

# Linkage between Negotiations on Trade in Agricultural Products and negotiation of Protection for Geographical Indications

Dr Brett G Williams

Principal, Williams Trade Law

These Slides available at [www.williamstradelaw.com](http://www.williamstradelaw.com)

Honorary Senior Lecturer, Faculty of Law University of Sydney

External Lecturer in Law of the ASEAN Economic Community at School of Law of Charles Darwin University

Brett Williams, 2017

1

## Would you like to buy some?

- Champagne?
- Burgundy?
- Kobe beef?
- Dijon Mustard?
- Parma ham?
- Stilton cheese?
- Roquefort cheese?
- Darjeeling tea?
- Should there be a restriction on using these names?

Brett Williams, 2017

2

## Argument for and against

- Producers in the geographic areas perceive that they can charge a higher price if they are the only ones who can sell that product under that name
- Arguing that the name conveys information to the consumer about the geographic source, and about the quality and attributes of the product – in part because there is an Authority which licenses right to use the Name to those who meet quality standards; or there is an Organization in the area which defines which sellers are in that place.
- Other producers say that buyers and sellers have been using that name to describe the product for many years; and the word does not communicate anything about the geographical origin of the product; it communicates the type of product.

Brett Williams, 2017

3

## Desirable to facilitate communication of information about:

- The type of product
- The quality and attributes of the product
- The way in which the product is made
- The business firm that is selling the product;
- The geographical area in which the product was produced?
- When Consumers have high level of information, then they can distinguish between products on the basis of their preferences and Suppliers can price different products differently which enables them to obtain a return on investment.
- But what is the best way? Or best ways?

Brett Williams, 2017

4

## Different approaches of USA and EU

- USA – use Trademark law to give TM holders the right to prevent use of GIs that mislead consumers; and other law on misleading practices; BUT no separate system of registration of GIs.
- EU - require registration of GIs (separate from the system of registration of Trademarks) to give Holders broader rights to prevent use of registered GIs.

Brett Williams, 2017

5

## In the US, Using Trademark law

- Issues with using trademark law:
- TM usually registrable only if they enable goods of one supplier to be distinguished from goods of other suppliers;'
- TM usually enforceable by individual private entities not by groups of owners or associations, and through private not public enforcement
- BUT US trademark law overcome these issue through allowing:
- Registration of **Collective Trademarks** – marks registered by an association of producers, the mark is used to designate that the seller of the product belongs to the association of producers;
- Registration of **Certification Marks** – which can be administered by an organization which prescribes a standard about quality, method of production or origin and licences sellers to use the mark to indicate conformity with the standard.

Brett Williams, 2017

6

## In the EU, separate registration system for GIs

- In France: 1905 law established geographic boundaries for certain foodstuffs; 1919 law established *appellations of origin* as intellectual property; 1935 established *appellations d'origine controllee* ('AOC'), and the Institute National des Appellations d'Origine.
- 1958 Lisbon Agreement
- European Union – regulation creating a register in , regulation on GIs on wines and spirits in
- Current regulation includes:
- *Council Regulation (EC) No 510/2006* of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs
- *Commission Regulation (EC) NO 1898/2006* of 14 December 2006 laying down detailed rules of implementation of Council Regulation No 510/2006.
- Under Reg 510/2006
- Operates a Registration system for 'PGI's ('Protected Geographical Indications'):
- Art 13:1 (c) & (d): Registered Holder of a GI can prevent use that is **misleading to consumers**
- **BUT ALSO** can prevent:

Brett Williams, 2017

7

## Holder does not need to establish that use of a GI is misleading:

- Art 13:1 Registered names shall be protected against:
- (a) any direct or indirect **commercial use** of a registered name in respect of **products not covered by the registration** in so far as those products are comparable to the products registered under that name or in so far as using the name exploits the reputation of the protect name;
- (b) 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'.
- Art 13:2 Protected names may not become generic.
- "Evocation mean it brings to mind the product from the area in the PGI even if it does not cause likelihood of confusion (EC v Germany C-301/95 [2008] EC I-957)

Brett Williams, 2017

8

## Does the Difference Matter?

- Trademark Law can permit registration of GIs – as certification marks or collective marks and can protect against misleading use.
- *Generic words*: But trademark law does not permit registration of generic words which do not distinguish a suppliers product; or if a generic word is registered as a certification mark or a collective mark, the use of a similar word will frequently not be found likely to cause confusion: the problem is that whether a word is generic is not known with certainty until a Court decides that it is generic.
- *Priority issues*: when a person or group file to register a GI as a TM, there may be a prior registered TM for the same name registered by someone from outside the Geographic region.
- So some argument about whether (tweaked) Trademark law is sufficient or whether a separate system of registration of GIs is necessary.

Brett Williams, 2017

9

## Some agreement on ways of protecting GIs

- *Paris Convention for the Protection of Industrial Property 1883*
- Art 9 & 10 oblige parties to provide for seizure of imported goods bearing a false indication
- Article 7bis “The countries of the Union undertake to ... **protect collective marks** belonging to associations ... Even if such associations do not possess [a] ... commercial establishment.”
- And 7bis(3)] even if the association is not established in the country where protection is sought ...”
- *Madrid Agreement 1891 for the Repression of False or Deceptive Indications of Source on Goods (36 parties as at 13 January 2017)*
- Article 1:1 obliges parties to seize goods bearing a false or deceptive indication of origin (or 1:1 to prohibit their import)
- Art 3bis obliges parties to prohibit the use [in commerce] of indications capable of deceiving the public as to the source of the goods
- Art 4 “The court of each country shall decide what appellations, on account of their generic character, do not fall within the provisions of this Agreement, regional appellations concerning the source of products of the vine being, however, excluded from the reservation specified by this Article.”
- *Lisbon Agreement for the Protection of Appellations of Origin and the International Registration 1958 (28 parties as at 13 January 2017)*
- Art 1(2) [Parties] undertake to protect on their territories ... the appellations of origin of products of the other countries of the Special Union, recognized and protected as such in the country of origin and registered at the International Bureau of Intellectual Property ...”
- Art 3 “Protection shall be ensured against any **usurpation or imitation** , even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as “kind”, “type”, “make” , “imitation”, or the like IE. Even if it is not misleading to consumers
- Art 8 Requires that parties provide for both public enforcement and private enforcement of protection of appellations of origin.

Brett Williams, 2017

10

## In WTO, TRIPS Part II: Section 3 Geographical Indications

- Art 22(1) A Geographical Indication is an indication which identifies 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.”

Brett Williams, 2017

11

## GIs as trademarks

- Apart from the specific TRIPS provisions on GIs, TRIPS art 2 applies Paris Conv art 7bis
- “The countries of the Union undertake to ... protect collective marks belonging to associations “
- 7bis(2) unless contrary to the public interest
- 7bis(3) even if the association is not established in the country where protection is sought .
  
- But TRIPS does not incorporate provisions of *Madrid Agreement 1891* or *Lisbon Agreement 1958*

Brett Williams, 2017

12

## Rights re GIs – Art 22

- Members shall provide legal means for interested parties to:
- (a) Prevent Use of a GI if misleading as to geographical origin of the good (art 22:2); or
- (b) Prevent or invalidate registration of a trademark contains a GI if use would be misleading as to the geographical origin of the good (art 22:3)
- (even if the GI really is the name of the place! – see Art 22.4)

## Rights re GIs on wines and spirits – Art 23

- Members shall provide legal means for interested parties to:
- Prevent Use of a GI identifying wines or spirits not originating in the place indicated by the GI. (23:1)
- To have a trademark which contains a GI identifying wines or spirits refused or invalidated “with respect to wines or spirits not having this origin”. (23:2)
- ( These obligations apply regardless of whether the GI is misleading as to the geographical origin of the goods.)

## Exceptions to GI obligations

- Art 24(6) (1<sup>st</sup> sentence) generic names “identical with the term customary in common language as the common name for such goods or services in the territory of that member.”
- Art 24(6) (2<sup>nd</sup> sentence) grape variety names “identical with the customary name of a grape variety existing in the territory of that Member as at the date of entry into force of the WTO agreement”
- Art 24(8) persons own name or predecessor in business, except where such name is used in such a manner as to mislead the public

Brett Williams, 2017

15

## Mandated Negotiations under TRIPS

- Article 24:1 “members agree to enter into negotiations aimed at increasing the protection of individual GIs under Article 23.”
- Article 23:4 “In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.”

Brett Williams, 2017

16



## Negotiations mandated by Art 24:1 on GI Extension

- Large coalition proposing that for GIs on products other than wine and spirits ( eg Gruyere cheese, Parma ham, Darjeeling tea)
- Same protection as under TRIPS Art 23/24 now give for wine and spirits
- Provide for interested parties to prevent use of the GI in connection with goods not originating in the place name. [without any requirement of establishing that such use is misleading to the public]
- Opposed by Australia, Argentina, Canada, US

Brett Williams, 2017

17

## Negotiation Mandated under Article 23:4 on a Multilateral Register

- Coalition wants TRIPS amended so that:
  - All Members must participate in the Register;
  - Requirement to list GIs on the register;
  - That generic or semi generic product names can be withheld from GI registration only if substantiated;
  - Treat the listing on the register as prima facie evidence that the name is within the definition of GI;
  - All Members must require their domestic authorities (in deciding on questions relating to use of GIs) to take into account the information on the register;
- Effectively modifying the existing exceptions in
- Art 24.6 on GIs which are “identical with the term customary in common language as the common name for such goods or services in the territory of that Member”

Brett Williams, 2017

18

## What do you find in US trade agreements?

- **No** requirement to protect GIs regardless of causing confusion
- **No** Requirement for a separate register of GIs & no requirement to participate in any international register of GIs
- US agreements do **not** incorporate obligations under *Madrid Agreement 1891* or *Lisbon Agreement 1958*.
- Consider 3:
  - US – Australia 2003 in force 2004
  - US – Peru 2007
  - TPP signed 2016 (not in force)

Brett Williams, 2017

19

## US agreements: *US Australia* in 2004

- Art 17:2 Heading is “Trademarks, Including GIs”
- 17.2.1 ... Each party shall provide that **GIs are eligible for protection as marks**. And that “marks” includes **collective marks** and **certification marks**.
- 17.2.4 describes right of owner or TM - same as Art 16 of TRIPS giving rights to prevent use causing **likelihood of confusion** but expressly includes GIs.
- 17.12(b) (V) shall provide grounds for refusing protection of a GI if
  - (A) the GI is likely to cause confusion with a mark in a good faith pending application; (**‘exception for prior good faith application’**)
  - (B) the GI is likely to cause confusion with a pre-existing mark acquired in good faith. (**‘exception for pre-existing Trademark in good faith’**)

Brett Williams, 2017

20

## US Agreements: *US- Peru 2007*

- Article 16.2 Trademarks
- Art 16.2 “Each party shall provide that trademarks shall include **collective** and **certification** marks.” AND “shall provide that signs that may serve, in the course of trade, as **geographical indications may constitute certification or collective marks.**”
- 16.2.4 describes right of owner or TM - same as Art 16 of TRIPS giving rights to prevent use causing likelihood of confusion but expressly includes GIs.
- Article 16.3 Geographic Indications
- Art 16.3(2) shall provide grounds for refusing protection of a GI if
- (a) refers to an **exception for prior good faith application**;
- (b) refers to an **‘exception for pre-existing Trademark’**;

## US agreements: *TPP 2016 Ch18*

- Article 18.19 trademark law must provide for **collective** marks and **certification** marks. & must provide that signs serving as **GIs can be protected as trademarks.**
- Art 18:20 the Holder exclusive rights – matches Art 16 of TRIPS giving protection against use causing a **likelihood of confusion** - but explicitly specifies that it applies to GIs.
- Art 18.30 GIs “may be protected through a trademark or sui generic system or other legal means.”
- Art 18:32(1) must allow interested persons to object & to have protection refused if:
  - (a) refers to an **exception for prior good faith application**;
  - **(b)** refers to an **‘exception for pre-existing Trademark’**;
  - (c) the GI is a generic term , i.e., ‘customary in common language as the common name’ for the product in the territory of the Party (**generic description exception’**)
- Art 18.33 [inserts guideline on determine if if generic] in determining if a GI is a generic name, the Parties’ authorities must be able to take into account how consumers understand the term.
-

## What do you find in EU trade agreements?

- There is a requirement to protect GIs regardless of whether they cause a likelihood confusion
- Without any exception for generic words (*usually*)
- There is a requirement to maintain a register of GIs
- Obligation to provide for public or private enforcement
- No obligations to accept registration of GIs as trademarks
- Some examples:
  - *EU – Morocco* 1 March 2000
  - *EU – South Korea*, signed 6 Oct 2010, in force 13 Dec 2015
  - *EU – Singapore*, concluded in 2014 but not in force
  - *EU – Vietnam*, concluded in 2016 but not in force

Brett Williams, 2017

23

## *EU – South Korea* in force 13 Dec 2015 Chapter 10, Section A, Subsection C “GIs”

- Article 10.18(6) parties must maintain a register of GIs protected in their respective territories
- Article 10.18(3) & (4) Parties agree to protect the GIs listed in the Annex of the other party
- Article 10.22 must provide for public enforcement and private enforcement
- What level of protection?

Brett Williams, 2017

24

## ***EU – Korea, Article 10.21 : GIs shall be protected against***

- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good; (**'misleading use'**)
- (b) the use of a geographical indication identifying a good for a like good not originating in the place indicated by the geographical indication in question, even where the true origin of the good is indicated or the geographical indication is ... accompanied by expressions such as "kind", "type", "style", "imitation" or the Like; (**use regardless of being misleading**)
- (c) any other use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (**'use constituting unfair competition'**)

Brett Williams, 2017

25

## ***EU Singapore, not in force, initialled 17 Oct 2014 , GIs protected against:***

- Art 11.19(1) For wine, spirits, agricultural, products and foodstuffs lists in an Annex obliged to provide the legal means for interested parties to prevent **misleading use** or use constituting **unfair competition**
- Art 11.19.(2) (For wines and spirits in Annex) 11.19.(3) ( for agricultural products and foodstuffs in Annex) provide the legal means for interested parties to prevent the use of any such GI identifying [a product] not originating in the place indicated by the GI in question, even where:
  - (a) the true origin of the good is indicated; or (b) ...; or
  - (c) the GI is accompanied by expressions such as "kind" "type", "style", "imitation" or the like (**use regardless of misleadingness**)
- Two exceptions:
- Article 11.22 contains an exception applicable to GIs for agricultural products and foodstuffs (not wines or spirits) – not required to prevent continued and similar use of any GI of the other party in connection with goods or services by any of its nationals or domiciliaries, who have used that GI in a continuous manner with regard to the same or related goods or services in the territory of that Party either:
  - (a) for at least 10 years preceding 1<sup>st</sup> January 2002; or
  - (b) in good faith preceding that date.
- Article 11.22 (5) & (6) do not need to give protection in respect of a GI or name in a GI "identical with the term customary in common language as the common name for such goods or services in the territory of that Party" (**exception for generic words**)

Brett Williams, 2017

26

## ***EU – Vietnam, not in force, concluded*** **1 February 2016**

- Article 6.5 [In addition to protecting misleading use and unfair competition]
- “(1)(a) the use of a GI [on the other party’s List] ...that either:
- i. does not originate in the country of origin specified in [the List] for that GI; or
- li. Does originate in the country of origin specified in [the List] for that GI but was not produced or manufactured in accordance with the laws and regulations of the other Part that would apply if the product was for consumption in the other Party;”
- No exception for generic words
- But there is an exception saying that Vietnam is not required to prevent use of certain words for specific types of cheese in use by Vietnamese persons prior to 1 January 2017;
- And a temporary exception so that Vietnam is not required to prevent use in good faith of certain words for wines for the first 10 years of the Agreement.

Brett Williams, 2017

27

## **My View**

- When Consumers have high level of information, then they can distinguish between products on the basis of their preferences and Suppliers can price different products differently which enables them to obtain a return on investment.
- But what is the best way? Or best ways?
- If the level of exclusive rights goes further than is necessary for consumers to distinguish between products on the basis of their preferences, then the excess level of exclusive rights is providing a rent (an unearned transfer of wealth) to certain suppliers.
- Society may get something in exchange for that transfer of wealth if the transfer gives an incentive to generate innovation that would not otherwise occur
- Other laws may already provide for incentives for innovation (patent, plant variety protection)
- If so, then Society is not getting anything in exchange for the transfer of wealth arising from giving exclusive rights over non-misleading use of words, including words which are generic descriptions of product types.
- **These Slides available at [www.williamstradelaw.com](http://www.williamstradelaw.com)**

Brett Williams, 2017

28

## Any Questions

- These PPTs are available from:
- [www.williamstradelaw.com](http://www.williamstradelaw.com)

## Bio

- **Dr Brett G. Williams**, is the principal of Williams Trade Law ([www.williamstradelaw.com](http://www.williamstradelaw.com)) which specializes in international trade regulation and operates in cooperation with the international law firm, Appleton Luff [www.appletonluff.com](http://www.appletonluff.com). He specializes in the law of the World Trade Organization and of bilateral and regional trade agreements. He teaches World Trade Organization Law and Competition Law at the University of Sydney Faculty of Law where he is an Associate of the Sydney Centre for International Law and the Centre for Asian and Pacific Studies. He has also taught WTO Law for the Australian National University (2013-2015), University of Adelaide (1996), William and Mary College (1996-98), University of North Carolina (2004-5), and the Chinese University of Hong Kong (2012-2014). In 2017, he commenced teaching an LLM course in the Law of the ASEAN Economic Community at Charles Darwin University in Darwin. His legal practice centres on trade remedy issues but he has also provided expert reports on various issues, for example the impact of WTO accession on Samoa, preparations for the government of Timor-Leste for accession to the ASEAN economic community, and options for regulation of ethanol in Australia under WTO rules. He has taught in training programmes for government officials of a number of countries including China, Iraq, Samoa and Timor-Leste. His publications include the CUP edited book *China and the World Trading System* (2003), articles on the Doha Round WTO negotiation on agricultural trade (2007 *UNSWLR* and 2009 *Farm Policy Journal*), and on innovations to dispute settlement mechanisms in trade agreements (2011 *AILJ* and 2012 *UNSWLR*). He is a member of the Editorial Board of Australian International Law Journal. He is a Member of the International Trade & Business Committee of the International Law Section of the Law Council of Australia.
- Although trade law is his hobby as well as his work, his other loved hobby is playing the piano and teaching his young boys their Do Re Mi-s.