

13. The international protection of geographical indications yesterday, today and tomorrow*

Gail Evans and Michael Blakeney

The future protection of geographical indications (GIs) in the World Trade Organization (WTO) seems as intractable a problem as the agricultural negotiations to which it is inevitably linked.¹ During the last 20 years the international protection of GIs has experienced a notable worldwide resurgence. Given the ancient provenance of the modern geographical indication, it is a matter of historical irony that the reasons for this increase may be found in a local reaction to the industrialization and globalization of agricultural production. The current development of the law of geographical indications has been spurred by both the greater need and the additional opportunities offered by the global marketplace for the diversification of agricultural products and foodstuffs.

The industrialized model of agriculture based on the Green Revolution of the twentieth century² proved capable of producing prodigious food surpluses that might feed the world, but the resulting economies of scale simply made it uneconomical for small producers to continue to cultivate the land. As plentiful supplies of commodities such as sugar and cotton in Europe and the US threatened the incomes of their farmers and the stability of rural regions, their

* An abbreviated version of this chapter was first published in the *Oxford Journal of International Economic Law*, 9(3), 2006, pp. 575–614.

¹ The term ‘geographical indication’ will be used in its widest sense, covering indication of source, geographical indication (within the meaning of Article 22.1 of the TRIPS Agreement) and appellation of origin.

² A term coined by the director of the US Agency for International Development William Gaud (‘The Green Revolution: Accomplishments and Apprehensions’, Agency for International Development Department of State, Shorehan Hotel, Washington, D.C., 8 March 1968, available: <<http://www.agbioworld.org/biotech-info/topics/borlaug/borlaug-green.html>>) with respect to the movement to increase yields by using new crop cultivars, irrigation, fertilizers, pesticides and mechanization.

governments responded with subsidies and artificially inflated returns.³ Yet, even with a sizeable commodity-producing acreage farmers still had difficulty making a predictable profit given the large-scale distribution, monopolistic state marketing agencies and the power of large-scale buyers such as super-market chains.

Accentuating the trend to mass production of agricultural and food products, the revolution in agricultural biotechnology of the twenty-first century means that innovation, knowledge and technology are increasingly affecting the competitive base.⁴ This latest transformation is further affecting the structure and location of agricultural production.⁵ In the past, competitive position in agri-food production was based on high-quality land and capital-intensive production processes. That is changing, with knowledge becoming the defining factor in much of the food industry.⁶ Institutional economic theory⁷ suggests that over time the research, commercialization and even production activities of an innovative industry will converge on relatively few locations.⁸

In the developing world such concentration and protectionism has become untenable. Forty-three developing countries depend on exports of a single

³ WTO trade ministers agreed at the Hong Kong Ministerial Conference 'to ensure the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect to be completed by the end of 2013': Sixth Session, Hong Kong, 13–18 December 2005, Ministerial Declaration, adopted on 18 December 2005, WT/MIN(05)/DEC.

⁴ Although biotechnology applications have existed for many centuries, modern, Mendelian plant breeding has, since 1973, been increasingly influenced by new molecular biology techniques (Organisation for Economic Co-operation and Development – OECD, 1999). In the knowledge-based agri-food sector commodities are differentiated by their transgenically-based nature, for example the canola sector: Stuart Smyth, George G. Khachatourians and Peter W.B. Phillips, 'Liabilities and Economics of Transgenic Crops', 20 *Nature Biotechnology*, 2002, 537 at 538–9.

⁵ For example western Canada's competitive position in agri-food production was formerly based on high-quality land and capital-intensive production processes. That is now changing, with knowledge becoming the defining factor in much of the food industry, *ibid.*

⁶ *Ibid.*

⁷ Given that knowledge-based innovations are usually transferable at low or no marginal cost, this creates significant economies of scale, which yields declining average costs and a major barrier to imitators: See generally, Shapiro, Carl and Hal Varian, *Information Rules*, Harvard Business School Press, Cambridge, M.A., 1999.

⁸ The evolving theory of 'institutional' economics helps to define the potential for industrial structure to adapt to the market opportunities. R.H. Coase ('The Nature of the Firm', *Economica*, 4, 1937, 386–405) posits that firms exist to manage risk – namely those risks and uncertainties related to price discovery, negotiation and monitoring of transactions. This theoretical approach has been further pursued by Oliver Williamson (*The Economic Institutions of Capitalism: Firms, Markets, Relational Contracting*, Free Press, 1985) who argues that contracting is not costless.

agricultural commodity for more than 20 percent of their total revenues from merchandise exports. Three-quarters are classified as least-developed countries. Most common among the commodities they depend on are coffee, cocoa, cotton, sugar and bananas. For non oil-exporting countries, agricultural exports represent the mainstay of foreign exchange earnings. Nearly all of Malawi's agricultural exports, for example, come from tobacco and tea. Benin depends on cotton for over 80 percent of its merchandise export earnings. Ethiopia relies on coffee for over 70 percent of agricultural exports.⁹

When farmers in the developing world attempt to export their produce, they are likely to be met with protectionism in the form of higher tariffs, and non-tariff barriers such as quotas and sanitary regulations from industrialized countries, and what is more, increasingly from developing countries as well.¹⁰ They cannot export their agricultural products to the OECD markets because the tariff barriers faced by them are ten times or more those on typical inter-OECD trade.¹¹ In 2001, the agricultural subsidies and other support in the OECD economies amounted to \$US311 billion, which was 1.3 percent of the gross national product of this country group. The level of support to the agricultural sector has not reduced much since 1986.¹² The magnitude of support, which led to large agricultural output in the OECD economies, tends to depress the international prices of those commodities that low-income developing economies are attempting to export.¹³ As a result, the pattern of food imports has changed as developing countries have shifted from being net exporters to net importers of food and the long-term downward trend in agricultural

⁹ For an overview of price trends and other developments affecting global markets for food and feed commodities see Food and Agriculture Organization of the United Nations, 'Roundup', *Food Outlook*, 4, December 2005 for both cereals and coffee at: <http://www.fao.org/giews/english/fo/>.

¹⁰ See *Chile – Price Band System and Safeguard Measures Relating to Certain Agricultural Products*, WTO Dispute Settlement: Dispute DS207, Appellate Body Report, September 2002 at http://www.wto.org/english/tratop_e/dispu_e/cases_e/s207_e.htm. Argentina disapproved the measures adopted by Chile in order to comply with the DSB rulings. As a result, Argentina asked for the establishment of a compliance panel in January 2006 (WT/DS207/16).

¹¹ The Organisation for Economic Co-operation and Development (OECD) is a forum of 30 developed 'market democracies' who meet to address world socio-economic problems; [oecd.org](http://www.oecd.org).

¹² Maria Soledad Bos, 'The Impact of OECD Members' Agricultural Subsidies on Welfare and Food Security in Sub-Saharan Africa', January–May 2003, at p. 8, <http://www.ictsd.org>.

¹³ Alan V. Deardorff and Robert M. Stern, 'Enhancing the Benefits for Developing Countries in the Doha Development Agenda Negotiations', Davidson Institute Policy Brief No. 1, August 2003, at http://www.wto.org/english/forums_e/ngo_e/william_davidson_e.pdf (visited 2 August 2007).

commodity prices for commodity dependent countries threatens the food security of their populations as many farmers and exporting countries still find themselves trapped by their dependency in producing and exporting more, but earning less than they did formerly.

Coffee prices provide a dramatic example of low commodity returns to farmers. Significant oversupply and sluggish demand growth in the world market resulted in coffee prices falling by 58 percent between 1998 and 2001 to an all-time low of 45.67 US cents per pound.¹⁴ Prices have remained weak since and although some rises occurred in the interim period, it was only in February 2005 that prices actually reached the same level that they averaged in 1999 of more than 85 US cents per pound.¹⁵ In addition, structural changes have occurred in the coffee market as a result of depressed conditions including the exit from the industry of higher-cost producers and several major developments in the retail sector, including auctions of gourmet beans and increasing quantities of fair trade coffee beans being sold.

In the wake of the gene revolution, the increasingly influential role of intellectual property rights in agricultural and food production also plays a significant part in sustaining the asymmetry of markets between developed and developing countries. In the 1980s and 1990s, as private seed and agrochemical companies, headquartered chiefly in North America and Europe, began to invest in crop science, the international protection of intellectual property became central to the development and commercialization of production in the agri-biotech sector. Confirming the trend to economies of scale and tightly integrated production systems and two-way trade in differentiated products, institutional economic theory suggests that innovation-driven industries are inherently imperfectly competitive because large up-front research and development costs and low marginal costs yield rapidly increasing returns to scale in production.¹⁶

Given the significance of intellectual property to the knowledge-based agricultural sector, dramatic changes to international intellectual property laws might have been anticipated. The year 1994 saw the promulgation of universal minimum standards within the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).¹⁷ Such an unprecedented development

¹⁴ FAO, Food Outlook, April 2005, http://www.fao.org/documents/show_cdr.asp?url_file=/docrep/007/j5051e/j5051e04.htm (visited 13 June 2006).

¹⁵ Preliminary returns point to a similar crop size in 2004–2005 as that harvested in 2003–04 and a continued upward trend in prices: http://www.ico.org/coffee_prices.asp.

¹⁶ P.W.B. Phillips and G.G. Khachatourians, note 4, at pp. 6 ff.

¹⁷ Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, Marrakesh Agreement Establishing the World Trade Organisation, signed

in international intellectual property law marked the new found primacy of intellectual property rights (IPRs) within the global information economy. Throughout the following decade the capacity of IPRs to restructure and control markets for agricultural commodities became manifest as millions of patients in developing countries struggled to obtain life-saving drugs, and as subsistence farmers in the poorest parts of the developing world opposed to transgenetic seed licensing practices of the transnational corporations (TNCs) fought for the right to save and exchange seed, and breed their own crops from their seeds.¹⁸

The response to such a highly industrialized, privatized and technocratic means of agricultural production dominated by science and technical expertise might be anticipated. Local farming communities and their respective governments have responded by seeking a complementary means of legal control – the geographical indication (GI). The definition accorded geographical indications in TRIPS favours associations of small producers being a category of intellectual property chiefly applicable to agricultural products and foodstuffs that originate in a specific place and possess qualities, a reputation, or other characteristics that are essentially attributable to that place of origin.¹⁹

In view of certain adverse developments regarding access to medicines and the distribution of transgenic plant resources, the protection of GIs has gained a certain moral authority that weighs in favour of developing countries having the freedom to exploit their available knowledge. Where necessary the international enforcement of GIs might permit developing countries to reclaim intellectual property rights from previous usurpation. India, for example, possesses well-known geographical names for such staple commodities as ‘Darjeeling’ tea and ‘Basmati’ rice.²⁰ Yet tea from Kenya or Sri Lanka has

at Marrakesh (Morocco), 15 April 1994 (hereinafter WTO Agreement), Annex IC, Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter TRIPS Agreement or TRIPS), reprinted in *The Results of the Uruguay Round of Multilateral Trade Negotiations-The Legal Texts*, 1–19, 365–403 (GATT Secretariat, Geneva 1994).

¹⁸ See M. Blakeney ‘Intellectual Property and Agriculture’, in L. O’Brien and R.J. Henry (eds), *Transgenic Cereals*, AACC, St Paul, Minnesota, MN, 2001, at pp. 285–6. See generally, Rafael V. Mariano, ‘Benefits and Shortcomings of Intellectual Property Rights For Small Scale Farmers In Developing Countries’, http://www.infoagrar.ch/ipr-symposium/documents/paper_mariano.pdf.

¹⁹ TRIPS Article 22.

²⁰ ‘Basmati’ is the customary name for certain varieties of rice that are grown exclusively in specific areas of the Indo Gangetic Plains, which currently includes the Punjab (a province which has borders with both India and Pakistan); Kasturi Das, ‘Protection of India’s “Geographical Indications”’, 2006, at http://www.gdnet.org/full-text/Das_Protection%20india.pdf. Since both countries have traditionally inherited rights over the basmati the EC is of the view that it should be registered in the European

often been passed off abroad as 'Darjeeling tea'.²¹ Corporations in France and the US have been producing rice based on 'Basmati' varieties in those countries, and registering trade marks that refer to 'Basmati', thereby seeking to gain from this renowned geographical name. The US patent on 'Basmati Rice Lines and Grains' granted to Texas-based Rice Tec Inc., which triggered a lot of controversy in the recent past, is a glaring example of wrongful exploitation of a renowned GI.

Not surprisingly, there is an increasing trend in such countries which are producers of such well-known and identifiable commodities to rely on geographical indications (GIs) to protect their markets both at home and abroad. Many developing-country governments and NGOs, cognizant of the potential commercial advantage inhering in local geographical names and the marketing of agricultural products are now desirous of ensuring the 'repatriation' of rights that historically may have gone inadvertently to distributors in the earlier industrialized countries of Europe or North America. Given the potential of GIs to attract price premiums, in 1999 India enacted separate legislation to protect geographical indications.²² Following the WTO ruling of 2005 that served to clear the way for registration of foreign GIs within the European Union, that same year the coffee producers' agency *Café de Colombia* applied to register the geographical indication of 'Café de Colombia' (Colombian coffee) as a protected designation of origin (PDO) under EC Regulation 2081/92.²³

It is symptomatic of the changes in the political economy of intellectual property that India and Brazil, which were formerly so opposed to the TRIPS Agreement, should subsequently at the launch of the Doha Round espouse GIs as the best available means of exploiting their traditional knowledge.

While GIs constitute a separate category of intellectual property within the TRIPS Agreement, their further harmonization is problematic since the means and extent of protecting GIs is not consistent within the domestic legal systems of WTO members. The origins of this regulatory problem are to be found in the historical development of the international protection of

market under a joint GI. Further, see 'Islamabad Plans to Move WTO over IPR of Basmati rice', 13 January 2007, at <http://www.hinduonnet.com/businessline/blnus/14131701.htm>.

²¹ Darjeeling is a tea-growing region in West Bengal.

²² The Geographical Indications of Goods (Registration and Protection) Act, 1999: the 'Geographical Indications Registry' in Chennai has national jurisdiction.

²³ Pursuant to Article 7 of Council Regulation (EC) No 510/2006 notice of the right to object to the application, has been published in the *Official Journal*, 28 December 2006. Assuming there are no objections from third countries, only producers complying with the PGI will be permitted to trade in the EU under the designation 'Café de Colombia'; http://ec.europa.eu/agriculture/foodqual/protec/firstpub/index_en.htm.

geographical indications. The inclusion of geographical indications within the TRIPS Agreement marked a turning point in their long and often controversial journey towards recognition and protection in the treaties of the nineteenth and twentieth centuries. However, questions associated with different means of protecting GIs between civil and common law jurisdictions were not resolved during the Uruguay Round, so that, in witness to the strength of the divide, the TRIPS Agreement itself contains a provision requiring continuing negotiation.

The Hong Kong Ministerial Declaration affirmed the 'central importance of the development dimension in every aspect of the Doha Work Programme'. Following Doha, the results of the multilateral trade negotiations must be seen to make economic development 'a meaningful reality, in terms both of the results of the negotiations on market access and rule-making and of the specific development related issues' identified in the Work Programme.²⁴ In the case of geographical indications the regulatory difficulties of harmonization are further compounded by the fact that continuing negotiations must take account of the 'Doha mandate' in favour of providing ways and means to promote economic development among the world's poorest peoples.

The Doha Declaration signalled that the necessary rebalancing of trade concessions could only be achieved with substantial concessions regarding special and differential treatment for the agricultural commodities and manufactures of the developing world, supplemented by technology transfer and technical assistance. In accordance with Clause 18 of the Declaration, members are to pursue negotiations concerning the establishment of a multilateral register for wines and spirits, and consider the extension of GI protection beyond wines and spirits. The principal protagonists in negotiations are the European Community, which favours an expanded international regime, and the United States, which argues that current trade mark protection is sufficient. The EC and its supporters would see major reform in the introduction of a multilateral system for the registration and enforcement of GIs. June 2005 saw the European Community (EC) submit a radical proposal to amend the TRIPS Agreement to provide global protection for GIs in a multilateral system of registration.²⁵ This proposal seeks to bring international protection for GIs

²⁴ Clause 2, Doha Ministerial Declaration, 14 November 2001, WT/MIN(01)/DEC/1.

²⁵ In June 2005 the EC submitted a proposal for amending Section 3 of the TRIPS Agreement with a view to extending the regime of protection available for geographical indications on wines and spirits to geographical indications on all products ('extension'), and in addition a proposal for the inclusion of an annex to the TRIPS Agreement establishing a multilateral system of notification and registration of geographical indications (GIs). World Trade Organization, General Council, Trade Negotiations Committee, Council for Trade-Related Aspects of Intellectual Property

into conformity with the European Union where a Community-wide system for their registration is considered an indispensable part of agricultural policy, serving both to preserve the incomes of small to medium-sized producers and to guarantee the sustainability of the rural economy. Given the fact that it possesses over 700 registered geographical indications,²⁶ sophisticated institutional infrastructure and technical prowess, the European Union is exceptionally well placed to leverage the benefits of an expanded international system of GI protection. On the other hand, the US and its supporters favour voluntary multilateral registration and the choice of the means of protection – whether by special system or by utilization of the established trade mark system.

However, it would be wrong to think that the general question of whether protection should be afforded and indeed expanded is a simple North–South debate between the old industrialized and the developing worlds. Newly industrializing and leading developing countries such as India, China and Kenya are well placed to take advantage of intellectual property protection afforded to agricultural GIs. On the other hand, given the cost in establishing and maintaining the institutions necessary to intellectual property protection, doubts remain over the ability of less advanced or less advantageously placed developing countries to take advantage of GI protection.

Although these differing capacities and needs have been recognized since WTO negotiations on the establishment of a multilateral register started in 1997, no ready solution to the further global harmonization of GIs has been found. WTO members are divided as to their capacity to take advantage of GI protection no less than they are radically divided as to the means of regulation. Whereas the current TRIPS provisions allow member states to choose the means by which they protect GIs, the deep transatlantic division between the major powers of the EU and the US over the method of protection risks retarding further progress on harmonization for the foreseeable future.

Rights, Special Session on Geographical Indications, Communication from the European Community 14 June 2005, WT/GC/W/547, TN/C/W/26, TN/IP/W/11. See earlier submissions of the EC, 22 June 2000, IP/C/W/107/Rev.1 with respect to the register, and submission of 2002 in respect of the extension, IP/C/W/353 24 June 2002.

²⁶ ‘Since 1993, more than 700 names, designating *inter alia* over 150 cheeses, 160 meat and meat-based products, 150 fresh or processed fruits or vegetables and 80 types of olive oil, have been registered in this context. The Commission has also received over 300 further applications for the registration of names and/or amendments to specifications from Member States and third countries’, Proposal for a Council Regulation on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, Commission of the European Communities, Brussels, 5.1.2006, para. 3.

While agricultural policy remains a highly controversial issue among WTO members, we are unlikely to see any lessening of pressure by the EC and supporting WTO Members for the extension of specific GI protection for an unlimited range of agricultural commodities and foodstuffs. For many developing countries faced with competition from industrialized food production, GIs provide a potential vehicle for the commercialization of their traditional knowledge in crop cultivation, fishing, and animal husbandry. Consistently with this objective, the text of the Doha Declaration recognizes 'the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system generates'.²⁷ GIs, pertaining to both agriculture and handicrafts, may contain traditional knowledge which is capable of exploitation in sophisticated consumer markets as natural medicinal, culinary, cosmetic or lifestyle products.

Nevertheless, the United States, Australia, Canada and Argentina are among those countries which are adamantly opposed to the proposal, being of the view that international protection of GIs is adequate as it stands and that such a drastic development would only serve to undermine future gains in market access for non-European food and agricultural products.²⁸ Developing countries are similarly divided. On the one hand, those who support the US and Australia have serious misgivings concerning the additional costs of implementing a distinct system of GI protection in addition to the TRIPS obligations that are outstanding. On the other hand, India and Kenya, possessing GIs that are already known, as well as the financial means and know-how to institute their protection, are among those developing countries which support the EC proposal.

Regrettably, the Hong Kong Ministerial Declaration of December 2005 did not record any notable progress concerning the extension of the protection of geographical indications to products other than wines and spirits, or the multi-

²⁷ Clause 2, Doha Ministerial Declaration, 14 November 2001, WT/MIN(01)/DEC/1.

²⁸ See US Submissions on GIs at the WTO TRIPS Council: 'Joint Proposal for a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits', Communication from Argentina, Australia, Canada, Chile, Ecuador, El Salvador, New Zealand and the United States, TN/IP/W/9, 13 April 2004; and 'Multilateral System of Notification and Registration of Geographical Indications for Wines (and Spirits)', Communication from Argentina, Australia, Canada, Chile, New Zealand and the United States, TN/IP/W/6, 29 October 2002; and 'Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits based on Article 23.4 of the TRIPS Agreement', Communication from Argentina, Australia, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Namibia, New Zealand, Philippines, Chinese Taipei, and the United States, TN/IP/W/5, 23 October 2002.

lateral register for geographical indications for wines and spirits.²⁹ Admittedly, the momentum of negotiations was derailed by US and Australian requests for consultations with the European Community concerning the discriminatory nature of the European registration system. In the aftermath, the ruling of the WTO Panel of March 2005 in the case of *EC – Geographical Indications* has done little to quell the strength of this regulatory dispute. The decision in that case proved a victory for the United States. It successfully challenged Council Regulation (EEC) No 2081/92 on the protection of geographical indications for agricultural products (EC Regulation) as discriminatory of foreign rightholders. In fact, the decision, which nonetheless sanctioned the substantive provisions of the EC Regulation, only appears to have emboldened the EC's bid to see its system of GI protection promulgated within the TRIPS Agreement.³⁰

To this end, the EC proposal of June 2005 would extend GI protection to all agricultural products as well as indigenous handicrafts, and see their notification in a mandatory multilateral register.³¹ The emergence of the first truly global intellectual property rights would constitute an unprecedented departure from the classical system of international intellectual property law, based as it is on the territorial principle of national systems of registration for GIs and trade marks. In addition, it would entail an erosion of the property rights of trade mark owners and the corresponding capacity of member states to determine economic policy.

The future global regulation of GIs is now at a crossroads. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is widely recognized as having set new standards for the international protection of GIs, having succeeded at one stroke in recognizing GIs as a major category of intellectual

²⁹ Clauses 29 and 39, Sixth Session, Hong Kong, 13–18 December 2005, Ministerial Declaration, adopted on 18 December 2005, WT/MIN(05)/DEC. Further, see Special Session of the Council for TRIPS Report by the Chairman, Ambassador Manzoor Ahmad, to the Trade Negotiations Committee, 23 November 2005, TN/IP/14, in which he laments the lack of progress at para. 5.

³⁰ Following the decision, EU Trade Commissioner Mandelson summed up the EC's position: 'By confirming that geographical indications are both legal and compatible with existing trade mark systems, this WTO decision will help the EU to ensure wider recognition of geographical indications and protection of regional and local product identities, which is one of our goals in the Doha Round of multilateral trade negotiations', http://www.delcan.cec.eu.int/en/press_and_information/press_releases/2005/05PR009.shtml

³¹ World Trade Organization, General Council, Trade Negotiations Committee, Council for Trade-Related Aspects of Intellectual Property Rights, Special Session on Geographical Indications, Communication from the European Communities 14 June 2005, WT/GC/W/547, TN/C/W/26, TN/IP/W/11.

property alongside patents, copyright and trade marks.³² While we may have agreement as to the fundamental principles of protection, the European proposal for a multilateral register for GIs raises complex legal issues concerning the relationship between any such international system and the national systems of registration that are currently in place throughout the world.

We have a subject matter that is complex and uncertain due to its lack of systematic development and to considerable variations in the law within different jurisdictions. A priori, given its legal and moral authority, negotiations must also take account of the Doha Declaration that is intended to make it easier for developing countries to adopt measures that are conducive to their economic development.³³ Ambitious claims associating the protection of GIs with economic development are now made by those developing countries that support the international protection of geographical indications. This is put forward as a means of sustaining rural communities by helping to guarantee food security for those without cash incomes, to avert natural environmental disasters and to promote biodiversity.³⁴

To what extent then, we may ask, has the rationale for, and implications of protecting GIs been lost in the heated debate that has ensued in the decade since the conclusion of the TRIPS Agreement? While geographical indications have been promoted as a 'development-friendly' form of intellectual property, there are also costs to consider, not only to the public in higher prices and reduced competition, but also to those developing countries who are not well placed to implement further protection.³⁵ All intellectual property rights by

³² M. Blakeney, 'Stimulating Agricultural Innovation', in K.E. Maskus and J.H. Reichman (eds), *International Public Goods and Transfer of Technology under a Globalized Intellectual Property Regime*, Cambridge: Cambridge University Press, 2005, pp. 367–90. G. Evans, 'Intellectual Property As A Trade Issue: The Making of the Agreement On Trade Related Aspects of Intellectual Property', *World Competition, Law and Economics Review*, 18 (2), 1994, pp. 137–80.

³³ At the fourth ministerial meeting of the World Trade Organization in Doha, Qatar during 9–13 November 2001 ministers agreed to 'undertake [a] broad and balanced work programme . . . that incorporates both an expanded negotiating agenda and other important decisions and activities necessary to address the challenges facing the multilateral trading system', paragraph (11), Doha Ministerial Declaration, 14 November 2001, WT/MIN(01)/DEC/1.

³⁴ See UNDP, Environmental Mainstreaming Strategy, A strategy for enhanced environmental soundness and sustainability in UNDP policies, programmes, and operational processes, June 2004, at 8, <http://www.undp.org/fssd/docs/envmainstrat.doc>.

³⁵ TRIPS Article 22, and Doha Declaration paragraph 18 as follows: members 'agree as part of the Doha mandate, to negotiate to establish a multilateral system of notification and registration of geographical indications for wines and spirits'. In accordance with paragraph 12 of the Doha Declaration an extension of the protection of geographical indications provided for in Article 23 to products other than wines and

their nature are restrictive of competition. The rationale is based on the notion that a temporary restriction is justified in providing an incentive and a return to the inventor or entrepreneur.³⁶ The question is whether these demands for extended protection and a mandatory multilateral register can be justified. Preferring therefore to err on the side of caution, this chapter argues in favour of an incremental approach in order to allow developing countries the flexibility to adjust the protection of GIs according to their level of economic development.³⁷

And where will tomorrow lead? Before moving forward it behoves us to reflect on the past. Accordingly, Sections 1, 2 and 3 review the provenance and development of geographical indications from their appearance in medieval commerce as geographical marks, to their inclusion in the TRIPS Agreement of 1994. The review concludes with a description of the dual model of regulation promulgated worldwide under the TRIPS Agreement. Sections 4 and 5 examine the European model of *sui generis* regulation of GIs for agricultural products and foodstuffs, including the nature and extent of litigation concerning its application. Section 6 considers the opposing model of transnational regulation advanced by the United States that would protect GIs as a subset of the established trade mark system. It does so by analyzing the way in which the WTO Panel dealt with the conflicting regulatory models in *EC – Protection of Trademarks and Geographical Indications*. Finally, in the light of the Doha Declaration, Sections 7 and 8 discuss possible future developments in the protection of GIs, including the extension of eligible subject matter and the introduction of a mandatory multilateral register. In so doing, it keeps the light of the Doha mandate firmly to the foreground, so that at the end, we may better discern the outline of the road ahead.

spirits, is to be addressed in the TRIPS Council forum: further, see text at http://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm.

³⁶ See K. Maskus, 'Encouraging International Technology Transfer, Intellectual Property Rights and Sustainable Development May', 2004, UNCTAD, Issue Paper No. 7, at p. 31; P. Drahos, 'An Alternative Framework for the Global Regulation of Intellectual Property Rights', *Austrian Journal of Development Studies*, Centre For Governance Of Knowledge And Development Working Paper, October 2005, at p. 14, <http://cgkd.anu.edu.au/menus/workingpapers.php>. See generally, John Braithwaite and Peter Drahos, *Global Business Regulation*, Cambridge, Cambridge University Press, 2000.

³⁷ Bernard M. Hoekman, Keith E. Maskus and Kamal Saggi, 'Transfer of Technology To Developing Countries: Unilateral and Multilateral Policy Options', World Bank Policy Research Working Paper 3332, June 2004, develops a typology of country types and appropriate policy rules as a guide to both national policymakers and rule-making in the World Trade Organization (WTO). See summary table at p. 32.

1 PROVENANCE OF GEOGRAPHICAL INDICATIONS

The Collective Goodwill of Medieval Geographic Indications

Historically, GIs have been described as having led a 'shadowy or subterranean existence, rarely emerging in solid form'.³⁸ This reputation is, no doubt, largely due to the varying concepts under which they are protected as well as the considerable diversity of definition. Geographical indications are protected on the national and regional levels under a wide range of different principles, such as protected appellations of origin, registered geographical indications, protection under trade mark law, and unfair competition or passing off. Such conceptual variety is reflected in the diversity of applicable terminology that distinguishes between 'geographical indications', 'indications of source' and 'appellations of origin'.³⁹ Geographical indications are more broadly defined than appellations of origin. In other words, all appellations of origin are geographical indications, but some geographical indications are not appellations of origin. 'Indication of source' is the broadest term. It comprises geographical indications and appellations of origin. Indications of source only require that the production in question originates in a certain geographical area.⁴⁰

As with the trade mark, the main function of the geographical indication is to distinguish goods originating from a certain source. As distinct from trade marks, geographical indications distinguish the goods for which they are used through a reference to the place where they were made, and not through a reference to their manufacturing source. The reference to the place of manufacturing or production is inherent to geographical indications. Unlike trade

³⁸ N. Dawson, 'Locating Geographical Indications – Perspectives from English Law' (2000) 90 Trademark Reporter 590. Further on the relationship between registered trademark systems and the protection of geographical indications, see at 590–601.

³⁹ Article 1(1) of the Madrid Agreement on Indications of Source defines what is meant by the term 'indication of source': it can be defined as an indication referring to a country or to a place situated therein as being the country or place of origin of a product. Note that this definition does not require that the product in question has a certain quality or characteristics, which are derived from its geographical origin. The term 'appellation of origin' is defined in Article 2 of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, of 1958 (Lisbon Agreement). An appellation of origin can be regarded as a special kind of indication of source because 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; for example 'Bordeaux' for wine or 'Jaffa' for oranges.

⁴⁰ Indications of source whose use on products does not imply a particular quality, reputation or characteristic of those products appear not to be covered by the definition of geographical indication under the TRIPS Agreement.

marks, geographical indications are not chosen arbitrarily and the reference to the geographical origin cannot be substituted.

Part II, Section 3 of the TRIPS Agreement is dedicated solely to the protection of geographical indications. It is a matter of historical irony that under the TRIPS Agreement, geographical indications should constitute a separate category distinct from trade marks, the very category of intellectual property from which they trace their provenance. Trade mark historians have attributed those very elements that characterize the modern trade mark, goodwill and an individual interest in the quality of the goods, to the geographical or collective mark of the Middle Ages.⁴¹ The notion of a collective goodwill enjoyed by a given locality or organization and of the protection of a mark or seal as the symbol of that collective goodwill was common in the history of medieval as well as of modern commerce. In the competition to earn revenues from the international trade, which was developing at that time, it became apparent that the products of particular regions were more saleable than comparable products from other regions, because of their superior quality. This superior quality was said to be the result of either natural geographic advantages, as in the case of wine from Burgundy, or food processing techniques local to a region such as ham from Parma, or indigenous manufacturing skills as in the case of lace from Bruges. To take advantage of the commercial attractiveness of these local reputations, goods were branded with marks which designated the place of origin of these products. These brands were tantamount to a warranty of the quality of the goods, and goods to which they were affixed were sold merely upon the strength of the marks without the formality of opening or carefully scrutinizing the bales or bolts to which they were affixed. The mark of the town of Osnabrück, the center of the Westphalian linen industry, was held in such great respect and esteem abroad that, in England, in the middle of the fifteenth century, linen bearing this mark commanded a price 20 per cent higher than other Westphalian linens.⁴² The law followed commercial practice, seeking to protect the commercial reputation of traders in such geographical localities. In Yugoslavia, for example, a charter of Steven I governed the sale of wine as early as 1222, permitting only products emanating from the region to carry the geographic indication.

The conceptual variety that characterizes the protection of geographical

⁴¹ Sidney A. Diamond, 'The Historical Development of Trademarks', *TMR*, 73, 1983, p. 222; J.T. McCarthy and V.C. Devitt, 'Protection of geographical denominations: domestic and international', *TMR*, 69, 1979, p. 199; M.G. Coerper, 'The Protection of Geographical Indications in the United States of America, with Particular Reference to Certification Marks', *Industrial Property*, July/August, 1990, p. 232.

⁴² Frank I. Schechter, *The Historical Foundation of the Law Relating to Trade Marks*, New York, Columbia University Press, 1925, at pp. 40–42, 78 ff, 122.

indications and the commensurate difficulties currently encountered in their international harmonization give tacit support to the continuing role played by legal history and cultural tradition. In the rise of individual enterprise and trade mark protection in the New World, in its immigrants' use of European geographical descriptions and, equally, in the persistence of the notion of collective goodwill among producers of towns and cities of Europe, we can see the roots of the most intractable issues that have characterized the development of international protection.

During the Industrial Revolution, the mass production of standardized goods on a large scale led to the desire of traders to identify their particular enterprise, rather than the geographical place, as the place of origin of goods. New individualized forms of commercial and political organization saw the emergence of the modern trade mark as any distinct word, phrase or symbol capable of distinguishing the goods of one undertaking from those of another. In contrast to the early marks which collectively conferred public rights on producers in defined localities, registered trade mark systems were enacted to permit individual traders to enforce their marks in the form of personal property rights. Because traders in particular localities might legitimately wish to associate their products with that region, trade mark laws tended to remove the possibility of an individual trader establishing through registration a private monopoly in a geographical indication. Geographical indications could be incorporated into a composite trade mark, only where exclusivity in relation to that mark was disclaimed, or where the geographical element was not the primary signification. Geographical names per se became primarily geographically descriptive and hence unregistrable as a trade mark in the absence of secondary meaning.⁴³

Nonetheless, while legislation creating registered trade mark systems became the norm for the majority of countries, such a development did not result in the disappearance of the geographic mark. In continental Europe, substantial processed foods markets and markets for alcoholic beverages remained dependent upon the continued recognition of geographical marks. In these countries national systems for the registration of geographical indications were established.⁴⁴

⁴³ Graeme Dinwoodie and Mark D. Janis, *Trademarks and Unfair Competition: Law and Policy*, New York, Aspen Publishers, 2004.

⁴⁴ See for example French Legislation on Appellations of Origin, Article L.721-1; JO n° 200 of 30 August 2000; Decree n° 2000-826 of 28 August 2000 concerning examination proceedings for registration of protected appellations of origins and protected geographical indications.

2 THE RISE OF INTERNATIONAL PROTECTION FOR TRADE MARKS AND GEOGRAPHICAL INDICATIONS

Industrialization and internationalization of the economy brought increased intermediation to the supply and distribution chain, giving rise to problems of informational asymmetries between sellers and buyers abroad. Mass production, a rising market of consumers and improved transportation led to the need for the international protection of trade marks and laws against unfair competition. As goods moved across national borders so came the need to promote legitimate trade between nation states by preventing deceptive and misleading trade conduct.⁴⁵ In France, between 1870 and 1914, the commercial world was concerned about the increase in 'fraud' and 'counterfeiting' within the beverage and food industries, including artificially coloured wines, margarine passed off as butter, and watered down milk.⁴⁶

Like trade marks, geographical indications are subject to the principle of territoriality insofar as they are protected for a given territory only and are subject to the laws and regulations applicable in that territory.⁴⁷ As a result, a particular geographical indication such as 'feta' for cheese may be protected in one country, whereas in another country the same geographical indication may be considered as a generic expression for the kind of products for which it is used. The territorial scope of a geographical indication can be extended through international agreements. In the later nineteenth century, therefore, the nations of Europe and America and their exporters moved to protect the quality and reputation of agricultural products by obtaining the extraterritorial

⁴⁵ The continuing need to regulate trade marks and trade practices on an international scale is reflected in the revisions of the Paris Convention (1883) at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Lisbon (1958) and Stockholm (1967).

⁴⁶ Legislation protecting wine, butter and milk was enacted between 1887 and 1902; finally a general law on food adulteration was adopted in 1905: Alessandro Stanziani, 'Quality Rules: What For? Consumers' vs Lobbies Protection, the case of France', 19th Early 20 Century, paper delivered at XIV International Economic History Congress, Helsinki 2006, Session 9, available at: <http://www.helsinki.fi/iehc2006/papers1/stanziani.pdf> (visited 31 May 2007).

⁴⁷ World Intellectual Property Organization, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Possible Solutions for Conflicts Between Trademarks and Geographical Indications and for Conflicts Between Homonymous Geographical Indications: nonetheless, arguing that the unauthorized use of a famous geographical indication takes unfair advantage of, or is detrimental to the reputation of that geographical indication and, therefore, constitutes an act of unfair competition (see, for example, Article 3(1) of the WIPO Model Provisions on Protection Against Unfair Competition): SCT/5/3, at page 8.

application of laws against unfair competition and the infringement of trade marks and geographical indications.⁴⁸

The Paris Convention for the Protection of Industrial Property

The Paris Convention for the Protection of Industrial Property of 20 March 1883⁴⁹ provides for the protection of trade marks, geographical indications and other indications of source against misleading use.⁵⁰ In this respect, Article 10 of the Paris Convention states that in cases of 'direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer or merchant',⁵¹ Article 9 of the Paris Convention is to be applied. Article 9 provides that goods bearing a false indication of source are subject to seizure upon importation into countries party to the Paris Convention, or within the country where the unlawful affixation of the indication of source occurred, or within the country of importation.⁵² Thereafter,

⁴⁸ The proscription of false indications of the source of goods was included within the Paris Convention of 1883. The significance of the subject can be seen from the fact that the first special agreement under the Paris Convention, the Madrid Agreement for the Repression of False or Deceptive Indications of Source of Goods 1891 (the Madrid Agreement) dealt with this subject; its continuing importance is reflected in the revisions of the Madrid Agreement at Washington (1911), The Hague (1924), London (1934), Lisbon (1958) and Stockholm (1967).

⁴⁹ As revised at Brussels on 14 December 1900, at Washington on 2 June 1911, at The Hague on 6 November 1925, at London on 2 June 1934, at Lisbon on 31 October 1958, and at Stockholm on 14 July 1967, and as amended on 28 September 1979.

⁵⁰ Note the breadth of the definition of industrial property in Article 1(3) of the Paris Convention for the Protection of Industrial Property, 1883 that stated: 'Industrial property shall be included within the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers and flour.'

⁵¹ Article 10(2) states: 'Any producer, manufacturer, or merchant whether a natural person or legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.'

⁵² This seizure shall take place at the request of the public prosecutor, or any other competent authority, or any interested party. However, Article 9(5) and (6) of the Paris Convention allows that countries party to the Paris Convention whose national laws do not permit seizure on importation or inside the country to replace those remedies by either a prohibition of importation or by any other nationally available remedy. Note also the cases in which the use of an indication of source which is literally true may still be misleading or deceptive; as in the case where a given geographical name

Article 10*bis* of the Paris Convention provides the basic international standard for protection against acts of unfair competition. Although the use of false indications of source is not mentioned in the non-exhaustive list of acts which are prohibited under Article 10*bis*(3), such use may be considered an act of competition contrary to honest practices in industrial or commercial matters and liable to mislead the public.⁵³

The Madrid Agreement on Indications of Source

Desirous of procuring market exclusivity for its wines and foodstuffs, France has long fought to obtain enhanced international protection of GIs. The Paris Convention afforded the prestigious champagne houses of France only 'limited protection' to indications of source, failing to define the conditions of protection, and prohibiting only 'cases of serious fraud'.⁵⁴ There are cases in which the use of an indication of source which is literally true may still be misleading or deceptive. This may be the case where a given geographical name exists in two different countries, but was used as an indication of source only for products originating from that place in one country. Use of that indication of source by producers from the other country cannot be regarded as use of a 'false' geographical indication, although consumers may be deceived by such use. The Madrid Agreement on Indications of Source provides for a remedy in such situations. Article 1 of the Madrid Agreement contains a prohibition on the use of misleading geographical indications, requiring that all goods 'bearing a false or misleading indication' to signatory country, or to a place in that country 'shall be seized on importation'. The Agreement prohibits even the non-misleading use of an indicator, such as 'Champagne-style cheese'.

Nevertheless, the established vintners of Europe did not garner widespread international support for the enhanced protection of indications of source. While 117 countries agreed to the original Paris Convention, subsequent attempts to establish a higher level of protection of GIs in the 1891 Madrid

exists in two different countries, but was used as an indication of source only for products originating from that place in one country. Use of that indication of source by producers from the other country cannot be regarded as use of a 'false' geographical indication, although consumers may be deceived by such use.

⁵³ See Article 4(2) of the WIPO Model Provisions on Protection Against Unfair Competition.

⁵⁴ In its original form, the Paris Convention only barred the use of geographic indicators or appellations of origin in cases of 'serious fraud': Murphy, Bodenhausen. However, it may be argued that Article 10*bis* of the Paris Convention also covers non-misleading use of geographical indications to the extent that such use is considered to constitute an act of unfair competition.

Agreement for the Repression of False or Deceptive Indications of Source on Goods ('Madrid Agreement')⁵⁵ failed to achieve the support of significant trading nations such as the USA, Germany and Italy.

The Lisbon Agreement

A further attempt to provide geographic indicators with an even higher standard of harmonized protection is contained in the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration of 1958. The Lisbon Agreement provides indications of source with stronger protection, although it is only applicable to a special kind of indication of source, namely to appellations of origin which are already protected on the national level of a state party to that Agreement.⁵⁶ Like the EC proposal of 2005 for the amendment of the TRIPS Agreement, it envisages a system whereby member states register geographic indications, which receive protection under the national laws of their country of origin, with a central office at the World Intellectual Property Organization in Geneva. After its registration, the appellation of origin is published and notified to all other states party to the Lisbon Agreement. Following receipt of that notification, those states may declare during a period of one year that they cannot protect the appellation of origin which was the subject of the notification.

The scope of protection for internationally registered appellations of origin is broader than the protection for indications of source under the Paris Convention and the Madrid Agreement on Indications of Source. Once an appellation of origin is internationally registered and the one-year objection period under Article 5(3) has expired, the appellation cannot, or can no longer, be used by third parties. In addition, Article 5(6) provides that, where in a state which is a party to the Lisbon Agreement, the internationally registered appellation of origin is already used by third parties, and a declaration according to

⁵⁵ See Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Apr. 14, 1891, as amended July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 389 (hereinafter Madrid Agreement) (proscribing the false or deceptive use of indicators which suggest that a good originated in the territory of a member state, and granting national courts the discretion to determine whether an indicator has degenerated into genericism, except in the case of wines), available at: [http://www.wipo.org/Madrid Agreement.pdf](http://www.wipo.org/Madrid%20Agreement.pdf).

⁵⁶ The 'Lisbon Agreement' provides the most exclusive definition of geographic indications, which includes 'appellations of origin': Article 2(1) defines appellations of origin as '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'.

Article 5(3) has not been made, that state may grant such third parties a period not exceeding two years to terminate such use. This means that members must prohibit the use of registered geographic indicators, even if the labelling discloses the product's true place of origin or clearly denotes that the indicator is false (for example, by the use of language such as 'imitation' or 'style').

Thus not only misleading use of a protected appellation of origin is prohibited, but 'any usurpation or imitation [of the protected appellation of origin], 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'. Needless to say, given its highly protectionist nature, the Lisbon Agreement failed to win broad international support. As of 1996, only 17 countries were party to the Lisbon Agreement, and again, the United States was not among them.

3 UNIVERSAL MINIMUM STANDARDS OF PROTECTION UNDER TRIPS

At the time of the Paris and Madrid conferences, the primary concern of those seeking to protect geographical indications was the protection of the European wine and spirit industries. This concern has remained constant right up to the promulgation of the first comprehensive international agreement for the protection of intellectual property: the TRIPS Agreement of 1994. Desirous of procuring market exclusivity for its wines and foodstuffs, the EU has long fought to obtain the international protection of GIs. As early as 1988, the EC submitted its views regarding the inadequacy of existing international protection and the deleterious effect on the marketing of Community products, the wine and spirits sector being one which is particularly vulnerable to usurpation, imitation or evocation. The EC draft text submitted to the Uruguay Round would have protected all foodstuffs, including wine, to the same high level, prohibiting use of such geographical indications in question even when accompanied by words such as 'type' or 'style' and in the absence of 'misleading use'.⁵⁷ The competing positions were those of the EU and Switzerland

⁵⁷ Guidelines and Objectives Proposed by the European Community for the Negotiations on Trade Related Aspects of Substantive Standards of Intellectual Property Rights, MTN.GNG/NG11/W/26. The Swiss draft text defined a geographical indication as: 'any direct or indirect reference to the geographical origin of a product, including characteristics or qualities which are related to that origin', and an appellation of origin as, 'a qualified geographical indication denominating a country, region or locality indicating that a product is originating there from'. Standards and Principles Concerning the Availability, Scope and Use of Trade-Related Intellectual Property

which proposed a broad ‘Lisbon-style’ protection that would protect geographic indications for all foodstuffs, and the United States which favoured the protection of geographic indications through a certification mark system.⁵⁸ In the result the Draft Final Act of December 1991 shows a compromise. While the EC succeeded in having GIs recognized as a distinct category of intellectual property right within Section 3 of the TRIPS Agreement and in securing additional protection for wines and spirits, member states have the freedom to determine the legal means of protection for all other foodstuffs.⁵⁹ As the law stands, TRIPS mandates a two-tiered model of regulation, giving enhanced protection to wines and spirits, but for other agricultural products and foods leaving the legal means of protection to national governments.

Enhanced Protection for Geographical Indications for Wines and Spirits

Enhanced, additional protection is provided for geographical indications for wines and spirits by virtue of Article 23. This enhanced protection has two components:

1. protection for geographical indication for wines in the case of homonymous indications; and
2. 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.

Typically an application for registration of a geographical indication will specify the applicant, the appellation, the relevant geographical area, the products for which the appellation is used and the ‘essential characteristic qualities of the product for which the appellation is used’.⁶⁰

In order to accommodate the differing means of protection among member states, the TRIPS Agreement stops short of setting out the requirements for the registration of geographical indications. Article 23.2 addresses the issue negatively by permitting members to legislate to allow ‘an interested person’ to

Rights, Communication from Switzerland, MTN.GNG/NG11/W/38, 11 July 1989. See further T.P. Stewart (ed.), *The GATT Uruguay Round, A Negotiating History (1986–1992)*, Vols I–III, Deventer, Kluwer, 1993.

⁵⁸ Draft Agreement on the Trade-Related Aspects of Intellectual Property Rights, Communication from the United States, MTN.GNG/NG11/W/70, 11 May 1990.

⁵⁹ TRIPS, Article 22(2).

⁶⁰ The provisions of Article 23.2 apply equally in respect of spirits. See further WIPO, *Model Law for Developing Countries on Appellations of Origin and Indications of Source* (1975), s.7.

request the refusal or invalidation of the registration of a trade mark which contains or consists of a geographical indication identifying wines or spirits which does not have the indicated origin. Such 'interested persons' will usually include relevant producers from the geographical location, representative associations from those areas, or even associations of consumers.

Prohibited Use

With respect to unauthorized use, Article 23.1 allows each member the flexibility to 'provide the legal means to interested parties to prevent the use of a geographical indication' identifying wines or spirits which do not originate in the place indicated by the geographical indication in question. Registration of trade marks falling under that provision has to be refused or cancelled, either *ex officio* if the applicable law so allows, or at the request of an interested party. In addition, this prohibition, borrowing from Article 3 of the Lisbon Agreement, includes indications which refer to the true origin of such goods, or where the geographical indication is used in translation, or where the geographical indication is 'accompanied by terms such as "kind," "type," "make," "imitation," or the like'. The scope of exclusivity granted GIs for wines and spirits approximates dilution-style protection for trade marks. For example, it is *prima facie* an infringement of a GI to use it for any similar product, or other product or service, if the use is likely to result in an appropriation of the reputation of the geographical indication, or in the weakening of its reputation.⁶¹

Homonymous Geographical Indications for Wine

Conflict may arise where products on which homonymous geographical indications⁶² are used are sold into the same market. The problem is accentuated where the homonymous geographical indications in question are used on identical products. In the case of homonymous geographical indications for wine, Article 23.3 permits each member to 'determine the practical conditions under

⁶¹ For example applying Belgian law on geographical indications and fair trade practices, in 2003, the Nivelles Commercial Court ordered SA de Landtsheer Emmanuel to cease using the word 'champagne' in relation to its new product, as well as the slogan 'the beer world's answer to Veuve Cliquot' (RG A/02/01496).

⁶² Homonymous indications are those which are spelled and pronounced alike but which are different in meaning and which are used to designate the geographical origin of products stemming from different countries. For example, Rioja is the name of a region in Spain and in Argentina and the expression applies for wines produced in both countries.

which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled'. Honest use of such geographical indications should be possible, because the indications designate the true geographical origin of the products on which they are used. However, concurrent use of homonymous geographical indications in the same territory may be problematic where the products on which a geographical indication is used have specific qualities and characteristics which are absent from the products on which the homonym of that geographical indication is used. In this case, the use of the homonymous geographical indication would be misleading, since expectations concerning the quality of the products on which the homonymous geographical indication is used are not met.⁶³

General Protection for Other Foodstuffs and Traditional Handicrafts

Insofar as GIs generally are concerned the flexibility of Article 22 permits members to provide 'interested parties' with comprehensive protection by the 'legal means' of their choice. Article 22 facilitates a high standard of protection by the unprecedented breadth of the definition it accords GIs, allowing members to accord protection 'where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin'. This definition expands the Lisbon Agreement concept of appellation of origin to protect goods which merely derive a reputation from their place of origin without possessing a given quality or other characteristics which is due to that place. In addition, while a geographical indication to be eligible for protection has to identify goods as originating in a particular territory, it does not necessarily have to be a geographical name. Thus, 'Basmati' for example, is taken to be an indication for rice coming from the Indian subcontinent, although it is not a place name as such.

Codifying existing international protection against unfair trade practices, Article 22.2 prohibits any use which 'constitutes an act of unfair competition under Article 10*bis* of the Paris Convention'. TRIPS extends the ambit of Article 10*bis* to a geographical indication 'which, although literally true as to a territory, region or locality in which the goods originate, falsely represents to

⁶³ The WIPO Standing Committee on the Law Of Trademarks, Industrial Designs And Geographical Indications recommended that, it may be considered to extend this principle to geographical indications regardless of the kind of products for which they are used. WIPO Standing Committee On The Law Of Trademarks, Industrial Designs and Geographical Indications, 'Possible Solutions For Conflicts Between Trademarks and Geographical Indications and For Conflicts Between Homonymous Geographical Indications', WIPO Doc. SCT/5/3, 8 June 2000.

the public that the goods originate in another territory'. Article 22.2 is supplemented by Articles 22.3 and 22.4. The former deals specifically with the registration of trade marks, containing or consisting of a geographical indication, for goods not originating in the territory indicated, if the use of those trade marks for such goods would be misleading as to the true place of origin of the goods.⁶⁴ The remedy available in that situation is refusal or invalidation of the trade mark registration, either *ex officio*, if the applicable law so allows, or at the request of an interested party. Thus, if an application for a trade mark containing the name 'Parma ham' were submitted to the Canadian trade mark office, or indeed any other national trade mark office, with the exception of Italy, it must be refused. The latter, Article 22.4, stipulates that the protection under Articles 22.1–3 must also be made available in respect of the use of deceptive geographical indications, that is, geographical indications that are literally true, although they falsely represent to the public that the goods on which they are used originate in a different territory.

General Exceptions

Article 24 contains a number of exceptions to the obligations under Articles 22 and 23. Generally speaking, there are three categories of exceptions, namely continued and similar use of geographical indications for wines and spirits, prior good faith trade mark rights, and generic designations.⁶⁵

The first exception under Article 24.4 gives the right to WTO members to allow continued and similar use of a particular geographical indication of another member identifying wines or spirits, in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that member either for at least ten years preceding 15 April 1994, or in good faith preceding that date.

The second exception under Article 24.5 relates to rights in trade marks that contain a GI, where such marks have been in use in a Member State prior to the date of application of the TRIPS Agreement. It stipulates that the obligation to protect GIs under Articles 22 and 23 is without prejudice to the 'eligibility for or the validity of the registration of a trade mark, or the right to use a trade mark, on the basis that such a trade mark is identical with, or similar to, a geographical indication. Such trade mark owners were not provided with

⁶⁴ Ibid. at p. 11.

⁶⁵ Note also: 'Fair use' of personal names in Article 24.8 preserves 'the right of a person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.'

an indefinite dispensation however, since, Article 24.7 allows no more than a five-year window of opportunity to register or enforce their rights. The following conditions must be fulfilled:

1. An application for the registration of such a trade mark must have been filed, or the trade mark must have been registered; or,
2. where the right to the trade mark was acquired by use, that trade mark must have been used, in good faith, by the WTO member concerned, before the TRIPS Agreement became applicable to that member, or
3. before the geographical indication in question is protected in its country of origin.

The third exception in Article 24.6 is related to geographical indications of a WTO member which are considered by another WTO member to be a term customary in common language as the common name for goods or services or, where the geographical indication is used for products of the vine, it is identical with the customary name of a grape variety existing in the territory of that member as of the date of entry into force of the TRIPS Agreement.

In sum, while European negotiators failed to attain the high level of protection they desired, the very inclusion of geographical indications as a distinct category of intellectual property within the TRIPS Agreement marked a milestone in their international protection.

4 REGIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS IN EUROPE

While Europe has had only mixed success in obtaining the higher standard of international protection desired, the autonomous protection of geographical indications across the European Economic Area became an early feature of the Commission's agricultural policy. The formation of the European Community enabled the European Commission to make the international protection for geographical indications an integral part of the Common Market's rural policy.⁶⁶ Council Regulation 2081/92 on the Protection of Geographical

⁶⁶ In addition to amended Regulation 510/2006 (formerly Regulation 2081/92), there are a series of regulations dealing with designations for wines and spirits including: Regulation 1493/1999 of 17 May 1999 on the common organization of the market in wine (OJL 179, 14 July 1999, p. 16); Regulation 1576/89 of 29 May 1989 laying down general rules on the definition, description and presentation of spirit drinks, OJL 275, 25 April 1989, p. 1; OJL 208, 24 July 1992, p. 1, as amended by 535/97 of 17 March 1997, OJL 83, 25 March 1997, p. 3, and Council Regulation 2082/92 on certifi-

Indications and Designations for Agricultural Products and Foodstuffs⁶⁷ notes in its seventh recital that in view of the

diversity in the national practices for implementing registered designations of origin and geographical indications . . . a Community approach should be envisaged . . . a framework of Community rules on protection will permit the development of geographical indications and designations of origin since, by providing a more uniform approach, such a framework will ensure fair competition between the producers of products bearing such indications and enhance the credibility of the products in the consumers' eyes.⁶⁸

Like trade marks, geographical indications are subject to the principles of 'specialty', insofar as they are only protected in regard to the kind of products on which they are actually used. The subject matter of this Regulation is described as being applicable to certain agricultural products and foodstuffs for which a link between product or foodstuff characteristics and geographical origin exists.⁶⁹

European Definition of Geographical Descriptions

The Regulation defines two different types of geographical description, namely protected geographical indications and protected designations of origin.

cates of specific character for agricultural products and foodstuffs. OJL 208, 24 July 1992, p. 9.

⁶⁷ Entered into force on 25 July 1993: its fifth recital states in the relevant part: 'the labelling of agricultural products and foodstuffs is subject to the general rules laid down in Council Directive 79/112 of 18 December 1978 . . . in view of their specific nature, additional special provisions should be adopted for agricultural products and foodstuffs from a specified geographical area'.

⁶⁸ The purpose of protection is to promote agriculture's role in protecting the rural environment, in producing safe and high-quality food and in contributing to maintaining the attractiveness of rural areas for the young and new residents. To encourage applications for GIs, a special fast-track system was initially provided in Article 17. In 2003 however this was abandoned in favour of financial incentives. In addition, financial incentives are offered to EC producers to apply for geographical indications protection: Rural Development in the EU, 2003: <http://www.eu.int/comm/agriculture/publi/fact/rurdev2003/en.pdf>. See also EC investment programme 17/01/2006. Approval of a €25.5 million programme to support the promotion of agricultural products reflects growing concern over global competition; <http://www.foodanddrinkeurope.com/news/printNewsBis.asp?id=65149>.

⁶⁹ Council Regulation On The Protection Of Geographical Indications And Designations Of Origin For Agricultural Products And Foodstuffs (EC) No 510/2006 of 20 March 2006.

Protected geographical indication (PGI)

Article 2(1) defines a protected geographic indication to mean:⁷⁰

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.

Definitional questions concerning a particular specification for a geographical indication are critical since any initial grant of exclusive rights of use to certain producers of agricultural or foodstuffs in accordance to geographic region, is unlikely to go unchallenged by producers of those products outside the designated zone.

Protected designation of origin (PDO)

For the purposes of the Regulation, Article 2(1) provides that protected designation of origin means:⁷¹

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
- 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

It will be noted that qualifying for a PGI is less stringent than qualifying for a PDO, since the product need not originate entirely from within the designated region and need only have one particular quality (rather than the majority of the food's characteristics) that is attributable (rather than exclusively due to) the geographical area.

Registration Procedure

The EU registration system for PGIs and PDOs requires applicants file a specification with the EC.⁷² Citizens from member states must initially apply to the

⁷⁰ Ibid.

⁷¹ Under the amended Regulation registration is open to 'the geographical indications of third countries where these are protected in their country of origin': Recital 13.

⁷² Articles 5 to 7 of the Regulation.

relevant national government agency in which the geographical area is located. For applicants in the United Kingdom the relevant agency is the Department for Environment, Food and Rural Affairs.⁷³ As part of the scrutiny process, the member state is to initiate a national objection procedure ensuring adequate publication of the application and providing for a reasonable period within which any third party having a legitimate interest may lodge an objection to the application. In the absence of any objection and appeal, the member state shall forward the specification to the Commission.⁷⁴

Rights Conferred

Assuming the specification satisfies the requirements of Article 4 concerning the specification, the Commission shall register the designation in accordance with the committee procedure laid down in Article 15. Once registered, a registered geographical indication enjoys the broad description of exclusive rights that are provided in Article 13.1. It provides that registered names shall be protected against:

- (a) any direct or indirect commercial use of a name registered 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 insofar as using the name exploits the reputation of the protected 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;
- (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
- (d) any other practice liable to mislead the public as to the true origin of the product.

This prohibits not only food products from outside the region from using the geographical name, but also denies use of the name to products within the region that do not meet the standards set forth in the application. The latter

⁷³ Department for Environment, Food and Rural Affairs responsible for the administration of the policy on regional, local and speciality food and the EU Regulations on the Protected Food Names Schemes <http://www.defra.gov.uk/foodrin/foodname/intro.htm>

⁷⁴ Article 5 paragraphs (4) and (5). Since examination of an application for registration by the Commission takes a certain amount of time, pending a decision on the registration of a name, a member state may, on a transitional basis only, grant protection at national level to the name: Article 5(6).

prohibition on exploitation may extend to include even dissimilar products which attempt to trade on the cachet of the registered products, as where a French court found that a comparable regulation governing wine appellations prohibited the use of 'Champagne' for a perfume as a misappropriation of the registered designation.⁷⁵ In this respect, the protection goes beyond that accorded to trade marks, which is limited, except in the case of the most famous, to the goods in which the mark is registered or those sufficiently similar to cause confusion.

Furthermore, the prohibition as to 'any misuse, imitation or evocation, even if the true origin of the product', prevents the use of PDOs and PGIs in conjunction with qualifiers such as 'style' or 'method'. EU member states may allow continued use of these qualifiers for a transitional period of five years, if the products had previously been marketed in such a manner for at least five years and the true origin of the product is clearly labelled.⁷⁶ Perhaps most significantly, the Regulation prevents any protected name from becoming generic. Although a designation may be altered, or even lost, as a result of changes in technology or processing techniques, it cannot be lost as a result of changes in understanding or usage of the protected name.⁷⁷

5 PERSISTENT PROBLEMS IN THE INTERNATIONAL HARMONIZATION OF GEOGRAPHICAL INDICATIONS

Since the introduction of the EC's specialized system for the protection of geographical indications in 1992 over 700 foods and beverages have been approved by the Commission for GI registration, with another 320 applications under consideration.⁷⁸ In the decade since the Regulation was implemented, recurrent litigation has borne witness to a number of problems that are likely to be replicated should similar protection be adopted on an international scale.

⁷⁵ Cour d'appel Paris 1st ch. A., 15 December 1993.

⁷⁶ As far as potential actions for infringement are concerned, Article 13(3) provides for a transitional period of up to five years for adjustment where the products in question have been legally on the market for at least five years preceding the date of the publication provided for in Article 6(2).

⁷⁷ Article 13(2).

⁷⁸ As of 25.10.2005, 36 UK products have been registered with the EU including Stilton Cheese, Cornish Clotted Cream and West Country Farmhouse Cheddar. A further 18 applications are being considered: <http://www.publications.parliament.uk/pa/cm200506/cmhansrd/vo051025/text/51025w03.htm>.

Conflicts Concerning Trade Marks and Geographical Indications

Potential conflicts concerning trade marks and geographical indications in respect of agricultural products and foodstuffs have proven problematic in cases where there exists a high level of supply-side substitutability and a high likelihood of conflict between trade marks and geographical indications: the market for mineral waters being a notable example. Formerly protectable as a PGI under EC Regulation 2081/92, complications surrounding the interaction of trade marks and GIs for such products caused the Commission to remove 'mineral and spring waters' from the list of registrable items in 2003.⁷⁹

The market for mineral waters appears not best suited to protection by separate systems for geographical indications and trade marks. It is characterized by a high level of supply-side substitutability that tends to militate in favour of a single product market. Thus it appears that practically the whole body of Italian bottlers can bottle both still and sparkling water, and a large number of them seem to use the same brand for both. There are relatively low production switching costs involved in a change from sparkling to flat water or vice versa. With respect to time and financial expenditure, these costs do not amount to a significant barrier. The European market for mineral water is an intensely competitive market.⁸⁰ Because of high consumption rates, prices and competition on prices are the driving factors of the market.⁸¹

Annex I of Regulation (EEC) No 2081/92, listing the types of foodstuff that may be registered, until recently included natural mineral waters and spring waters. The Commission's examination of applications for registration of these products revealed several difficulties. In particular, the use of identical names for different mineral waters and of invented names that were not covered by the provisions of the Regulation, proved problematic. There was considerable potential for litigation concerning the conflict between the respective rights of use of the trade mark owners and those of the owners of geographical indications. The decision to withdraw mineral waters was undoubtedly made in view of the likelihood of consumer confusion as a result of the application of the principle of coexistence between

⁷⁹ Mineral waters are no longer registrable and old registrations are only valid until 2013: Regulation (EC) No 692/2003. However, there is a provision for a 10-year transitional period to avoid any injury to waters already registered.

⁸⁰ In terms of pro capita consumption, Italy is by far the largest consumer of mineral water, with 127 litres in 1996, against 34 litres for Portugal, 82 litres for France, 62 litres for Spain, 90 litres for Germany and 8 litres for the United Kingdom.

⁸¹ See Case No IV/M.1065 – Nestle/San Pellegrino Merger Procedure, Article 6(1)(b) Decision, Commission Of The European Communities, Brussels, 16 February 1998, Case No IV/M.1065.

the two sets of rights, as provided in Articles 13(5) and 14(2) of the above Regulation.⁸²

These difficulties led to conflicts of interests in the course of the implementation of former Regulation 2081. The case of *Gerolsteiner Brunnen GmbH & Co. v Putsch GmbH*,⁸³ for example, concerned the use of the words 'Kerry Spring' on mineral water bottles, which might be in conflict with the mark 'Gerri' for products of the same description. The defendant argued that the prominent display of 'Kerry Spring' on the product was justified under Article 6(1)(b) since the water came from a source in County Kerry, Ireland. The German Federal Supreme Court referred to the ECJ, the question as to whether Article 6(1)(b) is only applicable if the sign is not used 'as a mark', that is, in a manner which could be mistaken as indicating a commercial source; and, whether the fact that the sign had been used 'as a mark' should be taken into account for the purpose of assessing use in accordance with honest commercial practice.

The ECJ concluded that Article 6(1)(b) does not distinguish between the possible uses of the indications to which it refers. The only test in the Article is whether the indication of geographical origin is used in accordance with honest practices in industrial or commercial matters, equating to a duty to act fairly in relation to the legitimate interests of the trade mark owner. Thus, 'the mere fact that there exists a likelihood of confusion between a word mark registered in one Member State and an indication of geographical origin from another Member State is . . . insufficient to conclude that the use of that indication in the course of trade is not in accordance with honest practices'. As a result, trade marks and geographical indications had to coexist to the effect that where an alleged infringing mark is used to indicate the geographical origin of the goods in question, the ability to escape liability for infringement depends on whether the use is in accordance with honest practices in industrial or commercial matters and not whether the indication is being used as a trade mark.⁸⁴

⁸² Mineral and spring waters are already the subject of Council Directive 80/777/EEC of 15 July 1980 on approximation of the laws of the member states relating to the exploitation and marketing of natural mineral waters. 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.

⁸³ The European Court of Justice in its decision of 7 January 2004, in the case of *Gerolsteiner Brunnen GmbH & Co. v Putsch GmbH* (Case C-100/02).

⁸⁴ It is for the national court to carry out an overall assessment of all the relevant circumstances to determine whether the producer of the product bearing an indication of geographical origin is unfairly competing with the proprietor of the trade mark.

Questions Concerning the Definition of Geographical Indications

The course of the Regulation shows that definitional questions are likely to be the subject of recurrent challenge. Both geographical indications and designations of origin mean ‘the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or foodstuff’.⁸⁵ In both cases the production, processing or preparation take place within the ‘defined geographical area’. The case of *Northern Foods Plc v The Department For Environment, Food And Rural Affairs* has emerged as a ground-breaking case over the EU’s geographical indications (GI) system and the problems it can pose for competitor manufacturers outside the defined geographical area. Northern Foods Plc, sought to challenge the decision of the defendant, the Department of the Environment, Food and Rural Affairs (DEFRA) to forward to the European Commission an application by the Melton Mowbray Pork Pie Association (‘MMPPA’) for the registration of ‘Melton Mowbray Pork Pie’ as a protected geographical indication (‘PGI’) under EC Council Regulation 2081/92/EEC. On 21 December 2005, the High Court dismissed Northern Foods’ application, allowing the application to the Commission to proceed. Mr Justice Crane⁸⁶ ruled that Northern Foods’ main contention concerning the proposed ‘region’ of 1800 square miles going far beyond Melton Mowbray, was misconceived. The proposed area includes Leicester, where Samworth Brothers make 62 percent of Britain’s Melton Mowbray pies, compared with the 28 percent share held by Northern Foods.

European case law indicates that, when considering the grant of a defined geographical area, the size of the area is immaterial.⁸⁷ *Commission of the European Communities v The Federal Republic of Germany*⁸⁸ concerned an application by the Federal Republic of Germany reserving the appellations ‘Sekt’ and ‘Weinbrand’ to sparkling wine and brandy produced in Germany. The ECJ ruled that ‘an area of origin which is defined on the basis either of the extent of national territory or a linguistic criterion cannot constitute a geographical area capable of justifying an indication of origin’, particularly as the products in question could be produced from grapes of indeterminate origin. In November 2006 Northern Foods withdrew an application to appeal

⁸⁵ Article 2(2).

⁸⁶ *Northern Foods Plc v The Department For Environment, Food And Rural Affairs* [2005] EWHC 2971.

⁸⁷ See concerning the definitional breadth of the specified geographic area Case T-109/97, concerning the PDO ‘Altenburger Ziegenkäse’ (goats’ cheese made in the Altenburg region, which must contain a minimum percentage of goats’ milk), which was registered by Germany under Regulation No 2081/92.

⁸⁸ Case 12-74, Judgment, 20 February 1975.

after an assurance from the Department for Environment, Food and Rural Affairs (DEFRA) that, in the event that the European Commission decides to approve 'Melton Mowbray' as a PGI, business will be allowed a five-year period to transfer production into the designated zone.⁸⁹

Generic Indications

Throughout the development of international protection, geographic names which have become generic have proven a repeated stumbling block. EC Regulation, Article 3(1) defines a 'name that has become generic' as the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff.⁹⁰ European migration in the eighteenth and nineteenth centuries to the colonies of the New World invariably resulted in new entrepreneurs hoping to capitalize on the success of their traditional European food products and processes. Two popular American foods – hamburgers and frankfurters – reveal much about the culinary and cultural history of America.

Consequently, the 'deal-breaker' has invariably been the inability of nations to exempt geographical indications which had arguably become generic within their borders. During the twentieth century, increasingly international trade, a global marketplace and sophisticated marketing techniques have rendered the historical adoption of Old World names by New World immigrants an urgent problem of legal harmonization. In an attempt to preserve GIs further from usurpation, the Madrid Agreement of 1891⁹¹ prohibited members from allowing geographical indicators to become generic without a decision by a national court. Thus, valid wine appellations might never lose protection. As an indication of the difficulty of the issue, over 100 years later only 31 states had

⁸⁹ On 20 February 2007, the Court of Appeal informed the ECJ that it was withdrawing its request for a preliminary ruling. Legally, it is regrettable that the case was removed from the court's register, since a ruling might have clarified the situation regarding the method of defining geographic area: Case C-169/06 at <http://curia.europa.eu>.

⁹⁰ For instance, the names 'Mozzarella' and 'Camembert' for cheese are not currently protected as geographical indications in the EC or elsewhere and are therefore not entitled to protection in third countries under TRIPS provisions.

⁹¹ See the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, 14 April 1891, as amended 14 July 1967, 21 U.S.T. 1583, 828 U.N.T.S. 389 proscribing the false or deceptive use of indicators which suggest that a good originated in the territory of a member state, and granting national courts the discretion to determine whether an indicator has degenerated into genericism, except in the case of wines, available at <http://www.wipo.org/MadridAgreement.pdf>.

signed the agreement. Subsequently the Lisbon Agreement attempted to prevent the degeneration of registered appellations of origin into genericism, provided they continued to receive protection in their country of origin. This ambitious attempt to extend the scope of protection was also a failure. As of 1996, only 17 countries were party to the Lisbon Agreement, and again, the United States was not among them.

And so it is that today the issue of generic names has the potential to cause the greatest unease in negotiations for increased international protection. The European Commission has submitted to the TRIPS Council a proposal to extend enhanced protection of geographical indications beyond that currently accorded to wines and spirits, to agricultural products and foods. This would mean for example that Wisconsin producers, could no longer use 'feta' cheese as a generic or customary term in the trade.

Among some 700 geographical indications registered under the European Regulation, a considerable number comprise formerly generic terms. In fact, a high proportion of the litigation concerning the grant and use of geographical indications concerns the contested genericism of the applicant PGI or PDO. The GI Regulation is intended 'to protect agricultural products or foodstuffs which have an identifiable geographical origin . . . to achieve a better balance between supply and demand on the markets'.⁹² However, the registration of GIs may exclude producers who were using what they thought was a generic name for their products, or who hoped to capitalize on the success of traditional foods.

As recently as October 2005, the ECJ ruled that the term 'feta', which is used to refer to the soft white cheese made from sheep or goat's milk, is not a generic name, thereby restricting the use of the 'feta' name to producers in the designated region of Greece. The ruling means that all non-Greek EU feta producers had to change the name of their cheese by 2007 or be forced to stop production if unable or unwilling to do so.⁹³ The ruling dramatically illustrates the breadth of the EU Regulation and its capacity to offer protection to terms previously considered generic. The Regulation prevents any protected name from becoming generic. Although a designation may be altered, or even lost, as a result of changes in technology or processing techniques, it cannot be lost as a result of changes in understanding or usage of the protected name.⁹⁴

⁹² Recitals 6 and 2 respectively.

⁹³ Greece produces about 85 per cent of the feta consumed in the EU, or about 115 000 tonnes a year. Danish dairies produce about 27 000 tonnes of feta a year; Germany from 20 000 to 40 000 tonnes. France produces 8000 to 20 000 tonnes a year. Further, see 'UK Dismay as Greeks Win Feta Cheese Rights', *Financial Times*, 25 October 2005, <http://www.ft.com/cms/s/a01bdebe-4571-11da-981b-00000e2511c8.html>.

⁹⁴ Art. 13(3).

'Feta' had originally been registered as a PDO under Regulation (EEC) No 2081/92 (2) in 1996. Following objections from several member states, the decision was subsequently annulled by the Court of Justice in 1999 on the basis that the Commission had paid insufficient attention to the situation existing in other member states when assessing the possible generic character of the 'feta' designation.⁹⁵ Following the court's decision, the Commission subsequently invited member states to provide exhaustive information on production, consumption and other available knowledge on the denomination of 'feta'. Article 15 of the former Regulation provides that the Commission shall submit a proposed course of action to a committee of the member nations. If the committee agrees, the Commission may proceed. If not, the proposal is submitted to the Council for action. Should the Council fail to act within three months, the Commission may proceed with its proposal. In the case of feta cheese it was unable to achieve a consensus regarding registration. In June 2002, due to the absence of opinion by the relevant committee, the proposal was transmitted for adoption to the Council. According to comitology procedure, the Council had three months to take a decision and, as there was no decision, the Commission formally adopted the regulation in October.

The ruling upholds the EC's decision to grant Greek feta cheese producers protected designation of origin (PDO) status in 2002. The European Court of Justice ruling of 26 October 2005 in favour of the grant of PDO status to 'feta' that prohibits cheese makers outside of designated areas in Greece from calling their products 'feta' emphasizes the danger to food processors of making branded products based on local traditions. The granting of PDO status to feta was contested by Germany and Denmark, who were supported by France and the UK. Germany, Denmark, France and the UK applied for annulment of the registration of 'feta' as a PDO for Greece, arguing that the name had become a generic term, like 'cheddar'. France and Denmark have been producing feta-type cheeses since the 1930s. German companies began in 1972. The failure of their challenge and the character of the court's reasoning as to the entitlement of formerly generic terms to PDO status indicate the breadth of protection offered by the EC Regulation. The European Court of Justice ruled that white cheese soaked in brine and called 'feta' must originate from specified areas in Greece.

The court found that 'the interplay between the natural factors and the specific human factors, in particular the traditional production method, which requires straining without pressure, has thus given feta cheese its remarkable

⁹⁵ In the event of an objection, and if an agreement cannot be worked out between the parties involved, the Commission may determine whether to proceed with the registration in consultation with a committee of the member nations or the Council.

international reputation'. It concluded that the name 'feta' had not become the common name of the product, and that it continued to evoke a Greek origin. The court found that while white cheeses soaked in brine have been produced for a long time, not only in Greece but in various countries in the Balkans and the southeast of the Mediterranean basin, those cheeses are known in those countries under names other than 'feta'. The court noted that in other member states, feta is commonly marketed with labels referring to Greek cultural traditions and civilization. Thus, the court concluded that consumers in those member states perceive feta as a cheese associated with Greece, even if in reality it has been produced in another member state. As regards Denmark, the court noted that the relevant 'Danish legislation does not refer to "feta" but to "Danish feta", which would tend to suggest that in Denmark the name "feta", by itself, had retained a Greek connotation.'

The feta decision therefore gives exclusive rights to feta producers in mainland Greece and the department of Lesbos to market the cheese in the EU using the 'feta' designation. GI status having been granted, other food makers must either stop calling the products by the protected name, or move production to the designated area using the same sourced ingredients and processes.

Generic Names under TRIPS

The dual protection of the TRIPS Agreement reflects the transatlantic divide over the scope of protection granted geographic indications. Under TRIPS a term that is considered to be generic and not an indication of a specific origin need not be protected; that is, a WTO member need not extend protection to a GI if it is 'customary in common language as the common name for such goods' in that WTO member, without regard to the situation in the territory of export. In the case of GIs which have become generic in their country of origin, TRIPS Article 24.9 provides that there is no obligation under the TRIPS Agreement to protect geographical indications 'which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country'.

Exceptions with Respect to Wines and Spirits

That is not to say of course that, given the global nature of markets, US and other New World cheese producers may be in a more certain position in the event that Article 23-style protection were to be adopted and they were able to invoke the kinds of international rules that presently pertain to wines and spirits. In an endeavor to accommodate the registration and use by members of geographical indications in relation to wines or spirits, TRIPS Article 24.4 exempts members from having to 'prevent continued and similar use of a

particular geographical indication of another Member identifying wines or spirits in connection with goods or services' where that geographical indication has been used 'in a continuous manner with regard to the same or related goods or services' in the territory of that member either for at least ten years preceding 15 April 1994 (the date of entry into force of the TRIPS Agreement) or where the continuous use has been in good faith.

As an illustration of the sorts of matters falling within the exceptions contained in Article 24, reference may be made to the protection of geographical indications for wines and spirits undertaken by the US Bureau of Alcohol, Tobacco and Firearms (BATF).⁹⁶ Its regulations permit the use of 'semi-generic names' such as 'Champagne', 'Burgundy' and 'Chablis' if 'the correct place of origin is directly conjoined to the name'.⁹⁷ This practice may fall within the Article 24.4 exception or within the exception in Article 24.6 which exempts the geographical indications of a member 'with respect to the products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as at the date of entry into force of the WTO Agreement'.

However, the possible closing-off of future market access opportunities for emerging industries, and uncertainty concerning the continued use in existing markets, would be equally real under such rules, since the exceptions under Article 24.6 apply on a per-member basis. Thus, if a term is generic (Article 24.6 exception) in one WTO member, it may be a protected geographical indication in other WTO members. For example, if the EC concludes sufficient bilateral agreements for absolute protection of the term 'feta', producers in a WTO member where 'feta' is a generic term will nonetheless be precluded from exporting to any WTO member with whom the EC has concluded such a bilateral agreement. Therefore, the producers in the WTO member where the term is generic would not be able to export that product using the generic term to other markets.⁹⁸

⁹⁶ See generally, Peter Brody, 'Protection of Geographical Indications in the Wake of TRIPS: Existing United States Laws and the Administration's Proposed Legislation', *TMR*, 84, 1994, 520.

⁹⁷ *Ibid.*, at p. 530.

⁹⁸ See EU–Chile Association Agreement, 2002, Wines and Spirits, Section 6: http://europa.eu.int/comm/external_relations/chile/assoc_agr/ip02_1696.htm.

6 THE REGULATORY STRUCTURE OF GEOGRAPHICAL INDICATIONS AS A MATTER FOR WTO DISPUTE SETTLEMENT

US v EC – Protection of Trade Marks and Geographical Indications

In view of the global markets at stake in the agricultural and food processing sectors, the US and Australia became so concerned at the systematic discrimination its trade mark owners faced in enforcing their rights against European registered GIs that they invoked the WTO dispute settlement procedure.⁹⁹ On 18 August 2003, the US and Australia requested the establishment of a WTO dispute settlement panel to review the consistency of EU Regulation 2081/92 with the rules of the TRIPS Agreement and the General Agreement on Tariffs and Trade (GATT).¹⁰⁰

The US and Australia argued that the EU scheme for the protection of geographical indications failed to comply with TRIPS in three chief respects. Firstly, they claimed the EC Regulation was discriminatory and in violation of the national treatment obligations and the most-favored-nation obligations in Articles 3 and 4 of the TRIPS Agreement and Articles I and III of the General Agreement on Tariffs and Trade 1994. The TRIPS Agreement requires that members accord most-favoured-nation treatment to the GIs of fellow member states and national treatment to the geographical indications of their citizens. The US and Australia argued that:

1. Regulation 2081/92 does not provide the same treatment to other nationals and products originating outside the EC that it provides to the EC's own nationals and products.
2. The Regulation does not accord immediately and unconditionally to the nationals and products of each WTO Member any advantage, favour, privilege or immunity granted to the nationals and products of other WTO Members.
3. It diminishes the legal protection for trade marks.

⁹⁹ The statement of the United States (US) to the WTO in a WTO trade policy review of the European Union expressed the concern that 'foreign persons wishing to obtain protection for their GIs in the EU itself face a non-transparent process that appears to come into some conflict with the EU's TRIPS obligations' and that 'EU rule-making processes are often perceived by third countries as exclusionary, allowing no meaningful opportunity for non-EU parties to influence the outcome of regulatory decisions', WTO Trade Policy Review of the European Union, Statement by the United States to the WTO, 24 July 2002, <http://www.state.gov/e/eb/rls/rm/2002/12242.htm>.

¹⁰⁰ See documents WT/DS174/20 and WT/DS290/18.

4. It does not provide any legal means for interested parties to prevent the misleading use of a geographical indication.
5. It does not define a geographical indication in a manner that is consistent with the definition provided in the TRIPS Agreement.
6. It is not sufficiently transparent.
7. It does not provide adequate enforcement procedures.

As a result of the alleged violation, in the event that US holders of geographic indications such as 'Florida oranges' and 'Idaho potatoes' sought registration under the EC Regulation, they were subject to a requirement of reciprocity and equivalence. Although expressed to be 'without prejudice to international agreements', Article 12 states that the Regulation

may apply to an agricultural product or foodstuff from a third country provided that:

- the third country is able to give guarantees identical or equivalent to those referred to in Article 4,
- the third country concerned has inspection arrangements and a right to objection equivalent to those laid down in this Regulation,
- the third country concerned is prepared to provide protection equivalent to that available in the Community to corresponding agricultural products for foodstuffs coming from the Community.

Secondly, they claimed that the grant of exclusive rights in the use of the mark provided by virtue of TRIPS Article 16.1 required member states to make available to earlier trade mark owners rights against GIs. The United States argued that the Regulation was inconsistent with the exclusivity of the trade mark owners' rights under Article 16.1 of the TRIPS Agreement because it did not ensure that a trade mark owner may prevent uses of GIs which would result in a likelihood of confusion with a valid prior trade mark.¹⁰¹

Thirdly, they argued that Regulation 2081/92 was inconsistent with the EC's obligations under Article 24.5 of the TRIPS Agreement, since the Regulation failed to provide sufficient protection to pre-existing trade marks that were similar or identical to a geographical indication.

In short, food exporters in the United States were concerned that geographical indications should not be given precedence over trade mark rights. The issue was one of priority between a coexisting GI and a trade mark and whether the principle of 'first-in-time, first-in-right' should be enforced as it is in the trade mark law of the United States. In contrast, in the European Union, trade marks are required to coexist with geographical indications. As we noted in the *Gerolsteiner* case, under European law a trade mark owner's rights

¹⁰¹ See variously, United States' first written submission, paras 137–140, 170; United States' first oral statement, paras 42–43.

cannot prevail over a third party using a duly registered GI in accordance with honest business practices.¹⁰² As a result, private trade mark suits brought by US litigants against European-owned GIs might well result in the US trade mark owner having to forfeit valuable rights to priority and exclusivity. Thus, trade mark wars over the competitive European market for beer, had seen US trade marks 'Budweiser' and 'Bud', subject to termination in various member states of the European Communities because the European law holds 'Budweiser' and 'Bud' to be geographical indications for beer from the Czech Republic.¹⁰³ The cancellation of the Budweiser and Bud trade marks for beer in Europe caused unease among US trade mark owners. The obstacles to registering US certification marks as GIs in Europe gave rise to further uncertainty about the security of protection and conditions of competition.

The Panel Report in the dispute concerning *European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, was adopted at a meeting of the Dispute Settlement Body on 20 April 2005.¹⁰⁴ Concerning the discriminatory conditions regarding the registration of foreign GIs and the requirement for reciprocity of protection, the panel gave a resounding decision in favour of the US and Australia. Pursuant to Article 19.1 of the DSU, the Panel recommended that:¹⁰⁵

1. The European Communities bring the Regulation into conformity with the TRIPS Agreement and GATT 1994.
2. The European Communities could implement the above recommendation with respect to the equivalence and reciprocity conditions, by amending 'the Regulation so as for those conditions not to apply to the procedures for registration of GIs located in other WTO Members'.

¹⁰² *Gerolsteiner Brunnen GmbH & Co. v Putsch GmbH* (Case C-100/02).

¹⁰³ The battle over the right to the name 'Budweiser' has pitted the world's largest brewer, Anheuser-Busch of the United States, against the 'boutique' Czech brewer Budejovicky Budvar. The latter, based in the Czech town of Ceske Budejovice (also known as Budweis), claims it has been brewing a beer under the name since the thirteenth century, although the American beer has gained broader international reputation in recent years. See WTO, 1999: Preparations for the 1999 ministerial conference – Agreement on TRIPS: Extension of the additional protection for geographical indications to other products. Communication from the Czech Republic. WT/GC/W/206.

¹⁰⁴ WT/DS290/R.

¹⁰⁵ *European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, Complaint by the United States, (EC – Trademarks and Geographical Indications) Panel Report, WT/DS174/R, adopted 20 April 2005, at p. 167.

However, as far as the future protection of GIs as a discrete form of intellectual property is concerned, a substantive victory went to the EC. In an affirmation of the geographical indication as intellectual property, the Panel endorsed the European principle of their coexistence with all but the most famous of prior trade marks. The panel concluded that while the Regulation is inconsistent with Article 16.1 of the TRIPS Agreement, this derogation is justified by Article 17 of the TRIPS Agreement.

The Interrelationship of Geographical Indications and Trade Marks

The WTO ruling on the interrelationship of GIs and trade marks has important implications for current debate in the TRIPS Council concerning the possible extension of protection to all agricultural products and foodstuffs. One of the key concerns of those who oppose an extension of GI protection is the potential conflict between geographical indications and identical or similar trade marks.

In the event that there is a conflict between a trade mark and a GI, TRIPS Article 24 appears to offer certain protections for trade mark owners who use or register marks in good faith. A trade mark that has been used or registered in good faith in one jurisdiction cannot be pre-empted by a later-established GI that conflicts with the trade mark. As to whether this meant that the later geographical indication could not even be used in the event that it conflicted with an earlier-established, good-faith trade mark, this was by no means certain. The question called for the Panel to examine the scope of the general principle *prius in tempore, potior in jure* (first in time, stronger in right) in relation to the scope of protection accorded GIs on the one hand and prior marks, containing an identical or deceptive geographical name, on the other.

Coexistence under Article 14(2) of the EC Regulation

In response, the European Community successfully argued before the WTO that the boundary between GIs and trade marks as independent but equal forms of intellectual property is defined by TRIPS Article 24.5, which provides for coexistence with earlier trade marks.

Under Community law the system for the registration of GIs is required to coexist alongside the Community Trade Mark system.¹⁰⁶ The term ‘coexis-

¹⁰⁶ In point, Art. 159 of the CTM as amended provides as follows: ‘This Regulation shall not affect Council Regulation (EEC) No. 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs of 14 July 1992, and in particular thereof.’ The Community Trade Mark Regulation (CTM) and the Harmonization Directive contain stipulations ensuring that

tence' refers to a legal regime under which a GI and a trade mark can both be used concurrently to some extent even though the use of one or both of them would otherwise infringe the rights conferred by the other. Article 14.2 of the EC Regulation is intended to implement Article 24.5 of the TRIPS Agreement.¹⁰⁷ It provides as follows:

With due regard for Community law, use of a trade mark corresponding to one of the situations referred to in Article 13 which was registered in good faith before the date on which application for registration of a designation of origin or geographical indication was lodged may continue notwithstanding the registration of a designation of origin or geographical indication, where there are no grounds for invalidity or revocation of the trade mark . . .

Article 14(2) begins with the introductory phrase '[w]ith due regard to Community law'. This is a reference to the Community Trademark Regulation and the First Trademark Directive,¹⁰⁸ both of which provide that trade mark registration confers the right to prevent 'all third parties' from certain uses of 'any sign', including uses where there exists a likelihood of confusion.¹⁰⁹ Prima facie, the trade mark owner's exclusive rights under TRIPS Article 16.1 cannot be exercised against a person who uses a registered GI in accordance with its registration where the trade mark is subject to Article 14(2) of the Regulation.

With the exception of well-known marks, Article 14 privileges the GI to the extent that the rights conferred by a trade mark registration against 'all third parties' and uses of 'any sign' do not prevail over a third party using a GI in accordance with its European registration.¹¹⁰ It will be recalled, for example,

the GI prevails over a registered trade mark. Article 142 of the original Council Regulation (EC) No. 40/94 was renumbered Article 159 by Article 156(5) of Council Regulation (EC) No. 1992/2003.

¹⁰⁷ Paragraph 11 of the recitals to the April 2003 amending Regulation explained that the dates referred to in Article 14(2) should be amended in line with Article 24.5 of the TRIPS Agreement. Article 14(2) has been interpreted once by the European Court of Justice, in Case C-87/97, *Consorzio per la tutela del Formaggio Gorgonzola v Käserai Champignon Hofmeister GmbH & Co Kg* [1999] ECR I-1301, concerning the trade mark, 'Cambozola' for cheese and the GI 'Gorgonzola'.

¹⁰⁸ European Communities' response to panel question No. 138. The 'Community Trademark Regulation' refers to Council Regulation (EC) No. 40/94 on the Community trade mark, as amended by Council Regulation (EC) No. 1992/2003 and Council Regulation (EC) No. 422/2004.

¹⁰⁹ Article 9 of the Community Trademark Regulation, and Article 5 of the First Trademark Directive.

¹¹⁰ The scope of Article 14(2) is confined in time to those trade marks applied for, registered or established by use either before the GI is protected in its country of origin or before the date of submission to the Commission of an application for GI registration. Art. 14(3) stipulates that a designation of origin or geographical indication shall

that in *Gerolsteiner Brunnen GmbH & Co v Putsch GmbH*,¹¹¹ the European Court of Justice (ECJ) in accordance with the principle of coexistence of the trade mark and GI systems, ruled that trade mark owners cannot stop others from using similar-sounding geographical indications where they are used honestly in industrial or commercial matters.¹¹²

Earlier Trade Mark Owners' Rights of Priority

In respect of the earlier trade mark owners' rights of priority, the European Communities argued that Article 14.3 of the Regulation, together with the criteria for registrability of trade marks applied under EC law, prevent the registration of a GI, use of which would result in a likelihood of confusion with a prior trade mark. Article 14.3 provides as follows:

A designation of origin or geographical indication shall not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.

It can be invoked before the courts after registration of a GI, including trade mark infringement proceedings brought against a user of the GI.¹¹³ It amounts to a condition for the registration of a GI, as it provides for the refusal of registration of a GI that is liable to mislead the consumer as to the true identity of the product in light of certain factors relevant to a prior trade mark. This, in effect, provides that a prior trade mark may prevail over a later application for GI registration under certain conditions. For example, 'Bayerisches Bier' was registered as a protected geographical indication in 2001 subject to the proviso that the use of certain prior trade marks, for example, 'Bavaria' and 'Høker Bajer', was permitted to continue under Article 14(2). The GI refers to a beer and the trade marks are registered in respect of beer. The GI and the trade

not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.

¹¹¹ Case C-100/02.

¹¹² Trade Mark Directive, 1989, Article 6(1) defence.

¹¹³ A trade mark owner may raise the invalidity of the measure before the courts under the preliminary ruling procedure in Article 234 of the EC Treaty. Depending on the factual circumstances of each case, a trade mark owner may also have standing to bring an action in annulment under Article 230 of the EC Treaty, if a GI registration were considered to affect adversely specific substantive trade mark rights. Under both procedures, judicial review is available on points of fact and law. The cancellation procedure is set out in Article 11a of the Regulation and the grounds mentioned in Articles 11 and 11a are exhaustive. Further, see European Community responses to Australia's question Nos 2 and 3 after the second substantive meeting, and European Community responses to panel question Nos 67 and 142; rebuttal submission, paras 294–7; second oral statement, paras 174–9.

marks are, respectively, the words 'Bavaria' or 'Bavarian beer' rendered in the German, English and Danish languages. Upon its registration, the EC Council concluded that the GI would not mislead the public as to the identity of the product, which is the standard embodied in Article 14(3) of the Regulation.

In respect of the operation of Article 14.3, the Panel found that the United States had a prima facie case that Article 14.3 limits the exclusive rights of trade mark owner insofar as it cannot prevent all situations from occurring in which Article 14(2) would operate to limit the rights provided in TRIPS Article 16. The EC Regulation therefore was found to limit the availability of that right for the owners of trade marks which are subject to Article 14(2). The Panel therefore concluded that, under Article 16.1 of the TRIPS Agreement, members are required to make available to trade mark owners a right against certain uses, including uses as a GI. Although Article 16 does not specifically exclude use of signs protected as GIs, the Panel found no implied limitation *vis-à-vis* GIs in the text of Article 16.1 on the exclusive right which members must make available to the owner of a registered trade mark. That right may be exercised against a third party not having the owner's consent on the same terms, whether or not the third party uses the sign in accordance with GI protection, subject to any applicable exception.

GIs as an Exception to Trade Mark Rights

The EC successfully argued that the general exception as to trade mark rights in TRIPS Article 17 constitutes a valid and affirmative defence against derogation of the trade mark owner's exclusive rights in the EC Regulation.¹¹⁴ Article 17 permits members to provide limited exceptions to the rights conferred by a trade mark, which include the right provided for in Article 16.1 of the TRIPS Agreement. The panel found that Art. 14.2 of the EC Regulation constituted a limited exception within the purview of TRIPS Article 17. The Panel held Article 14(2) of the Regulation to be a 'limited exception' because it only allows use by those producers who are established in the geographical area on products that comply with the specification. The trade mark owner retains the exclusive right to prevent use by any other persons. Coexistence falls within the example of 'fair use of descriptive terms' because GIs are descriptive terms, even where they consist of a non-geographical name, and

¹¹⁴ Generally, on the interpretation of TRIPS exceptions see Panel reports on *US – Section 110(5) Copyright Act*, para. 6.239, and *Canada – Pharmaceutical Patents*, para. 7.16. The Panel in the latter case observed that a respondent cannot demonstrate that no legitimate interest of a patent owner has been prejudiced until it knows what claims of legitimate interests can be made by the complainant. Similarly, the weight of legitimate third-party interests cannot be fully appraised until the legitimacy of the patent owner's legitimate interests, if any, are defined: see para. 7.60 of the Report.

their use to indicate the true origin of goods and the characteristic associated with that origin is 'fair'.¹¹⁵

With respect to the construction of the term 'limited exceptions' the Panel had regard to previous TRIPS jurisprudence concerning the exceptions provided for copyright and patents, but was of the view that as the text differs in certain respects, it was important to interpret Article 17 according to its own terms. The Panel proceeded in its decision-making on the literal basis of the text of Article 17 insofar as it requires: (1) a 'limited exception' permitting only a small diminution of rights; and¹¹⁶ (2) one that is subject to the proviso that 'such exceptions take account of the legitimate interests of the owner of the trade mark and of third parties'.

Foreign trade mark holders derive some relief from the finding that registration as a European GI does not confer a positive right to use any such other signs or combination of signs or to use the name in any linguistic versions not entered in the register.¹¹⁷ As a result of the Panel's interpretation of Article 24, not only may the trade mark continue to be used, but the trade mark owner's right to prevent confusing uses remains unaffected, except with respect to the use of a GI as entered in the GI register in accordance with its registration.¹¹⁸

¹¹⁵ European Community first written submission, paras 315–18; rebuttal submission, paras 333–8, 348–50; available at http://trade.ec.europa.eu/doclib/docs/2004/august/tradoc_118312.pdf. Under traditional trade mark law, geographical marks such as 'Parma ham' are routinely denied registration on the grounds of non-distinctiveness: for example dry-cured ham produced in Parma has to be marketed as 'super ham' or 'No 1 ham' in Canada because a Canadian company holds the local trade mark rights to the Parma name; see dismissal of application to expunge in *Consorzio del Prosciutto di Parma v Maple Leaf Meats Inc.* November, [2001] 2 F.C. 536: <http://reports.fja.gc.ca/fc/src/shtml/2001/pub/v2/2001fc28097.shtml>.

¹¹⁶ With respect to the construction of the term 'limited exceptions' the panel had regard to previous TRIPS jurisprudence concerning the exceptions provided for copyright and patents. The Panel cited the opinion of the Panel in *Canada – Pharmaceutical Patents*, which interpreted the identical term in Article 30, that '[t]he word "exception" by itself connotes a limited derogation, one that does not undercut the body of rules from which it is made': see *Geographical Indications*, Panel Report, WT/DS174/R at paras. 7.650 and 7.662–3.

¹¹⁷ The European Communities explained that '[t]he positive right extends only to the linguistic versions that have been entered into the register' in its response to Panel question No. 140 at para. 301; see also its rebuttal submission, paras 288 and 293; response to panel question No. 137 and comment on US response to that question: European Communities – Protection of Trademarks and Geographical Indications, Second Written Submission: at http://ec.europa.eu/trade/index_en.htm. A different 'linguistic version' means a translation which renders the name differently. Some GIs are registered in more than one linguistic version.

¹¹⁸ The United States appears to acknowledge that the GI registration does not extinguish the trade mark owner's rights against other third parties, although it alleges

EC Compliance with the WTO Ruling: Amended Regulation 510/2006

'Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs' was repealed and replaced by 'Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs' of 20 March 2006. It came into force on 31 March 2006. It is designed to ensure that the Community regulation on registering GIs and designations of origin implements the recommendations of the WTO Dispute Settlement Body. Accordingly, the EC was required to amend the Regulation with respect to the equivalence and reciprocity conditions so as for those conditions apply to the procedures for registration of GIs located in other WTO members.¹¹⁹ The key amendments introduced by the new Regulation are as follows:

Amended registration procedure for PDOs and PGIs from producers in third countries

The provisions concerning equivalence and reciprocity for products from third countries have been deleted in order to allow names corresponding to geographical areas in those countries to have access to the European system for the protection of GIs. In accordance with Article 5, registration is open to associations of producers from third countries on proof that the name is protected in its country of origin. Under the amended procedure, foreign applicants will no longer have to seek examination and transmission of applications from their national governments. From 3 April 2006, applications for registration of PDOs and PGIs from producers in third countries may be made directly with the European Commission on a single form, reducing the time needed for the application and approval process.¹²⁰

that use of the GI will affect the distinctiveness of the trade mark: see Protection of Trademarks and Geographical Indications, Oral Statement of the United States at the First Substantive Meeting of the Panel, June 23, 2004, para. 75 and Answers of the United States to Questions posed by the Panel to the Parties in Connection with the Second Substantive Meeting of the Panel, August 26, 2004, paras 63, 69: <http://www.ustr.gov>.

¹¹⁹ The Commission's Proposal required approval by the Council of Ministers and the European Parliament by the WTO deadline of April 2006. See Commission of The European Communities, Proposal for a Council Regulation on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, Brussels, COM (2005) 2005/0275 (CNS) 5 January 2006, Corrigendum and 'New rules ease foreign access to protected name status', 5 January 2006.

¹²⁰ The application form and product classifications (Annex V, Classification of Products for the Purposes of Council Regulation (EC) No 510/2006) are available at

Amended objection procedures applicable for groups and individuals in third countries

With respect to the objection procedures, insofar as they formerly required verification and transmission of objections by third-party governments,¹²¹ the amended Regulation provides the opportunity for any natural or legal person having a legitimate interest, established or resident in a third country, to object to the proposed registration by lodging a duly substantiated statement.¹²² From 3 April 2006, therefore, objections to applications by groups, organizations or individuals in third countries, can be made directly to the European Commission on a single form statement of objection.¹²³

Amended inspection requirements in respect of third-country registrations

The requirements of government participation in the inspection structures and the provision of the declaration by governments under the former Regulation¹²⁴ have been amended by Article 11.2, according to which verification of compliance with the specifications, before placing the product on the market, shall be ensured by one or more public authorities designated by the third country and/or one or more product certification bodies.

Notwithstanding the above amendments, the impact of the WTO decision in *EC – Geographical Indications* and consequent amendments remains to be seen. To what extent can developing countries benefit from the European model of GI protection? Will the outcome make it easier for third countries, in particular developing countries, to protect their GIs in Europe? More broadly, in view of the Commission's aim to obtain, by means of the TRIPS Agreement, the international promulgation of the European regulatory model, can it offer developing countries the advantages indicated?

http://ec.europa.eu/comm/agriculture/foodqual/protec/thirdcountries/index_en.htm. Further see generally Regulation (EC) No 1898/2006 of 14 December 2006 containing rules of implementation for Regulation (EC) No 510/2006: available at http://ec.europa.eu/agriculture/foodqual/quali1_en.htm.

¹²¹ Producer groups within the EU, by contrast, are obliged first to submit their applications to their national governments for approval, Article 5(4).

¹²² Article 7(2).

¹²³ See Article 7 concerning objections and decisions on registration and Article 12 concerning cancellations. Statement of objection form at: http://ec.europa.eu/comm/agriculture/foodqual/protec/thirdcountries/index_en.htm.

¹²⁴ Article 12a(2)(b).

7 FUTURE DIRECTIONS IN THE PROTECTION OF GEOGRAPHICAL INDICATIONS

Extension of Eligible Subject Matter

No doubt emboldened by the affirmation of GI rights in the WTO decision, the EC proposal of June 2005 would amend Section 3 of the TRIPS Agreement with a view to extending the regime of protection currently available for geographical indications on wines and spirits to geographical indications on all products. As far as the 'extension' is concerned, the amendments to Article 23 of the TRIPS Agreement seek to extend their scope to geographical indications for all products. In short, the obligation to provide the legal means to interested parties to prevent certain types of imitations,¹²⁵ as well as the obligation to refuse or invalidate trade marks including geographical indications, are extended to any situation in which the trade mark or the imitation concerns a product of the same kind as the one protected by the geographical indication.¹²⁶ In addition, the provision on homonymous GIs would apply to geographical indications on all products.¹²⁷

In support of the extension, a number of developing countries have identified GIs as a category of intellectual property from which they might profit. Prior to the Seattle Ministerial, a submission by Turkey of 9 July 1999 proposed the extension of GIs in TRIPS beyond wines and spirits.¹²⁸ Endorsing this proposal, an African group of countries, including Kenya, Nigeria and South Africa, requested that the protection of GIs be extended 'to other products recognizable by their geographical origins', notably agricultural, food and handicraft products.¹²⁹ This proposal was also adopted by Cuba, the Czech Republic, the Dominican Republic, Honduras, India, Indonesia, Nicaragua, Pakistan, Sri Lanka and Venezuela. These developing countries support an extended GI regime for food in order to facilitate market differentiation for a variety of common commodities such as tea, coffee and rice. Significantly, the protection of GIs has been identified as a useful legal instrument for the protection of traditional knowledge¹³⁰ insofar

¹²⁵ Article 23.1.

¹²⁶ Article 23.2.

¹²⁷ Article 23.3.

¹²⁸ WTO Doc No WT/GC/W/249, 13 July 1999.

¹²⁹ Preparations for the 1999 Ministerial Conference the TRIPS Agreement Communication from Kenya on Behalf of the African Group, WTO Doc WT/GC/W/302, 6 August 1999.

¹³⁰ D. Downes and S. Laird, *Innovative Mechanisms for Sharing Benefits of*

as such products have a strong association with the land and reflect historical links between a particular region and the products of that region.

Opponents of the proposal, led by the United States, warn that the extension of Article 23(1) would oblige members of the WTO to protect the GIs of all other members at an enhanced level of protection and that 'this could involve a considerable burden, particularly in view of the fact that some Members, such as the European Communities, have many hundreds of domestic geographical indications'.¹³¹ The opponents, including Australia, Chile and Guatemala, further point out that the extension of Article 23(1) to cover other products 'will undoubtedly be accompanied by claims from certain producer groups that they have the exclusive rights to particular terms. Any grant of exclusive rights to one group of producers necessarily involves depriving others of the right to use those terms'. The example of 'feta' cheese, which is produced by a range of companies including Australia, Canada, Denmark, Greece, New Zealand and the United States, is given in the Communication as an example of the way in which the extension of Article 23(1) might cause conflicts between WTO members.

In view of the disquiet that the concept of coexistence causes among WTO members who rely exclusively on the trade mark system, the EC proposal of June 2005 advances a number of proposals regarding the exceptions of Article 24 of the TRIPS Agreement. The EC proposes the following:

1. The proposal would remove the reference to 'Article 23' in Article 24.1 TRIPS as redundant, since all products would enjoy the additional protection of Article 23 of the TRIPS Agreement.
2. The date to which Article 24.3 refers should be supplemented in order to take account of new developments in GI protection at the national level between the entry into force of the TRIPS Agreement and the date on which the TRIPS Agreement will be amended.
3. The EC proposal of June 2005 advances a number of proposals regarding the exceptions of Article 24 of the TRIPS Agreement. The grandfathering clause of Article 24.4 TRIPS would have a second paragraph to cover other products. This provision would prevent the protection of a geographical indication to prejudice the use of such indication in the territory of a third country, in certain prescribed circumstances.

Biodiversity and Related Knowledge: Case Studies on Geographical Indications and Trademarks, Geneva: UNCTAD, 1999; M. Blakeney, 'Proposals for the International Regulation of Geographical Indications', *Journal of World Intellectual Property*, 4, 2001, pp. 629–52.

¹³¹ 'Communication from Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay and the United States', 29 June 2001, WTO DOC. IP/C/W/289 at para. 18.

4. To add a sentence to Article 24.5 TRIPS to ensure that the effects of 'extension' do not prejudice the registration, validity and use of trade marks that were to remain unprejudiced under Article 22.3, because they would not mislead the consumer as to the origin of the product.

In view of the political climate of North–South relations 'post-TRIPS', if no consensus is possible on the extension of subject matter eligible for higher protection, there is unlikely to be any progress on negotiations for a multilateral register for wines and spirits.¹³² On the other hand, if negotiations prove successful, the effect of this provision would be to incorporate within TRIPS the registration scheme established under the Lisbon Agreement.

The debate in the TRIPS Council regarding the question of extension is further beset by procedural difficulty. It is said to lack the requisite negotiating mandate, since it is part of the 'built-in agenda' concerning implementation issues. Controversy therefore surrounds the interpretation of Article 24, which somewhat ambiguously obliges members to enter into negotiations 'aimed at increasing the protection of individual geographical indications under Article 23', while simultaneously ensuring that there is no reduction in 'the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement'.¹³³

Nevertheless, the two issues are incontrovertibly linked in the current political economy. As evidence of this effect, Clause 39 of the Hong Kong Ministerial Declaration exhorts WTO members to redouble their efforts to find appropriate solutions to 'outstanding implementation-related issues' including 'the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits'.

The Multilateral Register for Geographical Indications

Associated with the extension of eligible subject matter, debate has focused on a proposal by the EC for a multilateral register that would be open to

¹³² Note the further obstacle arising from a difference of opinion among WTO members concerning the scope of the negotiating mandate. Whereas the multilateral register for wines has the express negotiating mandate of Article 23.4 of the TRIPS Agreement, in comparison, the question of extension of the higher level of protection (Article 23) to other products is addressed in para. 18 of the Doha Declaration where it is noted that the matter is to be discussed in the Council for TRIPS.

¹³³ Article 24.3.

geographical indications on all products.¹³⁴ The EC submission of June 2005 sets out provisions for a centralized register that would be compulsory and have legal effect.¹³⁵ It envisages multilateral registration as a three-step process as follows:

- First, WTO members would notify their GIs and the WTO Secretariat would publish all notifications.
- In the second phase, members would have 18 months to examine the notifications and would have the right to object to the registration of a notified GI. In such a case, the members concerned would start bilateral negotiations aimed at resolving the disagreement.
- In the third phase, the notified GI would be registered in the multilateral register with reference to any challenge.¹³⁶

A registration, under the EC proposal, would have legal effects insofar as a registered GI could no longer be claimed:

1. not to be in conformity with the definition of GIs in the TRIPS Agreement; or
2. to be false homonymous (literally true but misleading); or
3. to be a generic name.

In addition, registration would create a rebuttable presumption of eligibility for protection. Members would be free to decide whether they wished to participate in the notification system. The non-rebuttable legal effects flowing from registration, however, would apply to all members.

Opponents of the EC proposal, including the USA, Chile and Argentina, disagree with the creation of a mandatory multinational system of notification and registration of geographic indications for wines and spirits, or any other products. They advocate a system of voluntary notification and registration with no obligation to protect registered GIs. The reasons for their

¹³⁴ General Council, Trade Negotiations Committee, Council for Trade-Related Aspects of Intellectual Property Rights, Special Session geographical indications WT/GC/W/547 TN/C/W/26, TN/IP/W/11, 14 June 2005.

¹³⁵ Communication from the European Communities (TN/IP/W/11) 14 June 2005. This proposal maintains the level of ambition of the EC as regards both 'extension' and the multilateral register of GIs, as contained in its earlier proposals in documents IP/C/W/107/Rev.1 (on the GI register) and IP/C/W/353 (on 'extension').

¹³⁶ EC June 2005. Finally, it should be noted that paragraph 3.4 is slightly modified to clarify that the negotiation is a possibility given to the notifying member, but not an automatic consequence, in line with Article 24.1 of the TRIPS Agreement.

opposition are not only legal, but also related to the cost of implementing a mandatory system of registration and extended protection.

Legally, those countries where geographical indications are protected as certification or collective marks would find it more difficult to comply with the EC proposal for a mandatory multilateral register. Consistent with the principle of territoriality that characterizes trade mark law, there is no agreement on whether the determination of whether a geographical indication conforms to the definition should be left to individual members solely. The US and its supporters argue that the protection of GIs is granted according to the criteria established in the national laws of members.

The EC proposal of June 2005 aims at meeting the demands of those WTO members who have expressed concerns over geographical indications. In respect of the preservation of the territorial principle, the proposal preserves each WTO member's prerogative to determine whether a certain sign, indication or geographical name does indeed meet the TRIPS definition of a geographical indication.¹³⁷

The cost of implementing the TRIPS Agreement and any subsequent amendments remains a vital concern to the majority of developing countries, for whom the balance of concessions was not adequately met during the Uruguay Round. Consequently, the EC submission of June 2005 contains some additional provisions that are intended to meet this concern. It includes a recommendation for a system of financing the multilateral register. The draft treaty text provides for a system of fees which allows a WTO member to recoup the costs incurred in complying with the obligations regarding trade marks, through a system of fees to be paid by the notifying WTO members. This mechanism is self-explanatory, and largely inspired by the existing system embodied in the Madrid Protocol for the international registration of trade marks, divides fees among:

1. A basic fee: to cover the administrative functioning of the system, including setting-up costs.
2. An individual fee: to cover the upon-request obligations to monitor past or future trade marks.¹³⁸

Even assuming costs of implementation are accommodated, the foregoing overview of international protection during the last 200 years indicates that there are not only historical and cultural constraints to increased harmonization, but also persistent legal problems. The negotiating history of the

¹³⁷ Paragraph 3.2(a).

¹³⁸ Included in paragraph 9.4 et seq.

Madrid and Lisbon Agreements indicates that questions surrounding the definition and the eligibility of geographical indications for international protection are likely to continue to be problematic.

Should the extension and multilateral register be approved, despite the consensus concerning the definition of 'geographical indications' in TRIPS Article 22.1, problems are likely to reappear in questions involving the ability of developing countries to register their GIs, whether by way of objection to the multilateral registration, or alternatively in the registers of third countries.

As the European experience indicates, when those seeking protection for a specific name in the territory of a third party discover that protection is denied, because the term does not meet the definition of 'geographical indication' or because it is considered generic, litigation is likely to ensue.¹³⁹ It is very doubtful whether the current WTO dispute settlement mechanism would have the capacity to deal with conflicts of that character and probable extent.

8 TAKING ACCOUNT OF THE DOHA AGENDA FOR ECONOMIC DEVELOPMENT

Are Geographical Indications 'Development-Friendly'?

In light of the Doha Declaration, WTO Director-General Pascal Lamy affirmed that 'current negotiations must integrate the issues and concerns of developing countries "in every stage"'.¹⁴⁰ Yet finding the means by which each member is able to leverage some benefit from the protection of GIs, as the lack of progress in negotiations since 2001 evinces, will be no easy task. On the one hand, proponents of the GI extension and multilateral register observe that it is to ensure that GIs will only be used for products actually originating from the place indicated by the GI, that is, to prevent their usurpation in third countries.¹⁴¹ Certainly, an enhanced system of registra-

¹³⁹ The Secretariat has provided a summary in JOB(00)/5619 of 19 September 2000 of the responses to the Article 24.2 questionnaire on the differences in national law standards for determining what is entitled to protection as a geographical indication.

¹⁴⁰ See 'Lamy Highlights Doha Round's Development Benefits', in a speech in Lima, Peru on 31 January 2006, <http://www.wto.org/english/news_e/sppl_e/sppl17_e.htm.

¹⁴¹ See WTO Doc. TN/C.W/14, 'Geographical Indications – The Significance of Extension in the TRIPS Agreement and Its Benefits for WTO Members'. See also IP/C/W/204/Rve.1, IPC/C/W/247/Rev.1 and IP/C/W/353.

tion for geographical indications would have been useful for dealing with the kinds of controversies involving Basmati rice, Neem, Enola beans and Ayahuasca. Classic intellectual property law gives value to knowledge that is innovative and capable of industrial or commercial application. Geographical indications however are capable of transforming traditional knowledge into intellectual capital. In this respect, the Doha discussions relating to geographical indications recognize that knowledge related to food has existed for a long period in Africa and can be found in foods linked to a particular location. For some African nations, this food origin link offers a means to promote small businesses, exports, and rural development.

Discerning the Road Ahead

There are no commercial, economic or legal reasons to limit effective GI protection exclusively to wines and spirits or to avoid extending such protection to all other products. The developing-country proponents of extension are justified in their criticism that industry-specific TRIPS protection is untenable. They argue that Article 23 is discriminatory insofar as it gives additional protection and unfair advantage to wines and spirits. When France accorded protection to appellations of origin for wines it was justified on the basis that the industry had long been subject to deceptive and dishonest practice. Given the significance of the industry to France, additional protection could be justified. However, when similar protection is advocated on a global basis for an industry that is limited in reach and application, the policy appears to be self-serving.

Extension would create a level playing field in the TRIPS Agreement for all products in the sense that legally all members have an equal opportunity to provide enhanced protection. Developing countries that have products of unique characteristics, quality and reputation could potentially benefit from GI protection.¹⁴² On the other hand, not all developing countries have the means to take advantage of such an opportunity. In order for Korhogo fabrics from Côte d'Ivoire or Gabon sweet potato or Mananara vanilla from Madagascar to become well known in the global market, there must be investment in modern manufacture, packaging, distribution and promotion of their having unique geographical attributes.

Both regulatory and developmental differentials among WTO members dictate caution and suggest the wisdom of an incremental approach. Legally

¹⁴² For example in Kenya, the products that could benefit from GI extension include agricultural products such as Kericho tea, Kikuyu grass, Mombasa mango, and Muranga bananas. Livestock products that could benefit from GI extension include Molo lamb and Omena fish.

speaking, even if the status quo were maintained, developing countries might take further advantage of the flexibilities offered by TRIPS Article 22 protection. Few WTO members' nationals have made full use of the protections provided under Article 22.2. Article 22.2 also prohibits any use which 'constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention'. The ambit of Article 10bis is extended to geographical indications 'which, although literally true as to a territory, region or locality in which the goods originate, falsely represent to the public that the goods originate in another territory'.

In any event, in the decade since the conclusion of TRIPS, further harmonization has been occurring from the bottom up. In a bid to comply with both TRIPS and TRIPS Plus¹⁴³ obligations, WTO members are moving towards the statutory protection of geographical indications by three distinct but related means: countries such as the US protect geographical indications as an integral part of the trade marks regime; countries such as the EU and India have chosen to enact specialized geographical indications systems of protection; and countries such as Japan have moved to implement a system of collective regional marks as a subset of their trade marks regime. Regional and bilateral trade agreements (RTAs) such as the United States FTAs and EU Economic Partnership Agreements (EPAs) further serve to reinforce this effect by exporting their preferred means of protection in so-called TRIPS Plus provisions. By this means the EU and the US are building a critical mass of support for their preferred means of GI protection, utilizing RTAs with member states throughout Africa, South America, Asia and the Middle East.¹⁴⁴

It is not only a question of deciding which group – the EC or the US and supporters – has the most convincing case for harmonization, but equally one of determining what constitutes a principled case for increased protection of geographical indications. In the case of GIs these questions are all the more pertinent due to the intersection of this form of intellectual property with a number of policy areas critical to the needs of economic development, including agricultural policy, rural regeneration, cultural heritage and environmental conservation.¹⁴⁵

¹⁴³ The term given to the higher standard of protection often required by the EC and the US in bilateral and regional trade agreements.

¹⁴⁴ For example Central America–Dominican Republic–United States Free Trade Agreement, Final Text, ch. 15, Intellectual Property, http://www.ustr.gov/Trade_Agreements/Bilateral/CAFTA/Section_Index.html and EU Chile Association Agreement above note 98.

¹⁴⁵ Keith Maskus and Carsten Fink (eds), *Intellectual Property and Development*, World Bank and OUP, Washington DC, 2005, Chapter 2 at pp. 19 ff.

Critical also because most IPRs are concerned with legal rights to prevent other people doing certain things and are therefore to some extent restrictive of trade. IPRs are, as the Preamble to the TRIPS Agreement reminds us, 'private rights' residing not in the public but in a natural or legal person. A geographical indication may be exploited to the potential benefit of a collective of landholders, who may or may not comprise a group of nationals indefinitely, without the capacity to assign or license the intellectual property for use on the domestic market or internationally.

Further, it must be recognized that the rights granted by the intellectual property laws, when combined with market power, can be used for anti-competitive ends. This occurs when the rights are used to claim for the owner not merely a share of the efficiency gains society obtains from the creation, but also extra profits that ultimately reduce social output. We have previously noted, in the case of mineral waters, that in markets where there is a high level of substitutability on the supply side, geographical indications may not be the optimal form of protection.

The potential for anti-competitive conduct is the reason why opponents of extended protection warn of the possible closing-off of future market access opportunities for emerging industries, and uncertainty concerning the continued use of geographically descriptive terms in existing markets. Many such countries and their industry associations are concerned that, depending on the outcome of discussions and the scope of any agreement, they might have to relabel products and forego names or words that are well known to their consumers. In this regard the European case of feta cheese previously examined is instructive. These label changes could be required by a new rule regarding the geographical indications–trade mark interface or because the use of certain traditional or generic expressions would be prohibited. An example given by the Grocery Manufacturers of America is the consumer consternation and confusion that would be caused if manufacturers have to replace 'Parmesan' on cheese labels with a generic description.

CONCLUSION: TOMORROW?

The demand for increased protection of geographical indications is unlikely to abate. As we observed, its roots are to be found in the untenable nature of agricultural production and distribution for small farmers and developing countries. The foregoing analysis has shown that due to historical reasons there exist considerable differences in the legal concepts which are applied for the protection of geographical indications. These differences have a direct bearing on important questions such as conditions of protection, entitlement to use and scope of protection.

Fierce competition among nations for the most lucrative markets, a deep division between Europe and the United States as to the manner in which GIs should be regulated, and a concomitant difference among WTO members that transcends the customary developed–developing divide, are likely to ensure that the protection of GIs remains a contentious issue for some time to come. If the opportunities and risks, the benefits and burdens of the continued harmonization of GIs are to be legitimately assessed and, in the event that protection is extended, its implementation appropriately planned, lawmakers must begin by having a better understanding of the project upon which they are about to embark.