrace symbols such as an Egyptian pyramid or the Eiffel Tower, as well as the birds and animals associated with a place.

The Model Law establishes a system for the registration of appellations of origin and includes an optional provision permitting national courts to determine whether particular terms are generic. Upon registration, appellations are only protected if used by producers of products carrying on business in the area described by the appellation. And only if their products possess the essential characteristics associated with the appellation.

Finally, the Model Law provides that:

It shall be unlawful to use, in the course of trade, a registered appellation of origin of origin, or a similar name, with respect to the products specified in the Register or similar products, even if the true origin of the products is indicated, or if the appellation is in the form of a translation or is accompanied by terms such as 'kind', 'type', 'make', 'imitation', or the like.

(e) The WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS)

The protection of geographic indications was a key demand of European negotiators at the Uruguay Round of the GATT³¹. The competing positions were those of the EU and Switzerland which proposed a French-style of protection and the USA, which favoured the protection of geographic indications through a certification mark system. In the result, the Section 3 of the TRIPS Agreement covers six topics: (i) Definition and scope of a geographical indication; (ii) Minimum standards and common protection provided for

geographical indications corresponding to all kinds of products; (iii) the interrelationship between trademarks and indications of origin; (iv) Additional protection for geographical indications for wines and spirits; (v) Negotiation and review of section III on geographical indications; and (vi) Exceptions to the protection of geographical indications.

(i) Definition and scope

Article 22 defines geographical indications as:

... indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

This definition expands the Lisbon Agreement concept of appellation of origin to protect goods which merely derive a reputation from their place of origin without possessing a given quality or other characteristics which is due to that place. Also, under the TRIPS Agreement a geographical indication to be protected has to be an indication, but not necessarily the name of a geographical place on earth. Thus, for example, “Basmati” is taken to be an indication for rice coming from the Indian sub-continent, although it is not a place name as such. The indication has to identify goods as originating in the territory of a Member, a region or a locality of that territory. This definition also indicates that goods to be protected should originate in the territory, region or locality to which it is associated. This suggests that licenses for the use of geographical indications can not be protected under the TRIPS Agreement.

The TRIPS definition permits Members protect geographical indications of goods where the quality, reputation or other characteristic of goods are attributable to their geographical origin.

(ii) Minimum standards and common protection provided for geographical indications for all products

Article 22.2 of the TRIPS Agreement requires that Members ‘shall provide the legal means for interested parties to prevent ‘the use by any means in the designation or presentation of a good that indicates that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of goods’. Thus, for example, the use of symbols such as the Eiffel Tower or the Statute of Liberty to infer an association with France or the USA, or the use of a language or script to evoke an erroneous connotation of origin would fall within this prohibition.

The TRIPS Agreement does not specify the legal means to protect geographical indications. This is left for Members to decide.

Article 22.2 also prohibits any use which ‘constitutes an act of unfair competition under Article 10*bis* of the Paris Convention. The ambit of Art 10*bis* is extended to a geographical indication ‘which, although literally true as to a territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory’.

(iii) Geographical Indications and Trademark Protection

The interrelationship between the protection of trademarks and of appellations of origin is accommodated by Art.22.3 of the TRIPS Agreement which permits a Member, *ex officio* if its legislation so permits or at the request of an interested party, ‘refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating the territory indicated, if the use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin’.

Cognizant of the fact that for most countries the protection of geographical indications will be an innovation, Art 24.4 exempts from this form of protection trademarks which have been ‘applied for or registered in good faith’ or where the rights to the trademark ‘have been acquired through use in good faith’ either before the implementation of the TRIPS provisions, or before the geographical indication is protected in its country of origin.

Article 24.7 provides that a Member may provide that any request made under the section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member, or after the date of registration of that trademark, provided the registration has been published and ‘provided that the geographical indication is not used or registered in bad faith’.

Similar to the analogous provision in most trademark laws, Art.24.7 preserves ‘the right of a person to use, in the course of trade, that person’s name or the name of that person’s predecessor in business, except where such name is used in such a manner as to mislead the public’.

Finally, Art.24.9 provides that there is no obligation under the TRIPS Agreement to protect geographical indications ‘which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.’

(iv) Additional protection for geographical indications for wines and spirits

In addition to the general protection for geographical indications for wines and spirits contained in Art.22, additional protection is accorded wines and spirits by Art.23. This additional protection has two components. First, protection for each geographical indication for wines in the case of homonymous indications. Secondly, the establishment

of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

These provisions give geographical indications for wines and spirits stronger protection than that provided in Article 22 for all products. For some countries, this additional protection is regarded as an unacceptable discrimination against all other products and they have agitated for an extension of that protection to all kinds of geographical indications.

Registration Requirements

The TRIPS Agreement does not set out the registration requirements for a geographical indication. It addresses the issue negatively by permitting, in Art.23.2, Members to legislate to provide 'an interested person' to request the refusal or invalidation of the registration of a trademark which contains a geographical indication identifying wines or spirits, which contains or consists of a geographical indication which do not have the indicated origin. Interested persons will usually include relevant producers from the geographical location, representative associations from those areas, or even associations of consumers. Typically an application for registration of a geographical indication will specify the applicant, the appellation, the relevant geographical area, the products for which the appellation is used and the 'essential characteristic qualities of the product for which the appellation is used'.³² As with trademarks, appellations which are 'contrary to morality or public order or which are deceptive as to the nature, source, manufacturing process, characteristic qualities or suitability for their purpose, of the goods concerned' may be denied protection.³³

Prohibited use

Article 23.1 permits each Member to 'provide the legal means to interested parties to prevent the use of a geographical indication' identifying wines or spirits which do not originate in the place indicated by the geographical indication in question. This prohibition, borrowing from Art.3 of the Lisbon Agreement, includes indications which refer to the true origin of such goods, or where the geographical indication is used in translation, or where the geographical indication 'is accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like. It is envisaged, also that regulation of geographical indications may also be by administrative action.

Homonymous Geographical Indications for Wine

In the case of homonymous geographical indications for wine, Art.23.3 permits each Member to 'determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled'. Homonymous indications are those which are spelled and pronounced alike but which are

different in meaning and which are used to designate the geographical origin of products stemming from different countries. For example, “Rioja” is the name of a region in Spain and in Argentina and the expression applies for wines produced in both countries.

Conflicts typically arise where products on which homonymous geographical indications are used are sold into the same market. The problem is accentuated where the homonymous geographical indications in question are used on identical products. Honest use of such geographical indications should be possible, because the indications designate the true geographical origin of the products on which they are used. However, concurrent use of homonymous geographical indications in the same territory may be problematic where the products on which a geographical indication is used have specific qualities and characteristics which are absent from the products on which the homonym of that geographical indication is used. In this case, the use of the homonymous geographical indication would be misleading, since expectations concerning the quality of the products on which the homonymous geographical indication is used are not met.

The WIPO Standing Committee On The Law Of Trademarks, Industrial Designs And Geographical Indications recommended that, it may be considered to extend this principle to geographical indications regardless of the kind of products for which they are used.³⁴

(v) Exceptions to the protection of geographical indications

In an endeavour to accommodate the registration and use by countries of geographical indications in relation to wines or spirits, Art.24.4 exempts Members from having to ‘prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services’ where that geographical indication has been used ‘in a continuous manner with regard to the same or related goods or services’ in the territory of that Member either for at least 10 years preceding 15 April 1994 (the date of entry into force of the TRIPS Agreement) or where the continuous use has been in good faith.

As an illustration of the sorts of matters falling within the exceptions contained in Art.24, reference may be made to the protection of geographical indications for wines and spirits undertaken by the US Bureau of Alcohol, Tobacco and Firearms (BATF)³⁵. Its regulations permit the use of ‘semi-generic names’ such as ‘Champagne’, ‘Burgundy’ and ‘Chablis’ if ‘the correct place of origin is directly conjoined to the name’.³⁶ This practice may fall within the Art.24.4 exception or within the exception in Art.24.6 which exempts the geographical indications of a Member ‘with respect to the products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as at the date of entry into force of the WTO Agreement’.

Article 24.5 states that when a trademark have been acquired or registered in good faith before the date of application of the Agreement in that Member or before the geographical indication was protected in its country of origin, measures adopted to implement Section 3 shall not prejudice eligibility for or the validity of the registration of

a trademark or the right to use a trademark, on the basis that such trademark is identical with or similar to, a geographical indication.

(vi) Negotiation and Review

Article 24.1 obliges Members ‘to enter into negotiations aimed at increasing the protection of individual geographic indications under Art.23’. Although Art.24 contains a number of paragraphs excepting certain matters from protection as geographical indications, Art.24.1 disallows Members from using these exceptions as an excuse for the refusal to conduct negotiations. Also in implementing this negotiation obligation, Art. 24.3 requires that a Member ‘not diminish the protection of geographical indications’ which existed in that Member prior to the date of the entry into force of the WTO Agreement. Nevertheless a group of countries considers the above interpretation constitutes to be a very legalistic approach. They believe that this provision permits negotiations to extend the additional protection for geographical indications for wines and spirits to all kinds of products.

In order to facilitate the protection of geographical indications for wines, Art.23.4 provides that ‘negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system’. The effect of this provision will be to absorb the registration scheme established under the Lisbon Agreement and to remove the justification for the negotiations within WIPO for a new treaty on the protection of geographical indications which has been under preparation since 1974.³⁷

The Council of TRIPS is obliged under Art.24.2 to monitor the application of the above provisions and to conduct a review within the first two years of entry into force of the WTO Agreement. Matters concerning compliance with the obligations of Members under these provisions may be drawn to the attention of the Council, which ‘at the request of a Member shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral and plurilateral consultations between the Members concerned’. The Council is given a general power ‘to take such action as may be agreed to facilitate the operation and further the objectives’ the protection of geographical indications envisaged under the TRIPS Agreement.

Prior to the Seattle Ministerial, a submission by Turkey of 9 July 1999 proposed the extension of geographical indications in TRIPS beyond wines and spirits³⁸, this was endorsed the African group of countries requested that the protection of geographical indications be extended “to other products recognizable by their geographical origins (handicrafts, agro-food products).”³⁹ This issue has been taken up by the TRIPS Council, as well as WIPO’s Standing Committee on Trademarks and Geographic Indications.

5. *Bilateral and Plurilateral Agreements*

Parallel to, but distinct from the TRIPS Agreement have been a number of bilateral and plurilateral (including regional) agreements, which contain provisions, modifying the TRIPS provisions dealing with geographical indications. For example, in 1993 the European Union negotiated bilateral trade in wine agreements with Bulgaria, Hungary and Romania which included provisions dealing with protection for geographical indication and traditional expressions. In 1994 the EU negotiated an agreement with Australia which included the phasing out of European wine names used by Australian wine makers that had entered into generic use. The Agreement also provided for mutual recognition of oenological practices of each Party and improved European market access conditions for Australian products, by removing a number of technical barriers to trade between both Parties.

In 1997 the EU and Mexico agreed on a mutual recognition and protection of designations for spirits (including wine spirit). Under this Agreement, conditions were prescribed for the use of protected EU and Mexican names.

In October 1999, the EU entered into a free trade agreement with South Africa which included the obligation for South Africa to phase out the use of the terms "Oporto" or "Porto" and "Sherry" or "Jerez" and the so called "traditional expressions" for wines such as "*regional wines*" or "*vin de pays*."

The Bangui Agreement of 1977 relating to the creation of the African Intellectual Property Organization should be mentioned. It includes regional protection for different categories of intellectual property rights including appellations of origin.

In the last decade it has become also a practice to incorporate provisions for the protection of specific geographical indications in some free trade agreements, such as the case of the North America Free Trade Agreement between United States, Canada and Mexico (1992) and the free trade agreement between Mexico and Chile (1998) and the Free Trade Agreement between the United States and Jordan..

Regional and bilateral agreements in force which provide protection to geographical indications have been notified to the Council for TRIPS, according to Article 4(d) of the TRIPS Agreement.

A significant feature of these bilateral agreements is that the sorts of intellectual property provisions which they include, often provide for a higher level of protection than that which is obliged by TRIPS.

6. Policy considerations concerning the protection of geographical indications under the TRIPS Agreement

(a) Significance of the TRIPS Agreement

To date, only about 800 appellations of origin have been registered under the Lisbon Agreement. This compares with an annual trademarks renewal and registration rate of about two million. The greater liberality of the regulation regime for geographical indications, which is permitted under TRIPS will considerably enhance the significance of this form of intellectual property right.

(b) Geographical indications and access to genetic resources

The access by biotechnology companies to the genetic resources of developing countries is a modern feature of biotechnological patenting. The role which a geographical indications law might play is illustrated by the recent dispute between the Indian Basmati rice marketing authorities and a US corporation which had developed a strain of rice from Basmati genetic material. The US corporation sought to market this rice, under the brands: Texmati, Kasmati and Jasmati⁴⁰. Had a geographical indications regime been in place in the countries in which protection for these brands was sought, the resolution of this dispute would have been simpler.

A similar controversy developed in Australia, where an agricultural research institute sought to obtain plant variety protection for strains of chick peas which had been developed from Indian stock and which were sought to be registered with Indian names.⁴¹ Ultimately, this dispute was resolved without litigation, but could have been settled in the context of geographical indications.

(c) Geographical indications and traditional knowledge

It has been suggested that the traditional agricultural knowledge of traditional farmers and indigenous people could be protected through geographical indications.⁴² A significant contribution has been made by the knowledge of indigenous peoples and traditional farmers in the development of new crop types. These groups have been an important agency in the conservation of plant genetic resources and the transmission of these resources to seed companies, plant breeders and research institutions.

An increasingly significant economic value of biodiversity is the extent to which it provides a reservoir of species available for domestication, as well as genetic resources available for the enhancement of domestic species. The modern biotechnological revolution has enabled the engineering of desirable genetic traits from useful local species. It is estimated that about 6.5% of all genetic research undertaken in agriculture is focused upon germplasm derived from wild species and land races.⁴³

(d) *Geographical indications and market access*

The various bilateral agreements mentioned above link geographical indications to market access. This is an important factor for countries to consider in the forthcoming TRIPS negotiations.

1 The Paris Convention was agreed in 1883 and complemented by the Madrid Protocol of 1891. It was revised at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Lisbon (1958), and Stockholm (1967), and amended in 1979. The Paris Convention as of May 2001 had 160 member states.

2 The Madrid Agreement was adopted in 1891 and revised at Washington (1911), The Hague (1925), London (1934), and Lisbon (1958). It was supplemented by the Additional Act of Stockholm (1967), and had a membership of 33 states as of May 2001.

3 This agreement was concluded in Lisbon on 31 October 1958. It was revised in Stockholm in 1967 and amended in 1979. As of May 2001 there were 19 states party to the Agreement.

4 Generally, on the history of trademarks and geographical indications see: Schechter, *The Historical Foundations of the Law Relating to Trade-Marks* (1925); Diamond, "The Historical Development of Trademarks" (1983) 73 TMR 222; McCarthy and Devitt, 'Protection of Geographical Denominations: Domestic and International' (1979) 69 TMR 1979; Coerper, 'The Protection of Geographical Indications in the United States of America, with Particular Reference to Certification Marks' (July/August 1990) *Industrial Property* 232.

5 Eg see Conrad, 'The Protection of Geographical Indications in the TRIPS Agreement' (1996) 86 TMR 11 at 13-14.

6 See Note by the WTO Secretariat IP/C/W/253, dated April 2001, on "Review under Article 24.2 of the application of the provisions of the section of the TRIPS Agreement on geographical indications. Summary of the responses to the checklist of questions (IP/C/13 and Add.1)."

7 *Erven Warnink B. V v. J. Townend & Sons (Hull) Ltd* 1980 R.P.C. 31

8 (1883), 10 R. (Ct. of Sess.) 874

9 *Bollinger (J) v Costa Brava Wine Company Ltd* (1959) 3 All ER 800

10 *Vine Products Limited & Others v Mackenzie & Company Limited & Others* (1969) R.P.C. 1

11 *John Walker & Sons Ltd. v Henry Ost & Company Ltd* (1970) 2 All ER 106

12 (1990) 3 S.A.897

13 [1990] 4 S.A.136

14 *Taittinger v Allbev* [1994] 4 All ER 75 CA

15 See S. Barnes and M. Blakeney, *Advertising Regulation* (1982), ch.3.

16 See the cases referred to in R. V. Miller, *Annotated Trade Practices Act 1974*, (1999).

17 See Beier, 'The Protection of Indications of Geographical Origin in the Federal Republic of Germany in Cohen, Jehoram, ed *Protection of Geographic Denominations and Services* (1980), 11

18 See Conrad, n3 supra, 16.

19 *Clark Equipment Co. v. Registrar of Trade Marks* (1964) 111 CLR 511

20 *Bailey v. Clark* (1938) 55 RPC 253.

21 See *Magnolia Metal Co's Trade Mark* [1892] 2 Ch. 371, 393

22 Oxford University Press (1988) 15 IPR 646

23 See the authorities cited in Bendekgey and Mead, 'International Protection of Appellations of Origin and Other Geographic Indications' (1992) 82 TMR 765 at 774.

24 303 F. 2d 494 (CA 2 1962).

25 *Eg INAO v Vintners International Co, Inc* 958 F.2d 1574 (CAFC 1992)

26 Conrad, n.3 supra, 18.

27 The Paris Convention was agreed in 1883 and complemented by the Madrid Protocol of 1891. It was revised at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Lisbon (1958), and Stockholm (1967), and amended in 1979. The Paris Convention as of May 2001 had 160 member states.

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29 This agreement was concluded in Lisbon on 31 October 1958. It was revised in Stockholm in 1967 and

amended in 1979. As of May 2001 there were 19 states party to the Agreement.

30 WIPO, *The Need for a New Treaty and its Possible Contents* (1990)

31 For a history of the GATT TRIPS negotiations see M. Blakeney, *Trade Related Aspects of Intellectual Property Rights: A Concise Guide to the TRIPS Agreement* (1996)

32 WIPO, *Model Law for Developing Countries on Appellations of Origin and Indications of Source* (1975), s.7.

33 *Ibid.*, s.5.

34 WIPO Standing Committee On The Law Of Trademarks, Industrial Designs And Geographical Indications, 'Possible Solutions For Conflicts Between Trademarks and Geographical Indications and For Conflicts Between Homonymous Geographical Indications' WIPO Doc. Sct/5/3, 8 June 2000.

35 See generally, Brody, 'Protection of Geographical Indications in the Wake of TRIPS: Existing United States Laws and the Administration's Proposed Legislation', (1994) 84 *TMR* 520.

36 *Ibid.*, at 530.

37 See Bauemer, 'Considerations Concerning a Definition of Geographical Indications'

38 WTO Doc No WT/GC/W/249, 13 July 1999.

39 *Preparations for the 1999 Ministerial Conference the TRIPS Agreement Communication from Kenya on Behalf of the African Group*, WTO Doc WT/GC/W/302, 6 August 1999.

40 See, Lall, 'India and Pakistan. Geographical Indications - The Basmati Issue', paper delivered at International Trademark Association (INTA), Annual Meeting, Seattle - May 1999

41 See Blakeney, 'Intellectual Property Rights in the Genetic Resources of International Agricultural Research Institutes- Some Recent Problems' [1998] 1 *Bioscience Law Rev.* 3

42 See R. Silva Repetto and M. Cavalcanti, "Module 3: Provisions of the TRIPS Agreement Relevant to Agriculture (Part I)." <www.fao.org/ur/manual/>.

43 McNeely, 'Biodiversity and Agricultural Development: The Crucial Institutional Issues' in D. R. Lee and C. B. Barrett, Eds, *Tradeoffs or Synergies? Agricultural Intensification, Economic Development and the Environment*, Wallingford, CABI, 2001, 399 at 404.