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Indications of Geographical Origin as part of the Intellectual Property Law

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Table of Abbreviations

AIPPI	International Association for the Protection of Intellectual Property
AO	Appellation of Origin
BOA	Board of Appeals
DNS	Domain Name System
ECJ	European Court of Justice
GI	Geographical Indication
IGO	Indication of Geographical Origin
INTA	International Trademark Association
OIV	The Office International de la Vigne et du Vin
PBR	The Swedish Patent Court of Appeals
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
RÅ	The Swedish Supreme Administrative Court
SCT	Standing Committee
TLT	Trade Mark Law Treaty
TNC	Trade Negotiations Committee
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UDRP	Uniform Domain Name Dispute Resolution Policy
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

1 Background and considerations

1.1 The purpose of this essay

My intention with this Thesis is to give the reader a glimpse of this rather special but just as important part of intellectual property law. Furthermore, I want to give the reader a clear understanding of what an IGO is and why this field of intellectual property law still is so un-uniform. Moreover, I want to give the reader an insight of different on-going developments in the field of IGOs. In this Thesis I will also make short summaries of certain case-law of particular interest. On the first hand, the study has an international focus, but there will be some references to national systems in other countries as well.

1.2 Source of information

The presentation is primarily based on information submitted from legal scholars, articles, case-law, international symposia and from juxtapositions from international WTO-meetings, etc., submitted from the Internet. However, some of the information has been submitted from own experience, *inter alia* from attending SCT-meetings in Geneva and also from my being at the Worldwide Symposium held in Somerset West in South Africa in 1999. Those meetings have brought an interest in the field of IGOs, which thus is the reason why I have chosen to especially study questions concerning this subject matter.

1.3 Method

This Thesis is more of a statement than an in-depth analysis of the field. My method has been to make a compilation from ongoing international work within EU, WTO and within WIPO. Another interesting aspect is the conflicts between IGOs and trademarks – a matter that I am dealing with in Chapter 10.

2 Introduction to the subject matter

2.1 Indications of Geographical Origin (IGOs) in general

IGOs concerning in the first place agricultural products and beverages tend to become more and more important for both consumers and producers. There can be an enormous goodwill connected to an IGO as well as for any other intellectual property right. This goodwill will of course be intensified concurrently with the fact that both consumers and producers will attach greater importance to the quality of the goods. The interest for particular products creates an increased demand for agricultural products and beverages with a well-known IGO.

Furthermore, it is important that countries be more interested in protecting its IGOs, since they often carry with them a country's tradition and culture. For natural reasons, those countries producing a lot of wine and agricultural products have many protected IGOs. In Sweden, however, there are only a few IGOs, which are protected under the EC regime of regulation, such as SKÅNSK SPÄTTEKAKA, registered as a protected geographical indication for bread, pastry, cakes, confectionery, biscuits and other bakery wares, and SVECIA for cheese.

2.2 What is an IGO?

Generally speaking, an IGO is a sign used on goods having a specific geographical origin and possesses qualities or a reputation that are due to that specific origin. Usually, an IGO consists of the name of the place of the origin of the goods in question.

To be able to enjoy protection as an IGO two prerequisites must be fulfilled. The indications must, at first hand, be understood among the circle for which it is intended as meaning a

specific geographical origin. Secondly, the specific IGOs must be associated with the indicated product in question.¹

The importance of protecting IGOs depends on the one hand on the interest in protecting the consumers from being misled by false and misleading indications on goods and on the other hand on the interest in protecting the producers from unfair competition.

2.3 Why are IGOs important and why are they suddenly on the Agenda?

Just like trademarks, IGOs are becoming more and more valuable as marketing tools within the global economy. Therefore, countries over the world are being more aware of protecting their own IGOs. Increased protection of IGOs conveys conflicts with other intellectual property rights, especially trademarks. This is a problem that many countries want a solution to. In light of this, IGOs are now on the international agenda.

¹ Levin, M., "Made in Sweden" Vilket skydd behövs idag för geografiska ursprungsbeteckningar, Stockholm 1990, p. 15

3 Terminology

The terminology used in connection with IGOs in the treaties administered by World Intellectual Property Organization (WIPO) follows a historical pattern.² Those treaties are three in number, namely the Paris Convention for the Protection of Industrial Property of 1883 (Paris Convention), the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891 (Madrid Agreement on Indications of Source) and finally the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 1958 (the Lisbon Agreement).³

The WIPO treaties distinguish between the term "indication of source" and the term "appellation of origin".⁴ The Paris Convention and the Madrid Agreement on Indications of Source use the term "indication of source", whereas the Lisbon Agreement contains the term "appellation of origin".

3.1 *Indications of Source*

There is no explicit definition of the term "Indication of Source" neither in the Paris Convention, of Article 1(2) and 10, nor in the Madrid Agreement on Indications of Source. However, Article 1(1) of the Madrid Agreement on Indications of Source clarifies what is meant by the term.⁵ Article 1(1) reads as follows:

² Baeumer, L., Symposium on the International Protection of Geographical Indications in the Worldwide Context, Eger, Hungary, 1997, p. 10.

³ It can be mentioned that Sweden is Party to the Paris Convention and the Madrid Agreement on Indications of Source. However, Sweden is not Party to the Lisbon Agreement.

⁴ WIPO, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Eighth Session, Geneva, May 27 to 31, 2002, Document SCT/8/4, p. 2.

⁵ *ibid.*

"All goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries."

Thus an indication of source can be defined as referring to a country or to a place situated therein as being the country or place of origin of a product, for example "Swiss Made" or "Made in Sweden". Essential here is that the indication of source relates to the geographical origin of a product and not to another kind of origin as for example an enterprise, which manufactures the product in question. Furthermore, there is no requirement that the product in question has a certain quality or other characteristics, which are derived from its geographical origin.⁶

3.2 Appellation of Origin

The Lisbon Agreement contains, as stated above, a special category of indications of source, namely "appellations of origin". In Article 2 of the Lisbon Agreement the following definition will be found:

"(1) In this Agreement, 'appellation of origin' means the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

(2) The country of origin is the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its reputation."

Consequently the product for which an appellation of origin is used must have a quality and characteristics, which are due exclusively or essentially to its geographical environment. Hereby "appellations of origin" differs from "indications of source". Examples of appellations of origin are "Habana" and "Roquefort".

⁶ Baeumer, L., Symposium on Geographical Indications in the Worldwide Context, Eger, Hungary, 1997, p. 11.

3.3 Geographical Indications

The Agreement on Trade-Related Aspects of Intellectual Property Rights of 1994 (the TRIPS Agreement) is the first international Treaty to actually define the term "geographical indication". Article 22 reads as follows:

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

The definition of geographical indication is based on the definition of appellation of origin in Article 2 of the Lisbon Agreement. However, the term "geographical indication" is broader in some respect, since protection can be given to goods, which merely derive a reputation from their place of origin without possessing a specific quality or other characteristics that is due to that place. The Lisbon Agreement, on the other hand, requires that the quality *and* the characteristics of the product in question be due to, exclusively or essentially, the geographical environment, including natural or human factors. Therefore, the Lisbon Agreement does not cover goods, which owe merely a certain reputation, but not a specific quality, to their place of origin. The TRIPS Agreement provides for an alternative consisting of the fact that either the quality or the reputation or other characteristics of a certain product are attributable to its geographical origin. The said means that the TRIPS Agreement covers products, which have a certain reputation due to their geographical origin even if they do not have a particular quality or characteristic because of that geographical origin.⁷

It is clear from the definition in Article 22 of TRIPS that the name of a country can be protected as a geographical indication. Where, however, a specific region or place is located in several countries, i.e. the river Rhine or the Caribbean, these names cannot be protected as geographical indications since they obviously belong to more than one Member State.⁸

⁷ Baeumer, L., Symposium on Geographical Indications in the Worldwide Context, Eger, Hungary, 1997, p. 12.

⁸ O'Connor, B., The Legal Protection of Geographical Indications, 2004, I.P.Q., No. 1, p. 52

On comparison between the definitions of indication of source, appellation of origin and geographical origin, it is clear that indication of source is the broadest term. Furthermore, one can say that all appellations of origin are geographical indications but some geographical indications cannot be appellations of origin. Moreover, it is very important to emphasize that, since the adoption of the TRIPS Agreement, the term "geographical indication" must be understood according to the definition used in the Agreement and no longer as comprising both indications of source and appellations of origin.⁹ Therefore, I have chosen to use the expression "indications of geographical origin" (IGOs) as a common denominator in my essay, since the term "geographical indication" has a specific legal meaning stated under Article 22.1 of the TRIPS Agreement.¹⁰

3.4 Sum up

To sum up, any expression such as signs, bottles, drawings, seals, labels or graphics could constitute any of the three above-mentioned types of indications of geographical origin, as long as they are able to create, before the consumers, an association between the products concerned and the place they originated.¹¹

⁹ Baeumer, L., Symposium on Geographical Indications in the Worldwide Context, Eger, Hungary, 1997, p. 13

¹⁰ The term "indication of geographical origin" is used in Document IP/C/W/253, p. 5 - a document prepared by WTO:s secretariat.

¹¹ Hungria de San Juan Paschoal, C., Geography, Source, and Origin: The legal framework, in Trademark World, November 2002, p. 43

4 Different ways of protecting an IGO abroad

Despite the existence of several multilateral agreements comprising rules for IGOs, there is still a great lack of uniformity in this field of the intellectual property law between countries. Therefore, one of the biggest obstacles for reaching uniformity in this field is the extensive variety of ways of protecting IGOs around the world.¹² Unlike patents or trademarks, IGOs are protected at the national and regional levels under various concepts, ranging from *sui generis* rights.¹³ Examples of such *sui generis* rights are protected appellations of origin, protection under trademark law or unfair competition law or passing off. As mentioned above, the differences in protection are reflected in the terminology used as well.

4.1 Unfair competition

Many countries have adopted rules for the protection of IGOs against unfair competition. This seems to be a well-accepted international way of protection for IGOs and is also reflected at the international level, Article 10*bis* of the Paris Convention, which includes a basic international provision concerning protection against unfair competition.¹⁴ Member States party to the Paris Convention must thus provide effective protection against unfair competition defined as "any act of competition contrary to honest practices in industrial or commercial matters".¹⁵ It can however be mentioned that at first it was not a matter of course that this form of protection should also include IGOs.

¹² Höpperger, M., International Protection of Geographical Indications - The Present Situation and Prospects for Future Developments, Symposium on the International Protection of Geographical Indications, Somerset West, South Africa, 1999, p. 11

¹³ Höpperger, M., *op.cit.*, at p. 12

¹⁴ WIPO, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Eighth Session, May 27 to 31, 2002, Document SCT/8/4, p. 20

¹⁵ *op.cit.*, at p. 5

Unfortunately, protection at the national level against unfair competition has developed differently in different countries. Yet countries seem to have a joint objective, which is to provide traders with effective remedies against unlawful and dishonest business practices of their competitors.¹⁶

Products indicating a misleading geographical origin would generally be accepted as a commercial act, which would be contrary to honest practices and therefore constitute an act of unfair competition.

To be able to prevent any unauthorized use of a misleading IGO under the unfair competition legislation, the plaintiff must prove that the use of the geographical indication actually is misleading.

4.2 Passing Off

In common law countries such as United Kingdom, United States, Canada, Australia, the way of providing protection against dishonest business competitors is through the action of passing off. In civil law countries, however, protection is often based on general tort law.¹⁷ Passing off is a legal remedy for cases in which the goods or services of one person are represented as being those of someone else.¹⁸ Customary for these cases is that the plaintiff loses customers because the defendant let them believe that they were buying the plaintiff's goods, when they in fact were buying products from the defendant. A successful action for passing off requires that the plaintiff has established some kind of goodwill or reputation for the goods in question and that it is most likely that he would suffer damage from the defendant's misrepresentation.

¹⁶ *ibid.*

¹⁷ *op.cit.*, at p. 6

¹⁸ Cornish, W.R., *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights*, fourth edition, London, 1999, p. 619

The *Spanish Champagne* case¹⁹ was the principal development of passing-off law in relation to IGOs. The question raised with the Court was whether the term “Spanish Champagne” could be used on sparkling wine that was not produced in the French Champagne region. The judge ruled that it is established that “Champagne” in England means the product produced in the French Champagne area. This case serves as guidance and has as such formed basis of protection of Champagne both in England and in other common-law countries.²⁰

4.3 Collective and certification marks

Since IGOs as a matter of principle cannot be registered as individual trademarks, they may instead acquire protection as certification marks or collective marks.²¹

4.3.1 Certification Marks

A certification mark is a mark, which guarantees that the goods or services on which they are used have certain qualities. It can also be a mark that certifies that goods or services originate in a specific geographical place. The owner of a certification mark, which would be some kind of a certification authority, undertakes to certify that the goods or services on which the certification mark is used actually have those promised qualities. The fact that the owner of the certification mark is not entitled to use the mark himself is considered to be a basic rule.²²

Those producers who comply with the standards of production set up by the owner of the mark have a right to use that mark.

¹⁹ *Bollinger (J) v. Costa Brava Wine Company Ltd.*, (1959) 3 All E.R. 800.

²⁰ Blakeney, M., *Proposals for the International Regulation of Geographical Indications*, p. 633

²¹ In Sweden there is no possibility to register geographical indications as certification marks or collective marks, see section 2 Collective Marks Act (1960:645). However, the proposed new Trade Marks Act contains a possibility to register geographical indications as certification marks or collective marks, see SOU 2001:26, p. 54 ff (section 13).

²² WIPO, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Eighth Session, Geneva, May 27 to 31, 2002, Document SCT/8/4, p. 8

When applying for registration of a certification mark, the owner must also submit detailed regulations, which for example prescribe the characteristics, certified by the mark, list of authorized users and also details about the certification and control.²³ A common requirement for a registration of a certification mark is that the applicant is actually competent to certify the products in question. This means that the applicant normally is a governmental body or a body operating with governmental authorization.²⁴

The protection of an IGO in the form of a certification mark is enforced under general trademark law. In principle, the owner of the certification mark initiates an action for infringement of a certification mark.²⁵

The United States offers protection for IGOs generally through registration as a certification mark. Examples of such registrations in the United States are STILTON for cheese (United Kingdom), DARJEELING for tea (India).

4.3.2 Collective Marks

There may be difficulties in distinguishing collective marks from certification marks. Collective marks are owned by a collective body such as a trade association or an association of producers or manufactures, and serve to indicate that the person who uses the collective mark is a member of that collectivity. Membership in the association, i.e. the owner of the mark, is subject to compliance with certain rules, such as the geographical area of production of the goods used, or standards of production of such goods. Furthermore, unlike certification marks, the owners of collective marks are not barred from using the mark themselves.²⁶ In addition to this it can also be mentioned that an enterprise who is entitled to use a certain collective mark may also use its own trademark.

²³ *ibid.*

²⁴ WIPO, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Ninth Session, Geneva, November 11 to 15, 2002, Document SCT/9/4, p. 12

²⁵ WIPO, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Eighth Session, Geneva, May 27 to 31, 2002, Document SCT/8/4, p. 9

As is the case for certification marks, the protection of collective marks is also enforced under general trademark law. Once an IGO has been accepted and also registered as a collective mark, the collective body that owns the mark, has the right to prevent use of the mark by persons who are not a member of the collective association. The owner of the collective mark may thus in such cases bring actions for infringement.²⁷

The European Trademark Regulation 40/94 contains in Article 64-74 such *a priori* signs.

²⁶ *ibid.*

²⁷ *ibid.*

5 Protection of IGOs in the European Union

Within the European Community there is an extensive legislation concerning IGOs for agricultural products and wines and spirits. Rules for wines are to be found in the Council Regulation (EC) No. 1493/1999 of 17 May 1999 on the common organisation of the market in wine. Above this, rules concerning IGOs for spirits are to be found in the Council Regulation (EC) No. 1576/1989 of 29 May 1989 definitions of categories of alcoholic beverages.

Furthermore, in order to harmonise the protection at Community level concerning food products other than wines and spirit drinks, a new Regulation came into force on July 1992, namely Council Regulation No. 2081/92 (EEC) on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs. In addition to that, rules concerning registration of a specific character of agricultural products and foodstuffs are stated in the Council Regulation No. 2082/92 (EEC) of 14 July 1992 on Certificates of Specific Character for Agricultural Products and Foodstuffs.

5.1 Regulation (EEC) No. 2081/92

Before the EC Regulation 2081/92 came into force, all Member States protected their IGOs by various means, such as through trademark legislation, recognition as customary usage and so on. The main reasons for this harmonisation was to minimize unfair competition and also to give protection to the consumer by guaranteeing a certain quality and preventing some producers from selling goods with poor quality or imitation products.²⁸ The *Cassis de Dijon* case²⁹, which limited the justifications for preventing food products produced and marketed lawfully in one Member State from being marketed in another Member State, also increased the political need for harmonisation of rules for agricultural products.³⁰

²⁸ Perez, S., Protection of Geographical Indications in the European Union, Symposium on the International Protection of Geographical Indications in the Worldwide Context, Eger, Hungary, 1997, p. 119

²⁹ Case 120/78, Rewe Zentrale v. Bundesmonopolverwaltung für Branntwein

³⁰ O'Connor, B., The Legal Protection of Geographical Indications, I.P.Q., 2004, No. 1, p. 38

In the *Cassis de Dijon* case, a blackcurrent liqueur was legally produced in France, but was excluded from the German market only because the French standards for the marketing of liqueurs differed from the standards used in Germany. The European Court of Justice (ECJ) ruled that different technical standards do not in any way justify a prohibition on the free movement of goods.

If an indication is registered under the Regulation, it means that these products are protected at a Community level against competition from imitations and misleading products. Moreover, it will mean that only producers in a designated area who comply with strict production rules set out in the product specification may use that name.

In addition to that, it can be mentioned that generic names cannot be protected under the Regulation.³¹ However, questions concerning which names are generic or not can sometimes differ from one Member State to another. The PDO “Bayerisches Bier” is one example. In Sweden “Bayerskt öl” (which is a translation of the denomination Bayerisches Bier) has been used as meaning a certain kind of dark beer. An interesting and much discussed decision from ECJ concerns the question whether the name Parmesan³² had become generic;

The Consorzio di Parmigiano Reggiano (the Consortium), the official association of Parmesan producers, complained to the ECJ that its brand name was being diluted by poor-quality imitations. In the actual case, an Italian company by the name Nuova Castelli SpA had been marketing a dried, grated pasteurised cheese in powder form, made from a mixture of several cheeses, which does not comply with the specification for the PDO “Parmigiano Reggiano”. This product, intended exclusively for marketing outside Italy, bears the word “parmesan” on the label. The company, represented by Mr Dante Bigi, claimed that his products labelled parmesan and for export only fell within the exemptions set out in Article 13(2) of Regulation 2081/92. While registration of a PDO confers a Community system of protection to PDO products such as Parmigiano Reggiano – prohibiting commercial use of the name – exemptions to this rule set out in Article 13(2) allow the use of names for a period of not more

³¹ Perez, S., *op.cit.*, at p. 120

³² Case C-66/00, Dante Bigi v. Consorzio del Formaggio Parmigiano Reggiano

than five years after the date of publication of the registration where the products have a) been marketed legally for at least five years prior to the publication b) been legally marked using those names continuously during the said five year period and c) been labelled clearly indicated the true origin of the product.

Another important question was whether the name Parmesan in fact had become generic. It can be mentioned that for example the German Government finds that Parmesan is generic because it has become a name, which on its own refers to a grated cheese or cheese intended for grating. According to the German Government Parmesan had become the common name of a foodstuff within the meaning of Article 3(1) of Regulation 2081/92. The German Government furthermore stated that since only the name Parmigiano Reggiano has been registered, Community protection is confined to that name and only covers that precise formulation of the name registered.

The ECJ pointed out that the derogation system can only apply to denominations, such as Parmigiano Reggiano, registered under a simplified procedure which presupposes that the products are already protected in the Member State requesting registration. If the denomination was already protected in the Member State when registration was requested, it follows that only products, which are not manufactured in the same Member State, may benefit from that derogation. It ensues that the Italian-made Parmesan at issue was obviously not being marketed lawfully.

So, the ECJ considered that Article 13(2) does not apply to the case at issue. The ECJ furthermore held that once a Member State has applied for registration of a name as a PDO, products, which do not comply with the specification for that name, cannot be legally marketed in any Member State. According to the ECJ, the use of the name Parmesan for products, which do not comply with the specification for the PDO in question can mislead European consumers by suggesting the idea that the product is the same as the one protected by the PDO. The ECJ also made it clear that the word "Parmesan" has not yet become a generic term.

A name registered under the Regulation enjoys *inter alia* protection against any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation", or similar, which is a safeguard against registered IGOs to become generic.

The protection of a registered name is *ex officio* which means that all Member States must ensure this protection on their territory.³³

The question concerning evocation was high lightened in the *Gorgonzola* case³⁴;

The case before the ECJ concerned a conflict between Gorgonzola, a registered PDO, and the registered trademark Cambozola. Gorgonzola is since 1996 a PDO for a soft white cheese marbled with blue mould and the trademark is registered in 1983 in Austria for a similar kind of soft blue cheese. The question addressed to the ECJ was foremost whether Articles 30 and 36 of the EC Treaty prohibit national measures, in order to ensure the protection of the Gorgonzola PDO pursuant to the Regulation 2081/92, preclude the distribution of Cambozola cheese. Concerning that question the ECJ ruled that they did not so preclude. The ECJ went on to also provide an interpretation of the provisions of the Regulation 2081/92 in order to find out if it would be possible to continue using a trademark such as Cambozola. The ECJ found that the use of the trademark Cambozola evoked the term Gorgonzola since the trademark ends in the same two syllables and contains the same number of syllables, which gives a phonetic and visual similarity between the two terms, (13(1)(b) of the EC Regulation 2081/92. However, it is not possible to declare a trademark to be invalid or revoked if applied for in good faith, unless it is shown that there are grounds for invalidity or revocation of the trademark under Article 3.1.(c) and (g) and Article 12.2.(b) of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, see Article 14.2 of the EC Regulation 2081/92.

In light of this, the ECJ found that it was for the national court to decide whether the conditions laid down in Art. 14.2 of the Regulation would allow further use of the trademark.³⁵

³³ Perez, S., *op.cit.*, at p. 121

³⁴ Case C-87/97 Consorzio per la Tutela del Formaggio Gorgonzola v. Käserei Champignon Hofmeister GmbH & Co KG and Eduard Bracharz GmbH

³⁵ Kitchin, D., Llewelyn, D., Mellor, J., Meade, R., Moody-Stuart, T., Kerly's Law of Trade Marks and Trade Names, thirteenth edition, 2001, p. 313-314

5.1.1 How to obtain protection for a name under the Regulation (EEC) No. 2081/92

Rules how to obtain a registration is to be found in Articles 5, 6 and 7 of the Regulation (EEC) No. 2081/92. A group of producers or industries must prepare a so called "product specification" all according to the conditions provided for in Article 4.

An application for registration, which includes the product specification, shall be submitted to the competent authority of the Member State in which the group is established.³⁶ If the requirements of Articles 2 and 4 are fulfilled, the competent authority in question shall forward the application to the Commission.

The Commission will then examine the application and if the requirements are fulfilled, the name together with the product specifications will be published in the *Official Journal of the European Communities*. Any national or legal person legitimately concerned has a possibility to oppose to the registration. If no opposition is notified to the Commission the name is registered. If, however, someone opposes to the registration the Member State in question must seek an agreement. In case the Member State fails in reaching an Agreement, the Commission shall decide pursuant to the procedure provided for in Article 15 (Regulatory Committee).³⁷

It can here be mentioned that what the applicant has written in the product specification can become important in a future proceeding. The Product Specification was for example an important issue in the *Parma Ham* judgement³⁸.

The House of Lords referred in 2001 to the ECJ for a preliminary ruling a question on the interpretation of the Regulation 2081/92. The question concerned the marketing in the United

³⁶ In Sweden, the competent authority is the National Food Administration

³⁷ Perez, S., *op.cit.*, at p. 122

³⁸ Case C-108/01 Consorzio del Prosciutto di Parma, Salumificio S. Rita SpA v. Asda Stores Ltd, Hygrade Foods Ltd

Kingdom under the PDO Prosciutto di Parma of Parma ham sliced and packaged in that Member State. The dispute was brought by the Consorzio del Prosciutto di Parma (the Consortium) to prevent the British Company Asda Stores Ltd (Asda) from selling ham under the description Parma Ham where the ham was sliced in the UK. The Consortium proclaimed that the rights in a PDO required that only ham that was sliced in the Parma region of Italy could be labelled as Parma Ham. This because the specification for the PDO Prosciutto di Parma expressly requires the ham to be sliced and packaged in the region of production.

Asda sells ham under the designation “Parma Ham”. Asda buys the ham from another company Hygrade. Hygrade buys the ham boned but not sliced from an Italian producer belonging to the Consortium. Hygrade slices the ham and packs it hermetically in the UK.

According to Regulation 2081/92 a PDO must be registered at Community level to enjoy protection in every Member State, with entry in a register also providing information to those involved in trade and to consumers. When it comes to the simplified procedure, it does not provide publication of the specification or extracts from the specification. Regulation 1107/96 only provides that the name Parma Ham is to be registered as a PDO under article 17 of Regulation 2081/92.

The protection conferred by a PDO does not normally extend to operations such as slicing and packaging the product. Those operations are prohibited to third parties outside the region of production only if a condition to that effect is expressly provided for in the specification.

The fact that Parma Ham sliced and packaged in the region of production retains the use to the PDO, constitutes measures equivalent to a quantitative restriction. According to Article 29 EC quantitative restrictions on exports, and all measures having equivalent effect, shall be prohibited between Member States. However, the EC Treaty provides for exceptions to the free movement of goods on grounds such as the protection of industrial and commercial property, Article 30. The Community legislation however tends to enhance the quality of products within the framework of common agricultural policy, in order to promote the reputation of those products, in particular through the use of PDOs. Those PDOs constitute industrial and commercial property rights which protect those entitled to use them against improper use of those designations by third parties seeking to profit from the reputation which they have acquired. They are intended to guarantee that the product in question comes from a specified geographical area and displays certain characteristics, which are valued by consumers.

The ECJ therefore states that the conditions laid down by the specifications for Parma Ham are consistent with Community Law, provided that they are necessary for the purposes of protecting the PDO Parma Ham.

The ECJ furthermore points out that operations such as slicing of ham and their packaging are very important and may damage the quality and the reputation if those requirements are not complied with. Therefore, Parma Ham cannot be sliced and packaged for sale outside the Italian region where it is produced. However, there is no restriction on ham being sliced on delicatessen counters where consumers can confirm the authenticity.

5.1.2 The difference between a PDO and a PGI

The Regulation 2081/92 distinguishes between Protected Designation of Origin (PDO) and Protected Geographical Indications (PGI). Pursuant to Article 2, a PDO is a name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country, and
- the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area.

Furthermore, pursuant to Article 2, a PGI is the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country, and
- which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.

According to the above-mentioned, a PDO means that it states the name of a specific product whose production, processing and preparation *must* take place within a certain geographical area *and* must also be characterized by an established and renown expert knowledge. To be able to qualify as a PDO, the raw materials must come from the geographical area in question.

Concerning a PGI on the other hand, it is enough that there be a connection to the region concerned either regarding production, processing or preparation of the product. This means that the raw materials will not necessarily come from the place in question. The most important thing is that the production takes place in the geographical area. Above that, the product can derive advantage from a reputation. To sum up, a PDO has a stronger geographical connection to a certain area than a PGI.³⁹

5.2 Regulation (EEC) No. 2082/92 of 14 July 1992 on Certificates of Specific Character for Agricultural Products and Foodstuffs

Briefly it can be mentioned that pursuant to the Regulation (EEC) No. 2082/92 protection can be obtained for products having a specific character, which distinguishes an agricultural product or a foodstuff clearly from other similar products or foodstuffs belonging to the same category, see Article 2. To be registered, an agricultural product or foodstuff must either be produced using traditional raw materials or be characterized by a traditional composition or a mode of production and/or processing reflecting a traditional type production and/or processing, Article 4(1). Furthermore, according to Article 5 the name must be specific in it or express the specific character of the product to be able to be registered.

Unlike the EC-Regulation 2081/92, generic names can very well be registered according to the Regulation (EEC) No. 2082/92.⁴⁰

³⁹ Report from the Chamber of Commerce, Geografiska ursprungsbeteckningar: multilateralt register och konsekvenser för handeln, 2002, p. 9

⁴⁰ An example can be mentioned here: In Sweden the indication "SVENSK FALUKORV" could not be registered as a PDO or PGI but instead it was registered according to the Regulation (EEC) No. 2082/92, since the indication was considered to be a generic name for a certain kind of sausage.

6 Protection of Geographical Indications under the TRIPS Agreement

The TRIPS Agreement is the first multilateral agreement, since the Paris Convention, which tackles all kinds of intellectual property rights at the same time. When it comes to trademark rights and geographical indications, the TRIPS Agreement has managed to strike a careful and adequate balance, where exclusivity has been given to the prior of the two rights on a country-by-country basis.⁴¹

The main differences between TRIPS and the other above-mentioned Agreements are the large number of Members, and the possibility to the dispute resolution system of the World Trade Organizations (WTO) in the case of any differences or conflicts of interest.⁴² It can be mentioned that for developing countries as a whole, i.e. the large majority of the WTO's membership, the TRIPS Agreement came into force only in 2002, and even then, some important developing countries are still to fully implement their obligations.⁴³ For the least developed countries, which is 30 of the WTO's 146 Members, The TRIPS Agreement will not enter into force until 2006.⁴⁴

Article 22 of the TRIPS covers all kinds of products, such as handicrafts, food, wines, spirits etc. All geographical indications concerning all types of products must be protected against misuse, see Article 22 of the TRIPS. However, for wines and spirits the level for protection is higher and so there is no need for the public to actually be misled or that an unfair competition situation occurs, see Article 23 of the TRIPS.⁴⁵

⁴¹ Goebel, B., Geographical Indications and Trademarks: the Road from Doha, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 2

⁴² Vivas-Eugui, D., Negotiations on Geographical Indications in the TRIPS Council and their Effect on the WTO Agricultural Negotiations, The Journal of World Intellectual Property, 4 (2001):5, p. 703

⁴³ Spencer, D., A way forward for geographical indications, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/25, p. 3

⁴⁴ *op.cit.*, at p. 2

⁴⁵ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 155

TRIPS establishes a level of absolute protection for wines and spirits and a level of common protection for other products. The absolute protection consists of the prohibition to include expressions such as "type", "style", "imitation" or "like" in products that do not originate in the place indicated by the geographical indication in question. This level of protection demands the *ex officio* invalidation of any trademark including a geographical indication identifying wines and spirits, see Article 23.1. For other products, it applies the common rules of the section on geographical indications. This differentiation between wines and spirits on the one hand and all other products on the other hand was a consequence of the interest of the EU in protecting their exports of wine.⁴⁶

The so called "misleading test" in Article 22 of the TRIPS, i.e. a test whether or not a sign is used in a manner which misleads the public as to the true place of origin of the good can lead to legal uncertainty concerning the enforcement of protection for an IGO at the global level. The uncertainty depends on the fact that it is up to the national courts and the national administrative authorities to actually make a decision whether the public is being misled by the use of a certain geographical indication. So, whether or not the public is being misled in a special situation and how the courts and authorities interpret the expression "misleading the public" in Article 22, vary from one country to another. The consequences of this fact are unfortunately inconsistent decisions and lead to legal uncertainty when it comes to the protection granted to geographical indications and its enforcement at the international level. Legal uncertainty of this kind can both damage and undermine the good functioning of international trade in goods having the added value of a geographical indication.⁴⁷

Member States are obliged to provide the legal means for preventing the designation or presentation of a good that suggests or indicates an origin different from the true place in such a way as to mislead the public with regard to the geographical indication of the good. Furthermore, Members must provide legal means against unfair competition according to the

⁴⁶ Vivas-Eugui, D., *op.cit.*, at p. 705

⁴⁷ Taubman, A., The way ahead: Developing International Protection for Geographical Indications: Thinking locally, Acting Globally, Symposium on the International Protection of Geographical Indications, Montevideo, November 28 and 29 2001, p. 5

Paris Convention. As mentioned above, Members also have to act either *ex officio*, in regard of wines and spirits, or at the request of an interested party to refuse or invalidate registration of a trademark which contains or consists of a geographical indication with respect to products not originating in the territory indicated and if such indication in the trademark has been used in a way that would mislead the public as to the true place of origin.⁴⁸

There is, however, a Grandfather Clause in the TRIPS Agreement meaning that Members are not obliged to protect those geographical indications, which are not registered in the country of origin. This is primarily a problem for developing countries since they have many geographical indications that are used in the normal course of trade but have never been registered. The problem is of course a fundamental element in the future discussions concerning the establishment of a multilateral register.⁴⁹

⁴⁸ Vivas-Eugui, D., *op.cit.*, at p. 706

⁴⁹ Vivas-Eugui, D., *op.cit.*, at p. 707

7 Recent Developments within the field of IGOs

7.1 The ongoing work in the WTO

The Council for TRIPS, which by the way is open to participation by all 146 Members of the WTO, is the body responsible for overseeing the functioning of the TRIPS Agreement and monitoring its operation, in particular Members' compliance with their obligations under the Agreement. One of the key mechanisms for monitoring is the examination of each Member's national implementing legislation by the other Members.⁵⁰

In the TRIPS Agreement and in the Ministerial Decision of Singapore of 1996 there are several mandates for negotiation and review. These mandates date from 1994 onwards.⁵¹ At the Ministerial Conference, Fourth Session, in Doha on 9 - 14 November 2001, it was agreed 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. Issues related to the extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits will be addressed in the TRIPS Council for further discussion to try to find an appropriate solution to the question.⁵² The negotiations are taking place in the Trade Negotiations Committee (TNC) and its subsidiaries. The negotiations should be concluded not later than 1 January 2005.⁵³

⁵⁰ De Sousa, D., Protection of Geographical Indications under the TRIPS Agreement and the Related Work of the World Trade Organization (WTO), Symposium on the International Protection of Geographical Indications, Montevideo, Uruguay, 2001, p. 3

⁵¹ Vivas-Eugui, D., Negotiations on Geographical Indications in the TRIPS Council and their effect on the WTO Agricultural Negotiations, *The Journal of World Intellectual Property*, p. 707

⁵² WTO, Document WT/MIN(01)/DEC/, 20 November 2001

⁵³ Wager, H., Introduction to Geographical Indications and Recent Developments in the World Intellectual Property Organization (WIPO) and the World Trade Organization (WT), Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/2 Rev., p. 2

7.1.1 Proposals to extend Article 23 to products other than wines and spirits

Countries mainly from Asia, Europe and Africa are in favour of extending the protection currently accorded to geographical indications for wines and spirits under Article 23 of the TRIPS to also cover other products.⁵⁴

Thailand and India have for example complained about what they see as the misappropriation of high-value goods and give examples of how the situation is concerning jasmine and basmati rice. For these countries, the issue is of great importance since the protection of geographical indications can be used to promote the export of valuable products and prevent misappropriation. Moreover, they find that, as a matter of fairness, the additional protection should not be limited to wines and spirits.⁵⁵ India has, together with other countries, now taken the initiative to submit a joint paper to the TRIPS Council of the WTO concerning the question of extending the protection to other products.⁵⁶ For India and those other countries it is important to include other products under the higher protection in Article 23 because higher level of protection is especially important where there is no legal platform to register a GI, as is the case in for example Japan. Furthermore, those countries proclaim that additional protection for other products would rectify the imbalance caused by special protection of wines and spirits. Above that, with an additional protection it would not be necessary to establish the reputation of a GI before fighting infringement of “types”, “styles”, “look-alikes”.⁵⁷

However, countries like Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay and the United States oppose the extension of additional protection to products other than wines and spirits. In their view, extension of the scope of Article 23.1 to products other

⁵⁴ See document IP/C/W/204/Rev.1 and IP/C/W/247/Rev.1

⁵⁵ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 158

⁵⁶ Kumar Das, N., Protection of Darjeeling Tea, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/08, p. 9

than wines and spirits goes beyond the mandate contained in Article 24.1 and could only be negotiated in the context of a new Round. In their view, the negotiating mandate in Article 24.1 concerns only "individual geographical indications", not whole product areas, focusing on those geographical indications in respect of which a country is applying an exception under Article 24, for the purpose of exploring the scope of discontinuing the application of the exception with the regard to a particular geographical indication. Furthermore, they point out the legal and administrative costs associated with extending the scope of Article 23.1. They also say that there is no evidence showing that Article 22 does not manage to protect geographical indications for products other than wines and spirits and they further argue that that there is no evidence to indicate whether extending the scope of Article 23.1 to products other than wines and spirits would lead to a more effective protection than is already afforded to those products under Article 22. Above this, they mean that differential treatment as between wines and spirits on the one hand and other products on the other is justified since the additional level of protection provided under Article 23 is the result of a negotiating compromise reached in the broader context of the Uruguay Round negotiations.

To sum up, the discussions on extension have thus focused on two aspects of the issue, namely the procedure and mandate on the one hand and the merits of extension on the other hand. At the end of 2002, proponents of extension proposed that the TNC adopt guidelines for the negotiations on the extension. The opponents stated that the TRIPS Council had had exhaustive discussion on the issues related to extension of geographical indications for products other than wines and spirits and no consensus had developed in support of recommending to the TNC that negotiations be undertaken on extension, and proposed that the TRIPS Council advise the TNC that the Council has completed its discussion and that no further action be taken. At present, the Director-General is consulting Members on how to carry forward the work.⁵⁸

⁵⁷ Kumar Das, N., Protection of Darjeeling Tea, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/08, p. 9

⁵⁸ Wager, H., Introduction to Geographical Indications and Recent Developments in the World Intellectual Property Organization (WIPO) and the World Trade Organization (WT), Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/2 Rev., p. 5-6

In this context it can also be mentioned that Europe wants to re-write the TRIPS Agreement, although the TRIPS has not entered into force for all countries yet. The two major actors are EU (supported by Switzerland) on the one hand and United States on the other hand.

EU would want the following result of a thus changed TRIPS Agreement:

- Creation of a new *sui generis* form of protecting intellectual property rights which goes far beyond anything that has been done in other comparable intellectual property right areas;
- Strengthen IGOs in relation to the rights of trademarks;
- Oblige all WTO Members to adopt a system of geographical indication protection;
- Extend a new form of neo-colonialism on its former territories by preventing them from using terms which are now generic in their territories;
- Introduce by stealth an agenda to legitimise regulations based on production and process methods, and
- Extend the coverage from geographical indications to another form of European protection, so called traditional expressions or designs⁵⁹

Those in favour of the proposal are of the opinion that this would be an instrument to organise the countryside and professionals, enhance the wealth of the right holders, stimulate quality and strengthen competitiveness, contribute to the identity of European heritage etc.⁶⁰

One major problem to solve though will be how to actually overcome and solve the vast differences in interests that exist between the rich countries and the least developed and

⁵⁹ Spencer, D., A way forward for geographical indications, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/25, p. 3

⁶⁰ Spencer, D., A way forward for geographical indications, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/25, p. 3

developing countries. However, EU:s strive for strengthening the protection for its IGOs is understandable since the question concerning IGOs has become more and more a highly important agro-political issue, involving both many people and much money.

To strengthen the protection for IGOs in the way proposed by EU might unfortunately increase the imbalance between those rights and other intellectual property rights. Moreover, EU's proposal could become negative for developing countries, since they could loose the opportunity to protect terms and denominations that are in their meaning valuable and worthy of protection.

7.1.2 Negotiations on the establishment of a multilateral system of notification and registration of geographical indications, Article 23.4

In order to facilitate the protection of geographical indications for wines, Article 23.4 provides that:

"... negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system."

The preliminary work within the TRIPS Council on this matter began in 1997. Since then, the TRIPS Council has also looked into the possibility of establishing such a system for spirits. To be able to reach progress the Council has for example gathered information from the WTO Member countries concerning their system of protecting geographical indications. The TNC agreed in February 2002 that the negotiations on the register would take place in Special Sessions of the TRIPS Council. The first Special Session was held in March 2002. The Special Session has now moved into a negotiating phase. The work so far has made significant progress in crystallising the issues and focusing on possible legal formulations. However, profound differences remain, in particular on the key question relating to the legal

effects of such a multilateral system.⁶¹ It can here be mentioned that it is not unlikely that a multilateral registration system for wines and spirits would have an impact on other products in the future.⁶² To register wines and spirits would hence be the beginning of something much more important.

Some member states have made proposals of their own in the Council regarding the establishment of a multilateral system of notification and registration of geographical indications. For example both EU and the United States submitted proposals concerning such a possible registration system. Below follows a short description of each proposals.

7.1.2.1 The EU Proposal

In July 1998, the EU and their member states submitted their first proposal.⁶³ In June 2000, they forwarded a revised version of this proposal, pursuant to which participating members would notify geographical indications that identify goods as originating in their respective territories, in accordance to the definition contained in Article 22.1.⁶⁴ Notification of such a geographical indication has to be accompanied by certain elementary information concerning protection of the geographical indication in its country of origin as well as prima facie evidence of its protectability under the TRIPS Agreement. Upon publication of a geographical indication thus notified, an 18-month time-limit starts running within which other WTO countries can examine and formally challenge protection of the geographical indication. At the end of this 18-month period, the geographical indication will be registered. Challenges made within this 18-month period will be entered in the register as well. The disagreements in question should be solved by direct negotiations between the member states concerned without prejudice to the application of the WTO Dispute Settlement Understanding. Those

⁶¹ Wager, H., Introduction to Geographical Indications and Recent Developments in the World Intellectual Property Organization (WIPO) and the World Trade Organization (WT), Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/2 Rev., p. 3-4

⁶² Goebel, B., Geographical Indications and Trademarks: the Road from Doha, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 11

⁶³ IP/C/W/107

WTO countries that fail to challenge the protection of a particular geographical indication within this 18-month time-limit will no longer be in a position to refuse its protection on the basis that the geographical indication does not meet the definition contained in Article 22.1. Nor will they be able to claim that it falls within the exception contained in Article 24.6 relating to generic terms or claim that the geographical indication is false in the sense of Article 22.4. These legal effects would apply to all WTO countries, whether or not they participate in the system to be established under the Article 23.4. Only those countries participating in the system would, however, be obliged to provide the legal means for interested parties to use the registration of a geographical indication under the system as a presumption of the eligibility for its protection.

Notably a holder of a prior trademark cannot file an opposition against a proposed geographical indication according to the EC proposal. A prior trademark right could not even be made the basis of an opposition filed by a Member State.

7.1.2.2 The Proposal from Canada, Chile, Japan and the United States

Canada, Chile, Japan and the United States have together proposed an alternative system, under which WTO members wishing to participate in the system would submit a list to the WTO Secretariat of domestic geographical indications for covered products recognised as eligible for protection under their national legislation.⁶⁵ Final decisions regarding ineligibility for protection would also have to be notified. Following receipt of notifications, the Secretariat would be required to compile a database of all notified geographical indications for covered products. As for the legal effect of such registration, according to this collective proposal, WTO members choosing to participate in the system must refer to the WTO database of notified geographical indications when making decisions as to whether to provide protection for geographical indications under their national legislation. Other WTO members would also be encouraged to refer to the database. The proposal further provides that appeals

⁶⁴ IP/C/W/107/Rev.1

from or objections to any decisions granting or rejecting protection for particular geographical indications, whether notified to the WTO or not, shall occur at the national level at the request of appropriate interested parties in accordance to each WTO member's national legislation.

According to this proposal, it is possible for a trademark owner to argue before the court of a Member State that a geographical indication contained in the WTO database does not meet the protection requirements, is generic in a specific country or conflicts with a prior trademark.⁶⁶

This proposed multilateral system is now also supported by Argentina, Australia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Namibia, New Zealand, Philippines and Chinese Taipei.⁶⁷

7.1.2.3 The proposal from Hungary

Hungary, which supports the EU proposal as a whole, has made a slightly modified proposal of its own to the Council. Hungary has suggested that the system proposed by the EU involving direct bilateral consultations in the case of disagreement regarding registration of a geographical indication should be supplemented with a multilateral procedure that would apply where bilateral negotiations do not yield a settlement.⁶⁸ In justification of its proposal, Hungary has stated that, amongst other things, the possibility to seek a solution of a multilateral character is necessary to ensure that smaller WTO members enjoy the same opportunities for representing their legitimate commercial interests as larger ones. Under the proposal, if, within the 18-month period prescribed under the EU proposal, negotiations following a member's challenge of a notified geographical indication have not led to a

⁶⁵ IP/C/W/133/Rev.1

⁶⁶ Goebel, B., *Geographical Indications and Trademarks: the Road from Doha*, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 12

⁶⁷ Goebel, B., *Geographical Indications and Trademarks: the Road from Doha*, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 12

⁶⁸ IP/C/W/234 and 255

mutually satisfactory result, the dispute will be submitted to binding arbitration. Geographical indications that have been successfully challenged on the basis of the definition contained in Article 22.1 or because they are false pursuant to Article 22.4 will not be registered. Members who successfully challenge protection on the basis of the exception for generic terms according to Article 24.6 will not have to protect the geographical indication, even though they cannot prevent entry of the geographical indication in the register on this ground. The same would apply in respect of challenges based on the exceptions contained in Article 24.4 for prior use and Article 24.5 for pre-existing trademarks. Registration will only have effect in members participating in the system.

A comparative document juxtaposing these three proposals was submitted by the EU in the spring of 2001 and is contained in document IP/C/W/259.

7.1.2.4 The proposal from Hong Kong, China

On 17th April 2003, China submitted a proposal. China proposes a system under which a registration would create a presumption regarding the ownership of the geographical indication, and that the geographical indication satisfies the definition in Article 22.1 and is protected in its country of origin. Since the presumption would be rebuttable, the final say on these matters would remain with national authorities. It can only be decided at Member State level whether or not a geographical indication is misleading, constitutes a generic term etc.⁶⁹ There would be no presumption regarding the applicability or inapplicability of the exceptions in Article 24. These matters would be left entirely to national legislation. For this reason, Hong Kong, China does not see the need to envisage a multilateral challenge procedure.⁷⁰

⁶⁹ Goebel, B., Geographical Indications and Trademarks: the Road from Doha, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 14

⁷⁰ Wager, H., Introduction to Geographical Indications and Recent Developments in the World Intellectual Property Organization (WIPO) and the World Trade Organization (WT), Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/2 Rev., p. 4-5

7.1.2.5 Proposal from the International Trademark Association (INTA)

INTA submitted a proposal for the multilateral system in April 2003. INTA is of the opinion that a registration system for geographical indications should be based on the experience of for example the successful Madrid System for registration of trademarks. It is, states INTA, important to try to achieve a harmonious co-existence of protection systems for geographical indications and other intellectual property rights such as trademarks. INTA further points out that no means of intellectual property protection can be considered to be superior or inferior to another. Therefore, it would be valuable to create a system that builds on the Madrid System, thus including key elements like notification/registration through an international body, ex officio examination of protectability in the country of protection, refusal/opposition on the basis of prior (trademark) rights, ability to challenge the registration in the national courts.⁷¹

INTA's proposal is in my opinion very interesting, since a proposal like INTA's most certainly would constitute a better balance between different kinds of intellectual property rights. However, INTA's proposal would render costs both for the Member States and the holders of geographical indications, costs that would be deterrent for many countries.

⁷¹ Goebel, B., Geographical Indications and Trademarks: the Road from Doha, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 15-16

7.2 Next steps within WTO

Negotiations, as they are defined in the declarations, should as mentioned be concluded not later than January 1, 2005. On 5-7 March 2002, the WTO's TRIPs Council began working on a list of issues that ministers assigned to it at the Doha Ministerial Conference. In this meeting WTO members raised for example following points;⁷²

- would an extension to other goods help or hinder market access and economic development?
- would an extension impose costs and be burdensome?
- Would the names that currently are used as generic names have to be changed to protected geographical indications or would the exception in Article 24 apply?
- How stop additional geographical indications to become generic terms?

It could however be noted that at the last Ministerial Conference, which took place in Cancún, Mexico, between 10th to 14th September 2003, GIs were not on the Agenda.

7.3 The Dispute Settlement System

It is worth mentioning that the first two disputes concerning geographical indications are now to be solved under the WTO dispute settlement system in respect of the TRIPS Agreement. In April 2003, the United States requested additional consultations with European Communities regarding the protection of trademarks and geographical indications for agricultural products and foodstuffs. The United States indicated that this request was intended to supplement but not to replace an earlier request for consultations with the European Communities, filed in June 1999. In April 2003, also Australia requested consultations with the European

⁷² O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 162 f

Communities regarding protection of trademarks and geographical indications for agricultural products and foodstuffs. The consultations have failed to resolve the dispute so now a WTO dispute settlement panel is to examine the EU's internal protection of IGOs. The United States and Australia requested this panel in August 2003 since they mean that the system within EU does not sufficiently protect the trademarks for products not originating in the EU. The complaints allege violations of, inter alia, national and most-favoured-nation treatment obligations. Some fifteen other Members have requested to join these consultations as so-called third parties.⁷³

7.4 The ongoing work within WIPO:s Standing Committee (SCT)

SCT-meetings are held twice a year in Geneva. The SCT deals with questions concerning the law of trademarks, industrial designs and geographical indications. It has for various reasons been difficult to reach in-depth discussions in the field of geographical indications, since there are too many diverse opinions concerning for example the subject matter. Some countries have also been of the opinion that discussions about geographical indications should not be held within the SCT, since that could lead to unnecessary duplication of the work already going on within the WTO. However, in the eighth Session held in May 27 to 31, 2002, the SCT came to the agreement of further discussions.

Topics raised for further discussions are grouped in three categories, namely definitions (for example what is the eligible subject matter, objectives, reputation etc.), locality of origin (for example goods on which a GI is used must necessarily be produced in a particular place, the size of the place of origin may vary from a tiny vineyard to an entire country etc.), and other questions (such as example of *sui generis* protection to be further developed by WIPO).

⁷³ Wager, H., Introduction to Geographical Indications and Recent Developments in the World Intellectual Property Organization (WIPO) and the World Trade Organization (WT), Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/2 Rev., p. 7-8

After this eighth Session, the discussions within the SCT have been concentrated to the revision of the Trade Mark Law Treaty (TLT). Therefore, further in-depth discussions concerning IGOs have been put forward to coming meetings in the future. On the last Session, i.e. the eleventh Session held in Geneva on the 10-14 of November 2003, it was decided that further discussions be held within the field of geographical indications, possibly on the next coming Session.

At its ninth Session in Geneva on 11-15 November 2002, it was however decided that the International Bureau should prepare a study setting out the issues generally considered with regard to the protection of geographical indications, taking into account the elements contained in the definition of the TRIPS Agreement, in particular the elements supporting a claim for quality, reputation or other characteristics, and what is considered in evaluating a claim that these elements are “essentially attributable” to the geographical origin. The purpose of this study would be to give Members an overview of issues considered by different systems of protection. The study would merely function as a basis for further discussions and is not as such an attempt to harmonize law on IGOs.⁷⁴ The study can be submitted from WIPO’s homepage www.wipo.int/sct.

Despite the fact that discussions on the tenth Session held on 28th April to 2nd May 2003 were concentrated to the TLT, some discussions, however, concerned the question whether geographical indications would need protection in the Domain Name System (DNS). The Office international de la vigne et du vin (OIV) has submitted a study showing for example that a large number of domain names have been registered that correspond to appellations of origin and geographical indications of wine-derived growing products, as well as wine-varieties, without there being any relationship between the domain name registrants and the persons who hold rights in these distinctive signs. In light of this the Uniform Domain Name Dispute Resolution Policy (UDRP) ought to be revised in the way that a registered domain name constituting of an IGO would be considered to be abusive and should be withdrawn.

Since this topic, however, is very difficult and there are divided views among the Member States, it has been decided within the SCT to continue discussions on future meetings.

⁷⁴ SCT/10/4, Tenth Session, Geneva, April 28-May 2, 2003, p. 2

8 Bilateral Agreements

Many countries have reached agreements concerning use of IGOs. For example France and Germany reached an agreement as early as in 1960 and in 1973 France and Spain reached another agreement. The point of reaching those kinds of agreements is of course for each country involved to promise a protection of a number of listed indications protected in the actual countries. So, they agree on giving reciprocal protection for their respective indications. In the same way, EU has reached several bilateral agreements with for example Australia, South Africa, and Chile.⁷⁵

Another example of a bilateral agreement is the so-called Crayfish Agreement. The Crayfish Agreement between South Africa and France came into force as early as in the 1930's. In this Agreement South Africa agrees to protect certain appellations of origin. Pursuant to this Agreement, South Africa also adopted legislation whereby it no longer was authorised to use expressions such as "champagne" for sparkling wine or refer to red wines as Burgundies. The provisions of TRIPS eventually overtook the Crayfish Agreement.⁷⁶

Yet another example is the free trade Agreement between the EU and South Africa from 1999. According to this Agreement, South Africa is obliged to phase out the use of terms such as "Oporto", "Sherry", "Porto" as well as expressions like "vin du pays" for wines.⁷⁷

It can also be mentioned that it has been customary to incorporate provisions for the protection of IGOs in free trade agreements. One example is the North America Free Trade Agreement between the United States, Canada and Mexico.⁷⁸

⁷⁵ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 143 f

⁷⁶ Broodryk, D., Geographical Indications around the World, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/19

⁷⁷ Blakeney, M., Proposals for the International Regulation of Geographical Indications, p. 646

The fact that many countries have reached bilateral agreements on reciprocal use of each others IGOs does not make it easier to globally try to uniform the protection of IGOs. Thus, bilateral agreements are one of many reasons for today's lack of uniformity between countries.

⁷⁸ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 144 f

9 Generic and Homonymous IGOs

9.1 Generic IGOs

Just like Trademarks, IGOs can become generic in such a way that they are no longer understood by the public to serve as an indication for a specific origin of goods. Instead, the indication has become a term for describing a specific kind or category of a product. A generic IGO has therefore lost its distinctiveness and can no longer benefit from protection.

Generic IGOs are for example “French fries”, “Danish pastry” and “Bermuda shorts”.⁷⁹ Whether or not “Feta” had become generic has been widely discussed and resulted in the famous *Feta* case⁸⁰;

Greece applied for registration of the designation Feta as a designation of origin pursuant to Art. 17 of the EC Regulation 2081/92. Feta is a designation without a direct geographical content, since there are no regions in Greece with that name. Feta has, however at least in Greece, become the name of a particular type of cheese from Greece. The name Feta was registered as a PDO by the EC Commission. Three Member States, Denmark, France and Germany, filed an action with the ECJ against this decision. The ECJ upheld the objections and thereby set aside the decision made by the Commission.⁸¹

After the ECJ ruling, the Commission invited the Member States to provide information etc. concerning the denomination Feta. This information was forwarded to the Scientific Committee for examination. The Scientific Committee found that the fact that a product is manufactured outside the area of origin could not imply that it had become generic. The Committee came to the conclusion that Feta had not become generic.⁸² In light of this, on 14th

⁷⁹ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 67

⁸⁰ Joined cases C-289/96, 293/96, 299/96 Kingdom of Denmark, Federal Republic of Germany, French Republic v. Commission of the European Communities

⁸¹ Knaak, R., Case Law of the European Court of Justice on the Protection of Geographical Indications and Designations of Origin Pursuant to EC Regulation No. 2081/92, IIC, Vol. 32, No. 4/2001, p.379-380

⁸² O'Connor, B, The Legal Protection of Geographical Indications, 2004, I.P.Q., No. 1, p. 43

October 2002 the Commission announced that the designation Feta would only be recognized as a PDO on cheese produced in certain areas of Greece where traditional methods and ingredients are used. At the same time the Commission gave rival producers a five-year phase-out period to find new ways of marketing feta-like cheeses.⁸³

The reason for the dispute was that in some countries, the name Feta was considered to be a generic name for a certain type of cheese. In the Danish legislation it is for example expressly stated that generic use of the name Feta is permitted. Such provisions have existed in Denmark since 1963. Similar provisions exist in Germany since 1985.⁸⁴

As mentioned, an IGO might very well be generic in some countries while it is highly distinctive in other countries, i.e. CHAMPAGNE. In the United States the term Champagne is considered to be semi-generic, which means that the term can be used by American vintners outside the real Champagne region in France as long as the correct origin is also noted, in expressions such as “California Champagne”.⁸⁵ The reason for expressions like Champagne, Chablis, Burgundy being considered semi-generic in the United States is that European immigrants and their descendants mainly started the U.S. Wine Industry. The European immigrants made wine similar to the wine from their home countries and also used similar names. So, names like Champagne and Chablis have been used in the United States for a long time and they feel that they have both a moral and a legal right to use these names.⁸⁶

In Europe, however, Champagne⁸⁷ is considered to be a well known IGO, for instance in Sweden. Thus, in a case before the Swedish Market Court in 2002, a company named Arla Foods AB was prohibited to market a special kind of fruit yoghurt using the text “taste of Champagne”. The Court found that the marketing was both misleading and took unfair

⁸³ World Intellectual Property Report, November 2002, Vol. 16, Number 11, p. 18

⁸⁴ Knaak, R., Case Law of the European Court of Justice on the Protection of Geographical Indications and Designations of Origin Pursuant to EC Regulation No. 2081/92, IIC, Vol. 32, No. 4/2001, p. 380

⁸⁵ Lackert, C., Geographical Indications: What does the WTO TRIPs Agreement Require?, Trademark World, August 1998, p. 22

⁸⁶ Skol, A.G., Geographical Indications and International Trade, Worldwide Symposium on Geographical Indications, San Francisco, California, July 9-11, 2003, p. 3

advantage of the protected designation Champagne. Therefore the reference to Champagne was considered as unfair marketing practice according to the Swedish Marketing Act.⁸⁸

Concerning other geographical names, the United States Supreme Court has, in earlier cases, held that the term “Vichy water” has become a generic term denoting carbonated water.⁸⁹

Above this, it can be mentioned that when the German Patent Office in 1914 made an extensive survey concerning the term “Pilsner Bier”, it was found that ten countries considered “Pilsner Bier” to be a designation of quality or kind of beer, while in fourteen other countries over the world the term was mainly seen as being an indication of origin.⁹⁰

The fact that an IGO is considered to be generic in one or several countries is a highly discussed issue on the international agenda and has of course an impact on the establishment of a multilateral registration system.

The question of generic IGOs is often addressed in bilateral trade agreements. Under the terms of such agreements, countries undertake to phase out the generic use of IGOs of the other country in return for trade advantages offered by that country.⁹¹

It is interesting that not any of the international agreements has a provision dealing with the possibility of a generic term to become an IGO or an IGO to become generic and then back to non generic, while there is a protection against IGOs becoming generic.⁹² The Lisbon Agreement though stipulates that an appellation of origin, which has been granted protection in one of the countries party to the Agreement cannot be deemed to have become

⁸⁷ The name Champagne is protected under the EC Regulation No. 1493/1999

⁸⁸ The Swedish Market Court, Case number 2002:20, 2002-08-29

⁸⁹ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 67

⁹⁰ Taubman, A., The way ahead: Developing International Protection for Geographical Indications: Thinking locally, Acting Globally, Symposium on the International Protection of Geographical Indications, Montevideo, November 28 and 29 2001

⁹¹ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 70

⁹² *ibid.*

generic in that country as long as it is protected as an appellation of origin in the country of origin, Article 6.⁹³ The similar result follows from Article 23 of the TRIPS and Article 13(3) of Council Regulation No. 2081/92 (EEC) and is also foreseen in Article 4 of the Madrid Agreement.

The TRIPS Agreement provides for an exception to the obligation to protect a geographical indication of a WTO Member State if such a geographical indication is already considered to be generic, see Article 24.6.

9.2 Homonymous IGOs

Homonymous IGOs also give rise to widely discussions on the international level. This is of course understandable, because there is no simple solution to the problem how to do with two or more identical IGOs used to designate the geographical origin of products coming from different regions or countries. The most frequent cases of homonymous IGOs concern the names of regions, which are located in different countries, such as the area along a river running through several countries, like the Rhone River, or the name of regions located in different countries, such as Champagne being the name of a region in France and also in Switzerland.⁹⁴ A famous example to be mentioned is “Rioja”, which is the name of a region in Spain and in Argentina and the expression applies for wines produced in both countries.⁹⁵

In difficult cases, consultations between countries or customs territories that use homonymous IGOs are encouraged by the OIV. When a conflict is a fact between two homonymous IGOs, there are different ways in which the problem is dealt with at the national and regional levels. This kind of conflict situation is often not at all expressly regulated. Although, most countries seem to agree on the fact that use of homonymous IGOs that would result in misleading the

⁹³ *op.cit.*, at p. 69

⁹⁴ Hungria de San Juan Paschoal, C., Geography, Source, and Origin: The legal framework, in Trademark World, November 2002, p. 42

⁹⁵ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 73

public as to the nature or certain qualities of the product on which the IGO is used should not be permitted.⁹⁶

Article 23.3 of the TRIPS Agreement deals with the situation of homonymous geographical indications for wines and spirits, and provides protection for all the homonymous expressions, entitling them to co-exist. However, co-existence may not be an acceptable solution if there be a risk that consumers would be misled by this co-existence.

Even the EC Regulation 2081/91 deals with homonymous indications. By an amendment of said Regulation a paragraph 6 was added to Article 6.⁹⁷ According to Article 6(6) a homonymous name which misleads the public into believing that products come from another territory shall not be registered even if the name is accurate as far as its wording is concerned for the actual territory, region or place of origin of the agricultural products or foodstuffs in question.

⁹⁶ *op.cit.*, at p. 75

⁹⁷ See Council Regulation (EC) No 692/2003 of 8 April 2003 amending Regulation (EEC) No 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

10 Trademarks and IGOs

10.1 Main differences and similarities between a trademark and an IGO

IGOs and trademarks constitute different legal categories of distinctive signs, and are therefore in many ways very different types of intellectual property rights. One can describe the difference as follows; “from a legal point of view, a trademark must indicate only one origin of source of goods, whereas geographical indications can indicate many origins of goods as long as all origins emanate from the same geographical area (thus making the two concepts inconsistent).”⁹⁸ Above this, trademarks can be licensed to third parties whereas IGOs cannot. Moreover, while a trademark very well might be invalidated because it has become a generic term for the products in question, a registered and thus protected IGO cannot become generic according to for example the EC legislations. Above that, a trademark must be renewed every 10th year, while an IGO does not need to be renewed to gain validity.

Generally speaking, trademarks are chosen signs used in order to distinguish the goods and services of one undertaking from the goods or services of another undertaking. Trademarks are many times the result of human creativity, i.e. people who have created a distinguished sign or expression so that those marks can be identified and recognised as a protected sign for a specific product belonging to a certain holder. Furthermore, trademarks are well-established intellectual property rights and they are often considered to be the key asset of brand owners in the industrial society. Trademarks functions as the main communication between a manufacturer and the consumer. So, trademarks give information to the consumers about the products quality, etc.⁹⁹ There can of course be enormous goodwill in a well known trademark. Examples of such trademarks are COCA-COLA®, IBM®, ABSOLUT®.

⁹⁸ Lackert, Clark W., Geographical Indications: What Does the WTO TRIPs Agreement Require?, in Trademark World, August 1998, p. 23

⁹⁹ Goebel, B., Geographical Indications and Trademarks: the Road from Doha, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 5

IGOs, on the other hand, are signs used in order to distinguish products from a particular region from products coming from outside that region. All the producers in the geographical region of origin, that hold and observe certain quality standards, may use the IGO to distinguish their products.¹⁰⁰ An IGO is thus linked to something more than mere human creativity including topography, climate or other factors independent from human creativity. However, it is not unusual that producers who have the right to use a certain IGO, also have a registered trademark for the products, that is used in combination with the IGO to point out the respective origin of the goods.

Just like trademarks, an IGO can be a valuable asset and gain great goodwill. This is the case for CHAMPAGNE, COGNAC, ROQUEFORT just to mention some examples.

To sum up, a trademark puts emphasis on the producer of a product while an IGO underlines the geographical origin of a good and the characteristics, which are derived there from.¹⁰¹ An IGO thus constitutes a collective right to a local producer of a specific geographical area protected by an IGO, whereas a trademark constitutes an exclusive right to the owner to use that sign.¹⁰²

It is a fact that there are similarities between the two intellectual property rights often lead to conflicts between them. As mentioned, both trademarks and IGOs can acquire high reputation and be of commercial value and for these reasons may be exposed to misappropriation, counterfeiting or misuse.¹⁰³

¹⁰⁰ Hungria de San Juan Paschoal, C., Geography, Source, and Origin: The legal framework, in Trademark World, November 2002, p. 42

¹⁰¹ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 60

¹⁰² Hungria de San Juan Paschoal, C., Geography, Source, and Origin: The legal framework, in Trademark World, November 2002, p. 42

¹⁰³ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 60

10.2 Conflicts between trademarks and IGOs

Following different types of problems can be identified concerning the relation between a trademark and an IGO;

- Different parties use the same sign as a trademark and as an IGO for the same product or good,
- The same sign is used by different parties as a trademark and an IGO for different goods, and either the trademark or the IGO is well-known,
- A registered trademark, consisting of a geographical name, which is not the same as the designation of origin, has existed for a long time and become famous (not even being aware of the existence of there being a geographical area with the same or similar name).¹⁰⁴

As mentioned above, a profound difference between a trademark and an IGO lies in the way the two rights have been created and developed. Legal means for protecting trademarks is in many countries based on long established jurisprudence. Systems for protection of IGOs are often not the result of any development in the countries' jurisprudence, but are rather the result of political discussions between countries. Those political discussions often result in bilateral or multilateral agreements. When discussing protection of IGOs, the matters that are of importance are trade and commerce, barriers to entry into one market of another country's market.¹⁰⁵

An example of such a trade-agreement is the EC/Australia Wine Treaty that was signed in January 1994. The positive effect for Australia was a lowering of the non-tariff barriers to the entry of Australian wines into the EC. The effects for EC were that several thousand European geographical indications were automatically entitled to protection *per se* in Australia. Possible earlier conflicting rights were not taken into consideration when reaching this Agreement. This is thus a classic example of creation of intellectual property rights in one

¹⁰⁴ *op.cit.*, at p. 61

country as a result of trade negotiations with another country.¹⁰⁶ Trade negotiations of this kind could very well lead to conflicts between trademarks and geographical indications.

There are of course no simple solutions at hand when such conflicts appear. Depending on the applicable legal regime, different solutions are possible. One solution would be to follow the established principle of priority (first-in-time-first-in-right-principle), another is to apply the principle of co-existence, i.e. to let the conflicting rights co-exist with each other. Concerning legally valid agreements such as that between EC and Australia, the principle of first-in-time-first-in-right would not be of much help. In those cases I believe that the principle of co-existence would be the one to prevail, at least in a case where the trademark would have a better priority in the country in question.

Whether or not priority is given to a trademark over a registered IGO, claiming rights in the same sign depends on a number of factors. It may make a difference whether the trademark in question was registered or used in good faith before the IGO was protected, or whether the trademark in question had been used for a long period of time and had acquired reputation (see for example Art. 24.5 of the TRIPS Agreement). In applying those factors, decisions concerning the relationship between IGOs and trademarks are made on a case-by-case basis.¹⁰⁷

The EC Regulation 1493/1999 on the common organisation of the market in wine provides for an example where the use of a prior trademark must be prohibited because a confusingly similar designation is later on protected as a geographical indication for wine. This means that the trademark would have to be expunged from the register and its use would be forbidden despite the fact that a trademark had been validly registered in good faith with a better

¹⁰⁵ Stern, S., Geographical Indications and Trade marks: Conflicts and Possible Resolutions, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/13, p. 2

¹⁰⁶ *op.cit.*, at p. 2-3

¹⁰⁷ O'Connor and Company, Geographical indications in national and international law, number 6, March 2003, p. 63

priority. This means that the trademark would suffer from expropriation and the Regulation does not provide for any compensation.¹⁰⁸

The European Community is clearly of the opinion that its approach to the conflict between trademarks and geographical indications is compatible with the TRIPS Agreement. As have been mentioned, the general question on how the conflict between a prior trademark and a later geographical indication shall be resolved is currently subject to dispute settlement proceedings before the WTO.¹⁰⁹

Below follows some examples from case-law concerning disputes between trademark rights and IGOs.

10.2.1 The BUDWEISER-case¹¹⁰

The Budweiser case is one example of a conflict between a trademark on the one hand and an IGO on the other hand. BUDWEISER is a trademark used by Anheuser-Busch Incorporated and registered for beer in the United States of America since 1876. However, the name also constitutes appellations of origin for beer made in the town of Ceske Budejovice, Czech Republic. The appellation of origin was registered on 1967 at WIPO in accordance with the Lisbon Agreement.

Because of this appellation of origin, the Czech Republic was able to cancel Anheuser-Busch's trademark registration in many countries (for example in Austria, Switzerland, Portugal, Israel). Due to the legal system in those countries where a geographical indication is superior in right to a trademark, the appellation of origin thus prevailed.

¹⁰⁸ Goebel, B., Geographical Indications and Trademarks: the Road from Doha, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 8

¹⁰⁹ *op.cit.*, at p. 8-9

¹¹⁰ Hungria de San Juan Paschoal, C., Geography, Source, and Origin: The legal framework, in Trademark World, November 2002, p. 42

One reason for the complexity of this case was the fact that the IGO had acquired goodwill only in a limited geographical area, while the trademark is well known throughout the whole world.

10.2.2 The TORRES-case

This case, which forced the EC Commission to revise its wine regulations, is the famous TORRES-case. The Spanish undertaking, Miguel Torres S.A., is the holder of the trademark TORRES®. The trademark is registered all over the world for wine. The Torres Family began to register its trademark for wine worldwide in the beginning of 1900. In Portugal it has been a registered trademark ever since 1962. Pursuant to the EC Wine Regulations, the Portuguese Government decided to register TORRES and TORRES VEDRAS as geographical indications for a valley north of Lisbon, which the government claimed was a traditional wine growing region. This happened in the early 1990s.¹¹¹ The wines from Torres Vedras were not of a high quality. TORRES VEDRAS was not registered under the Lisbon Agreement and the bottles of wines from this region were not to be found on the international market. In some circumstances the word TORRES was used alone on the labelling of the bottles. This situation led to a change of the former EC Wine Regulation. If the regulation would not have changed, it would have led to the fact that the old Spanish firm would have had to phase-out the use of its well-established trademark TORRES by the year of 2002. The firm would then have lost a valuable trademark without any compensation and loose at least 90 years of work and investment in that trademark.

Fortunately, this worst-case scenario could be prevented by a tailor-made amendment to the EC Wine Regulation which allowed the Spanish firm to continue with its use of the trademark TORRES. However, the Spanish firm was forced to co-exist with the medium or low quality wine from Torres Vedras. This example shows that a more or less unknown Portuguese region

¹¹¹ Lackert, C., Geographical Indications: What does the WTO TRIPs Agreement Require?, Trademark World, August 1998, p. 26

in which a low or medium quality wine is produced is now allowed to export such wine under the same designation as a long-established Spanish wine of high quality.

So, what seems to be an unfair exploitation of a competitor's reputation is thus allowed when it comes to IGOs. In this context, it is more important to support a "less-favoured agricultural area" than protecting an exclusive trademark-right. Both the EC Wine Regulation and the EC Foodstuffs Regulation have been adopted in the light of agricultural policies where protection of intellectual property is of minor importance.¹¹²

10.2.3 The Warsteiner Case¹¹³

The Warsteiner Brauerei produces beer in a brewery in Warstein, Germany, under the trademark WARSTEINER. The brewery began to produce beer also in the town Paderborn, 40 kilometres from Warstein. The labels used on the bottles brewed in Paderborn had the text "Warsteiner Premium Light" and "Warsteiner Marke Premium Fresh". On the back labels the text "Specially brewed in accordance with the German beer purity law and bottled in our new Paderborn Brewery" could be found. A German consumer association, Schutzverband, with the object to prevent unfair competition considered that those labels were misleading and that the geographical name Warsteiner should not be used for beer produced in Paderborn. The German district court in Mannheim found that the brewery would not be allowed to use the trademark Warsteiner for beer produced in Paderborn. Since the brewery appealed, the Bundesgerichtshof forwarded following question to the ECJ: Does Regulation No. 2081/92 preclude application of a national provision which prohibits the misleading use of a simple geographical designation of source, that is, an indication in the case of which there is no link between the characteristics of the product and its geographical provenance? The ECJ ruled that the EC Regulation 2081/92 does not preclude the application of national legislation which

¹¹² Harte-Bavendamm, H., Geographical Indications and Trademarks: Harmony or Conflict?, Symposium on the International Protection of Geographical Indications, Somerset West, Cape Province, South Africa, 1-2 september 1999

prohibits the potentially misleading use of an IGO in case where there is no link between the characteristics of the product and its geographical origin. It follows from note 44 in the judgement that it is common ground that simple geographical indications of source, where there is no link between the characteristics of the product and its geographical denomination, are not protected under the EC Regulation 2081/92.

10.3 Solving conflicts under the TRIPS Agreement

A question, which naturally arises is whether a trademark owner really must tolerate the co-existence of a later IGO, and a scenario even worse is if he can even be put in the situation that his trademark could be cancelled if one Member State decides to grant protection to a geographical indication for similar goods? Unfortunately, there is no clear answer to be found in the TRIPS Agreement. However, an overall analysis seems to show that the TRIPS Agreement is in favour of the principle of first-in-time-first-in-right in such situations. The question of co-existence between a prior trademark and a younger geographical indication seems to be rather an exception than a rule under the TRIPS.

Article 16.1 of the TRIPS grants exclusive right to the trademark holder to prevent all third parties from using identical or similar *signs* for comparable goods or services. This provision clearly gives the trademark owner the right to enforce his prior trademark against a later geographical indication (a fact that actually has been recognised in several bilateral trade agreements which followed the TRIPS Agreement).¹¹⁴ Hereby, the principle of first-in-time-first-in-right is firmly established. Only one exception to this principle can be found in the TRIPS, namely in Article 22.3 that states, “if a trademark actually misleads the public as to the true place of origin of the goods, the registration shall be refused or invalidated”. The situation where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either before the date of application

¹¹³ Case C-312/98 Schutzverband gegen Unwesen in der Wirtschaft v. Warsteiner Brauerei Haus Cramer GmbH & Co KG

of these provisions in that Member State or before the geographical indication is protected in its country of origin is dealt with in Article 24.5 of the TRIPS.¹¹⁵

In that case

“...measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication”.

This provision is applicable both to geographical indications in general and to those that are specifically related to wines or spirits. According to Mr Harte-Bavendamm this provision, which at first glance seems to favour the principle of co-existence, indicates following conclusions. First, Article 24.5 does not expressly speak of coexistence. Above this, it does not rule out the possibility that the owner of a prior trademark can prevent the registration and use of a later geographical indication. In view of the strong protection for trademarks regulated in Article 16.1 of the TRIPS one might have expected particularly clear language if it had been the intention of the Members to essentially limit the enforceability of prior trademarks versus later geographical indications, states Mr Harte-Bavendamm.¹¹⁶ This interpretation of the TRIPS Agreement, i.e. that it is the first-in-time-first-in-right principle that rules, is presumably the prevailing one among the WTO Member States. However, the European Communities traditionally pursue a concept of geographical indication protection, which assumes a certain element of superiority of geographical indications over trademarks.¹¹⁷

Since the purpose of the TRIPS Agreement was to strengthen the individual rights of intellectual property owners throughout the world, the meaning of Article 24.5 can hardly be

¹¹⁴ Goebel, B., Geographical Indications and Trademarks: the Road from Doha, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/11, p. 9

¹¹⁵ Harte-Bavendamm, H., Geographical Indications and Trademarks: Harmony or Conflict?, Symposium on the International Protection of Geographical Indications, Somerset West, Cape Province, South Africa, 1-2 september 1999, p. 59-68

¹¹⁶ *op.cit.*, at p. 59-68

to allow confiscation of existing intellectual property rights without this being expressly regulated.

What would be the meaning of Article 24.5 of the TRIPS if the intention of this article is not to aim at coexistence between a prior trademark and a geographical indication? Mr Harte-Bavendamm argues that Article 24.5 should be seen as a *lex specialis* in relation to Article 22.3 and Article 23.2. Article 24.5 do thus not undermine the exclusive rights in a bona fide trademark acquired prior to a geographical indication.¹¹⁸

According to Mr Harte-Bavendamm, it appears that the TRIPS Agreements intention is not to prejudice the exclusive right of a trademark owner by the later granting of protection of an identical or similar geographical indication for similar goods. Such a far-reaching coexistence as provided by the EC Foodstuffs Regulation or a phasing-out as stipulated in the Lisbon Agreement are thus incompatible with the TRIPS Agreement.¹¹⁹

10.4 First-in-time-first-in-right

Organisations like the AIPPI¹²⁰, the INTA and the OIV are all of the opinion that the solution to conflicts between IGOs and trademarks should be resolved by an application of the principle first-in-time-first-in-right. In light of this, the AIPPI considers that Article 40 of the Council Regulation 2392/89¹²¹ was way to excessive when providing that a geographical indication prevails over an earlier filed or used trademark. Now mentioned organisations have of course no law-making power. The European Commission and the US Bureau of Alcohol

¹¹⁷ Goebel, B., Geographical Indications and trademarks – the Road from Doha, Trademark Reporter, 93(2003):4, p. 973

¹¹⁸ Harte-Bavendamm, H., Geographical Indications and Trademarks: Harmony or Conflict?, Symposium on the International Protection of Geographical Indications, Somerset West, Cape Province, South Africa, 1-2 september 1999, p. 59-68

¹¹⁹ *op.cit.*, at p. 59-68

¹²⁰ International Association for the Protection of Intellectual Property

¹²¹ EC-Regulation 2392/89 is no longer in force

Tobacco and Firearms are on the other hand two of the world's more powerful lawmakers and they are both in favour of a legal system where geographical indications are considered to be superior rights, even over prior trademarks used and registered in good faith.¹²² So, this major difference in view between big, important intellectual property organisations and lawmaking organisations representing wide geographical areas do not exactly make conflicts easier to solve or avoid.

To apply the principle of first-in-time-first-in-right, one must be sure of what constitutes "first-in-time". What constitutes "first-in-time" of course differs from one country to another. Does "first-in-time" mean that the producers of an IGO merely must show that their region's name was recognised and protected as an IGO in the country of origin, or does it mean that the producers must show that their region's name had been used in the country in question (where the dispute is taken place, i.e. in another country than the country of origin) for example through advertisements, or must the producers show that their region's name had been used on sold products into the country in question or had in some way entered into trade as an IGO for the products of that region in the country in question before the third party began using the same sign as a trademark in the country in question?¹²³ The now mentioned, shows that there could thus be several possible dates of determining "first use" of an IGO. So, which of these dates should one rely on when the conflict is really a fact between two parties?

Nowadays it is quite difficult to determine which of the involved party that has a prior right in the jurisdiction where the dispute has taken place. This is because of the increase in international trade and even because of the major usage of Internet all over the world.¹²⁴ In light of the above said, one might wonder if the first-in-time-first-in-right-principle would be of help when trying to solve conflicts between an IGO and a trademark? Mr Stephen Stern¹²⁵ proposes a qualified "first-in-time"-principle. He means that the "first-in-time"-

¹²² Stern, S., Geographical Indications and Trade marks: Conflicts and Possible Resolutions, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/13, p. 5

¹²³ *op.cit.*, at p. 7

¹²⁴ *ibid.*

principle is a good starting point, but needs clarification.¹²⁶ The term “first-in-time” should, means Mr Stern, be determined according to the jurisdiction where the dispute is actually taking place.¹²⁷ Furthermore, to proclaim use, it should not be enough simply to show use via Internet, broadcast etc. If it could be established that a trademark or an IGO has acquired reputation in a particular jurisdiction, as a result of a focussed advertising or marketing activity, then that should be considered to be capable of constituting a first use.¹²⁸

It is a good proposal but unfortunately it is, as Mr Stern points out, contrary to Article 24.5 of the TRIPS. This because according to Article 24.5 of the TRIPS, the first user of a trademark in their own jurisdiction could be forced to give up that trademark right because an IGO has been first recognised in its county of origin before the date of first adoption of the trademark in the country where the dispute takes place.¹²⁹

So, solving conflicts between an IGO and a trademark, i.e. between two different types of rights with different interests to protect, are complex so finding acceptable ways for both parties will take years – if ever – to settle out. However, as mentioned previously, there are now ongoing consultations between United States and EU under the TRIPS’ dispute settlement system concerning the protection of IGOs.

10.5 Geographical names protected as trademarks visavi IGOs

According to Article 7(1)(c) of the Council Regulation (EC) No 40/94 of the 20 December 1993 on the Community trade mark (in the following called the EC Trademark Regulation), a trade mark which consist exclusively of signs or indications which may serve, in trade, to designate the geographical origin shall not be registered. Furthermore it follows from Article 7(1)(g) that trademarks which are of such a nature as to deceive the public, for instance as to the geographical origin of the goods or services shall not be registered. Above this, it follows

¹²⁵ Intellectual Property Lawyer, International Wine Law Association (AIDV), Sydney

¹²⁶ Stern, S., Geographical Indications and Trade marks: Conflicts and Possible Resolutions, Worldwide Symposium on Geographical Indications, San Francisco, 2003, WIPO/GEO/SFO/03/13, p. 10

¹²⁷ *op.cit.*, at p. 12

¹²⁸ *ibid.*

from the Article 7(1)(j) that trade marks for wines which contain or consist of a geographical indication identifying wines or for spirits which contain or consist of a geographical indication identifying spirits with respect to such wines or spirits not having that origin shall not render to registration.

When does a trade mark then designate the geographical origin? The question is not that easy to answer in my opinion. Since the ECJ delivered the CHIEMSEE-case¹³⁰, the Member States seem to accept more trademarks, which, in my opinion, consist exclusively of a geographical origin. The ECJ ruled in the CHIEMSEE-case that a trademark would designate the geographical origin if the geographical name sought for as a trademark is associated in the mind of the relevant consumer with the category of goods. Furthermore, the ECJ states that even those geographical names which are liable to be used in the future by the undertakings concerned as an indication of the geographical origin of that category of goods would serve to designate the geographical origin and would not be registered as trade marks *per se*. The CHIEMSEE-case has led to the fact that Member States to greater extent have accepted trademarks consisting of geographical names and places. So, in the light of the CHIEMSEE-case, the Swedish Patent Court of Appeals has accepted the trade marks ALASKA¹³¹ for goods in class 6 and 17, DIJON¹³² for goods in class 9, NEVADA¹³³ for goods in class 9, 12, 18 and 28.

¹²⁹ *op.cit.*, at p. 11

¹³⁰ ECJ C-108/97 and 109/97 of 04/05/1999, Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v. Boots- und Segelzubehör Walter Huber (C108/97) and Franz Attenberger (C-109/97)

¹³¹ PBR, Case no 00-334 of 24/10/2001

¹³² PBR, Case no 01-324 of 14/07/2003

¹³³ PBR, Case no 01-410 of 27/08/2003

The Board of Appeals in Alicante (BOA) has as a result of the CHIEMSEE-case accepted the trademark TOGO¹³⁴ for cereals, bread, pastries and ices. BOA could not find any evidence that the general public will think that the goods in question originate in the African State of Togo. BOA has also made a decision concerning the trademark SUDAN¹³⁵ for dyes and colorants for colouring and marking mineral oil. BOA found that no relevant colorant production exists in this country at present or is to be expected in the future. It is not very likely that the specialist consumer circle might assume that the goods originate from Sudan or are associated with it, states BOA in the decision.

In the light of the CHIEMSEE-case and the decisions of the BOA, OHIM's practice on geographical indications is as follows. Indications of countries, regions, cities, towns and other area names are only considered to be geographical indications when this indication is known by the relevant public as one from which the goods and services applied for actually originate, or if it is reasonable to assume that such an association may be established in the future. So, the main requirement is that there must be a link between a certain geographical name and the goods/services. If that link is missing a trademark consisting of i.e. a country name such as SUDAN could very well be registered.

This interpretation of the CHIEMSEE-case has led to the widely spread practice within the EU concerning registration of trade marks consisting of geographical names, and it must be questioned whether that really was what the ECJ meant with its ruling of the CHIEMSEE-case or has the interpretation taken a step in the wrong direction?

I would for example welcome a clarification of what lies in the expression "to designate the geographical origin". Is OHIM's and the Member States interpretation of the CHIEMSEE-

¹³⁴ OHIM:s Board of Appeals, Case R475/2000-1 of 21/11/2001

¹³⁵ OHIM:s Board of Appeals, Case R594/1999-2 of 06/02/2002

case really compatible with the legal context of Article 7(1)(c) of the EC-Regulation? The reasoning that as long as a geographical name is not known to the public as one from which the goods sought for originate, then one can receive an exclusive right to such a name, that reasoning is for me doubtful whether this is actually compatible with the legal context of Article 7(1)(c). If this is what ECJ meant with the CHIEMSEE-case, it is very easy to get an exclusive right to a geographical name what so ever. This is also the trend that we can see developing within the EC.

In cases where a geographical name becomes fanciful in relation to the products in question it is understandable if one person receives an exclusive right to such a name. I am thinking of marks like ANTARCTIC for bananas or GREENLAND for pineapples. But to accept TOGO as a trademark for cereals, bread, pastries and ices is in my view to go too far from the meaning of Article 7(1)(c). Is it not possible that these products could, at least in the future, be connected with the geographical place Togo?

It follows from note 26 in the CHIEMSEE-case that geographical names are suitable to bring out the quality or other characteristics in a product, which would make an influence on consumers' preferences, i.e. by connecting the products to a place, which creates positive feelings. This is for example the case for Swiss-made watches or for glass made in Sweden.

Trademarks consisting exclusively of a geographical name or place which have been considered not to designate the geographical origin of the goods sought for cannot be of such a nature as to deceive as to the geographical origin. A trademark that does not by the relevant public designate the origin of the goods can of course not be deceptive for that relevant public. This means that for example the trademark SUDAN for an American undertaking that was considered to not designate the origin of the goods could not be refused on the ground that it would be deceptive according to Article 7(1)(g) of the EC Trademark Regulation. An exception, however, is to be found in Article 7(1)(j) of the EC Trademark Regulation.

Apart from this, it is of course also possible to register a collective trademark that consists only of a geographical name, see Article 15 of the EC Trademark Directive.

10.5.1 Possible consequences of the established practice on geographical indications within the EC

The established practice within the EC concerning trademarks and geographical names can lead to a dilution of those “real” IGOs which are connected and associated with a certain quality of the good in question and which are derived from a certain region. The easier it is to receive exclusive right to a geographical name the harder it must be for the general public to realise the difference between an “ordinary” trademark and a protected IGO. However, it is clear that if one who achieves an exclusive right to a geographical name as a trademark, he would definitely get a “weaker” right as he must let others use the name in marketing as long as it is compatible with established practices of the trade.

Furthermore, the established practice within the EC could be negative for the third countries. If Member States allow registrations like SUDAN, TOGO etc. this might prohibit those countries in protecting and register these names as IGOs in the future.

Moreover, this established practice might have an impact on geographical indications, which have acquired a reputation and claim protection for other products. Many are those cases where for example CHAMPAGNE has been involved, as has been mentioned earlier in the Thesis. In France, for example, the famous haute couture company Yves Saint Laurant was prevented from using the sign CHAMPAGNE for perfume¹³⁶. In this context I can mention that in Sweden there is an ongoing case concerning a trademark CHAMPAGNE for glasses, class 9, which was registered at the Swedish Patent Office in 1996. An objection to the registration was filed by Institut national des appellations d’origine (INAO). The Court of

¹³⁶ Paris Court of Appeal, 15.12.1993, l’Institut National des Appellations d’Origine (INAO) v. Yves Saint Laurent Group

Patent Appeals submitted its decision in January 2003, which led to that the trademark was cancelled. However, the trademark holder has appealed to the Supreme Administrative Court and it has not yet come to a decision on this matter.¹³⁷

To allow registration of trademarks, which consist only of a geographical denomination can lead to a dilution of IGOs but foremost it can prevent holders of IGOs to create a reputation if there are a lot of trademarks on the market, which consist only of geographical names of countries, region or other big places.

With the established trademark practice, it will most certainly be more difficult to differ a trademark from an IGO and vice versa. Thus it will be more difficult to draw the line between the two intellectual property rights. This will also increase the conflicts between IGOs and trademarks I am afraid.

One step in the right direction is however to be found in the recent amendment of EC Regulation 40/94.¹³⁸ Paragraph (k) has been added to Article 7(1) and reads as follows:

Trade marks which contain or consist of a designation of origin or a geographical indication registered in accordance with Regulation (EEC) No 2081/92 when they correspond to one of the situations covered by Article 13 of the said Regulation and regarding the same type of product, on condition that the application for registration of the trade mark has been submitted after the date of filing with the Commission of the application for registration of the designation of origin or geographical indication.

¹³⁷ PBR, Case number 99-004 of 29/01/2003

¹³⁸ Council Regulation (EC) No 422/2004 of 19 February 2004 amending Regulation (EC) No 40/94 on the Community trade mark

11 Final thoughts and conclusions

Many are the questions and the problems to solve when it comes to IGOs. The establishment of a multilateral registration system will solve some of these problems. The difficulty is however to manage to reach consensus so that there will be such a registration system. Obviously, there is a long way ahead before the multilateral registration system can begin to work.

To be able to search for possible protected IGOs in an international database, as I expect would be a result of a multilateral registration system, would be a great advantage for both third parties and for examination offices, such as the Swedish Patent Office. To be able to easily get information on whether a name is protected as an IGO or not would lead to the fact that for example the examination authorities at an early stage can refuse i.e a certain trade mark that is confusingly similar to an IGO already protected. This will also in some way minimize conflicts between the two intellectual property rights.

So, hopefully the multilateral registration system will become real in a couple of years. If it would be possible, I think that it would be an advantage if such a multilateral registration system could cover all kinds of products, not only wines and spirits.

To minimize conflicts between IGOs and trademarks a good combination of an international registration system and a well-functioned dispute settlement system is important.

When a multilateral registration system is established, I think that this could also mean that countries would see no immediate need for reaching separate bilateral agreements. Fewer bilateral agreements would hopefully have a positive impact on conflicts between trademarks and IGOs.

An open question is how to deal with generic names. Take Champagne for example, which is considered to be semi-generic in the United States but is in Europe a well-known denomination for a certain type and origin of sparkling wines. The denomination Feta has become a sensitive question for countries like Denmark and Germany. Moreover diverse meanings exist concerning the protected designation Parmesan. Since there are diverse opinions even between the EU countries concerning which names are considered to be generic and which names are not, it is easy to see that this will be a big obstacle when trying to reach consensus within the WTO.

As has been pointed out in the Thesis, there are several questions and problems to solve within this special area of intellectual property law. However, it is clear that discussions concerning IGOs are more and more often on the international Agenda. Countries are becoming more aware of the political importance of protecting its IGOs. Even consumers are becoming more aware of what a protected IGO is and they know that an IGO is connected with high quality of the product in question. But, at least in countries with few protected IGOs, like is the case in Sweden, it is still not evident that there actually is a difference between a trademark and an IGO. When it comes to the most famous IGOs I believe that it is common knowledge that CHAMPAGNE, COGNAC and ROQUEFORT is the name of a geographical place. However, when it comes to the sign PARMIGIANO REGGIANO, the Swedish Supreme Administrative Court in a fairly recent case¹³⁹ came to the conclusion that only a very limited part of the Swedish consumers would think of the sign as being the name of a specific geographical place. Whether this actually is the case could in my opinion be discussed and the judgement shows that it is still a far way to go, not only in Sweden, to reach sufficient awareness among the public of what is a protected IGO and also what constitutes such a protection.

¹³⁹ RÅ, Case number 5442-2000, 26.3.2003

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