

EC – TRADEMARKS AND GEOGRAPHICAL INDICATIONS¹

(DS174, 290)

| PARTIES | | AGREEMENTS | TIMELINE OF THE DISPUTE | |
|--------------|----------------------------|---|-----------------------------|----------------|
| Complainants | United States Australia | TRIPS Art. 3, 4, 16 and 24 GATT Art. III:4 | Establishment of Panel | 2 October 2003 |
| | | | Circulation of Panel Report | 15 March 2005 |
| Respondent | European Communities | | Circulation of AB Report | NA |
| | | | Adoption | 20 April 2005 |

1. MEASURE AND PRODUCTS AT ISSUE

- Measure at issue: EC Regulation related to the protection of geographical indications and designations of origin ("GIs").
- Products at issue: Agricultural products and foodstuffs affected by the EC Regulation.

2. SUMMARY OF KEY PANEL FINDINGS²

National treatment (TRIPS Art. 3.1)

- Availability of protection: The Panel found that the equivalence and reciprocity conditions in respect of GI protection under the EC Regulation³ violated the national treatment obligation under TRIPS Art. 3 by according less favourable treatment to non-EC nationals than to EC nationals. By providing "formally identical", but in fact different procedures based on the location of a GI, the EC modified the "effective equality of opportunities" between different nationals to the detriment of non-EC nationals. The Regulation was also found to accord less favourable treatment to imported products inconsistently with GATT Art. III:4.
- Application procedures: The Panel found that the application procedures under the Regulation requiring non-EC nationals to file an application in the European Communities through their own government (but not directly with EC member states) for a GI registration located in their own countries, provided formally less favourable treatment to other nationals in violation of Art. 3.1. The Regulation was also found to accord less favourable treatment to imported products inconsistently with GATT Art. III:4.
- Objection procedures (verification and transmission): The Panel found that the objection procedures under the Regulation violated Art. 3.1 to the extent that it did not provide persons resident or established in non-EC countries with a right to directly object to applications for a GI registration in the European Communities.
- Inspection structures: The Panel found that the "government participation" requirement under the inspection structures violated TRIPS Art. 3.1 by providing an "extra hurdle" to third-country applicants: for a third country GI to be registered in the European Community, third-country governments were required to provide a declaration that the inspection structures were established on its territory. The Regulation was also found inconsistent with GATT Art. III:4 in respect of these third-country products.

Relationship between GIs and (prior) trademarks

- TRIPS Arts. 16.1 and 17 (trademarks): Having found that Art. 16.1 obligates Members to make available to trademark owners a right against certain uses, including uses as a GI, the Panel initially concluded that the EC Regulation was inconsistent with Art. 16.1 as it limited the availability of such a right for the owners of trademarks. However, the Panel ultimately found that the Regulation was justified under Art. 17, which permits Members to provide limited exceptions to the rights conferred by trademarks, including Art. 16.1 rights, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

¹ *European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*

² Other issues addressed in this case: TRIPS Art. 1, 2, 4; Paris Convention Art. 2, 10; extension of submission deadline; separate panel reports; request for information from WIPO; preliminary ruling; panel request (DSU Art. 6.2); terms of reference; evidence; specific suggestions for implementation (DSU 19); order of analysis (GATT and TRIPS).

³ For registration in the European Communities of third-country GIs, third countries were required to adopt a GI protection system equivalent to that in the European Communities and provide reciprocal protection to products from the European Communities.