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DISCUSSIONS ON THE ESTABLISHMENT OF A MULTILATERAL SYSTEM OF NOTIFICATION AND REGISTRATION OF GEOGRAPHICAL INDICATIONS FOR WINES AND SPIRITS: COMPILATION OF ISSUES AND POINTS

Note by the Secretariat

Revision

This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO.

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Introduction

1. The third Special Session of the Council for TRIPS, held on 20 September 2002, agreed to ask the WTO Secretariat to prepare a factual compilation of points made under the four categories of issues identified in the Chairperson's informal note of June 2002 (JOB(02)/49).[1] The compilation would be made on the basis of the written communications and interventions made by delegations on the subject of the establishment of a multilateral system of notification and registration of geographical indications (GIs) for wines and spirits.

2. This note attempts to respond to the above-mentioned request. It follows the structure of the Chairperson's informal note (JOB(02)/49) by subdividing the points and issues according to the four main categories listed by the Chair:

- definition of the term "geographical indications" and eligibility of geographical indications for inclusion in the system;
- the purpose of the notification and registration system;
- what is meant by a "system of notification and registration";
- and participation.

3. Being a summary compilation, this note cannot, by its very nature, include a full reflection of all the documents submitted and interventions made since 1997. For a full appreciation of the position of a particular Member, the original documents submitted by that Member and records of its statements in the Council's minutes should be consulted. For this purpose, a list of documents issued since 1997 is contained in Annex 1 to this note.

4. This document is based on papers submitted to, and the minutes of, the Special Session of the Council for TRIPS together with the previous documents submitted to the Council for TRIPS to which delegations have referred to in the meetings of the Special Session.

5. The first Special Session (8 March 2002) was to a large extent devoted to organizational matters. The second, third and fourth meetings (28 June, 20 September and 28 November 2002) dealt with points and issues as identified by the Chairperson in his informal note (JOB(02)/49).

6. A first version of the compilation was circulated on 18 February 2003 as document TN/IP/W/7. This document was the subject of discussion at the fifth meeting of the Special Session held on 21 February 2003. This revised version attempts to take into account the comments and/or new points made in that discussion as well as certain written comments received from a delegation. It reflects the state of the discussion as of the end of that meeting.

7. In this paper, the terms "multilateral system" or "system" are used in the interest of brevity and relate to the multilateral system of notification and registration of GIs for wines and spirits as mentioned in paragraph 18 of the Doha Declaration.

[1] TN/IP/M/3, para. 110.

General

8. At the second meeting, as well as in TN/IP/W/5 ("Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement") and TN/IP/W/6 ("Multilateral System of Notification and Registration of Geographical Indications for Wines (and Spirits)"), the scope of the mandate in Article 23.4 of the TRIPS Agreement and paragraph 18 of the Doha Declaration has been addressed. Two issues have been raised: the first is whether the mandate in Article 23.4 and of the Doha Declaration covers GIs for spirits; the second relates to clarifications concerning whether or not a communication made by a group of Members (TN/IP/W/3) is meant to cover GIs for products other than wines and spirits.

9. With regard to the question of the inclusion of spirits in the mandate, the following points have been made:

- The mandate under Article 23.4 does not cover spirits. The Singapore Ministerial Declaration only includes "spirits" in the scope of preliminary work to be carried out relevant to the negotiations specified in Article 23.4. The reference in paragraph 18 of the Doha Declaration to the TRIPS Council "*completing the work started...on the implementation of Article 23.4…*" confirms the intention of Ministers that, with the exception of geographical indications for spirits, the multilateral system be otherwise established in accordance with the mandate provided in Article 23.4.[2]

- Members should therefore see, in the negotiating process, how to include a specific obligation related to GIs for spirits so as to create a legal obligation under the TRIPS Agreement. To reflect the current limitation of the mandate in Article 23.4 to wines, the term "and spirits" should appear in square brackets in documents.[3]

10. In reply, the following point has been made:

- Paragraph 18 of the Doha Declaration clearly mandates that spirits, in addition to wines are to be covered by the system.[4]

11. TN/IP/W/3 ("Negotiations Relating to the Establishment of a Multilateral System of Notification and Registration of Geographical Indications") states in paragraph 1 that "[p]ursuant to Article 23.4 of the TRIPS Agreement, WTO Members shall negotiate in the TRIPS Council, the establishment of a multilateral system of notification and registration of geographical indications". This communication has raised concerns that the lack of an explicit mention of wines and spirits might give the impression that the proposed system would also cover other products.[5] In this regard, the point has been made that there is no mandate for such a system to cover any other product nor any interest in it being extended thereto.[6] The inclusion of other irrelevant issues would delay or impede progress in the negotiations regarding the multilateral system for wines and spirits.[7] In reaction to these concerns, a point has been made that the system should be open to all GIs alike.[8]

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[2] TN/IP/W/5, page 2, section A; TN/IP/M/2, para. 18; see also IP/C/W/189, footnote 1.
[3] TN/IP/M/2, para. 18.
[4] TN/IP/M/2, paras. 19, 25, 27, 30, 32; TN/IP/M/3, para. 12.
[5] TN/IP/M/1, para. 17; TN/IP/M/2, paras. 14, 17, 18, 19, [21], 30; TN/IP/M/5, para. 23.
[6] JOB(02)/94, page 2; TN/IP/M/2, paras. 14, 55.
[7] TN/IP/M/2, paras. 14, 18, 30, 55.
[8] TN/IP/M/2, para. 24; TN/IP/M/5, para. 29.

12. At the fifth Special Session, concerns were raised about the mention in the above paragraph of products other than wines and spirits in the first version of the compilation, given that the Special Session's mandate is limited to wines and spirits. It was proposed that any reference to such products be removed from the compilation.[9] In response, it has been said that the points in question had been made in the Special Session and could not therefore be simply deleted if the compilation was to be an accurate reflection of what had actually been said. If anything that was not agreed should not be included, the entire compilation would have to be withdrawn.[10]

13. The Chairperson has said that Members have a very clear mandate to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference. He has said that the Special Session is required to fulfil the mandate in its entirety and not to go beyond the mandate.[11]

14. More specific points made regarding the scope of the mandate are discussed under the relevant headings below.

I. DEFINITION OF THE TERM "GEOGRAPHICAL INDICATIONS" AND ELIGIBILITY OF GEOGRAPHICAL INDICATIONS FOR INCLUSION IN THE SYSTEM

15. In the List of Points and Issues for Discussion at the June 2002 meeting circulated by the Chairperson (JOB(02)/49, paragraph 4), he identified the following points and issues on this subject:

> Delegations may wish to comment on the definition of the term "geographical indications" for wines and spirits for the purposes of the Special Session's work, including on whether it is accepted that the operative definition is that contained in Article 22.1 of the TRIPS Agreement. As regards possible differences of view about whether a given term may or may not fall within the definition of Article 22.1, the question that arises is whether this is a matter which should be addressed in the work of the Special Session or whether this is a matter best left to be handled on a case-by-case basis in the implementation of the notification and registration system once it is negotiated and in force. Under this item, delegations could also take up other issues relating to the eligibility of geographical indications for inclusion in the system.

16. With regard to the **applicability of the definition of geographical indications contained in Article 22.1** of the TRIPS Agreement, the Chairperson in his concluding remarks at the June 2002 meeting of the Special Session said that he:

> "…did not detect any delegation questioning that the definition of geographical indications that should be used was that contained in Article 22.1 of the TRIPS Agreement."[12]

17. With regard to the requirement that a geographical indication must be protected in its country of origin and the **applicability of Article 24.9 of the TRIPS Agreement** and with regard to the **applicability of the exceptions to protection provided for in Article 24**, the Chairperson in his concluding remarks at the June 2002 meeting of the Special Session said that he did not:

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[9] TN/IP/M/5, paras. 10, 13, 16, 26, 28, 30.
[10] TN/IP/M/5, para. 27.
[11] TN/IP/M/2, paras. 20, 137; TN/IP/M/5, para. 31.
[12] TN/IP/M/2, para. 138; TN/IP/M/5, para. 32.

> "…detect any disagreement with the proposition that, in determining eligibility, the exceptions provisions of Article 24 would be relevant. That included the notion that, to be eligible for inclusion in the multilateral notification and registration system, a geographical indication should be protected in its country of origin."[13]

18. With regard to the Chairperson's concluding remark in paragraph 17 above, it has been suggested that the wording of the second sentence be aligned with that used in Article 24.9. The suggested wording would read as follows: "That included the notion that eligibility for inclusion in the multilateral notification and registration system required that geographical indications should be protected in their countries of origin".[14]

19. As regards the issue of whether the Special Session needs to **clarify in advance the definition contained in Article 22.1**, the following main views have been expressed:

- One view has been that it is necessary to reach a greater measure of common understanding of the scope and operation of the definition in Article 22.1 and therefore what would be covered by a notification and registration system for wines and spirits.[15]

- Another view has been that, since the definition in Article 22.1 has to be taken as it is, such an exercise is not necessary and, indeed, does not fall within the mandate of the Special Session.[16]

20. The following points have been made in support of the view that a greater measure of common understanding of what would be covered by the definition in Article 22.1 is necessary:

- The need for greater clarity arises from some countries who have different interpretations or a far-reaching and expansive approach to the definition under Article 22.1.[17] It would shed light on what is to be "facilitated" by the system[18] and on how Members might expect others to interpret the definition of a GI.[19] It is difficult to take a view on the possible elements of a system, particularly the question of legal effect, without greater clarity on what might be covered.[20]

- Leaving the issue of whether a particular geographical indication for a wine or a spirit is covered by the system to be determined on a case-by-case basis in the operation of the system would be a recipe for unnecessary difficulties and disputes under the system and might pose a particular burden on smaller countries, especially given the sheer number of terms that may be registered.[21]

- It would be a mistake to assume that all disagreements over specific terms could easily be resolved on a case-by-case basis after the multilateral system has been negotiated, particularly in accordance with a cumbersome, highly regulatory and costly arbitration system suggested by a Member.[22]

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[13] TN/IP/M/2, para. 138; TN/IP/M/5, para. 32.
[14] TN/IP/M/5, para. 48.
[15] JOB(02)/94, page 2; TN/IP/M/2, paras. 33, 36, 43, 48, 53; TN/IP/M/3, para. 54; TN/IP/M/5, para. 38.
[16] TN/IP/M/2, para. 57.
[17] JOB(02)/94, page 2; TN/IP/M/2, paras. 36, 43, 48.
[18] JOB(02)/94, page 2; TN/IP/M2, para. 36.
[19] TN/IP/M/2, paras. 48, 53.
[20] TN/IP/M/2, para. 43.
[21] TN/IP/M/2, para. 43.
[22] JOB(02)/94, page 2; TN/IP/M/2, paras. 36, 48.

21. Those holding the view that an effort to reach a greater measure of common understanding of what is covered by Article 22.1 is not called for have made the following points in support of their view[23]:

- Such an exercise would not be in accordance with the mandate given to the Special Session by the Doha Ministerial Conference and the terms of Article 23.4. The mandate does not call for any such clarifications.[24]

- The establishment of a multilateral system would have no implications for the definition under Article 22.1; therefore, no Member would have to make changes to the definition.[25]

22. The question of whether the definition should be broad or restrictive with all the exceptions under Article 24 has been raised; under IP/C/W/107/Rev.1, a strict one would be necessary while this would not be the case with the approach under TN/IP/W/5.[26] Another made is that full flexibility should be applied as far as the definition of Article 22.1 is concerned while the exceptions under Article 24 should be applied in a more restricted way. Concerns have been expressed that the multilateral system could be applied retroactively, i.e., that the exceptions under Article 24 could no longer be available.[27] In response, it has been said that exceptions will continue to apply.[28]

23. The issue has been discussed of **how it could be ensured that terms that do not meet the provisions of Articles 22.1 or 24.9 or fall under one of the exceptions provided for in Article 24 are not made inappropriately eligible for protection under the system**. In this regard, two main views have been expressed:

- One view is that **a "challenge" or "opposition" mechanism** should be provided in order to filter out such terms on a case-by-case basis.[29] A number of ways in which this could be done have been suggested:

  - One is that, under an opposition mechanism, a challenge should remain valid until the disagreement has been settled through bilateral negotiations. WTO Members would be free to challenge those names that, *prima facie*, do not meet the requirements of Article 22.1 of the TRIPS Agreement or have become "the term customary in common language as the common name for such goods or services".[30]

  - Another is that, under an opposition mechanism, if bilateral consultations do not settle the disagreement, there should be provision for a multilateral possibility to settle the dispute, possibly in the form of a specific arbitration system.[31] The effect of an arbitration decision in the case of challenges in relation to Articles 22.1 and 24.9 should be of an *erga omnes* nature, meaning that the term would not be entered onto the register. This would save time and effort for all participants and protect the interests of those Members who had not challenged a notification. In the case of successful challenges based

[23] TN/IP/M/2, paras. 28, 34, 57.
[24] TN/IP/M/2, paras. 34, 57.
[25] TN/IP/M/2, paras. 28, 34.
[26] TN/IP/M/5, para. 58.
[27] TN/IP/M/5, para. 59.
[28] TN/IP/M/5, para. 61.
[29] TN/IP/M/2, paras. 29, 34.
[30] JOB(02)/70, para. 14.
[31] IP/C/W/234 and 255; TN/IP/M/2, para. 35; TN/IP/M/3, paras. 29, 42.

on Article 24.4, 24.5 and 24.6, the registration would not be applicable in the territory of the successful challenger.[32]

- It has also been suggested that other options could be envisaged, such as independent verification by experts, the WTO Secretariat or another ad hoc body.[33]

- Another view is that disputes over the eligibility of a particular term notified by a Member should be **resolved under the national law**, rather than through an opposition procedure managed under the auspices of the WTO. In this regard, the following points have been made:

  - The national legislation of each WTO Member defines the scope and the eligibility criteria to establish the link between the product and the geographical origin. The protection of the geographical indications is granted according to the criteria established in Members' national laws. Discrepancies regarding whether or not certain indications meet the definition of Article 22.1 should not be resolved in the context of the multilateral system of notification and registration but by each individual Member, in accordance with its national legal system.[34]

  - It is important to bear in mind that geographical indications are territorial rights; therefore, the conditions for granting and exercising them are established in the national legislation of WTO Members.[35] The territorial nature of GIs is reflected in the use, particularly in connection with exceptions under Article 24, paragraphs 4 to 8, of the phrases "in the territory of that Member" and "in that Member".[36]

  - Geographical indications are a form of intellectual property specified in Article 1.2 of the TRIPS Agreement and, as set out in the Preamble of the Agreement, intellectual property rights are private rights. Individuals, whether natural or juristic, are the right holders and are the ones to decide whether to assert or to challenge rights.[37]

  - Further, it had to be recalled that, pursuant to Article 1.1 of the TRIPS Agreement, Members are free to establish in their national systems their own criteria for determining eligibility for protection of GIs, within the parameters of Section 3, Part II of the TRIPS Agreement.[38]

  - In the first instance, the best means of resolving a dispute over a notification might be through recourse by any interested party under the national law of the notifying Member. If that were successful, the Member would have to withdraw the notification. If unsuccessful and the term kept on the multilateral register, its eligibility for protection should depend on the national law of each other WTO Member where protection is sought, given the territorial nature of the protection of geographical indications, like that of

[32] TN/IP/M/2, para. 35.
[33] TN/IP/M/2, para. 29.
[34] TN/IP/W/6, para. 7; TN/IP/M/2, paras. 42, 54, 59, 61.
[35] TN/IP/W/6, para. 9; JOB(02)/94, pages 3-4; TN/IP/M/2, paras. 41, 54, 56, 59.
[36] TN/IP/M/2, para. 56.
[37] TN/IP/M/5, para. 11.
[38] TN/IP/W/6, paras. 1-2; TN/IP/M/3, para. 45.

> other intellectual property rights.[39] The point has also been made that all the existing multilateral systems of registration (e.g., for patents and trademarks) rely ultimately on determinations under domestic law to ascertain eligibility and protection.[40]

24. The view has been expressed that, while the opposition mechanisms proposed in IP/C/W/107/Rev.1 and IP/C/W/255 provide a way of ensuring that registrations did not improperly affect countries, the proposal contained in TN/IP/W/5 seems to allow for the notification of GIs that do not meet the requirements of Article 22.1 of the TRIPS Agreement and still require national authorities to refer to it.[41] In response, it has been said that it should be noted that Article 23.4 refers to "...geographical indications for wines eligible for protection in those Members participating in the system". It does not refer to "geographical indications for wines protected in those Members participating in the system". This provision recognizes that a geographical indication protected in accordance with national legislation by a WTO Member participating in the system can appear on the register even though another WTO Member participating in the system does not consider that same geographical indication for wine (and spirit) as eligible in its territory.[42]

25. In concluding the discussion at the June 2002 meeting, the Chairperson said that:

> "…even on the question of how to deal with differences of view about what might qualify for protection as a geographical indication, he believed that there might be a common view that it was ultimately a matter for national authorities to determine whether a given term met the criteria of national legislation – which should, of course, be consistent with the requirements of the TRIPS Agreement."[43]

26. The point has been made that, if a Member accepts certain terms notified by another Member as being eligible for inclusion in the system, the same criteria for eligibility should be applied to the other WTO Members on a **non-discriminatory basis**.[44]

27. The point has been made that the provisions of the TRIPS Agreement relating to geographical indications concern **only goods**, and do not cover services, concepts or symbols.[45] The view has also been expressed that the system should cover not only names but also **signs or representations** that evoke a geographical origin or place in relation to a product and meets the requirements of the definition under Article 22.1, in particular the link between the quality, reputation or other characteristics of that product and its geographical indication.[46]

28. In regard to **non-geographical names** (i.e., terms that are not names of a locality, a region, etc.), doubts have been expressed as to whether they would qualify under the definition contained in Article 22.1 and thereby be eligible for notification and registration.[47] In response, it has been said that nothing prevents non-geographical names from being protected as GIs if they correspond to the definition of Article 22.1; that is, as long as the link of the product with a quality, reputation and other characteristic is proven. There have been some precedents (e.g., "Vinho verde", "Cava", "Cachaça").[48]

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[39] TN/IP/M/2, paras. 55-56.
[40] JOB(02)/94, page 5; TN/IP/M/2, paras. 71-72.
[41] JOB(02)/70, para. 15.
[42] TN/IP/W/6, para. 10.
[43] TN/IP/M/2, para. 140.
[44] TN/IP/M/3, para. 125.
[45] TN/IP/M/2, para. 33.
[46] TN/IP/M/2, para. 28.
[47] TN/IP/M/2, paras. 33, 44.
[48] TN/IP/M/2, para. 63; TN/IP/M/3, paras. 118, 129.

29. At the fifth Special Session, it has been said that non-geographical names are also known in certain Members as "traditional designations" or "traditional denominations"; these should not be confused with "traditional expressions", which do not fall under the definition of geographical indications of Article 22.1.[49] See also paragraphs 30-35 below.

30. Concern has been expressed that some Members might seek to notify and register **"traditional expressions"**, such as "vintage", "quality liqueur wine", "ruby", "tawny" or "château", under the multilateral system. The view has been expressed that it would be unacceptable that common language terms such as these be capable of meeting the definition in Article 22.1.[50] The concern has also been expressed that some Members might seek to reserve such generic production-related terms or descriptive terms to certain individual geographical indications, thereby extending to such terms the benefits of the legal effects flowing from the register. Similar concerns have also been expressed in regard to efforts to reserve certain packaging configurations to certain individual geographical indications.[51] The point has been made that this issue needed to be examined in the Special Session and clarifications provided so as to facilitate the work and avoid disagreements in the future.[52] It has been said that, if such terms were to find their way, de facto or otherwise, onto the register proposed in IP/C/W/107/Rev.1, other Members would be deprived of using such generic terms, processes and labels in the market of any country which has failed to lodge an opposition in time.[53]

31. A number of reasons have been given for the strength of the concerns raised by this issue:

- experience with bilateral agreements in the area of wines and spirits indicates that where geographical indications go, traditional expressions invariably follow;

- public claims have been made that traditional expressions are so closely linked to geographical indications that they have in fact become geographical indications;

- there have been legislative attempts by a group of Members to protect traditional expressions as if they are geographical indications.[54]

32. In response, the point has been made that traditional expressions are attached to a wine bearing a geographical indication and there is therefore a distinction between a "traditional expression" and a "geographical indication". Since traditional expressions are not protected as geographical indications in their country of origin, in accordance with Article 24.9, they would not be eligible for notification and registration as GIs under the multilateral system.[55]

33. In response, concern has been expressed that these statements do not clearly state that a traditional expression is not a form of intellectual property. In fact, by invoking the provisions of Article 24.9 of the TRIPS Agreement, there appears to be a suggestion that the provisions of the TRIPS Agreement on geographical indications could apply to traditional expressions. Notwithstanding the assurances given, what would happen if in the future a Member were to protect a traditional expression as a geographical indication? Further, the statements do not provide any assurance that traditional expressions could not gain, de facto, each of the benefits extended to geographical indications by virtue of a requirement that they could only be used in conjunction with a

[49] TN/IP/M/5, paras. 36, 43.
[50] TN/IP/W/6, para. 8; JOB(02)/94, pages 2-3; TN/IP/M/2, paras. 37, 45, 52, 54, 60, 62; TN/IP/M/4, para. 108.
[51] TN/IP/M/2, para. 45.
[52] JOB(02)/94, page 3; TN/IP/M/2, para. 37; TN/IP/M/3, para. 117.
[53] TN/IP/M/2, para. 45.
[54] TN/IP/M/5, para. 35.
[55] TN/IP/M/2, para. 63; TN/IP/M/3, para. 122; TN/IP/M/4, para. 113.

wine bearing a specific geographical indication.[56] In order to clarify that traditional expressions should never be eligible for notification in the multilateral system, the following draft footnote has been proposed:

> "Members agree that so-called traditional expressions, or any other analogous term, are not intellectual property. Intellectual property rights cannot vest in these terms. It is further agreed that these terms do not and could never meet the definition of a geographical indication or ever be subject to the protection conferred on geographical indications in Section 3 of Part II of the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights. Accordingly, Members further agree that no claim will be made during or after the negotiations that a traditional expression meets the definition of a geographical indication or that a traditional expression is subject to the protection conferred under Section 3 of Part II of TRIPS".[57]

34. It has also been suggested that the Chairperson might make a clarification for traditional expressions similar to the reassurance he had given in relation to the scope of the mandate (see paragraph 13 above).[58]

35. In response, one Member has said that it has no intention of ever notifying traditional expressions under the future multilateral system.[59] Traditional expressions do not fall under what that delegation understands as being geographical indications and cannot be subject to notification under the multilateral system and could never be in that system.[60] If the Special Session were to consider a "negative" definition as in the proposed draft footnote, the exclusion of certification marks from the multilateral system should then be considered as well since terms that are deemed certification marks cannot necessarily be considered in all circumstances as geographical indications either.[61] Caution has been also been expressed about an interpretative footnote to Article 22.1 on the ground that it could prejudice existing rights under Article 22 including by limiting flexibility under that provision.[62] The view has also been expressed that there is no need for any such footnote since there is no disagreement regarding the definition under Article 22.1 which, *inter alia*, contains the requirement that there be a link between, on the one hand, a specific geographic area and, on the other, a given quality, reputation or other characteristic of the good.[63]

36. The view has been expressed that the TRIPS Agreement clearly provides for **country names** to be capable of constituting a geographical indication.[64] It would not be legitimate to limit the size or type of geographical unit that could be considered a GI.[65] Hence, country names should be accepted as GIs.[66] The point has been made that, notwithstanding this, Members have had difficulty, in some instances, in securing acceptance by some other Members of their country names as GIs.[67] Members who are interested in having their country names registered as GIs should bear this in mind, especially since the final decision on whether a name would be accepted as a GI would be made by the country

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[56] TN/IP/M/5, para. 35.
[57] TN/IP/M/5, paras. 33, 34, 35, 38.
[58] TN/IP/M/5, para. 35.
[59] TN/IP/M/5, para. 44.
[60] TN/IP/M/3, para. 122; TN/IP/M/5, para. 37.
[61] TN/IP/M/5, para. 44.
[62] TN/IP/M/5, paras. 46, 49.
[63] TN/IP/M/5, para. 42.
[64] TN/IP/M/2, paras. 28, 46, 49, 59, 61.
[65] JOB(02)/94, page 3; TN/IP/M/2, paras. 38, 47.
[66] TN/IP/M/2, paras. 46, 49, 59; TN/IP/M/3, paras. 119, 126.
[67] TN/IP/M/2, para. 49; TN/IP/M/3, paras. 116, 124.

where protection is sought.[68] There is need for confirmation of the right to use a country name as a geographical indication and to have it accepted by the notification and registration system.[69]

37. In response, the view has been expressed that Article 22.1 does not contain any limitation regarding the use of a country name as a geographical indication. Any country name could be protectable as a GI as long as the quality, reputation and characteristics of the product are essentially attributable to the geographical origin designated by the GI.[70] This means that it cannot be automatic that a country name fits the definition of Article 22.1.[71] For example, if a country has various GIs for a product (e.g., wines) with various qualities, it would be difficult to create an "umbrella" GI which would have one unique homogeneous quality. The decision of whether a Member's name would meet the definition of a GI is a question of evidence to be assessed by the national authorities of that Member.[72]

38. Concerns have been raised about how to prove the **linkage between the quality, reputation or other characteristic of a product and the geographical origin**.[73] It has been suggested that this could only be done on a case-by-case basis, taking into account all the relevant specifics of individual situations.[74] Another view is that it is necessary to have a collective understanding about the kind of information to be included.[75]

39. Two questions have been raised in relation to **process or production methods**. One concerns whether a replicable production process can have an inherent link to a geographical indication and be thus capable of constituting a geographical indication.[76] The second question concerns how much, or which stages, of the process in producing a good needs to be conducted in the geographical location in question in order for that product to be able to use the geographical indication referring to that area.[77] In response to the second question, the point has been made that the answer may vary depending on the product and the process involved (e.g., in the case of wines, transportation may impact on the quality).[78] The general point has been made that IP/C/W/107/Rev.1 does not touch upon the question of oenological practices or manufacturing specifications.[79]

40. The point has been made that **indications of origin or indications of source** would not fall within the definition of GIs provided for in Article 22.1 because they only refer to the place from which a product originates and by themselves do not provide for the necessary link between the origin of the product and its quality, reputation or other characteristic.[80]

41. Proposals have been made concerning **homonymous GIs**:

- Under TN/IP/W/5, it is stated that "the same or similar [GI] … may be submitted by more than one WTO Member, provided that the [GI] is recognized by each notifying WTO Member in accordance with its national regime for protecting [GIs] …".[81]

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[68] TN/IP/M/2, para. 61.
[69] TN/IP/M/2, para. 46.
[70] TN/IP/M/2, para. 63; TN/IP/M/3, paras. 119, 126.
[71] TN/IP/M/2, paras. 34, 63, 64.
[72] TN/IP/M/2, para. 63; TN/IP/M/3, para. 121.
[73] JOB(02)/94, page 3; TN/IP/M/2, paras. 33, 40, 50, 54.
[74] TN/IP/M/2, paras. 34, 63.
[75] TN/IP/M/2, para. 40.
[76] TN/IP/M/2, para. 45.
[77] JOB(02)/94, page 3; TN/IP/M/2, paras. 39, 51.
[78] TN/IP/M/2, para. 63.
[79] TN/IP/M/1, para. 36.
[80] TN/IP/W/6, para. 8; TN/IP/M/2, para. 54.
[81] TN/IP/W/5, page 5, section 2.

- Under IP/C/W/107/Rev.1, it has been proposed that "[I]n the case of homonymous [GIs], each indication shall be registered subject to the provisions of Article 22, paragraph 4 of the TRIPS Agreement".[82]

42. It has been said that it is not clear, under IP/C/W/107/Rev.1, what would happen if there is no opposition to the notification of two homonymous; presumably, all other WTO Members would have to protect both geographical indications.[83]

II. THE PURPOSE OF THE NOTIFICATION AND REGISTRATION SYSTEM

43. The List of Points and Issues for Discussion at the June 2002 meeting, circulated by the Chairperson (JOB(02)/49, paragraph 5), identifies the following points and issues on this subject:

> Delegations may wish to comment on this matter, including on the meaning of the words "in order to facilitate the protection of" in Article 23.4. A basic question that arises is whether the purpose of the work is to facilitate, through appropriate procedures, the obtaining of the level of protection that already has to be given to geographical indications for wines and spirits pursuant to the TRIPS Agreement, not to enhance that level of protection. In this connection, delegations may wish to comment on the way in which the provisions of Article 24 should be taken into account.

44. The point has been made that the purpose of the multilateral system of notification and registration of geographical indications should be to **facilitate the implementation of the level of protection already provided for in the TRIPS Agreement for geographical indications for wines and spirits, i.e. the implementation of existing obligations, not to enhance that level of protection**.[84] It has been said that this flows from the fact that the obligation to protect geographical indications is derived from the TRIPS Agreement itself and not from the register.[85] The view has been expressed that there is an important difference between Article 23.4 which refers to facilitation and Article 24.1 which refers to increasing protection under Article 23 and that, for this reason, Article 24.1 is not linked to the current negotiations.[86]

45. In his concluding remarks at the June 2002 meeting of the Special Session, the Chairperson said that:

> "…delegations who had spoken on the issue had said that the purpose of the multilateral system should not be to increase the level of protection for geographical indications for wines and spirits provided for in the TRIPS Agreement, but to facilitate the obtaining of that level of protection."[87]

46. A number of views have been expressed on **how the term "to facilitate"** as contained in Article 23.4 of the TRIPS Agreement **should be understood**. These include:

- the making available of the means of identifying which geographical indications Members have to protect[88];

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[82] IP/C/W/107/Rev.1, D.2.
[83] TN/IP/W/1, page 2.
[84] TN/IP/W/6, para. 11; JOB(02)/70, para. 17; TN/IP/M/2, paras. 68, 70, 71, 76, 79, 80; TN/IP/M/5, paras. 64, 67, 68.
[85] TN/IP/M/2, para. 80.
[86] TN/IP/M/2, paras. 70, 77.
[87] TN/IP/M/2, para. 141.
[88] TN/IP/M/2, para. 66.

- the establishment of a register where participating Members would make known, in the framework of the WTO, geographical indications that are protected in their territories and, in that way, make it "easier" for countries to obtain protection for GIs identifying wines and spirits[89];

- to 'facilitate" the legal protection, a multilateral system should help administering bodies to implement, and producers and consumers to avail themselves of, the legal protection[90];

- connoting movement forwards, along a horizontal pathway, towards a defined goal. Its meaning is thus clearly distinct from the concepts of enhancing or increasing, which would involve an upwards trajectory[91];

- to simplify the process of protecting national interests[92];

- not to imply that the system of notification and registration is aimed at guaranteeing protection of particular geographical indications for wines and spirits; it does not mean "make mandatory"[93];

- to enhance the transparency of the system for wines and spirits in Members' territories and help Members to be aware of competing geographical indications, hence allowing for challenges at the national level under the national law.[94]

47. Views have been expressed on a number of aspects of **what is the protection that should be facilitated by** the multilateral system of notification and registration. In regard to the **exceptions** to protection provided under Article 24 of the TRIPS Agreement, the point has been made that, given that the system does not foresee any increase in existing levels of protection, it is clear that all the exceptions set out in Article 24, in particular the grandfather clause for geographical indications for wines and spirits (Article 24.4), the trademark exception (Article 24.5) and the exception for customary use (Article 24.6), must continue to apply.[95] The point has also been made that, in order to enable these exceptions to continue to apply, provision has been made in one of the proposals on the table for their exercise via an opposition procedure.[96]

48. In his concluding remarks at the end of the June 2002 meeting, the Chairperson said that he:

> "…understood all delegations to recognize that…the exceptions provided in Article 24 should remain valid" [under the multilateral system].[97]

49. The question of whether the protection that should be facilitated is only that provided for in Article 23 (in conjunction with Article 24) or also that provided for in **Article 22** has been discussed. In this regard, the following views have been expressed:

- that the multilateral system does not need to facilitate the protection under Article 22, given that Article 23 is a *lex specialis* which takes precedence over the general rule for the protection of geographical indications set out in Article 22[98];

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[89] TN/IP/M/2, para. 76.
[90] JOB(02)/70, para. 18; TN/IP/M/2, paras. 68, 81.
[91] JOB(02)/94, page 4; TN/IP/M/2, para. 70.
[92] TN/IP/M/2, para. 79.
[93] TN/IP/M/2, para. 78; TN/IP/M/3, para. 131.
[94] TN/IP/M/5, para. 67.
[95] TN/IP/M/2, paras. 72, 77, 80.
[96] TN/IP/M/2, para. 82.
[97] TN/IP/M/2, para. 141.

- wines and spirits benefit from protection under both Articles 22 and 23. Article 23 prohibits the use of a geographical indication of a specific wine on another wine, or of a specific spirit on another spirit. Use of such GIs on other products would not be covered by Article 23 but could be covered by Article 22.[99] The protection be facilitated should be that under both Articles.[100]

50. The question of **whether the establishment of a multilateral system should entail new obligations** for WTO Members has been discussed. In this regard, the following views have been expressed:

- the system should not create any obligations additional to those already set out in the Agreement, including new administrative burdens, nor diminish in any way the rights contained in Article 23[101];

- the system should not create new substantive obligations[102], it may entail some obligations but these should be limited to the administration of the system and be consistent with a system that is simple, inexpensive and easy to maintain, and does not create legal effects *vis-à-vis* non-participating Members[103];

- the system should not create new substantive obligations in the sense that the level of protection provided for geographical indications for wines and spirits would not be raised under the system.[104] However, this does not mean that there would be no new burdens: notification is itself a new burden and it is not clear how Members can establish a system without creating some new burdens.[105]

51. Different views have been expressed about **whether a system with legal effects at the national level is necessary** if it is to facilitate protection. One view is that the **systems proposed in IP/C/W/107/Rev.1 and IP/C/W/255** would make GI protection easier to implement by providing that registered GIs should benefit from a presumption of eligibility for protection. Asking those using names notified by other countries to defend their case first before local courts would discourage piracy and would benefit the entire spectrum of interested parties: producers, consumers and administrations:

- Producers intending to conduct a policy of international expansion would be able to make cost savings when defending their names around the world. Occasional free-riding on notified names would be discouraged as producers using GIs notified by other countries would have to prove their case before domestic courts first (and incur the associated litigation costs) if asked to do so.[106] Without a presumption of eligibility, in most cases it would be difficult, if not impossible, for the average right holder of a geographical indication, for example a wine grower in a small village, to enforce his rights under Article 23, because he would have to build a case from scratch before local courts, in certain cases thousands of kilometres from home and under completely different legal systems. This would threaten to defeat the clear

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[98] JOB(02)/94, pages 4-5; TN/IP/M/2, paras. 70, 84.
[99] TN/IP/M/2, paras. 82, 90.
[100] TN/IP/M/4, paras., 120, 125.
[101] TN/IP/W/6, para. 11; JOB(02)/94, page 5; TN/IP/M/2, paras. 71, 79; TN/IP/M/5, paras. 64, 68, 90.
[102] TN/IP/M/5, para. 64.
[103] TN/IP/M/5, para. 67.
[104] TN/IP/M/2, para. 68.
[105] JOB(02)/70, para. 19; TN/IP/M/2, para. 89.
[106] JOB(02)/70, para. 20; TN/IP/M/2, para. 69.

intention of WTO Members to provide Article 23-level protection to geographical indications for wines and spirits.[107]

- Consumer associations with less resources than producers and yet willing to prevent consumer deception could more easily defend their interests against those who market products using names notified by others to the WTO.[108]

- Usurpation would diminish and, in turn, litigation and administration costs would decrease. Public administrations would have timely information that will allow them, for example, to not register trademarks containing GIs as prescribed by Article 23.2 of the TRIPS Agreement.[109]

52. In response, concern has been expressed about such a system on the following counts:

- it would create new burdensome obligations for Members and add to the level of protection for GIs for wines and spirits that presently exists under the TRIPS Agreement. In this regard, it has been noted that the TRIPS Agreement explicitly provides for the reversal of the burden of proof in Article 34 in the Patent Section of the TRIPS Agreement and not other Parts, such as Article 43 on evidence in enforcement procedures.[110] There could thus be no presumption that reversal of the burden of proof is implicitly understood as necessary for the protection of other intellectual property rights[111];

- it would not be consistent with the principle of the territoriality of intellectual property rights and the national freedom for determining ways of implementing the TRIPS Agreement, including in the areas of GIs, as recognized in its Article 1.1;

- it would give priority to one category of intellectual property rights, geographical indications, over others, such as trademarks; its compelling effect would mean the end of national protection systems for intellectual property rights and go beyond any WIPO treaty.[112]

53. On the first of these points, **the claim that the proposed system would create new burdensome obligations and add to the existing level of protection**, the following arguments have been advanced in support of this view:

- Whereas under the TRIPS Agreement there is no time-limit on the exercise of exceptions contained in Article 24, Members would loose under the proposals in IP/C/W/107/Rev.1 and IP/C/W/255 their right to use certain exceptions if they were not the subject of an opposition lodged within 18 months of the notification.[113]

- As a result, all Members would have to review a considerable number of notifications of geographical indications and possibly oppose them, thus creating a new and burdensome obligation.[114] The proposals might also require Members to put in place

[107] TN/IP/M/2, para. 73.
[108] JOB(02)/70, para. 21; TN/IP/M/2, para. 69.
[109] JOB(02)/70, para. 22; TN/IP/M/2, paras. 69, 81.
[110] TN/IP/M/5, para. 86.
[111] TN/IP/M/5, para. 95.
[112] TN/IP/M/5, para. 77.
[113] TN/IP/M/2, paras. 78, 93, 95; TN/IP/M/3, para. 78; TN/IP/M/4, paras. 16, 122.
[114] TN/IP/M/2, para. 78.

a domestic examination structure, something which is not a requirement under the TRIPS Agreement.[115]

- Members might also be required to handle oppositions through a potentially costly mechanism in Geneva rather than under national law, as the TRIPS Agreement was currently drafted.[116] Nothing in the TRIPS Agreement presently obliges a Member to enter into an arbitration proceeding requested by another Member.[117]

- If a Member lodges an opposition in respect of a notified geographical indication, it might not be required to protect the term in question in its own territory, but its producers would loose their rights in the markets of all other Members who did not challenge the notification.[118]

- The reversal of the burden of proof envisaged in the proposals itself amounts to a new substantive obligation.[119] There is no mandate nor any need for altering the existing rights and obligations under the current TRIPS Agreement. The reversal of the burden of proof would shift the burdens of the system from one set of producers with many geographical indications to protect to another set of producers with very few ones to protect.[120]

54. In response, it has been said that these proposals would create no new substantive obligations.[121] The reversal of the burden of proof is one of the indirect consequences of the presumption of eligibility for protection. It would simply enhance the position of legitimate users of geographical indications in enforcement procedures against illegitimate use of such geographical indications; it does not impose any additional obligation on a Member's government, unless that government owns the enterprise using geographical indications registered by other Members under the multilateral system.[122] By agreeing in the Uruguay Round to put a multilateral system in place that should facilitate protection, Members have implicitly agreed on the reversal of the burden of proof, since it is necessary to facilitate protection.[123] The exceptions would continue to be available, only they would be exercised in a different way, through an opposition procedure.[124] Once a Member has lodged an opposition on the basis of an exception, the exception would continue to be applicable as far as that Member is concerned unless agreed otherwise as a result of bilateral negotiations. In this sense, all challenges would be successful.[125] As for the protection of the geographical indication in third countries, this is a matter for the authorities of those countries and could not give rise to rights on behalf of Members other than the Member that is the country of origin of the geographical indication.[126]

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[115] TN/IP/M/4, para. 122.
[116] TN/IP/M/2, para. 78; TN/IP/M/4, para. 122.
[117] TN/IP/M/2, para. 78.
[118] TN/IP/M/4, para. 129.
[119] TN/IP/M/4, paras. 122, 126; TN/IP/M/5, para. 73.
[120] TN/IP/M/5, paras. 69, 73.
[121] TN/IP/M/2, para. 69.
[122] TN/IP/M/5, paras. 71, 81.
[123] TN/IP/M/5, para. 93.
[124] TN/IP/M/2, para. 92.
[125] TN/IP/M/2, para. 92; TN/IP/M/4, para. 123.
[126] TN/IP/M/4, para. 130.

55. The question has been raised as to what would be achieved by the system proposed in IP/C/W/107/Rev.1 if, after a Member has opposed a geographical indication, all that would happen is that consultations would be held, the matter discussed and, if there is no agreement, each of the Members concerned would go its separate way.[127]

56. In response, the point has been made that this is why the system proposed in IP/C/W/255 provides for a multilateral possibility to settle the dispute in the event that there is no settlement at the end of the bilateral consultation process. This would also help address problems of imbalance of economic power in the consultation process. This proposal also envisages that, in appropriate cases, the effect of a successful challenge should be *erga omnes* in order to take into account the problems mentioned with respect to third markets. Moreover, it should be remembered that, while registration would result in a rebuttable presumption of eligibility for protection, the ultimate decision on whether a term is eligible for protection would remain at the national level.[128]

57. In regard to the concern regarding **territoriality and national legislative discretion** that has been expressed about the proposals in IP/C/W/107/Rev.1 and IP/C/W/255, the view has been expressed that it would difficult to see how a multilateral opposition procedure could be consistent with the principle of territoriality. The system that is proposed in IP/C/W/255 would entail an arbitration panel of Members of unknown nationality who would not be in a position to understand the determinations made by national courts and the perceptions of consumers as to whether a term has become generic.[129] Consistent with the principle of territoriality, Members should not be deprived of the right to apply their own laws in making determinations about intellectual property protection within their borders. In this regard, the point has been made that existing multilateral systems of notification and registration, such as under Article 6*ter* of the Paris Convention, the Hague Agreement in the field of industrial designs and the Madrid Protocol in the field of trademarks, all rely ultimately on determinations under domestic law to determine eligibility and protection.[130] The need to respect the freedom of Members, recognized in Article 1.1 of the TRIPS Agreement, both to determine the appropriate method of implementing the provisions of the TRIPS Agreement within their own legal system and practice as well as to determine the degree of protection to be accorded provided it meets the minimum required under the TRIPS Agreement has also been emphasized.[131]

58. In response, the view has been expressed that the proposals in question for a multilateral register fully respect the principles contained in Article 1.1 of the TRIPS Agreement.[132] There is no intention to advocate the establishment of a supranational court that would impose decisions on national authorities and courts. Registration would merely mean that those who use the names of others that are registered multilaterally would have to prove their cases in court, if challenged.[133] National courts or authorities would remain free to examine independently the value of a registration as evidence and would thereby maintain their freedom to assess whether there actually was, in the specific case, any infringement.[134] Further, the system of challenge and opposition that has been proposed would allow WTO Members to take full account of their territorial specificities and thus respect the principle of territoriality.[135]

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[127] TN/IP/M/4, para. 127.
[128] JOB(02)/94, pages 4-5; TN/IP/M/4, para. 132; TN/IP/M/5, para. 78.
[129] TN/IP/M/2, para. 84; TN/IP/M/3, para. 25.
[130] TN/IP/M/2, paras. 70, 71.
[131] TN/IP/W/5, page 3; TN/IP/W/6, paras. 1-2, 20; TN/IP/M/2, paras. 71, 76; TN/IP/M/3, para. 69; TN/IP/M/4, para. 72.
[132] JOB(02)/70, para. 17; TN/IP/M/2, paras. 67, 73.
[133] TN/IP/M/2, para. 74; TN/IP/M/3, para. 132.
[134] TN/IP/M/2, para. 69.
[135] TN/IP/M/2, para. 82.

59. As regards **the system proposed in TN/IP/W/5**, it has been said that this system would facilitate protection by making readily available to all WTO Members the information contained in notifications and registrations of geographical indications for wines and spirits for use in their decision-making processes relating to the protection of such geographical indications.[136] Illustrating this point, it has been said that such a system would be useful for helping ensure that when wine is imported with a label bearing a geographical indication that geographical indication is authorized in the country of production.[137] Another argument made is that easy access to information under the system proposed by TN/IP/W/5 would help producers make well-informed choices of names and not use contentious ones. Since it is not in the interest of producers to act in bad faith and use contentious names for their products, protection of geographical indications would be facilitated.[138]

60. In response, it has been questioned whether the system proposed in TN/IP/W/5 would facilitate protection, for the following reasons:

- The system does not provide for a mechanism to filter out names that should not be protected and therefore risks creating more confusion than clarity about which names should be given Article 23-level protection.[139] Legal uncertainty regarding the effect of the system could increase litigation and eventually administrative costs.[140]

- While national authorities would be bound to refer to the list, the list gives rise to no national legal effects and the national authorities could choose to ignore it in their domestic administrative decisions.[141] TN/IP/W/5 does not provide for any mechanism to monitor the obligation for national authorities to "refer" to the lists of GIs on the database. These national authorities would not know whether or not they could rely on the information included in the system when making a determination on the protection of a geographical indication in their territories.[142]

III. WHAT IS MEANT BY A "SYSTEM OF NOTIFICATION AND REGISTRATION"

61. In the List of Points and Issues for Discussion at the June 2002 Meeting circulated by the Chairperson (JOB(02)/49, paragraph 6), he suggested the following:

> It might be useful to consider how such terms have been understood in intellectual property contexts, both at the national and international level. This is a subject on which the Special Session could, if so wished, ask the WTO and/or the WIPO Secretariat to provide factual material, in particular about the different types of "registration system" that can be found at the international level, with their main features, procedures and legal effects. Delegations may wish to express their views on these matters as well as on the costs and benefits of different possible systems.

62. Discussions on this category of issues in the Special Session have been organized following a structure suggested by the Chairperson:

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[136] TN/IP/W/5, page 3; TN/IP/M/3, para. 131.
[137] TN/IP/M/3, para. 132.
[138] TN/IP/M/5, paras. 65, 76.
[139] TN/IP/M/2, para. 75.
[140] TN/IP/M/2, para. 69.
[141] JOB(02)/70, para. 24; TN/IP/M/2, paras. 69, 75.
[142] TN/IP/M/5, para. 66.

> The Special Session could go into issues of "mechanics" in greater detail, including such matters as procedures for notification, opposition, registration and modification as well as issues of costs and the possible role of the Secretariat, having regard to the various proposals that have already been made and new or modified proposals.[143]

Accordingly, this section of this paper is organized using the same headings.

A. PROCEDURES

63. This section outlines points made by participants with respect to the "mechanics" of the proposed system of notification and registration. Three main sets of proposals have been made on these matters:

(i) the proposal contained in TN/IP/W/5;

(ii) the proposal contained in IP/C/W/107/Rev.1. Some variations or additions to this proposal have also been suggested:

- the proposal contained in IP/C/W/255 for the addition of a multilateral arbitration mechanism to resolve challenges that cannot be settled by bilateral negotiation;
- the suggestion that provision should be made for a brief examination of notifications as to form by the administering body[144];
- the suggestion that provision should be made for a summary examination as to form by the administering body as to whether challenges are well-founded or not[145];

(iii) the proposal contained in TN/IP/W/8. Some elements of this proposal were introduced at the fifth Special Session, in February 2003.

The parts of the formal documents containing the above-mentioned proposals as to procedures are reproduced in Annex 2 of this document.

64. The issue of the extent to which the proposals that have been made respond appropriately to the procedural steps set out in the Special Session's mandate namely, notification and registration, has been discussed. One view has been that it is of great importance that a clear distinction be made between the phases of notification and registration[146] since the two phases serve different purposes, and that the proposal in TN/IP/W/5 does not achieve this.[147] Another view has been that this proposal does make a distinction between the two phases. "Notification" would be the responsibility of an individual Member to identify and submit its list of domestic geographical indications; "Registration" would be the WTO Secretariat's responsibility to compile a database of such notifications to facilitate sharing of the information with all WTO Members.[148] However, "notification" and "registration" should be understood as elements of a single act; i.e. that the system should consist of a register of

[143] TN/IP/M/2, para. 145; TN/IP/M/3, para. 14.
[144] TN/IP/M/3, para. 27.
[145] TN/IP/M/3, para. 29.
[146] TN/IP/M/2, para. 99.
[147] TN/IP/M/2, paras. 99, 103, 108, 110; TN/IP/M/3, paras. 35, 40; TN/IP/M/4, para. 71.
[148] TN/IP/M/2, para. 106.

notifications.[149] Proposals in IP/C/W/107/Rev.1 and IP/C/W/255 amount to advocating a four-stage system: notification; formal examination; opposition; and registration.[150]

65. Regarding the question of **how the term "registration" in Article 23.4 should be understood**, one view is that this term refers to a specific way of implementing TRIPS requirements that differs, for example, from the common law approach based on case law. Registration in the field of intellectual property is normally understood as involving the grant of a title of protection with a genuine legal effect, for example in the area of trademarks and certification marks.[151] Under a system where registration has no legal effect, the act of registration would not add value to that of notification and would not be in line with Article 23.4.[152] To give such added-value, registration should follow a phase of examination which would give it greater legitimacy.[153]

66. In response, the point has been made that none of the definitions of the term "registration" in the Collins dictionary make any reference to a legal effect. Any suggestion that the term refers to a specific way of implementing TRIPS obligations would be inconsistent with Article 1.1 of the TRIPS Agreement and amount to an increase in the level of Members' obligations. "Registration" for the purposes of the Special Session should be understood to involve the act of entering a notified term in a list set up and maintained for that purpose by the administering body. While the TRIPS Agreement does refer to "registration" in other sections, those references are to national registration systems. It is clear that the TRIPS Agreement allows Members to use a variety of mechanisms to protect geographical indications and thus there is no value in seeking to make reference to registration in different parts of the TRIPS Agreement.[154]

67. In this regard, reference has been made to **WIPO systems of notification and registration**. On these systems, the following points have been made:

- These international systems are meant to have legal effects, albeit of varying degrees; this is consistent with the approach suggested in IP/C/W/107/Rev.1.[155]

- The WIPO systems are aimed at the acquisition of protection, as indicated in paragraph 5 of the Secretariat note TN/IP/W/4. Article 23.4, by contrast, uses the words "to facilitate protection". "Application" suggests a path to acquiring rights but the drafters of Article 23.4 selected the term "notification", not "application". Thus, they clearly mean something different. Other Articles in the TRIPS Agreement refer to "application" (e.g. Article 15.3) or to "applicant" (e.g., Article 29); it is, therefore, clear that the drafters of Article 23.4 could have used the term "application" if they had so desired.[156]

- Except for the Patent Cooperation Treaty, there are few signatories to the systems described in TN/IP/W/4. As has been noted by earlier speakers, this fact suggests that the international community had not readily accepted approaches where the registration process has an objection procedure and results in the granting of substantive rights. The Special Session should not adopt an approach that past history demonstrates has not proved acceptable to a large number of countries.[157]

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[149] TN/IP/M/2, para. 104.
[150] TN/IP/M/3, para. 46.
[151] TN/IP/M/2, paras. 103, 108.
[152] TN/IP/M/2, para. 108.
[153] TN/IP/M/2, para. 110.
[154] JOB(02)/94, pages 4-5; TN/IP/M/2, paras. 101, 114.
[155] TN/IP/M/3, para. 18.
[156] TN/IP/M/3, para. 32.
[157] TN/IP/M/3, paras. 32, 53.

- The Lisbon Agreement for appellations of origin, the Madrid system for marks and the Hague Agreement for designs, as international registration systems for applicants seeking national protection through the international system, have a different purpose from that envisaged under Article 23.4.[158]

1. Notification

68. The following **substantive conditions** to be met by notified GIs have been mentioned in the proposals and interventions:

- GIs notified are those "domestic geographical indications recognized as eligible for protection under their national legislation…"[159] or those "which identify goods as originating in its territory, corresponding to the definition in Article 22, paragraph 1 of the TRIPS Agreement".[160]

- Only indications that receive protection in the notifying Member at the time of notification and which have not fallen into disuse within the meaning of Article 24.9 should be notified.[161]

The question of who should be the administering body which would receive notifications and provide other secretariat services under the multilateral system is addressed in paragraphs 134, 137-139 below.

69. With regard to the **information** that should be contained in the notification of a GI, the proposals provide that this should include the **date** that the geographical indication received protection in the notifying Member, as well as any time-limit or date of expiry for that protection.[162] With regard to **other data or documentation** that should be included in the notification, the following proposals have been made:

- In TN/IP/W/5, it has been proposed that "[I]n the interest of transparency and to ease the use of information by WTO Members participating in multilateral agreements for the protection of GIs, those WTO Members participating in such agreements must indicate the agreements under which each of the notified geographical indications is protected."[163]

- In IP/C/W/107/Rev.1, it is proposed that "[t]he notification to the Secretariat [shall] be accompanied by copies of national legislative, administrative or judicial decisions and, if necessary, bilateral, regional or multilateral agreements indicating the date on which each geographical indication first received protection in the country of origin. Any time-limit on that protection and the type of product as well as prima facie evidence of the geographical indication's conformity with the provisions of the Agreement, should also be provided".[164]

[158] TN/IP/M/3, para. 69.
[159] TN/IP/W/5, page 5, section 1; TN/IP/M/3, para. 101.
[160] IP/C/W/107/Rev.1, B.2; TN/IP/M/2, paras. 26, 29, 35; TN/IP/M/3, para. 39.
[161] TN/IP/W/8; TN/IP/M/3, para. 40.; TN/IP/M/5, para. 98.
[162] TN/IP/W/5, page 5, section 1; IP/C/W/107/Rev.1, B.3; TN/IP/M/3, para. 33.
[163] TN/IP/W/5, page 5, section 1.
[164] IP/C/W/107/Rev.1, B.3.

- It has also been suggested that each participating Member may provide any other information it considers useful for the TRIPS Agreement's implementation and for the application at the national level of the prohibition regarding the use of the geographical indications for non-originating products.[165]

- The information required might also include the spelling of the GI, the identification of the applicant, the territory from which the goods originate and a description of the characteristics or qualitative features of the goods.[166]

70. The following views have been expressed on these proposals:

- The proposal concerning the notification of international agreements should not be looked at in isolation from the legal effects of the system. What would be the implications of a GI that is notified on the basis that it has been included in a bilateral or multilateral agreement? For example, how would one know whether a notified GI that two countries have committed themselves to protect does not fall under Article 24.9? The proposal would give rise to uncertainty.[167]

- The proposal that international agreements could be used as a basis for the validity of notified GIs means that obligations contracted by some Members under those agreements would indirectly be transferred to other WTO Members which have not ratified such multilateral agreements.[168]

- With regard to information to be provided such as national legislative, administrative or judicial decisions and bilateral, regional or multilateral agreements, notifications should be short summaries of the information to be provided. Supporting documents could be retrieved from the website; circulation to Members would hence not be necessary.[169]

- The requirement concerning the notification of laws and regulations regarding geographical indications could constitute a duplication of existing obligations (e.g. the notification obligation under Article 63.2), or might be considered as an additional obligation and would therefore be equal to an amendment to the TRIPS Agreement.[170]

- The point has been made that the system might concern not only terms already protected in a WTO Member but also those eligible for protection in that Member. In the latter case, it would not always be possible to provide specific documentation making the case that the term is already protected at the national level. This would be the case where Members are implementing a system of GI protection on a common law basis, which does not necessarily require prior registration of a term.[171]

71. In response, the following comments have been made:

- The proposal of having copies of international agreements is intended to cover cases where the legal basis for the protection of a GI in the country of origin could not be found in a national legal, administrative or judicial text but rather in a regional

[165] IP/C/W/107/Rev.1, B.3-5; TN/IP/M/3, paras. 19, 27, 36.
[166] TN/IP/M/3, para. 36.
[167] TN/IP/M/3, para 45.
[168] TN/IP/M/3, para. 45.
[169] TN/IP/M/3, para. 59.
[170] TN/IP/M/3, para. 45.
[171] TN/IP/M/3, para. 54.

agreement. For example, under the Bangui Agreement, a single title of protection would be granted for a GI and produce effect in the country of origin as well as in the other contracting parties of the Bangui Agreement.[172]

- Notification of laws and regulations as well as of international agreements should not be too burdensome for Members since in most cases these texts have been notified to the TRIPS Council under Article 63.2; a cross-reference would therefore suffice. Experience with a regional system shows that the necessary information can be summarized on one or two pages.[173]

72. It has been suggested in the proposals and various interventions that notifications should be made according to an **agreed format**.[174] In this regard, the following comments have been made:

- The format of submissions could be established through negotiations or, if the WTO Members so agree, by the Secretariat[175], after the multilateral system itself is established.[176]

- The format should be so designed as to make the Secretariat's task of compiling the initial and subsequent notifications as simple as possible and to make the resulting database as user-friendly as possible.[177]

- It has also been suggested that in accordance with normal WTO practice, the format of notifications be kept simple.[178]

73. It has also been suggested that the Member notifying a geographical indication should be required to provide not only translations in all three WTO languages but also in the languages of the Members where protection is sought.[179]

74. As regards **the accompanying information and data** that would be contained in the notification of a geographical indication, it has been suggested that this information should be notified in one of the three WTO languages. It would then be translated by the notifying Member, or depending on the circumstances and arrangement made, by the administering body into the other WTO languages for circulation to WTO Members.[180] The point has been made that this information should not be voluminous since most of the information is already available in the WTO, for example in the context of notifications made under Article 63.2 obligations, and a cross-reference would be sufficient.[181]

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[172] TN/IP/M/4, para. 59. The Bangui Agreement is the abridged name of the "Agreement Revising the Bangui Agreement of 2 March 1977 on the Creation of an African Intellectual Property Organization" of 24 February 1999.
[173] TN/IP/M/4 , paras. 59, 64.
[174] TN/IP/M/3, paras. 19, 33.
[175] TN/IP/W/5, footnote 4; TN/IP/M/3, para. 33.
[176] TN/IP/M/3, para. 33.
[177] TN/IP/M/3, para. 33.
[178] TN/IP/M/3, para. 59; TN/IP/M/5, para. 100.
[179] TN/IP/M/4, para. 89.
[180] TN/IP/M/3, para. 19.
[181] TN/IP/M/4, para. 61.

75. With regard to the proposal in TN/IP/W/5, the view has been expressed that, since Article 23.1 prohibits the use of geographical indications even in translation, it would seem that from the point of view of translation costs the two approaches do not seem to be substantially different, provided that the relevant authorities actually refer to the database.[182]

76. With regard to the **language of notification and translation**, the discussion has addressed first the treatment of the geographical indication itself and second the treatment of accompanying information to be contained in the notification of a geographical indication. With regard to the **geographical indication itself**, it has been suggested that the notification should be made in the language of the country of origin. The responsibility for determining what the translation of a notified term is in the language of other Members where protection is sought would lie with the national authorities of those Members. It has been suggested that the burden of such translation should not be great since it would be limited to one or two words.[183]

77. In response, the point has been made that the translation of the geographical indication itself is a highly important matter since Article 23.1 requires GIs to be protected also in translated form and Members would need to know exactly what they are being requested to protect.[184] Under the system proposed in IP/C/W/107/Rev.1, the translation of the GI in the jurisdiction of each WTO Member would need to be known since the notification would trigger a legal effect in every Member. If a notified term is to be translated from the language of the country of origin into a national language through a WTO language, this would not be an easy exercise, in particular into languages with different script or spelling and from languages the pronunciation of which is not well known.[185]

78. It has been said that if notified, such national authorities of countries which do not use a WTO language have to translate their information as details of the area of production and of the product covered by a GI for the purposes of trademark examination, this could be a considerable problem.[186] Since every Member would be obliged to examine every notification if it is not to waive prematurely any of its rights under Articles 22 and 24, depending on the linguistic ability of the individual examiner a complete translation of the notification would be required before the task could even begin.[187]

79. Concern has also been expressed about the large number of geographical indications for wines and spirits that might be notified and the consequent burden of translation.[188] In response, it has been said that nothing has been said to justify the concern about a very large number of notifications and that ways and means of ensuring that the system is not excessively burdened in this way should be explored.[189]

80. With regard to the proposal contained in TN/IP/W/5, it has been said that the issue of language and translation is less significant since registration would not have a legal effect at the national level.[190] In response, the point has been made that, under the system proposed by TN/IP/W/5, administrative authorities and judges would have to face the same problems of translation as under the system proposed in IP/C/W/107/Rev.1 before making any decision concerning the protection of geographical indications.[191] Regarding this point, the view has been expressed that there are actually differences between the two systems proposed in terms of burdens and accuracy of translations:

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[182] TN/IP/M/4, para. 92.
[183] TN/IP/M/4, para. 61.
[184] TN/IP/M/4, para. 62.
[185] TN/IP/M/4, paras. 17, 66.
[186] TN/IP/M/4, para. 66.
[187] TN/IP/M/4, para. 85.
[188] TN/IP/M/4, para. 62.
[189] TN/IP/M/4, para. 67.
[190] TN/IP/M/4, para. 62.
[191] TN/IP/M/5, paras. 107, 110.

under TN/IP/W/5, the information recorded on the register is for reference whereas under IP/C/W/107/Rev.1 the information would be considered as the intellectual property right itself.[192]

81. It has been proposed that the administering body should undertake for each notification a brief or **summary examination as to form** after it has been received from a Member. If the administering body considers that the notified GI clearly does not meet the basic conditions, the national authority of the notifying Member would be informed and would be expected to provide confirmatory information or to renounce the notification. It would be open to the Member to repeat the notification at a later stage if it so decides. Such a procedure would help ensure that GIs clearly not meeting the requirements under Article 22.1 will not be registered under the system and that Members are not faced with a large number of improper notifications.[193]

82. With regard to this proposal, the following comments have been made:

- A summary examination as to form would not be necessary since Members would be notifying GIs that are recognized as eligible for protection domestically, that is GIs that meet the TRIPS definition as transposed into domestic legislation.[194]

- Although there might be a need for ways and means to refuse registration of mischievously notified terms, it would be difficult for the administering body to ascertain with any degree of finality whether a particular term meets the requirements of Article 22.1. Because of the territoriality principle, this would be a matter for individual Members to determine. Such a task would go beyond the mandate of Article 23.4.[195]

- Rather than by providing for an examination as to form by the administering body, the best way to avoid an excessive number of inappropriate notifications would be by reaching a better common understanding of the definition contained in Article 22.1 of the TRIPS Agreement.[196]

83. In response to these comments, it has been said that the examination proposed is not meant to check whether each notified geographical indication respects the national legislation of the country which has notified it or the TRIPS Agreement. It is just a brief examination as to formal requirements to ensure that there is some basis for the notification. It is not intended to substitute the administering body for Members, which are the ones to make the determination as to substance on the basis of national law and the TRIPS Agreement.[197] The WTO Secretariat could, without putting in jeopardy its neutrality, assume the task of providing a "sanity check" on the notifications and acting as a "formal filter".[198]

84. It has been further proposed that the multilateral system might involve a formality examination of the geographical indication subject to notification. Provided that basic information identifying the geographical indication, its ownership and the basis on which it claims protection in the country of origin is submitted to the administering body, the indication would be entered on the

[192] TN/IP/M/5, para. 114.
[193] TN/IP/M/3, para. 27; TN/IP/M/4, paras. 109, 112.
[194] TN/IP/M/4, para. 62.
[195] JOB(02)/94, page 6; TN/IP/M/2, para. 101; TN/IP/M/3, para. 64; TN/IP/M/4, paras. 62, 106.
[196] TN/IP/M/3, para. 54.
[197] TN/IP/M/4, para. 109.
[198] TN/IP/M/4, para. 113.

register. The formality examination would involve checking that the documentation submitted meets the stipulated minimum formal requirements.[199]

85. In regard to **communicating the notifications of GIs to other Members and making them accessible to the public**, the following proposals have been made (see also paragraphs 132-139 below on the possible role of the Secretariat and on costs.):

- TN/IP/W/5 provides that " [c]opies of the registered geographical indications for wines and spirits shall be distributed to all WTO Members. To ensure maximum transparency, the Secretariat shall, in addition to distributing copies of the lists to WTO Members, make the list accessible, in searchable form, on the WTO's Internet Web Site …".[200]

- In IP/C/W/107/Rev.1, it is proposed that the notified GIs be "published as soon as possible by the WTO Secretariat and notified to Members".[201] It has been said that the possibility of having this publication made via the WTO website should be considered.[202]

2. Opposition

86. **Section C of IP/C/W/107/Rev.1**, entitled "Multilateral Examination of Geographical Indications Published", provides for a challenge or opposition mechanism aimed at resolving disagreements between Members about the protection of an individual geographical indication that has been notified. **IP/C/W/255** proposes the addition to this mechanism of a multilateral arbitration system to be used when bilateral negotiations have failed to resolve the dispute.

87. The proposal contained in **TN/IP/W/5** does not provide for a multilateral opposition or challenge mechanism. It has been explained that, since this proposal does not provide for registrations that trigger the same legal effects as those envisaged in the other proposals in Members, there is no need for such a mechanism. Any opposition would be exclusively at the national level. If any WTO Member objects to the registration of a GI notified by another Member, the former may oppose the recognition of that geographical indication in accordance with the laws of the notifying Member. If an opposition is successful, the notifying Member would request that the administering body remove the registration of the challenged indication from the multilateral system. The registration of that indication would be removed from the multilateral system and would not be included in any updated lists circulated to Members.[203]

88. Given the importance of the legal system of the notifying Member as the forum for oppositions, stress has been placed on the need to ensure that the opposition procedure within the notifying Member's legal system and practice is available to the nationals of all other WTO Members on a **non-discriminatory basis** in accordance with the requirements of Articles 3 and 4 of the TRIPS Agreement.[204] In this regard, it has been recalled that, under the proposal in TN/IP/W/5, oppositions would be initiated by private parties, not only by governments. This also helps to explain why the making available of information on notifications of GIs to the public under the proposal is important for providing interested parties an opportunity to challenge them.[205]

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[199] TN/IP/M/5, para. 98. (This proposal was subsequently reflected in and circulated as document TN/IP/W/8.)
[200] TN/IP/W/5, page 5, section 2, para. 2.
[201] IP/C/W/107/Rev.1, para. B.7.
[202] TN/IP/M/3, para. 62.
[203] TN/IP/W/5, page 5, section 2; TN/IP/M/5, para. 101.
[204] TN/IP/M/3, paras. 34, 56; TN/IP/M/5, para. 101.
[205] TN/IP/M/3, para. 34.

89. In this regard, it has been said that the proposal in TN/IP/W/5 would provide a way of resolving disputes in the same way as disputes concerning the patentability of inventions or the registrability of marks are handled; this is to say by specifying that disputes would be resolved solely under the national laws of Members. That is currently the state under the existing international notification and registration systems cited by the Secretariat in TN/IP/W/4, namely the Madrid system for trademarks, the Hague system for industrial designs and the Patent Cooperation Treaty. In each of those cases, determinations were made solely with respect to national law without any requirement for consultations or any further complicated procedures. Only the Lisbon Agreement for the Protection of Appellations of Origin and the Stresa Agreement on cheeses, cited in the Secretariat's document, do not solely apply national law in determining whether protection should be extended or not. These two treaties are not broadly accepted.[206]

90. The suggestion has been made that the proposals contained in IP/C/W/107/Rev.1 and IP/C/W/255 might be complemented by a requirement for the body administering the multilateral system to **examine, in a formal and summary way**, whether the challenge seemed to be well-founded or not. This would help avoid the risk of the system becoming paralysed by an excessive number of challenges.[207] In response, it has been said that this proposal seemed to presume that there would not be any confusion as to the criteria relating to definition and eligibility for protection. In this regard, reference has been made to the points regarding a lack of a sufficient common understanding made in the Special Session's discussion on the first category of issues (see paragraphs 19-22 and 27-40 above).[208]

91. Regarding the **information that should be provided when a challenge is lodged**, it has been said that challenges should be accompanied by a statement of the grounds on which the challenging Member is invoking Article 22.1, 22.4 or paragraphs 4 or 6 of Article 24. Filing a challenge should not be an onerous procedure. The type of evidence to be provided would be that relating to the national law of the Member lodging the challenge, for example how the notion of generic is interpreted in its national law.[209] During the 18-month examination period, participating WTO Members could ask questions and request further information or explanations from the notifying Member.[210]

92. With regard to the **appropriate period for the filing of oppositions**, the following views have been expressed:

- The period of 18 months suggested in this proposal should be sufficient to enable other Members to examine notifications and decide whether or not to lodge an opposition. However, other time-frames could be considered.[211]

- It has been questioned, whether it would be possible to analyse within the proposed time-frame of 18 months all the information that would accompany every notification.[212]

- In response, it has been said that it would not be necessary for a Member to make a final determination within the 18-month period, for example on whether a name was generic or not. What was proposed was that Members gather prima facie evidence on whether a name might have become generic. This did not mean that all possible lines of defence and pieces of evidence had to be provided, but that at least the opposition

[206] TN/IP/M/4, para. 72.
[207] TN/IP/M/3, para. 29; TN/IP/M/4, para. 109.
[208] TN/IP/M/3, para. 64.
[209] TN/IP/M/4, para. 67.
[210] TN/IP/M/3, paras. 20, 41.
[211] TN/IP/M/3, para. 41.
[212] TN/IP/M/3, para. 45.

should be initially founded and that there should be some evidence that the name might have become generic. Afterwards, and in the course of the bilateral negotiations that would follow, the situation would be clarified.[213]

- It has also been suggested that the period should be "reasonable and proportionate".[214] The point has been made that the duration of this procedure should be long enough for Members, including developing countries, to examine all notifications in the context of the multilateral system.[215]

93. It has been said that there are limited cases where countries may have an interest in the same geographical indication. Since systems explored (expert committee, mediation or dispute settlement) have their limits and can be time-consuming and costly or raise problems of compatibility with the WTO Dispute Settlement Understanding and enforcement by national courts, it has been proposed to have recourse to direct bilateral negotiations. It would be simple and efficient since it involves only the parties concerned; they should communicate the results to the administering body.[216]

94. The question has been asked as to **how the bilateral negotiations** that would follow an opposition **would be carried out**.[217] In response, it has been said that the duration of the bilateral negotiations could vary greatly and much depended on the goodwill of the parties in trying to reach a settlement.[218]

95. The issue of what would be the proposed **legal effect of the lodging of an opposition** under the proposal in IP/C/W/107/Rev.1 has been discussed. The question has been raised as to whether recourse to judicial avenues in the countries that are parties to the negotiations would be affected. It has also been asked whether producers in the Member that has lodged an opposition, for example because the term is considered generic, would or would not be prevented from continuing to use the term.[219] In response, it has been said that the opposing country could continue to use the term during the course of the consultations as well as after the consultations, if the consultations do not lead to agreement otherwise.[220]

96. In response, a concern has been expressed that, whereas the term could continue to be used in the country that has lodged the opposition, its producers would not be able to continue to use the term in the markets of other WTO Members which had not also lodged an opposition.[221] The view has been expressed that, during the period of bilateral negotiations, it should be ensured that the rights of producers should not be undermined in third countries also.[222] For example, the right of a producer to go on using a name which it had been using in good faith in a third market before 1994 should not be impaired, even if the name is protected as a GI in other Members.[223]

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[213] TN/IP/M/4, para. 60.
[214] TN/IP/M/3, para. 38.
[215] TN/IP/M/4, para. 71.
[216] IP/C/W/107/Rev.1, page 2, paras. 9-10.
[217] TN/IP/M/4, para. 77.
[218] TN/IP/M/4, para. 78.
[219] TN/IP/M/4, para. 77.
[220] TN/IP/M/4, para. 78.
[221] TN/IP/M/4, para. 79.
[222] TN/IP/M/4, para. 81.
[223] TN/IP/M/4, para. 83.

97. In response, it has been said that the possibility to lodge an opposition is not limited to Members producing a product under a generic name, but could also apply to other Members where the product is marketed and the name is generic. In accordance with the principle of territoriality, it would be up to each Member to decide whether a name is generic or not in its territory.[224] The proposed system does not lead to any undermining of the rights of producers in third countries. If, in a given country, a GI is not generic and is considered to qualify for protection, that protection is already applicable in that Member by virtue of the TRIPS Agreement itself: the registration merely brought to light an existing protection.[225]

98. Concerns have been expressed about the possible **implications of a multilateral opposition system** of the sort proposed in IP/C/W/107/Rev.1 **for national systems** to implement the provisions in the TRIPS Agreement on geographical indications. It has been said that this proposal would require each Member to establish a system to examine each notified geographical indication and that the multilateral system should not force Members who have decided not to implement an examination system domestically to do so.[226] Any register negotiated should not prejudice the continuing right of Members participating in it not to establish a national registration system. To do otherwise would imply a significant change to existing Members rights and obligations under Article 23.[227]

99. In response, the question has been raised as to the procedures used to identify GIs for wines and spirits eligible for protection by Members that do not have national registries. Do such Members examine conformity with the definition in Article 22.1? For example, is this done under the certification mark system? How would Members that do not have national registries establish a list of names to be notified under the system? It has been said that responses to these questions would help shed light on the kind of opposition procedure that is needed in the multilateral register.[228]

100. It has been proposed that the opposition procedure should be divided into two phases: that of bilateral negotiations; and, as a last resort, if such negotiations do not yield a mutually acceptable solution, a multilateral phase.[229] Proposals have been made for this multilateral phase to take the form of an **arbitration system** (IP/C/W/234 and IP/C/W/255), the decisions of which would be final and binding.[230] It has been said that when developing the procedure for arbitration, Members should, to the fullest extent possible, build upon existing WTO procedures and principles including those set out in the DSU.[231] Alternative systems for settling differences that would have the same multilateral character and be simple and effective could also be considered.[232]

101. The following reasons for having an arbitration system have been given:

- The proposal would help ensure that smaller countries, which have limited bilateral bargaining power, enjoy the same opportunities for representing their legitimate commercial interests as bigger ones.[233]

- The arbitration system would prevent abuses of the opposition procedure since it would not be left to individual countries to determine whether a challenge is justified

[224] TN/IP/M/4, para. 80.
[225] TN/IP/M/4, para. 82.
[226] TN/IP/M/3, para. 24.
[227] TN/IP/M/4, paras. 68, 72.
[228] TN/IP/M/3, para. 65; TN/IP/M/4, para. 64; TN/IP/M/5, paras. 42, 53, 110.
[229] TN/IP/M/3, paras. 29, 42.
[230] IP/C/W/234 and IP/C/W/255; TN/IP/M/3, paras. 29, 52.
[231] IP/C/W/234, para. 9.
[232] TN/IP/M/2, para. 35; TN/IP/M/3, para. 42.
[233] IP/C/W/234, para. 5; TN/IP/M/2, para. 35; TN/IP/M/3, para. 42; TN/IP/M/4, para. 132.

or not[234]; it would be an "investment" in the sense that it would prevent ever-lasting negotiations.[235]

- The proposed arbitration mechanism is not alien to the WTO system (Articles 25 and 22.6 of the DSU) and has a precedent (Article 8.5 of the Agreement on Subsidies and Countervailing Measures).[236]

102. In reaction to the proposal for a system of arbitration, the following comments have been made:

- Nothing in the TRIPS Agreement obliges a Member to go into an arbitration. The proposal would change the existing level of obligation.[237] It would also go beyond the Special Session's mandate.[238]

- By virtue of the territoriality principle of IPRs, the question of how a Member territorially applies the TRIPS Agreement should not be left to arbitrators who do not know how the system of that Member works or how a term is regarded (e.g., by consumers) in that Member.[239] Decisions regarding the exceptions under Article 24 can only be made by the national courts or the administrative bodies applying the national law in the country where protection is sought.[240]

- The (universal) *erga omnes* effect of challenge may have a disproportionate impact. It is likely that just a few WTO Members will be forced to carry out the collective burden of challenge, especially since the vast majority of WTO Members are not likely to have the administrative means to reviews thousands of GIs.[241]

- An arbitration system at multilateral level could not be applied effectively.[242]

- If GIs were to be dealt with by adjudicators, then there would be a comparable need for a standing group of adjudicators and dispute settlement specialists to solve all the problems in the area of GIs, and this aspect should not be considered lightly.[243]

- The system would be cumbersome, highly regulatory and entail costs.[244]

3. Registration

103. The proposal contained in **TN/IP/W/5** does not provide for a multilateral opposition procedure. Registration takes place following receipt by the administering body of notifications from participating Members. It takes the form of inclusion of the notification in a searchable database of all notified geographical indications for wines and spirits. The database would include: the geographical indication for the wine or spirit that has been notified, the WTO Member who has made the notification, the date on which the indication is protected by the notifying Member, the expiration

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[234] IP/C/W/234, para. 5; TN/IP/M/2, para. 35.
[235] TN/IP/M/3, para. 75.
[236] IP/C/W/234, para. 6; TN/IP/M/2, para. 35.
[237] TN/IP/M/2, para. 88; TN/IP/M/3, paras. 25, 46.
[238] TN/IP/M/3, paras. 25, 46.
[239] TN/IP/M/2, paras. 84, 95; TN/IP/M/3, para. 25.
[240] TN/IP/M/3, para. 25.
[241] TN/IP/W/1, page 2.
[242] TN/IP/M/2, para. 84.
[243] TN/IP/M/3, para. 64.
[244] TN/IP/M/2, para. 36; TN/IP/M/3, para. 127.

date of this protection, if any, in the notifying Member, and any agreement for geographical indications for wines and spirits under which the indication is protected.[245]

104. With regard to the question of legal effects under national legislation, WTO Members choosing to participate in the system would commit themselves to consult, along with other sources of information, the database when making decisions regarding recognition and protection of geographical indications for wines and spirits in accordance with their national legislation. Information from the database would be taken into account in making such decisions. Registration in the multilateral system should not give rise to any presumption regarding eligibility for protection, given the territorial nature of geographical indications and the application of Article 24 exceptions, which would remain in force under national law. WTO Members not participating in the system would be encouraged to refer to the database, along with other sources of information, in making such decisions under their national legislation.[246]

105. With regard to the proposal in **IP/C/W/107/Rev.1**, registration would take place at the end of the 18-month period following publication of the notification of the geographical indication by the administering body. The registration would include annotations of the challenges that have been lodged, such as the name of the opposing country and the TRIPS provisions invoked. The registration would only have legal effect in Members who have not lodged an opposition. Members who have not challenged the geographical indication within the time-limit cannot refuse its protection on the basis of Articles 22.1, 22.4 and 24.6.[247] It has been said that other reasons could be invoked at any time before domestic courts such as Article 24.8 or 24.9.[248] Exceptions under Article 24.4 and 24.5 would operate at the national level.[249]

106. With regard to the proposal made in **IP/C/W/255**, it has been said that only geographical indications that have not been opposed would be registered after 18 months from the date of publication. With regard to those that have been opposed, geographical indications successfully challenged on the basis of Article 22.1 and Article 24.9 of the TRIPS Agreement would not be registered. That is to say the arbitrators decision in the case of such challenges would be of an *erga omnes* nature. Geographical indications successfully challenged on the basis of paragraphs 4, 5 and 6 of Article 24 would be registered with a note that the registration does not have a legal effect in the successful challenging Member.[250] Another suggestion made is similar, except that Articles 24.9 and 24.5 have not been referred to as the basis of a multilateral challenge.[251]

107. With regard to the differences between the legal effects flowing from challenges under Article 22.1 and Article 24.9, on the one hand, and Articles 24.4, 5 and 6, on the other, it has been said that an *erga omnes* effect is important for the former because it would save time and effort for the participants in the system, since a single challenge would prevent the registration of a notified name not fitting the definition or not under protection in the country or origin. Further, it would prevent the situation where the failure of a participant to challenge a notification could lead to unwarranted economic losses. As regards the latter provision, challenges would only have an *inter partes* effect since their applicability would depend on the particular circumstances of the challenging Member concerned.[252]

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[245] TN/IP/W/5, page 4.
[246] TN/IP/W/1, page 2; TN/IP/W/5, page 5; TN/IP/M/5, para. 102.
[247] IP/C/W/107/Rev.1, D.4; TN/IP/M/3, para. 21.
[248] TN/IP/M/3, para. 30.
[249] TN/IP/M/4, para. 84.
[250] TN/IP/M/3, para. 43.
[251] TN/IP/M/3, para. 30.
[252] TN/IP/M/3, para. 43.

108. With regard to the nature of the legal effects that would result from registrations under the proposals in IP/C/W/107/Rev.1 and IP/C/W/255 in the Members where the registrations have such effects, it has been said that they would give rise to a presumption of the protectability of the geographical indication in question under the national law of each of the Members concerned. It has been said that presumption would not apply in respect of reasons which had not been open to challenge in the opposition procedure, for example the exception contained in Article 24.8. Under the proposal contained in IP/C/W/255, this would also apply to the requirement of Article 24.9.[253] Points made regarding this matter can be found in paragraphs 51-58 above.

109. All these proposals provide for copies of registered geographical indications to be distributed to all WTO Members as well as made accessible on the WTO website.[254]

110. At the fifth meeting of the Special Session, it was proposed that the registration on the multilateral system would provide prima facie evidence to prove three issues:

(a) ownership;

(b) that the indication is within the definition of geographical indications under Article 22.1 of the TRIPS Agreement; and

(c) that it is protected in the country of origin.

The effect would be that the three issues are deemed to have been proved unless evidence to the contrary is produced by the other party to the proceedings. In other words, a rebuttable presumption is created in relation to the three relevant issues. Registration in the multilateral register would not have any legal effect or create any presumption in relation to these issues, except if it related to Article 24.9. The system would not deal with competing claims for geographical indications. These would continue to be dealt with under national laws. Under the proposed framework, the legal effect of registration would be limited in scope, i.e., registration on the multilateral register would provide prima facie evidence to prove the three issues cited above. Under this proposal, there is therefore no need for putting in place a process of substantive examination or opposition at the multilateral level. Questions relating to the applicability of the exceptions under Article 24 of the TRIPS Agreement would continue to be decided by Members' domestic authorities having regard to the relevant local circumstances.[255]

111. In response, the view has been expressed that this proposal may result in subsidies for a few WTO Members by the vast majority of other WTO Members. It might actually impose a subsidiary register rather than operate as a system in the WTO.[256] It has also been said that the proposed presumptions would cause problems to national authorities dealing with trademarks; according to the principle of territoriality, the scope of definition should be decided by those Members where protection is requested and at the time such protection is requested.[257]

4. Updates and modifications

112. The proposals provide for the multilateral register to be updated so as to take into account the following:

- the registration of new GIs;

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[253] TN/IP/M/3, para. 30.
[254] TN/IP/W/5, page 4; IP/C/W/107/Rev.1, D.6.
[255] TN/IP/M/5, para. 98. (This proposal was subsequently reflected and circulated in document TN/IP/W/8.)
[256] TN/IP/M/5, para. 109.
[257] TN/IP/M/5, para. 106.

- and any modification of existing registrations or cancellations, for example because the GI is no longer protected in the country of origin or has fallen into disuse in that country.[258]

113. It has been suggested that the procedures applying to new GIs and modifications be the same as those applying to original notification of GIs.[259]

5. Review/monitoring of the system

114. TN/IP/W/5 proposes that the TRIPS Council examine the operation of the multilateral system four years after its establishment, to evaluate its effectiveness in facilitating protection of Members' GIs for wines and spirits in accordance with Section 3, Part II of the TRIPS Agreement. This examination would not constitute a re-negotiation of the system.[260]

6. Contact point at Members' level

115. Under the approach proposed in IP/C/W/107/Rev.1, each participating Member must provide a contact point in its administration.[261]

116. In reaction to this proposal, it has been said that this would be a duplication of an existing obligation under the TRIPS Agreement (Article 67 concerning notification of contact points) or might constitute an additional burden for Members.[262]

B. COSTS

117. After setting out general points, this subsection summarizes the issues raised and points made structured according to the persons or bodies that initially bear the costs of establishing and running a multilateral system: that is to say, Member governments, producers, consumers and the administering body. The points made in regard to who should ultimately bear these costs, for example the extent to which the costs of Members should be passed on to producers and the costs of the administering body passed on to Members and/or producers, are summarized under the relevant heading.

118. It has been said that it is difficult to address the issue of costs and to make useful estimates without information on the likely number of registrations.[263] The point has also been made that the cost-benefit ratio of systems needs to be analysed at the national level for each country taking into account each country's specific interests.[264]

119. The following general points about the proposals have been made:

- The proposal contained in IP/C/W/107/Rev.1 would establish a system that would be far more costly than the one in TN/IP/W/5. The more complex the system is, the higher the cost.[265] There is also a direct relationship between the structure of the system and the cost involved.[266]

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[258] TN/IP/W/5, section 1; TN/IP/M/3, paras. 31, 61; TN/IP/M/5, para. 103.
[259] IP/C/W/107/Rev.1, D.6, E.2.
[260] TN/IP/W/5, page 6, section 5; TN/IP/M/5, para. 104.
[261] IP/C/W/107/Rev.1, B.6; TN/IP/M/3, para. 27.
[262] TN/IP/M/3, para. 45.
[263] TN/IP/M/3, para. 76; TN/IP/M/4, para. 88.
[264] TN/IP/M/2, para. 105.
[265] TN/IP/M/2, para. 105; TN/IP/M/3, para. 88; TN/IP/M/4, paras. 85, 86, 91, 97.
[266] TN/IP/M/3, para. 101.

- In response, it has been said that not only the costs incurred should be taken into account but also the effect of the outcome or the benefits that could be drawn from the system.[267] A system genuinely helping producers, consumers and administrations to get protection under Article 23 could more than justify higher implementation costs than one which provides no such help.[268] The costs of the system would be relatively small compared to the costs incurred in other fields of intellectual property rights.[269]

- In regard to the proposal in TN/IP/W/5, it has been said that the system would be a simple one, not place undue financial burden upon participating Members nor have any legal or financial obligation upon non-participating Members.[270]

1. Costs to governments

120. In regard to the proposal contained in **IP/C/W/107/Rev.1**, it has been said that the following costs to governments would arise[271]:

- the cost of putting new legislation into place;

- the cost of establishing a national system for the examination of geographical indications in those Members which do not already have such a system;

- the cost of creating a file regarding each notification;

- the cost of translating the notified geographical indication and the information accompanying the notification where necessary;

- the cost of investigations necessary to determine whether a notified GI falls under one of the exceptions in Article 24.4 and 24.6 and is consistent with the definition in Article 22.1;

- the cost of establishing whether there is a conflict with an existing trademark. Where a country protects unregistered trademarks, this would involve public consultations;

- the cost of engaging in bilateral negotiations and, in the case of the supplementary proposal in IP/C/W/255, of entering into an arbitration procedure.

121. The view has been expressed that the demands of the system in terms of **examination** might be such that national administrations would not be capable of completing the work involved within the prescribed 18 months. This could lead to a large number of oppositions.[272] What is involved is not the costs associated with one or two notifications, but rather those associated with analysing and assessing the history of geographical indications in certain countries which have had systems for their protection in place for a long time. Countries which are new to the protection of geographical indications have significant concerns about the workload and costs entailed.[273] Further, the point has been made that the system envisaged in IP/C/W/107/Rev.1 would not be cost-effective since it might oblige Members to examine notifications of geographical indications even where the applicant has no

[267] TN/IP/M/2, paras. 109, 111, 112; TN/IP/M/3, para. 75; TN/IP/M/4, para. 94.
[268] TN/IP/M/2, para. 109; TN/IP/M/4, para. 94.
[269] TN/IP/M/3, para. 83.
[270] TN/IP/W/6, paras. 24, 42.
[271] TN/IP/M/2, para. 107; TN/IP/M/3, para. 77; TN/IP/M/4, paras. 85, 86; TN/IP/M/5, para. 117.
[272] TN/IP/M/4, para. 85.
[273] TN/IP/M/4, para. 100.

commercial interest in the markets of the Members concerned.[274] A survey of the costs of examination of a single mark indicates costs that range from a few hundred to over US$1,000 according to the Member. A rough estimate of the cost of examining a single geographical indication in all Members is thus in the order of US$50,000, costs which would have to be borne by governments, not the applicant.[275]

122. In response, it has been said that the advantages of the system have to be looked at as well as its costs.[276] For example, the phase of examination would allow Members to collect information on notified geographical indications before making formal opposition would reduce the number of disputes. In the same vein, although the system of arbitration might, at first sight, seem a source of additional cost, it should be considered as an "investment" in finally resolving differences and saving costs that would otherwise be incurred in bilateral negotiations or national procedures.[277] The system would also facilitate the task of trademark examiners in applying Articles 22.3 and 23.2.[278] A register with the legal effect of a presumption of protectability would help national administrations. Usurpation would diminish, and in turn, litigation (and administration costs) would decrease.[279]

123. In regard to the proposal in **TN/IP/W/5**, it has been said that only minimal changes to existing national regimes would be required.[280] There would be some costs – compiling notifications in the agreed format, those arising out of any opposition under national law, monitoring national geographical indications to notify new ones or withdraw lapsed ones – but these would be less than under the other proposals.[281] It has been said that, whereas under the proposal in IP/C/W/107/Rev.1, the costs of examination and opposition, including translation costs, would not be borne by the applicant but would fall on governments[282], the costs of oppositions at the national level that might flow from the system foreseen in TN/IP/W/5 might fall on interested parties, not always on governments.[283]

124. In regard to the proposal in IP/C/W/107/Rev.1, it has been said that there is nothing in the system outlined in that document that would put governments under an obligation to provide "**ex officio**" **enforcement of** geographical indications. Governments could leave this to the holders of rights in geographical indications, who could avail themselves of the presumption established by the system in proceedings before courts or administrative agencies.[284]

125. The issue of the costs that might be incurred by the **governments of Members with little or no producer interest** in the system because they do not have industries producing wines or spirits has been discussed. The point has been made that a Member which does not examine notifications and lodge oppositions would not incur the associated administrative costs.[285] In response, it has been said that this would mean that such a Member would become a passive subject of obligations. Moreover, the question has been raised as to how could such a country know whether or not a term notified in its language was generic if it does not make a translation?[286]

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[274] TN/IP/M/4, para. 85.
[275] TN/IP/M/4, para. 86.
[276] TN/IP/M/2, paras. 109, 111; TN/IP/M/3, para. 77.
[277] TN/IP/M/3, para. 75.
[278] TN/IP/M/3, para. 72.
[279] JOB(02)/70, para. 22; TN/IP/M/2, para. 69.
[280] TN/IP/M/3, para. 78.
[281] TN/IP/M/3, para. 68.
[282] TN/IP/M/4, para. 86.
[283] TN/IP/M/3, para. 34.
[284] TN/IP/M/3, para. 72.
[285] TN/IP/M/4, para. 72
[286] TN/IP/M/4, para. 74.

126. In regard to the issue of **how the costs on governments might be allocated or financed**, it has been suggested that a system whereby producers would directly file notifications under the system could be envisaged.[287] The view has also been expressed that the costs involved in examining geographical indications should be borne solely by the applicant.[288]

127. In regard to the **translation** costs that might fall on governments, a summary of the points made on the tasks involved by translation can be found in paragraphs 74-80 above.

128. It has been suggested that a system by which a registration of a geographical indication would be **accepted by courts as prima facie evidence**, in much the same way as some courts treat registrations of works in copyright registries, would be simple and inexpensive but yield substantial benefits.[289] The Special Session could agree at the outset that the cost of operating the system should be shared between Members on the basis of the number of applications filed by each of them. In relation to the proposal for cost-sharing based on the user-pay principle, the question has been raised as to whether such a system, although only binding upon participating countries, could actually entail hidden costs for all WTO Members. The experience concerning the implementation of the Lisbon Agreement seems to demonstrate that only a few countries are actually using and benefitting from the system created by that Agreement.[290] It has also been suggested that a limit be set with regard to the number of applications to be processed each year in order to manage the workload.[291]

2. Costs to producers

129. With regard to **producers producing in the area that is designated by a geographical indication**, the following points have been made concerning the costs and benefits that could be involved in the multilateral system:

- The view has been expressed that the systems proposed in IP/C/W/107/Rev.1 and IP/C/W/255 would enable such producers to make savings as they would have easier access to the legal means available to them to secure and enforce the level of protection prescribed in Articles 22 and 23.[292] Producers would not feel compelled to seek protection of their GIs by way of prevention in each Member. Occasional free-riding of a notified GI would be discouraged because producers using GIs notified by other countries would have to bear the burden of proof and incur litigation costs.[293] In case of litigation, the register would prove to be a tool for these producers which would "facilitate" the protection of their GIs by reversing the burden of proof. This could be particularly valuable for producers in developing countries who might not otherwise have the means to assert their rights in all markets. The notification, examination and opposition phases should therefore be considered as an investment in the usefulness and viability of the system; the costs involved would be off-set by the benefit that would be derived from a real facilitated protection.[294]

- Further, the holders of rights in geographical indications would have a clearer view regarding countries in which their geographical indications might have become generic. That would facilitate investment and export decisions.[295]

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[287] TN/IP/M/3, para. 72.
[288] TN/IP/M/4, para. 76.
[289] TN/IP/M/3, para. 87; TN/IP/M/5, para. 116.
[290] TN/IP/M/5, para. 109.
[291] TN/IP/M/5, para. 116.
[292] TN/IP/M/3, para. 73.
[293] JOB(02)/70, para. 20.
[294] TN/IP/M/4, para. 94.
[295] TN/IP/M/3, para. 73.

- The view has also been expressed that the proposal contained in TN/IP/W/5 would benefit this category of producers very little since it does not provide for reversal of the burden of proof or any other legal effect.[296]

130. With regard to the effects on **producers other than those in the area indicated by a geographical indication**, the following points have been made:

- The cost of the proposal contained in IP/C/W/107/Rev.1 to such producers could be very significant. While a Member may not have to protect a term that is generic in its own territory, other Members not having opposed the notification within the time-limit of 18 months would be obliged to protect it and would have to stop the importation of all products bearing that term coming from any Member other than the notifying one.[297]

- The costs of an opposition system as suggested in IP/C/W/107/Rev.1 would be very heavy; as shown by the WTO dispute settlement system, not only are the costs high for governments but there are also many costs for producers and exporters. Furthermore, Members would live in a state of uncertainty as regards their future as exporters or producers because of the length of the opposition procedure.[298]

- In response, it has been said that such producers would not be required to re-label their products and would not incur costs. If they have been exporting products to countries in which the names are not generic, they would be able to continue exporting to such countries until the "legitimate producer" challenges that practice. These exports may continue, if justifiable under any of the other exceptions of Article 24 of the TRIPS Agreement. Where the exports cannot be justified under those exceptions, use of a protected name and use of that name would have to cease if so demanded by the right holder. In that regard, the situation with a register is not different from that which exists without it: if the right holder were to challenge such a practice solely under domestic legislation, the outcome would have to be the same.[299]

3. Costs to consumers

131. The following views have been expressed:

- The system proposed in IP/C/W/107/Rev.1 would reduce competition and thus impose some costs on consumers, especially those who have been used to having access to products bearing notified geographical indications but not coming from the geographical area so indicated and which cost less than the genuine product.[300] This would be the case particularly in those WTO Members that have not challenged notifications in a timely manner.[301] This might apply in particular to the produce of "new world" wine producers who have been endeavouring to bring to consumers a wider diversity of wines at competitive prices.[302]

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[296] TN/IP/M/4, para. 94.
[297] TN/IP/M/3, para. 78; TN/IP/M/4, para. 129; TN/IP/M/5, para. 117.
[298] TN/IP/M/2, para. 95; TN/IP/M/4, para. 54.
[299] TN/IP/M/3, para. 73.
[300] TN/IP/M/3, paras. 79, 91.
[301] TN/IP/M/5, para. 117.
[302] TN/IP/M/1, para. 39.

- Since the proposal in IP/C/W/107/Rev.1 provides that the obligations flowing from the register would be applied in all WTO Members regardless of whether they are participating or not, these costs would be incurred by consumers in all WTO Members, and not just in those Members with interest in producing wines and spirits.[303]

- In response, it has been said that consumers have a genuine interest in gaining easier access to those legal means that the TRIPS Agreement makes available to them in order to prevent misuse of geographical indications in their markets.[304] Consumer associations, which have fewer resources than producers, could more easily defend their interests under the system in IP/C/W/107/Rev.1 against persons who market their products using notified geographical indications.[305]

- Any costs on consumers from the cessation of infringing activity would be no different from those incurred in the field of trademarks from action against counterfeiting.[306]

- In regard to the proposal in TN/IP/W/5, the view has been expressed that it would not bring any added value to the legal standing of consumers in being able to prevent infringement of geographical indications in their territories.[307]

4. Costs to the administering body

132. It has been said that, under the proposal in **TN/IP/W/5**, since the administering body's main tasks would be to design, compile and maintain the notifications in a searchable database (also accessible on the WTO website)[308], the administrative cost to the administering body would not be substantially different from that incurred by the WTO Secretariat in administering existing WTO notification systems.[309] In regard to the proposal in **IP/C/W/107/Rev.1**, it has also been said that the costs to the administering body would basically consist of the costs of compiling and distributing notifications, possibly translating them if the system so requires, annotating challenges and updating the system.[310] In this regard, it has also been suggested to have the documents accessible on the WTO website.[311]

133. In regard to the issue of the **most appropriate way of financing or allocating the costs** that would be incurred by the administering body, it has been said that it would be inappropriate to apportion the cost of compiling and maintaining the searchable database to all WTO Members because not all are wine or spirit producers for international trade and are likely to participate in the system.[312] Non-participating Members should not be required to share the costs of running the system.[313] It has been suggested that a system based on user fees which would be apportioned on the basis of a number of GIs notified be foreseen.[314] This would be consistent with other similar

[303] TN/IP/M/3, para. 91.
[304] TN/IP/M/1, para. 2.
[305] JOB(02)/70, para. 21.
[306] TN/IP/M/3, para. 85.
[307] JOB(02)/70, para. 26; TN/IP/M/2, para. 69.
[308] TN/IP/M/3, para. 68.
[309] TN/IP/M/3, para. 88.
[310] TN/IP/M/3, para. 71.
[311] TN/IP/M/3, para. 59.
[312] TN/IP/M/3, paras. 68, 71, 86.
[313] TN/IP/M/4, para. 33.
[314] TN/IP/M/2, para. 102; TN/IP/M/3, paras. 68, 75.

multilateral systems.[315] It has also been noted that Members would be free to determine at the national level who would bear the fees, the government or the producers.[316]

134. The suggestion has been made that, to minimize costs to Members of running the system, the involvement of the **International Bureau of WIPO** could be envisaged. On the basis of an arrangement between WIPO and the WTO, the International Bureau of WIPO could be asked to manage the system.[317]

135. In response to questions, the International Bureau of WIPO has provided information on its experience regarding the inclusion of an a new official language for procedure in the framework of the Madrid Protocol. Preliminary explanations have been given regarding various fees under the Patent Cooperation Treaty, such as translation fees.[318]

136. This issue of the costs that would be incurred by **developing and least-developed countries** has been discussed, including special and differential treatment ("S&D"). In this regard, the following views have been expressed:

- If the system were to be based on fees, it might be onerous for developing countries.[319]

- The suggestion has been made that there be a "waiver" or exemption regarding the payment of fees by such countries and that there be some way of financing the participation of these countries in the system through technical assistance.[320]

- The system proposed in TN/IP/W/5 would not impose undue burdens and would satisfy the needs for S&D measures for LDCs and developing countries because it is entirely voluntary.[321]

C. POSSIBLE ROLE OF THE SECRETARIAT

137. It has been said that, under the proposal contained in **TN/IP/W/5**, the role of the Secretariat would include the following: receiving the information notified by each Member and placing it on a readily accessible and searchable register; distributing the information to Members concerning changes either by notifications or withdrawals; and providing basic information to Members on procedural aspects of notifications and withdrawals. However, it would be up to Members to ensure that the information they have notified to the system has been accurately recorded and is kept up-to-date.[322]

138. Under the approach in **IP/C/W/107/Rev.1**, the administering body would have to undertake the tasks listed in that proposal. In addition, the suggestions to complement this proposal would entail the administering body having to carry out a brief examination as to form of notifications and oppositions[323], as well as the task of servicing arbitration panels.[324] Regarding notification, this would mean examining compliance with the formal requirements of all notifications, publishing the notified geographical indications and ensuring that Members are informed about those geographical

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[315] TN/IP/M/2, para. 102.
[316] TN/IP/M/3, para. 75; TN/IP/M/4, para. 95.
[317] TN/IP/M/3, paras. 82, 113, 114, 115; TN/IP/M/4, para. 93; TN/IP/M/5, para. 111.
[318] TN/IP/M/3, paras. 97, 98.
[319] TN/IP/M/4, para. 91.
[320] TN/IP/M/3, para. 75; TN/IP/M/4, paras. 95, 98.
[321] TN/IP/W/5, pages 4-5, section 4; TN/IP/M/3, para. 9; TN/IP/M/5, para. 117.
[322] TN/IP/W/5; TN/IP/M/4, paras. 104, 116.
[323] TN/IP/M/4, para. 94.
[324] TN/IP/M/3, para. 114.

indications. Regarding registration, it would mean administering the register, entering geographical indications onto the register, publishing registered geographical indications periodically in a transparent manner, and handling cancellations of registrations under clearly set conditions. During a specified time-period, it should take evidence of all challenges made by Members as well as of the results of such challenges.[325]

139. The question of whether it would be appropriate for the administering body to conduct **summary examinations as to form** of notifications and challenges has been discussed. In addition to the points already set out on this matter in paragraphs 81-84 above, the following views have been expressed:

- Placing the WTO Secretariat in a position of having to take a view as to whether a notification is consistent with the definition of a geographical indication or falls within one of the Article 24 exceptions would be inconsistent with its long-standing practice of not commenting on legal matters.[326]

- The proposal would not be feasible since it would require the administering body to become familiar with the national systems of all WTO Members.[327]

- In response, it has been said that the administering body's task is not to examine whether or not each notified geographical indication respects the national legislation of the country which has notified it or the TRIPS Agreement. It would be a brief examination as to form to ensure that there was some basis for the notification.[328] If such a role would be inappropriate for the WTO Secretariat, it could be considered whether the task of administering the system should be entrusted to a special body set up for this purpose[329] or another organization with technical skill in the area.[330]

IV. PARTICIPATION

140. In the List of Points and Issues for Discussion at the June 2002 Meeting circulated by the Chairman (JOB(02)/49, paragraph 7), he identified the following points and issues on this subject:

> What is meant in Article 23.4 by, on the one hand, the requirement to establish a "multilateral" system and, on the other hand, the provision that it should relate only to geographical indications "eligible for protection in those Members participating in the system"? It would be helpful for delegations to express their views on whether they see a tension between these two concepts, and, if so, how best it should be resolved.

141. The point has been widely made that the language in Article 23.4 referring to the facilitation of the protection of geographical indications eligible for protection "in those Members participating in the system" makes it **clear that WTO Members should be free to decide whether or not to participate in the system and thereby to seek the facilitation of the protection of their geographical indications under it**. Participation should be truly voluntary.[331]

142. Most of the discussion under this heading has concerned the question of whether notifications and registrations of geographical indications under the system should have any effect in WTO Members that do not participate in the system. Differing views have been expressed on this issue.

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[325] TN/IP/M/4, para. 115.
[326] TN/IP/M/4, paras. 108, 116; TN/IP/M/5, para. 119.
[327] TN/IP/M/4, para. 110.
[328] TN/IP/M/4, paras. 112, 113.
[329] TN/IP/M/4, paras. 109, 115.
[330] TN/IP/M/4, paras. 22, 109.
[331] TN/IP/M/5, para. 120.

143. **One view is that the fact that Article 23.4 refers to a "multilateral system" makes it clear that it is intended that notifications and registrations of geographical indications should have effects in all WTO Members, including those that do not participate in the system**. In support of this view, the following points have been made:

- It is necessary for the system to have effects for non-participating as well as participating Members if it is to meet its objective of facilitating the protection of geographical indications.[332] Given that the future system would not create new rights and obligations even if the notifications entail legal effects, it would be logical that these legal effects apply in all WTO Members, bearing in mind that the rights that are being protected already exist in all Members under Article 23 without registration.[333] It is not clear how a voluntary system with no legal effect and constituting a mere list of GIs could facilitate the protection of GIs.[334]

- Determining the meaning of the term "multilateral" can only be done by contrasting it with the word "plurilateral". In the context of the WTO, "plurilateral" is understood as referring to a system in which participation is entirely voluntary. Conversely, "multilateral" systems are understood to be instruments by which all Members are bound.[335]

- It would not have been logical for the negotiators of Article 23.4 to have envisaged a voluntary system in the sense that there would be legal effects only on the participating countries, since a voluntary system already existed, namely the Lisbon Agreement, and this had not been a successful instrument due to its voluntary nature.[336]

144. **Another view is that the system should not give rise to any mandatory effects on WTO Members not participating in it**. The reference in Article 23.4 to a "multilateral system" should not be taken to suppress or override the voluntary nature of the system made clear by the words "Members participating in the system".[337] In this regard, the following reasons for the use of the word "multilateral" have been advanced:

- The word "multilateral" refers to the fact that the negotiation of the system is a multilateral negotiation, taking place in a multilateral forum and pursuant to a multilaterally agreed mandate and that the outcome of the negotiations would be a multilaterally agreed result. The term does not relate to the scope and character of the system to be negotiated; that is a function of the voluntary nature of the participation in the system.[338] The multilateral nature of the negotiating process meant that all Members would participate in setting up the system, so that their concerns could be taken into account in the system, thus facilitating implementation as and when they might decide to become part of it and also ensuring that they are familiar with what the system required.[339] It could in no way be seen to imply compulsory participation.[340]

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[332] TN/IP/M/2, para. 120; TN/IP/M/4, para. 28.
[333] TN/IP/M/4, para. 28.
[334] TN/IP/M/4, para. 29.
[335] JOB(02)/70, para. 34; TN/IP/M/4, paras. 21, 28.
[336] TN/IP/M/4, para. 22.
[337] TN/IP/W/6, para. 18; TN/IP/M/2, para. 122; TN/IP/M/4, paras. 16, 23, 24, 44.
[338] TN/IP/W/6, para. 16; TN/IP/M/2, paras. 122 and 123; TN/IP/M/4, paras. 23, 25.
[339] TN/IP/M/4, para. 23.
[340] TN/IP/M/5, para. 121.

- Rather than comparing the word "multilateral" with the term "plurilateral", the word "multilateral" should be seen as opposed in meaning to "bilateral" (between two countries) and "regional" (among countries of a region). The term "multilateral" could cover two or more countries and need not cover all Members.[341]

- At the time that Article 23.4 was negotiated, it was not possible to know whether or not all WTO Members would choose to participate in the system to be established pursuant to that provision and it would not have been appropriate to have prejudged this question by using the word "plurilateral".[342]

- The key consideration in determining whether an agreement can be considered multilateral is whether it is open to all Members. The fact that participation might be voluntary does not detract from its multilateral character. Reference has been made in this regard to the criteria used for determining what is a multilateral environmental agreement.[343]

- In regard to the argument that paragraph 18 of the Doha Declaration means that all WTO Members have committed themselves or showed willingness to participate in the system, the point has been made that paragraph 18 of the Doha Declaration still refers to the implementation of Article 23.4 of the TRIPS Agreement, which is clear on the question of voluntary participation.[344]

145. In regard to the argument advanced relating to the Lisbon Agreement, it has been pointed out that not all of those Members who advocate a mandatory system were signatories of the Lisbon Agreement at the time that Article 23.4 was negotiated, thus putting into doubt the argument that the WTO system should be mandatory. Moreover, it has to be taken into account that the Lisbon Agreement does not have a dispute settlement mechanism and that this might have been a fundamental consideration to those delegations who advocated Article 23.4.[345]

146. In response, it has been said that understanding the term "multilateral" to make it clear that the negotiations should take place in a multilateral forum would mean that the word is redundant given that Article 23.4 states explicitly that negotiations must be undertaken in the Council for TRIPS. Such a method of construing this provision would not be consistent with the approach of the Appellate Body which has held that agreements should be interpreted in such a way that all terms are given appropriate meaning, that is without nullifying the meaning of individual terms within any agreement. The same consideration applies to the argument that the term "multilateral" refers to the nature of the negotiating mandate.[346]

147. The point has been made that developing countries that do not produce wines and spirits would have to be convinced that it is appropriate for them to participate in the system. Should they decide not to participate, then they should not be affected by the system in any way.[347]

148. The issue of whether the proposals that have been made would establish **a proper balance of rights and obligations between participating Members and non-participating Members** has been discussed. In this regard, the following points have been made:

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[341] TN/IP/M/4, paras. 23, 25.
[342] TN/IP/M/2, para. 122; TN/IP/M/4, para. 24.
[343] TN/IP/M/2, para. 126; TN/IP/M/4, paras. 33, 34; TN/IP/M/5, para. 121.
[344] TN/IP/M/4, para. 34.
[345] TN/IP/M/4, para. 25; TN/IP/M/5, para. 121.
[346] TN/IP/M/4, para. 22.
[347] TN/IP/M/5, para. 122.

- The proposals contained in IP/C/W/107/Rev.1 and IP/C/W/255 attempt to strike a balance by making some of the effects of the system applicable to all WTO Members and limiting other effects to participating Members only.[348] Given that the register would only facilitate the protection of geographical indications that Members are already obliged to protect under the TRIPS Agreement, the proposed legal effects on non-participating Members is not disproportionate since the system would merely create a presumption of the eligibility for protection of a registered and non-challenged geographical indication and not create any new rights.[349]

- In response, it has been said that it could not be accepted that a balance is achieved when for those Members participating in the system there are rights and obligations, but for those Members who chose not to participate in the system there are no rights but only obligations.[350]

- The systems proposed in IP/C/W/255 and IP/C/W/107/Rev.1 would impose mandatory substantive new obligations and costs on Members which do not produce wine and stand to benefit little from the proposed systems. This stems from the foreclosing of the possibility to use exceptions if this is not done within 18 months following the notification of a GI.[351]

- On the other hand, the proposal contained in TN/IP/W/5 provides an appropriate balance. For those who choose to participate in the system, there are rights and obligations and, for those who do not, there are none.[352]

149. In regard to **least-developed countries**, the view has been expressed that it would be inappropriate for the obligations flowing from the proposal contained in IP/C/W/107/Rev.1 to apply to such Members.[353] The necessary solutions and flexibilities for these Members should be explored.[354] This could be done through a reference to special and differential treatment.[355]

150. In regard to **special and differential treatment**, the view has been expressed that this is effectively applied by the proposal in TN/IP/W/5 since, as a consequence of participation being voluntary, Members who do not wish to participate in the system would not find themselves facing the same obligations as those who do.[356] The proposal thus provides a self-regulating mechanism for special and differential treatment.[357]

[348] JOB(02)/70, para. 36.
[349] TN/IP/M/4, para. 28.
[350] TN/IP/M/2, para. 130.
[351] TN/IP/M/4, para. 16.
[352] TN/IP/M/2, para. 130.
[353] TN/IP/M/2, para. 127; TN/IP/M/4, para. 20.
[354] TN/IP/M/4, para. 20.
[355] TN/IP/M/2, para. 133.
[356] TN/IP/M/4, para. 15.
[357] TN/IP/W/5, page 4; TN/IP/M/3, para. 9; TN/IP/M/4, para. 18; TN/IP/M/5, para. 120.

ANNEX 1 – LIST OF DOCUMENTS OF THE COUNCIL FOR TRIPS (1997-2003)

Document Symbol	Communicated by	Title	Distribution Date
2003			
TN/IP/M/5	Secretariat	Minutes of the meeting of 21 February 2003	28 April 2003
TN/IP/W/8	Hong Kong, China	Multilateral System of Notification and Registration of Geographical Indications Under Article 23.4 of the TRIPS Agreement	23 April 2003
JOB(03)/76	European Communities	Traditional Expressions	23 April 2003
JOB(03)/75	Chairman	Draft Text of Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits	16 April 2003
JOB(03)/60	Chairman	Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits: Possible Elements/Options	20 March 2003
JOB(03)/51	Australia	Traditional Expressions	6 March 2003
TN/IP/W/7	Secretariat	Discussions on the Establishment of a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits: Compilation of Issues and Points	18 February 2003
TN/IP/M/4	Secretariat	Minutes of the Meeting of 28 November 2002	6 February 2003
2002			
TN/IP/W/4/Add.1	Secretariat	Multilateral Notification and Registration Systems – Addendum	27 November 2002
TN/IP/W/6	Argentina, Australia, Canada, Chile, New Zealand and the United States	Multilateral System of Notification and Registration of Geographical Indications for Wines (and Spirits)	29 October 2002

Document Symbol	Communicated by	Title	Distribution Date
TN/IP/W/5	Argentina, Australia, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Namibia, New Zealand, the Philippines, Chinese Taipei and the United States	Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement	23 October 2002
TN/IP/M/3	Secretariat	Minutes of the Meeting of 20 September 2002	21 October 2002
TN/IP/W/4	Secretariat	Multilateral Notification and Registration Systems	18 September 2002
TN/IP/M/2	Secretariat	Minutes of the Meeting of 28 June 2002	26 August 2002
JOB(02)/94	Australia	Intervention Made by the Delegation of Australia at the Special Session of 28 June 2002	26 July 2002
TN/IP/W/3	Bulgaria, Cyprus, the Czech Republic, the European Communities and their member States, Georgia, Hungary, Iceland, Malta, Mauritius, Moldova, Nigeria, Romania, the Slovak Republic, Slovenia, Sri Lanka, Switzerland and Turkey[358]	Negotiations Relating to the Establishment of a Multilateral System of Notification and Registration of Geographical Indications	24 June 2002
JOB(02)/70	The European Communities and their member States	Negotiations Relating to the Establishment of a Multilateral System of Notification and Registration of Geographical Indications – Issues for Discussion at the Special Session of the TRIPS Council of 28 June 2002 - Informal Note	24 June 2002
JOB(02)/49	Chairperson	List of Points and Issues for Discussion at the June 2002 Meeting	4 June 2002

[358] For Estonia see document TN/IP/M/2, para. 21.

Document Symbol	Communicated by	Title	Distribution Date
JOB(02)/44	The European Communities and their member States	How to achieve a Focused and Structured Agenda to Negotiate the Establishment of a Multilateral System of Notification and Registration	28 May 2002
TN/IP/W/2	United States	Issues for Discussion in the Negotiation Under Article 23.4	10 April 2002
TN/IP/W/1	United States	Questions and Answers – Comparison of IP/C/W/107/Rev.1 ("EC Proposal"), IP/C/W/133/Rev.1 ("Joint Proposal"), IP/C/W/255 ("Proposal by Hungary")	9 April 2002
TN/IP/M/1	Secretariat	Minutes of the Meeting of 8 March 2002	22 March 2002
2001			
IP/C/M/33	Secretariat	Minutes of the Meeting of 19-20 September 2001	2 November 2001
IP/C/M/32	Secretariat	Minutes of the Meeting of 18-22 June 2001	23 August 2001
IP/C/M/30	Secretariat	Minutes of the Meeting of 2-5 April 2001	1 June 2001
IP/C/W/259	The European Communities and their member States	Establishment of a Multilateral System of Notification and Registration of Geographical Indications Under Article 23.4 of the TRIPS Agreement – Comparative Table of the Main Proposals Submitted to Date	31 May 2001
IP/C/W/260	The European Communities and their member States	Establishment of a Multilateral System of Notification and Registration of Geographical Indications under Article 23.4 of the TRIPS Agreement - Comments on the Proposal Jointly Submitted by Canada, Chile, Japan and the United States (IP/C/W/133/Rev.1)	30 May 2001
IP/C/W/255	Hungary	Incorporation of Elements Raised by Hungary in IP/C/W/234 into the Proposal by the European Communities and their member States on the Establishment of a Multilateral System of Notification and Registration of Geographical Indications	3 May 2001
IP/C/M/29	Secretariat	Minutes of the Meeting of 27-30 November and 6 December 2000	6 March 2001
2000			
IP/C/W/234	Hungary	Opposition/Challenge Procedure in the Multilateral System of Notification and Registration of Geographical Indications	11 December 2000
IP/C/M/28	Secretariat	Minutes of the Meeting of 21-22 September 2000	23 November 2000
IP/C/M/27	Secretariat	Minutes of the Meeting of 26-29 June 2000	14 August 2000

Document Symbol	Communicated by	Title	Distribution Date
IP/C/W/189	New Zealand	New Zealand's System of Protection for Geographical Indications and the Multilateral Notification and Registration System for Geographical Indications Under Article 23.4 of the TRIPS Agreement	22 June 2000
IP/C/W/107/Rev.1	The European Communities and their member States	Implementation of Article 23.4 of the TRIPS Agreement Relating to the Establishment of a Multilateral System of Notification and Registration of Geographical Indications - Revision	22 June 2000
IP/C/M/26	Secretariat	Minutes of the Meeting of 21 March 2000	24 May 2000
1999			
IP/C/M/25	Secretariat	Minutes of the Meeting of 20-21 October 1999	22 December 1999
IP/C/M/24	Secretariat	Minutes of the Meeting of 7-8 July 1999	17 August 1999
IP/C/W/133/Rev.1	Canada, Chile, Japan and the United States	Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement	26 July 1999
IP/C/M/23	Secretariat	Minutes of the Meeting of 21-22 April 1999	2 June 1999
IP/C/M/22	Secretariat	Minutes of the Meeting of 17 February 1999	9 April 1999
IP/C/W/134	United States	Suggested Method for Domestic Recognition of Geographical Indications for WTO Members to Produce a List of Nationally-protected Geographical Indications	11 March 1999
IP/C/W/133	Japan and the United States	Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement	11 March 1999
IP/C/M/21	Secretariat	Minutes of the Meeting of 1-2 December 1998	22 January 1999
1998			
IP/C/M/20	Secretariat	Minutes of the Meeting of 17 September 1998	15 October 1998
IP/C/M/19	Secretariat	Minutes of the Meeting of 16 July 1998	5 August 1998
IP/C/W/107	The European Communities and their member States	Proposal for a Multilateral Register of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement – Establishment of the Register and Registration Procedure	28 July 1998
IP/C/M/18	Secretariat	Minutes of the Meeting of 12 May 1998	11 June 1998
IP/C/M/17	Secretariat	Minutes of the Meeting of 24 February 1998	23 March 1998

Document Symbol	Communicated by	Title	Distribution Date
1997			
IP/C/M/16	Secretariat	Minutes of the meeting of 17-21 November 1997	5 December 1997
IP/C/W/85	Secretariat	Overview of Existing International Notification and Registration systems for Geographical Indications Relating to Wines And Spirits	17 November 1997
IP/C/M/15	Secretariat	Minutes of the Meeting of 19 September 1997	15 October 1997
IP/C/M/14	Secretariat	Minutes of the Meeting of 15 July 1997	15 August 1997

ANNEX 2 – PROPOSALS FROM DELEGATIONS

EXCERPT FROM IP/C/W/107/REV.1 (COMMUNICATION FROM THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES)

"ATTACHMENT

REVISED PROPOSAL BY THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES

ESTABLISHMENT OF A MULTILATERAL SYSTEM OF NOTIFICATION AND REGISTRATION OF GEOGRAPHICAL INDICATIONS

A. MEMBERS' PARTICIPATION IN THE MULTILATERAL SYSTEM

1. All Members may participate in the multilateral system of notification and registration by making a voluntary declaration to the Secretariat.

2. Having made such a declaration, Members shall apply the operating rules of the multilateral system of notification and registration.

3. The participation or non-participation of Members in the multilateral system of notification and registration shall be without prejudice to their rights and obligations under section 3 of Part II of the TRIPS Agreement, unless otherwise foreseen in this multilateral system.

B. NOTIFICATION AND PUBLICATION OF GEOGRAPHICAL INDICATIONS

1. A participating Member shall notify, without delay, the Secretariat its declaration of participation in the system.

2. It shall notify all geographical indications which identify goods as originating in its territory, corresponding to the definition in Article 22, paragraph 1 of the TRIPS Agreement.

3. Notification to the Secretariat shall be accompanied by copies of national legislative, administrative or judicial decisions and, if necessary, bilateral, regional or multilateral agreements indicating the date on which each geographical indication first received protection in the country of origin. Any time-limit on that protection and the type of product in question, as well as prima facie evidence of the geographical indication's conformity with the provisions of the Agreement, should also be provided.

4. Each participating Member may provide any other information it considers useful for the Agreement's implementation and for national application of the prohibition on the use of geographical indications for non-originating products.

5. National provisions implementing the multilateral system of notification and registration shall also be notified.

6. Each participating Member shall provide a contact point in its administration.

7. The geographical indications, notified by participating Members, shall be published as soon as possible by the WTO Secretariat and notified to Members.

C. MULTILATERAL EXAMINATION OF GEOGRAPHICAL INDICATIONS PUBLISHED

1. Members may examine the published geographical indications. They may send questions to and ask for explanations from the participating Member in question within a period of 18 months following publication by the Secretariat.

2. Where a Member challenges, in a duly justified manner, the protection of an individual geographical indication notified by another Member, these Members shall enter into negotiations, within the period of 18 months, aimed at resolving the disagreement.

3. These provisions are without prejudice to the application of the WTO Dispute Settlement Understanding.

D. REGISTRATION

1. Geographical indications, which have been notified and published, shall be registered within 18 months of publication. Registration shall refer to any challenge under provision C.2.

2. In the case of homonymous geographical indications, each indication shall be registered subject to the provisions of Article 22, paragraph 4 of the TRIPS Agreement.

3. Participating Members shall facilitate the protection of an individual registered geographical indication by providing the legal means for interested parties to use the registration as a presumption of the eligibility for the protection of the geographical indication.

4. Members who have not challenged, within 18 months, the registration of an individual geographical indication under provision C.2 shall not refuse its protection on the basis of Articles 22.1, 22.4 and 24.6 of the TRIPS Agreement.

5. The obligation to protect an individual geographical indication shall be suspended if the geographical indication is not or ceases to be protected in its country of origin or has fallen into disuse in that country.

6. The Secretariat shall publish the registered geographical indications and inform Members of them.

E. UPDATING THE MULTILATERAL SYSTEM

1. Participating Members shall notify the Secretariat of any additions or amendments to or deletions from their initial notification of geographical indications.

2. The same examination and registration as well as publication procedures shall apply."

EXCERPT FROM IP/C/W/255
(COMMUNICATION FROM HUNGARY)

INCORPORATION OF ELEMENTS RAISED BY HUNGARY IN IP/C/W/234 INTO THE PROPOSAL BY THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES ON THE ESTABLISHMENT OF A MULTILATERAL SYSTEM OF NOTITIFICATION AND REGISTRATION OF GEOGRAPHICAL INDICATIONS

"ANNEX

'The following text seeks to incorporate the points raised in Hungary's submission (IP/C/W/234) into the proposal by the European Communities and their member States (IP/C/W/107/Rev.1) on the establishment of a multilateral system of notification and registration of geographical indications:

a. The following two sentences would be added at the end of Paragraph C2:

'If such bilateral negotiations do not yield a mutually satisfactory result within the 18 month period the dispute arising from the challenge shall be settled by multilateral arbitration. The decision of the arbitrator shall be final and binding upon the parties.'

b. Part D would read as follows:

'1. Geographical indications, which have been notified, published and have not been challenged, shall be registered within 18 months of publication.

'2. Until a challenge made in connection with the multilateral registration of an individual geographical indication is not settled under the provisions in paragraph C2, the notified geographical indication shall not be registered.

'3. Geographical indications successfully challenged on the basis of Article 22.1 or Article 22.4 of the Agreement on TRIPS shall not be registered.

'4. Geographical indications successfully challenged on the basis of Article 24.4, Article 24.5 or Article 24.6 of the Agreement on TRIPS shall be registered and the registration shall refer to the successful challenge.

'5. Participating Members shall not refuse protection for registered geographical indications. A successful challenge made on the basis of Article 24.4, Article 24.5 or Article 24.6 of the Agreement on TRIPS shall justify the refusal of protection only in respect of the Member or Members which successfully challenged registration.

'6. Participating Members shall facilitate the protection of an individual registered geographical indication by providing the legal means for parties to use the registration as a presumption of the eligibility for the protection of the geographical indication.

'7. The obligation to protect an individual geographical indication shall be suspended if the geographical indication is not or ceases to be protected in its country of origin or has fallen into disuse in that country.

'8. The Secretariat shall publish the registered geographical indications and inform Members of them."

EXCERPT FROM TN/IP/W/5
(COMMUNICATION FROM ARGENTINA, AUSTRALIA, CANADA, CHILE, COLOMBIA, COSTA RICA, DOMINICAN REPUBLIC, ECUADOR, EL SALVADOR, GUATEMALA, HONDURAS, JAPAN, NAMIBIA, NEW ZEALAND, THE PHILIPPINES, CHINESE TAIPEI AND THE UNITED STATES)

"MULTILATERAL SYSTEM FOR NOTIFICATION AND REGISTRATION OF GEOGRAPHICAL INDICATIONS ESTABLISHED UNDER ARTICLE 23.4 OF THE TRIPS AGREEMENT

1. Notification

WTO Members wishing to participate in the system will submit[4] to the Secretariat a list of domestic geographical indications for wines and spirits recognized as eligible for protection under their national legislation indicating for each indication the date on which recognition was granted by the notifying Member and the date, if any, on which protection will expire.

In the interests of transparency and to ease use of the information by WTO Members participating in multilateral agreements for the protection of geographical indications for wines and spirits, those WTO Members participating in such agreements must indicate the agreements under which each of the notified geographical indications is protected.

Subsequently, Members participating in the system will notify only additional domestic geographical indications for wines and spirits recognized as eligible for protection under their national legislation and will withdraw the notification of any previously notified geographical indication for wine or spirits no longer recognized as eligible for such protection under their national legislation.

WTO Members may decide to participate or discontinue participation in the system at any time by withdrawing their notifications.

2. Registration

Following receipt of notifications from participating Members, the Secretariat shall compile a list on behalf of all WTO Members in the form of a searchable database of all notified geographical indications for wines and spirits. This database shall be known as the World Trade Organization Geographical Indications Multilateral System for Wines and Spirits (the "Multilateral System for Wines and Spirits"). The Multilateral System for Wines and Spirits shall include: the geographical indication for the wine or the spirit that has been notified, the WTO Member who made the notification, the date on which the indication was protected by the notifying Member; the expiration date of this protection, if any, in the notifying Member and any agreement for geographical indications for wines and spirits under which the indication is protected. In accordance with Article 23.3, the same or similar geographical indication for wines and spirits may be submitted by more than one WTO Member, provided the geographical indication is recognized by each notifying WTO Member in accordance with its national regime for protecting geographical indications for wines and spirits.

[4] The format for submissions shall be established through negotiations or, if the WTO Members so agree, by the Secretariat.

Copies of the registered geographical indications for wines and spirits shall be distributed to all WTO Members. To ensure maximum transparency, the Secretariat shall, in addition to distributing copies of the lists to WTO Members, make the lists accessible, in searchable form, on the WTO's Internet Web Site (www.wto.org).

After the initial notification, the WTO Secretariat shall revise the database of notified geographical indications for wines and spirits, adding or deleting indications in accordance with WTO Members' notifications or a request for removal received from the WTO Member who originally made the notification.

Decisions to grant protection for geographical indications for wines and spirits shall occur at the national level. If any WTO Member objects to the registration of a geographical indication for wines or spirits notified by another Member, the former may oppose the recognition of that geographical indication in accordance with the laws of the notifying Member.

If an opposition is successful, the notifying Member shall request that the Secretariat remove the registration of the challenged indication from the Multilateral System for Wines and Spirits. The registration for that indication shall be removed from the Multilateral System and shall not be included in any updated lists circulated to Members.

3. Legal Effects under National Legislation

WTO Members choosing to participate in the system will commit to consult, along with other sources of information, the WTO Geographical Indications Multilateral System for Wines and Spirits when making decisions regarding recognition and protection of geographical indications for wines and spirits in accordance with their national legislation. Information obtained from the WTO Multilateral System for Wines and Spirits would be taken into account in making those decisions in accordance with that national legislation. This proposal does not affect the applicability of Article 24 of the TRIPS Agreement; all Article 24 exceptions to protection would remain in force under national law.

WTO Members not participating in the system will be encouraged to refer to the WTO Multilateral System for Wines and Spirits, along with other sources of information, in making decisions under their national legislation involving recognition or protection of geographical indications for wines and spirits in order to ensure that such decisions are based on the most complete information available. However, this system would not give rise to specific obligations for Members that decide not to participate. Members are therefore free to consider their own capacity to take on obligations emanating from participating in the proposed system.

Any geographical indication for wines or spirits established in accordance with national legislation is entitled to protection under Section 3 of Part II of the TRIPS Agreement, whether or not it is registered in the WTO database.

4. Voluntary Participation

Participation in this system is voluntary. Furthermore, the system will not prejudice or affect the protection already contained in Section 3 of Part II of the TRIPS Agreement for geographical indications for those Members choosing not to participate. Requiring participation would increase TRIPS obligations for WTO Members outside a full trade round and would be contrary to Article 23.4 of the TRIPS Agreement. A voluntary participation system fully adheres to the mandate in paragraph 18 of the Ministerial Declaration.

This system satisfies the need for special or differential treatment measures for least-developed and developing countries because it is entirely voluntary.

5. Monitoring the System

The TRIPS Council shall examine the operation of the multilateral system for notification and registration of geographical indications for wines and spirits four years after its establishment to evaluate its effectiveness in facilitating protection of Members' geographical indications for wines and spirits in accordance with Section 3 of Part II of the TRIPS Agreement. This examination shall not constitute a re-negotiation of the system."

EXCERPT FROM TN/IP/W/8
(COMMUNICATION FROM HONG KONG, CHINA)

MULTILATERAL SYSTEM OF NOTIFICATION AND REGISTRATION OF GEOGRAPHICAL INDICATIONS UNDER ARTICLE 23.4 OF THE TRIPS AGREEMENT

"ANNEX A

ALTERNATIVE MODEL FOR A MULTILATERAL SYSTEM OF NOTIFICATION AND REGISTRATION OF GEOGRAPHICAL INDICATIONS ESTABLISHED UNDER ARTICLE 23.4 OF THE TRIPS AGREEMENT

A. NOTIFICATION

1. Members wishing to participate in the system ("Participating Members")[1] may notify the administering body[2] of any domestic geographical indications for wines and spirits which are protected under their domestic legislation, judicial decisions or administrative measures.

2. Notifications submitted shall include the following:

(a) Details of the geographical indication (e.g. the name, the place or area, quality, reputation or other characteristics, and goods indicated by the geographical indication).

(b) The name and contact details of the owner of the geographical indication.

(c) The Participating Member making the notification.

(d) Details of the office competent to receive correspondence from the administering body.

(e) Either:

A statement executed under seal by the government of the notifying Member to the effect that the geographical indication:

(i) conforms with the definition in Article 22.1 of the TRIPS Agreement;

(ii) is protected by law and has not fallen into disuse in the territory of the notifying Participating Member; and

[1] It is assumed that the Participating Members will be making the notifications. It may become necessary to address the issue whether individual owners of geographical indications should be allowed to make notifications directly.

[2] So far the proposals from Members appear to be suggesting that the WTO Secretariat should be responsible for the operation of the system. Consideration may be given to whether other suitable international organizations should be charged with the responsibility of operating the system.

(iii) a statement by the government of the notifying Participating Member that the geographical indication is for wines and/or spirits.

Or:

The relevant domestic legislation or judicial decisions protecting the geographical indication in the territory of the notifying Participating Member.

(f) Any commencement or expiry date of protection under the relevant domestic legislation, administrative measures or judicial decisions of the notifying Member.

(g) The requisite fee.[3]

3. Notifications may be made at any time. However, the administering body may fix the maximum number of applications to be processed each year, having regard to the administrative capacity and resources constraints of the administering body.

B. REGISTRATION

1. After receiving notifications from Participating Members, the administering body shall undertake formality examination of the notifications and ensure that documents submitted are in order. The examination process does not involve substantive examination.

2. The administering body may require the notifying Participating Member to rectify any deficiency if it considers the documentation submitted fails to meet the stipulated minimum formal requirements.

3. Once the administering body is satisfied that the formalities and documents submitted are in order and the requisite fee has been paid, the geographical indications shall be recorded in the Register of Geographical Indications. For each geographical indication recorded on the Register, the administering body shall, as soon as practicable, issue an official copy of the Certificate of Registration to the relevant Participating Member. Certificates of Registration may be issued in electronic form.

4. The Register of Geographical Indications shall contain the following information in respect of each registered geographical indication:

(a) The name of the geographical indication.

(b) The place or area, other quality, reputation or characteristics, and the goods indicated by the geographical indication.

(c) The name and contact details of the owner of the geographical indication.

(d) The Participating Member making the notification.

(e) Details of the office competent to receive correspondence from the administering body.

[3] The user-pays principle applies. The system will be run on a full-cost recovery basis. Consideration might be given to special and differential treatment in this regard for least-developed country Members and developing country Members.

(f) The relevant statement executed under seal by the government of the notifying Participating Member (as in A.2.(e) above) or the relevant domestic legislation, judicial decisions or administrative measures protecting the geographical indication.

(g) Any commencement or expiry date of protection under the domestic legislation, administrative measures or judicial decisions of the notifying Participating Member.

(h) A statement to the effect that the date of notification and registration shall not be taken as providing evidence of priority between conflicting claims in respect of identical or similar geographical indications.

(i) The date of registration.

(j) The serial number of registration.

5. The administering body shall notify the Participating Members of any new or amended registrations. This may be done by electronic means.

6. The Register (which should be kept up-to-date by the administering body) shall be made available on the WTO Internet website for access and search by the public. The administering body shall distribute a copy of the Register to every Participating Member on an annual basis.

C. UPDATING OF THE MULTILATERAL REGISTER

1. Initial registrations shall be valid for a period of 10 years. Subject to the payment of a specified fee, Participating Members may submit a request to the administering body for the renewal of registrations. Each renewed term shall be a further period of 10 years, and there shall be no limit on the number of times renewals can be made.

2. Participating Members requesting renewal of a geographical indication on the Register shall submit the information set out in paragraph A2 above, subject to any factual changes that have occurred since the original registration or subsequent amendment. Such applications shall be subject to a formality examination as described in Part B of this Annex.

3. The relevant Participating Members shall, as soon as possible, notify the administering body of any amendments or corrections to the registrations on the Register. The administering body shall allow such amendments or corrections to the registrations if it is satisfied that the notification is in order and a specified fee has been paid.

4. The administering body shall be responsible for the compilation, maintenance and updating of the Register.

5. If any registered geographical indications are no longer protected or have fallen into disuse in the country of origin, the Participating Member who submitted the original application shall notify the administering body and such geographical indications shall be removed from the Register accordingly.

6. Any Participating Member may notify the administering body that a registered geographical indication is refused protection by the courts, tribunal or administrative bodies in its country or territory on grounds permitted under Articles 22 to 24 of the TRIPS Agreement. The administering body shall, as soon as possible, upon receipt of such a notice, transmit it to the Participating Member

who submitted the original application and, at the same time, record the refusal in the Register together with the reasons for refusal.[4]

D. EFFECT OF REGISTRATION

1. The Certificate of Registration (or such copies of the Certification as domestic laws may permit) shall be proof of inclusion of the relevant geographical indication in the Register of Geographical Indications in any domestic courts, tribunals or administrative bodies of the Participating Members in any judicial, quasi-judicial or administrative proceedings related to the geographical indication.

2. Registration of an indication on the Register shall be admitted as prima facie evidence to prove:

(a) ownership of the indication;

(b) that the indication satisfies the definition in Article 22.1 of the TRIPS Agreement as a geographical indication; and

(c) that the indication is protected in the country of origin (i.e. Article 24.9 of the TRIPS Agreement does not apply)

in any domestic courts, tribunals or administrative bodies of the Participating Members in any judicial, quasi-judicial or administrative proceedings related to the geographical indication. The issues will be deemed to have been proved unless evidence to the contrary is produced by the other party to the proceedings. In effect, a rebuttable presumption is created in relation to the above three issues.[5]

3. Any of the facts intended to be proved by the prima facie evidence in paragraph D.2 above may be rebutted by evidence to the contrary. Members may further provide, if their legal system so permits, that costs may be awarded against the party who has unsuccessfully challenged the prima facie evidence.[6]

4. For the avoidance of doubt:

(a) A Participating Member may refuse protection of a geographical indication in accordance with its domestic laws, if any of the grounds or exceptions under Articles 22 to 24 of the TRIPS Agreement is found to be applicable by its domestic courts, tribunals or administrative bodies having regard to the relevant local circumstances.

(b) Decisions of the domestic courts, tribunals or administrative bodies of Participating Members shall only have territorial effect.

(c) The admittance of the prima facie evidence is not intended to affect the operation of other presumptions which may be applicable under domestic laws.

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[4] The recordal procedure is aimed at enhancing transparency. The decision of the domestic courts, tribunals or administrative bodies to refuse protection of a registered geographical indication shall only have binding effect within its territory.

[5] For jurisdictions where there is a distinction between legal burden and evidential burden of proof, the proposed legal tool will shift the evidential burden of proof on issues (a)-(c) mentioned in this paragraph.

[6] Such a provision may help to deter potential abuse of the right to challenge the prima facie evidence on the basis of a Certificate Registration.

E. PARTICIPATION

Participation in the system is voluntary which means that:

1. Members should be free to participate and notify GIs protected in their territories.

2. The obligation to give legal effect to registrations under the system will only be binding upon Members choosing to participate in the system.

F. REVIEW

The notification and registration system shall be subject to review after [four] years from establishment of the system. In particular, the question of scope of participation should be re-visited as part of the review."