

**JOINT PROPOSAL FOR A MULTILATERAL SYSTEM OF NOTIFICATION AND  
REGISTRATION OF GEOGRAPHICAL INDICATIONS FOR WINES AND SPIRITS**

Communication from Argentina, Australia, Canada, Chile, Ecuador, El Salvador,  
New Zealand and the United States

The following communication, dated 6 April 2004, from the Delegations of Argentina, Australia, Canada, Chile, Ecuador, El Salvador, New Zealand and the United States is being circulated to the Special Session of the Council for TRIPS.

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Questions and Answers

**What are Members' current obligations on geographical indications?**

The TRIPS Agreement provides two kinds of protection for geographical indications.

Article 22 provides protection to all goods based on the objective of preventing unfair competition and avoiding consumer deception. It requires that Members provide the legal means to prevent the use of a geographical indication that "suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good", as well as "any use which constitutes an act of unfair competition" within the meaning of the Paris Convention (1967).

Article 23 provides a higher level of protection for geographical indications for wines and spirits by prohibiting the use of GIs when the goods do not come from the place named, even when the true origin of the good is indicated. Article 23 also prohibits the use of a GI even when it is accompanied by expressions such as "kind", "type" or "style", terms which are specifically intended to protect the consumer from deception as to the origin of the goods.<sup>1</sup>

Article 24 affords Members a number of exceptions to the protection of GIs.

At the same time, the TRIPS Agreement provides Members with important flexibility on how to implement their obligations. TRIPS Article 1.1 states: "... Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice." Accordingly, governments around the world have implemented their TRIPS GI

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<sup>1</sup> The new kind of protection provided in Article 23, for goods falling under just two tariff lines, was a specific and limited concession granted in the context of a larger negotiating package during the Uruguay Round.

obligations in four main ways: *sui generis* registration systems, ad hoc statutes, certification and collective mark systems, and unfair competition systems.<sup>2</sup>

### **What is the purpose of the negotiations on the register for wines and spirits?**

The purpose of the negotiations is stated in TRIPS Article 23.4: "In order to *facilitate* the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection *in those Members participating in the system*" (emphasis added).<sup>3</sup>

Participation in the system is voluntary. Also, the system should not add to or diminish Members' existing rights and obligations under the TRIPS Agreement, regardless of whether or not a Member chooses to participate in the system.

Members agree that, in the words of the Chair of the TRIPS Council Special Session in 2003, "... 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".

Pursuant to TRIPS Article 1.1, Members are free to determine the appropriate method of implementing their TRIPS GI obligations. Members are also free to determine for themselves whether or not a particular term qualifies for protection as a GI in its territory, consistent with Section 3 of the TRIPS Agreement.

### **What is the "joint proposal"? How would it facilitate the protection of wines and spirits GIs?**

The joint proposal seeks to facilitate the current level of protection of wines and spirits GIs, while minimizing the burdens and costs for Members and preserving the existing balance of rights and obligations in the TRIPS Agreement.<sup>4</sup> This is consistent with TRIPS Article 23.4 and paragraph 18 of the Doha Declaration.

Specifically, Members would establish a multilateral system of notification and registration consisting of a searchable database of all GIs for wines and spirits that are notified by participating Members. The database would be available to Members in hard copy and on the WTO Internet website, and would be updated as required.

The system would provide national intellectual property offices with information on GI rights claimed by producers in the territory of another WTO Member. This information could be used by national offices when making decisions regarding the recognition and protection of GIs for wines and spirits, in accordance with national legislation. Under the joint proposal, such decisions by national offices would continue to be made entirely at the national level, consistent with Article 1.1 and Articles 22, 23 and 24 of TRIPS. In making those decisions, WTO Members who choose to participate would commit to consult the system, along with other sources of information.

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<sup>2</sup> See WIPO document SCT/6/3Rev, from the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications. It can be found in WIPO document SCT/8/4.

<sup>3</sup> See also Paragraph 18 of the Doha Declaration.

<sup>4</sup> See TN/IP/W/5 of 23 October 2002, co-sponsored by Argentina, Australia, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Namibia, New Zealand, Philippines, Chinese Taipei, and the United States.

The system envisaged in the joint proposal would provide a new tool to help Members meet their TRIPS obligations. Currently, national offices do not have any single place to look for information about which terms are recognized in other countries as GIs. The joint proposal's multilateral system of notification and registration would, without impeding national sovereignty and the application of national law, provide the information that national offices need to make better informed decisions with regard to both trademarks and GIs.

The information available through this system would thus facilitate the protection of wines and spirits GIs by making available to Members much more information on the status of names used to describe wines and spirits around the world.

### **Under the joint proposal, would participation in the system be voluntary?**

Yes. Members would be free to choose whether or not to participate in the system, as set out in the mandate under TRIPS Article 23.4. Members who chose not to participate would not have to notify any GIs, and would not commit to use the system or consult the information therein when making decisions on GIs. At the same time, however, non-participating Members would be free to consult this information if they chose to do so. Referring to the system would not, by itself, constitute participation in the system.

### **What are the legal effects of the joint proposal?**

There would be no legal effect whatsoever on Members who chose not to participate, as noted above.

For those Members choosing to participate, there would be no change to the substantive rights and obligations currently contained in the TRIPS Agreement. These Members would commit to refer to the system for notification and registration when making decisions regarding GIs under domestic law. In this way, the TRIPS obligations with respect to GIs could be more easily implemented by WTO Members consulting the system. Yet, all decisions regarding the protection of GIs would continue to be made in accordance with the domestic law of each WTO Member, consistent with current obligations in the TRIPS Agreement. The decision by each Member regarding the legal means for implementing GI protection would be left in the hands of that Member's national authorities. The decision about whether or not a term was a GI would also be left in the hands of national authorities. The joint proposal would not be "TRIPS-plus".

Each Member would have the right to decide whether or not to participate in the system, including by determining for itself its capacity to operate within the system. A Member could decide to participate at any time. A Member could decide to withdraw its participation at any time.

### **Under the joint proposal, what would happen if there were objections to a GI notified by a Member?**

The existing rights and obligations under TRIPS would apply.

Specifically, under the joint proposal all GIs duly notified by participating Members would be entered into the system for notification and registration. The information in the system would include: the date on which recognition was granted under the legislation of the notifying Member; the date, if any, on which protection expires; and any international agreements under which the notified GI is protected. Decisions on the eligibility for protection of a notified GI in another Member's territory would be made by that Member, in accordance with its own legislation and domestic procedures.

As is currently the case when an intellectual property right is contested, any party could choose to bring a challenge under the national law of the notifying Member.

**Under the joint proposal, why is it not necessary to establish a new system to resolve disputes, such as compulsory bilateral negotiations or binding arbitration?**

As outlined in the preceding answer, all GIs duly notified by participating Members would be entered into the system for notification and registration. If a party wanted to challenge the eligibility for protection of a notified GI, it could do so in accordance with the legislation and domestic procedures of the Member(s) in question. There would be no need to establish a new international dispute settlement procedure given that the responsibilities for enforcing protection remain grounded in national law.

As is presently the case, if a Member believed another Member was not fully implementing its obligations under TRIPS, the complaining Member could make use of the provisions of the WTO's Dispute Settlement Understanding.

**Is the joint proposal "multilateral", as required by Article 23.4?**

Yes. All WTO Members are free to participate in the negotiations to establish the system, as set out in TRIPS Article 23.4. Under the joint proposal, all WTO Members would have access to the information in the system once it is established. All WTO Members could participate in the system at any time.

At the same time, the joint proposal is consistent with our mandate to establish a "multilateral system of notification and registration of geographical indications for wines eligible for protection *in those Members participating in the system*" (emphasis added). Clearly, the drafters of Article 23 did not intend to compel all WTO Members to participate in the system.

The joint proposal would be multilateral in the same way as the multilateral "Code of Good Practice" in Annex 3 of the Agreement on Technical Barriers to Trade, which is open to acceptance by the standardizing bodies of any Member, but is not compulsory for all Members.

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