1 ARTICLE 3

1.1 Text of Article 3

Article 3

National Treatment

1. Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS.

(footnote original) For the purposes of Articles 3 and 4, "protection" shall include matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Agreement.

2. Members may avail themselves of the exceptions permitted under paragraph 1 in relation to judicial and administrative procedures, including the designation of an address for service or the appointment of an agent within the jurisdiction of a Member, only where such exceptions are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of this Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on trade.

1.2 Article 3.1

1.2.1 "Each Member"

1. The Panel in EC – Trademarks and Geographical Indications examined an EC Regulation which provided for governments of countries outside the European Communities to carry out certain essential functions under its application and opposition procedures. The Panel dismissed an argument that the Regulation did not require anything that would be outside the scope of any WTO Member with a normally functioning government:
"The obligation to accord national treatment with respect to a measure of the European Communities is the obligation of the European Communities. This is highlighted in the text of Article 3.1 of the TRIPS Agreement under which "[e]ach Member" shall accord to the nationals of other Members no less favourable treatment.

In accordance with its domestic law, the European Communities is entitled to delegate certain functions under its measure to the authorities of EC member States. However, under the Regulation, the European Communities has purported to delegate part of this obligation to other WTO Members, who must carry out these three steps in the application procedures in order to ensure that no less favourable treatment is accorded to their respective nationals. To that extent, the European Communities fails to accord no less favourable treatment itself to the nationals of other Members."

1.2.2 "the nationals of other Members"

2. The Panel in EC – Trademarks and Geographical Indications referred to the definition in Article 1.3 of the phrase "the nationals of other Members" used in Article 3.1:

"Article 1.3 defines 'nationals of other Members' in order to determine the persons to whom Members shall accord treatment, which includes national treatment."

1.2.3 "treatment no less favourable"

3. Indonesia – Autos concerned the consistency of Indonesia's National Car Programme with several WTO agreements, including claims that the provisions of the programme discriminated against nationals of other WTO Members with respect to trademarks, in violation of Article 3.1. With respect to the claim relating to the acquisition of trademarks, the Panel rejected the United States' claim that Indonesian law was according less favourable treatment to foreign nationals than to Indonesian nationals. The Panel saw the Indonesian law as merely stipulating, in a non-discriminatory manner, that only certain signs could be used as trademarks:

"The issue to be examined therefore in regard to the United States' claim relating to the 'acquisition' of trademarks is whether, under the Indonesian law and practice which is before us, the treatment accorded to foreign nationals in respect of the acquisition of trademark rights, through the applicable procedures, is less favourable than that accorded to the Indonesian company in the National Car Programme. We do not consider that any evidence has been produced in this case to support such a claim. ... The fact that only certain signs can be used as trademarks for meeting the relevant qualifications under the National Car Programme, and many others not, does not mean that trademark rights, as stipulated in Indonesian trademark law, cannot be acquired for these other signs in a non-discriminatory manner."

4. Equally, with respect to the argument that less favourable treatment was being accorded by the regulations pertaining to the maintenance of trademarks, the Panel could not discern any less favourable treatment under Indonesian law for foreign nationals:

"We do not accept this argument for the following reasons. First, no evidence has been put forward to refute the Indonesian statement that the system, in requiring a new, albeit Indonesian-owned, trademark to be created, applies equally to pre-existing trademarks owned by Indonesian nationals and foreign nationals. Second, if a foreign company enters into an arrangement with a Pioneer company, it would do so voluntarily, with knowledge of any consequent implications for its ability

1 Panel Reports, EC – Trademarks and Geographical Indications (US), paras. 7.274-7.275, and (Australia), paras. 7.309-7.310. See also, with respect to objection procedures, para. 7.342 and para. 7.375, respectively.
2 Panel Reports, EC – Trademarks and Geographical Indications (US), para. 7.141, and (Australia), para. 7.191.
to maintain pre-existing trademark rights, as indeed the United States itself has acknowledged in its submissions to the Panel.\textsuperscript{4}

5. The Panel in \textit{Indonesia – Autos} also cautioned against construing the national treatment obligation under Article 3 of the TRIPS Agreement as addressing also issues of tariffs, subsidies or other measure with respect to domestic companies which could have an indirect impact on the maintenance of trademark rights by foreign nationals:

"In considering this argument, we note that any customs tariff, subsidy or other governmental measure of support could have a ‘de facto’ effect of giving such an advantage to the beneficiaries of this support. We consider that considerable caution needs to be used in respect of ‘de facto’ based arguments of this sort, because of the danger of reading into a provision obligations which go far beyond the letter of that provision and the objectives of the Agreement. It would not be reasonable to construe the national treatment obligation of the TRIPS Agreement in relation to the maintenance of trademark rights as preventing the grant of tariff, subsidy or other measures of support to national companies on the grounds that this would render the maintenance of trademark rights by foreign companies wishing to export to that market relatively more difficult."\textsuperscript{5}

6. In \textit{US – Section 211 Appropriations Act}, the Appellate Body considered a measure that, on a plain reading, afforded "differential treatment" between a Member's own nationals and nationals of other countries, and quoted from the GATT panel report in \textit{US – Section 337}:

"That panel reasoned that ‘the mere fact that imported products are subject under Section 337 to legal provisions that are different from those applying to products of national origin is in itself not conclusive in establishing inconsistency with Article III:4 [of GATT].’\textsuperscript{6}

That panel stated further that:

'[I]t would follow ... that any unfavourable elements of treatment of imported products could be offset by more favourable elements of treatment, provided that the results, as shown in past cases, have not been less favourable. [E]lements of less and more favourable treatment could thus only be offset against each other to the extent that they always would arise in the same cases and necessarily would have an offsetting influence on the other. (emphasis added)'

And that panel, importantly for our purposes, concluded that:

'... while the likelihood of having to defend imported products in two fora is small, the existence of the possibility is inherently less favourable than being faced with having to conduct a defence in only one of those fora. (emphasis added)’\textsuperscript{6}

7. In \textit{US – Section 211 Appropriations Act}, the Appellate Body accepted that discriminatory treatment imposed by a measure could be offset in practice:

"Yet, to fulfill the national treatment obligation, less favourable treatment must be offset, and thereby eliminated, in every individual situation that exists under a measure. Therefore, for this argument by the United States to succeed, it must hold true for all Cuban original owners of United States trademarks, and not merely for some of them."\textsuperscript{7}

\textsuperscript{7} Appellate Body Report, \textit{US – Section 211 Appropriations Act}, para. 286.
8. In the same report, the Appellate Body dismissed an argument that certain discriminatory treatment was offset in practice by another measure which provided unfavourable treatment to the Member’s own nationals:

"We disagree. We do not believe that Section 515.201 of the CACR would in every case offset the discriminatory treatment imposed by Sections 211(a)(2) and (b). For this argument by the United States to hold true in each and every situation, the scope of the phrase 'having an interest in' in Section 515.201 would necessarily have to overlap in coverage with the scope of the phrase 'used in connection with' in Sections 211(a)(2) and (b). However, the United States was unable to point to evidence substantiating that the different standards used in Section 515.201 and in Sections 211(a)(2) and (b) overlap completely. We are, therefore, not satisfied that Section 515.201 would offset the inherently less favourable treatment present in Sections 211(a)(2) and (b) in each and every case. And, because it has not been shown by the United States that it would do so in each and every case, the less favourable treatment that exists under the measure cannot be said to have been offset and, thus, eliminated."  

9. In the same report, the Appellate Body dismissed an argument that certain discriminatory treatment was offset in practice by the availability of a particular administrative procedure:

"This [procedure] could eliminate less favourable treatment in practice. Yet, the very existence of the additional 'hurdle' that is imposed by requiring application to OFAC is, in itself, inherently less favourable. Sections 211(a)(2) and (b) do not apply to United States original owners; no application to OFAC is required. But Cuban original owners residing in the 'authorized trade territory' must apply to OFAC. Thus, such Cuban original owners must comply with an administrative requirement that does not apply to United States original owners. By virtue alone of having to apply to OFAC, even Cuban original owners that reside in the 'authorized trade territory' described in Section 515.332 are treated less favourably than United States original owners. So, in this second situation, the discrimination remains."  

10. In the same report, the Appellate Body dismissed an argument that a discretionary measure applicable only to nationals of foreign countries, but which had been consistently applied in a way which offset any discrimination, did not provide less favourable treatment. Although the Appellate Body agreed with the Panel that it could not assume that the discretionary executive authority would be exercised inconsistently with WTO obligations, it found that this measure violated the national treatment obligation in Article 2(1) of the Paris Convention (1967) (as incorporated in the TRIPS Agreement) and Article 3.1 of the TRIPS Agreement, for the following reason:

"The United States may be right that the likelihood of having to overcome the hurdles of both Section 515.201 of Title 31 CFR and Section 211(a)(2) may, echoing the panel in US – Section 337, be small. But, again echoing that panel, even the possibility that non-United States successors-in-interest face two hurdles is inherently less favourable than the undisputed fact that United States successors-in-interest face only one."  

11. The Panel in EC – Trademarks and Geographical Indications examined an EC Regulation that contained two different sets of procedures for the registration of GIs for agricultural products and foodstuffs. The Panel found that one set applied to the names of geographical areas located in the European Communities and the other applied to the names of geographical areas located in third countries outside the European Communities. The second set contained additional conditions on the availability of protection which, the Panel found, modified the effective equality of opportunities as regards the protection of intellectual property:

"The Panel considers that those conditions modify the effective equality of opportunities to obtain protection with respect to intellectual property in two ways. First, GI protection is not available under the Regulation in respect of geographical
areas located in third countries which the Commission has not recognized under Article 12(3). The European Communities confirms that the Commission has not recognized any third countries. Second, GI protection under the Regulation may become available if the third country in which the GI is located enters into an international agreement or satisfies the conditions in Article 12(1). Both of those requirements represent a significant "extra hurdle" in obtaining GI protection that does not apply to geographical areas located in the European Communities."

12. In EC – Trademarks and Geographical Indications the two sets of procedures in the EC Regulation also contained differences as regards application procedures which required applications for GIs located in an EC member State to be filed with the EC member State government and applications for GIs located outside the European Communities to be filed with the third country government. The Panel found that this modified the effective equality of opportunities as regards the protection of intellectual property:

"An EC member State has an obligation to establish application procedures for the purposes of the Regulation. Under Community law, an EC member State has an obligation to examine an application and decide whether it is justified and, if it is justified, to forward it to the Commission. A group or person who submits an application in an EC member State may enforce these obligations through recourse to judicial procedures based on the Regulation. In contrast, a third country government has no obligation under Community law or any other law to examine an application or to transmit it or any other document to the Commission. A group or person who submits an application in a third country has no right to such treatment. Therefore, applicants for GIs that refer to geographical areas located in third countries do not have a right in the application procedures that is provided to applicants for GIs that refer to geographical areas located in the European Communities. Applicants in third countries face an 'extra hurdle' in ensuring that the authorities in those countries carry out the functions reserved to them under the Regulation, which applicants in EC member States do not face. Consequently, certain applications and requisite supporting documents may not be examined or transmitted. Each of these considerations significantly reduces the opportunities available to the nationals of other WTO Members in the acquisition of rights under the Regulation below those available to the European Communities' own nationals."

13. However, the Panel in EC – Trademarks and Geographical Indications (Australia) did not uphold a claim that features of an EC Regulation that provided for the participation of EC member State representatives in the Regulation’s implementing procedures accorded less favourable treatment for non-EC nationals for want of evidence:

"The Panel does not consider that these features of the Regulation 'as such' compel any different treatment of different GIs. Under the national treatment obligations of the TRIPS Agreement, evidence is required that, in the application of these procedures, the authorities cannot, do not or will not apply the Regulation in the same way to the nationals of other Members and the European Communities' own nationals. Australia has not provided any such evidence."

14. The Panel in EC – Trademarks and Geographical Indications found that, given that, on its face, certain provisions in the EC Regulation discriminated according to the location of GIs, they were formally identical vis-à-vis the nationals of different Members. However, after referring to the passage from the GATT Panel Report in US – Section 337 set out above at para. 6, and the conclusion of the Appellate Body in Korea – Various Measures on Beef that "[a] formal difference in treatment between imported and like domestic products is thus neither necessary, nor sufficient,"
to show a violation of Article III:4”, the Panel found that formal identity of treatment was not dispositive of a claim under Article 3.1:

“We consider that this reasoning applies with equal force to the no less favourable treatment standard in Article 3.1 of the TRIPS Agreement. In our view, even if the provisions of the Regulation are formally identical in the treatment that they accord to the nationals of other Members and to the European Communities' own nationals, this is not sufficient to demonstrate that there is no violation of Article 3.1 of the TRIPS Agreement.”

15. The Panel in US – Section 211 Appropriations Act, in a finding with which the Appellate Body agreed, found that the appropriate standard of examination under Article 3.1 of the TRIPS Agreement was the "effective equality of opportunities" standard enunciated by the GATT Panel in US – Section 337. The Panel quoted with approval the following findings of that GATT Panel on the "no less favourable" treatment standard under Article III:4 of GATT 1947:

"The words 'treatment no less favourable' in paragraph 4 call for effective equality of opportunities for imported products in respect of the application of laws, regulations and requirements affecting the internal sale, offering for sale, purchase, transportation, distribution or use of products. This clearly sets a minimum permissible standard as a basis."

16. The Panel in EC – Trademarks and Geographical Indications referred to the above passage and applied the same standard of examination in the context of Article 3.1 of the TRIPS Agreement:

"Therefore, the Panel will examine whether the difference in treatment affects the 'effective equality of opportunities' between the nationals of other Members and the European Communities' own nationals with regard to the 'protection' of intellectual property rights, to the detriment of nationals of other Members."

17. The Panel in EC – Trademarks and Geographical Indications also referred to the Appellate Body's interpretation of the "no less favourable" treatment standard under Article III:4 of GATT 1994 in US – FSC (Article 21.5 – EC) and applied it in the context of Article 3.1 of the TRIPS Agreement:

"Under Article III:4 of GATT 1994, the Appellate Body in US – FSC (Article 21.5 – EC) has explained its approach to the examination of whether measures affecting the internal sale of products accord 'treatment no less favourable' as follows:

'The examination of whether a measure involves 'less favourable treatment' of imported products within the meaning of Article III:4 of the GATT 1994 must be grounded in close scrutiny of the 'fundamental thrust and effect of the measure itself'. This examination cannot rest on simple assertion, but must be founded on a careful analysis of the contested measure and of its implications in the marketplace. At the same time, however, the examination need not be based on the actual effects of the contested measure in the marketplace.'

'Similarly, in the present dispute, the Panel considers it appropriate to base its examination under Article 3.1 of the TRIPS Agreement on the fundamental thrust and effect of the Regulation, including an analysis of its terms and its practical implications. However, as far as the TRIPS Agreement is concerned, the relevant practical implications are those on opportunities with regard to the protection of intellectual property. The implications in the marketplace for the agricultural products

16 Panel Reports, EC – Trademarks and Geographical Indications (US), para. 7.133, and (Australia), para. 7.184.
and foodstuffs in respect of which GIs may be protected are relevant to the examination under Article III:4 of GATT 1994, considered later in this report.  

18. The Panel in **EC – Trademarks and Geographical Indications** then decided that it should compare the effective opportunities under the EC Regulation of all EC nationals with those of all nationals of other WTO Members, irrespective of where their respective GIs were located. It declined to compare the opportunities of EC nationals seeking to protect a GI located in the European Communities only with those of nationals of other WTO Members seeking to protect a GI located in the European Communities, or the opportunities of EC nationals seeking to protect a GI located outside the European Communities only with those of nationals of other WTO Members seeking to protect a GI located outside the European Communities:

“The Panel recalls that the standard of examination is based on 'effective equality of opportunities'. It follows that the nationals that are relevant to an examination under Article 3.1 of the TRIPS Agreement should be those who seek opportunities with respect to the same type of intellectual property in comparable situations. On the one hand, this excludes a comparison of opportunities for nationals with respect to different categories of intellectual property, such as GIs and copyright. On the other hand, no reason has been advanced as to why the equality of opportunities should be limited *a priori* to rights with a territorial link to a particular Member.

The Panel therefore considers it appropriate for the purposes of this claim to compare the effective equality of opportunities for the group of nationals of other Members who may wish to seek GI protection under the Regulation and the group of the European Communities' own nationals who may wish to seek GI protection under the Regulation. On this approach, there is no need to make a factual assumption that every person who wishes to obtain protection for a GI in a particular Member is a national of that Member.”

**1.2.4 "own nationals"**

19. The Panel in **EC – Trademarks and Geographical Indications**, after interpreting the word "nationals" in Article 1.3, considered that the way in which a Member defined its own nationals could also be subject to review:

“The meaning of 'nationals' under public international law is also relevant to the meaning of a Member's 'own nationals'. Whilst the TRIPS Agreement does not create obligations for a Member to accord treatment to its own nationals, it does refer to the treatment that each Member accords to its own nationals as the benchmark for its obligation to accord national treatment under Article 3.1, as well as under the other national treatment obligations incorporated by reference, including Article 2 of the Paris Convention (1967). To that extent, the way in which a Member defines its own nationals can also be subject to review for the purposes of determining conformity with its national treatment obligations under the TRIPS Agreement.”

20. In that case the Panel accepted the European Communities' definition that its "own nationals" were the nationals of EC member States. In the case of legal persons, nationality was determined by reference to various criteria including the place of incorporation, company seat or a combination of such criteria:

“The European Communities has explained to the Panel that, with respect to natural persons, under the domestic law of the European Communities, any person who is a national of an EC member State is a citizen of the European Union and, accordingly, an EC national. It has explained that, with respect to legal persons, the domestic law of the European Communities does not contain a specific definition of nationality, but nor does the domestic law of many other WTO Members. However, the European

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18 Panel Reports, **EC – Trademarks and Geographical Indications (US)**, paras. 7.181-7.182, and (Australia), paras. 7.217-7.218.
19 Panel Reports, **EC – Trademarks and Geographical Indications (US)**, para. 7.148.
Communities informs the Panel that any legal person considered a national under the laws of an EC member State would also be an EC national. The criteria used by the EC member States to determine the nationality of a legal person may vary and include criteria such as the place of incorporation and the place of the seat of the company or a combination of such criteria.

The United States has not challenged the criteria used by the European Communities to determine nationality. The Panel notes that these criteria appear to be the same as those used in public international law. Therefore, the Panel can use them to determine which persons are 'nationals' under Article 3.1 of the TRIPS Agreement.\(^{20}\)

21. The Panel in *EC – Trademarks and Geographical Indications (US)* rejected an argument that product inspection requirements in an EC Regulation, under which the EC would apply the same criteria and requirements to foreign and domestic applications for GI protection, in practice accorded less favourable treatment inconsistently with Article 3.1:

“The United States argues that these provisions, in practice, accord less favourable treatment to the nationals of other Members who enjoy GI protection without inspection structures, or without inspection structures that would satisfy Article 10 of the Regulation, in the territory of other WTO Members. Specifically, it asserts that certain holders of certification marks, collective marks and common law rights would not satisfy the requirements of Article 10(3) and standard EN45011, for instance, with respect to the independence of the inspection body from the producers.

The Panel recalls that the European Communities' obligation under Article 3.1 of the TRIPS Agreement is to accord no less favourable treatment to the nationals of other Members than it accords to its own nationals. The benchmark for the obligation is the treatment accorded by the European Communities to the European Communities' own nationals. The treatment accorded by other Members to their own respective nationals is not relevant to this claim. The level of protection in the country of origin does not affect GI protection in the country where GI protection is sought under the TRIPS Agreement, except to the extent that a lack of GI protection in the country of origin provides a ground to deny GI protection in accordance with Article 24.9.

The Panel agrees with the European Communities that WTO Members are entitled to aim for objective assessment of product conformity, provided that they implement this objective in a WTO-consistent manner. The implication of the United States' argument would be to oblige the European Communities to recognize forms of protection granted by the United States. This would be a kind of reverse equivalence condition.\(^{21}\)

1.2.5 "with respect to the protection of intellectual property"

22. In *US – Section 211 Appropriations Act*, the Appellate Body applied to trade names its findings with regard to trademarks in respect of Article 2.1 of the TRIPS Agreement in conjunction with Article 2(1) of the Paris Convention, and Article 3.1 of the TRIPS Agreement.\(^{22}\)

23. The Panel in *EC – Trademarks and Geographical Indications* examined each aspect of the Regulation at issue that was the subject of a national treatment claim in terms of the definition of "protection" of intellectual property set out in footnote 3 (see para. 25 below).

1.2.6 Footnote 3

24. The following passage in *Indonesia – Autos* illustrates the Panel's approach to the relationship between Article 3 and other provisions of the TRIPS Agreement:


\(^{22}\) Appellate Body Report, *US – Section 211 Appropriations Act*, paras. 352 to 356.
"As is made clear by the footnote to Article 3 of the TRIPS Agreement, the national
treatment rule set out in that Article does not apply to use of intellectual property
rights generally but only to 'those matters affecting the use of intellectual property
rights specifically addressed in this Agreement'. In putting forward its claim on this
point, the United States has developed arguments relating to the use of trademarks
specifically addressed by Article 20 of the TRIPS Agreement. It is the first sentence of
this Article, which is entitled 'Other Requirements', to which the United States has
made reference.

The main issues before us in examining this claim of the United States are therefore:
first, is the use of a trademark to which the Indonesian law and practices at issue
relates 'specifically addressed' by Article 20; and, second, if so, does this aspect of
the system discriminate in favour of Indonesian nationals and against those of other
WTO Members."23

25. The Panel in EC – Trademarks and Geographical Indications examined each aspect of the
Regulation at issue that was the subject of a national treatment claim in terms of the definition of
"protection" of intellectual property set out in footnote 3. It found that the applicability of the
Regulation, the application procedures, the objection procedures, the product inspection structures
and a labelling requirement all fell within the scope of footnote 3:

"The national treatment obligation in Article 3 of the TRIPS Agreement applies 'with
regard to the protection of intellectual property'. Footnote 3 provides an inclusive
definition of the term 'protection' as used in Articles 3 and 4."24

... Article 12(1) refers to how the Regulation 'may apply', which is a reference to the
availability of intellectual property rights in relation to 'designations of origin' and
'geographical indications', as defined in the Regulation.25

... [P]rocedures for the filing and examination of applications for registration are matters
affecting the acquisition of intellectual property rights in relation to 'designations of origin' and 'geographical indications', as defined in the Regulation.26

... Procedures for objections to such applications are related to the procedures for
acquisition, as recognized in the fourth paragraph of Article 62 (which uses the word
'opposition') and the title of that article. Hence, opposition procedures are also
matters 'affecting' the acquisition of intellectual property rights which concern the
'protection' of intellectual property, as clarified in footnote 3 to the TRIPS
Agreement.27

... [I]nspection structures ensure that products meet the requirements in the
specifications. Whatever else may be the legal character of those structures, it is
clear that the specifications include details of the inspection structures and these must
be included in, or accompany, all applications for registration. The declaration under

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24 Panel Reports, EC – Trademarks and Geographical Indications (US), para. 7.126, and (Australia),
para. 7.176.
25 Panel Reports, EC – Trademarks and Geographical Indications (US), para. 7.128, and (Australia),
para. 7.178. See also with respect to Article 4: (US), para. 7.700.
26 Panel Reports, EC – Trademarks and Geographical Indications (US), para. 7.262, and (Australia),
para. 7.298. See also with respect to Article 4: (US), para. 7.719.
27 Panel Reports, EC – Trademarks and Geographical Indications (US), para. 7.329, and (Australia),
para. 7.364. See also with respect to Article 4: (US), para. 7.719.
Article 12a(2)(b) must also accompany applications to register GIs located in third countries. Therefore, under this Regulation, the inspection structures are a matter affecting the availability and acquisition of protection for GIs.28

... 

[T]he labelling requirement relates to the 'use' of an identical GI on a product. Whatever else may be the legal character of this requirement, through its inclusion in the provisions of Article 12, which sets out the conditions on which the Regulation may apply to GIs located in third countries, it attaches a specific condition to registration of certain GIs. Therefore, under this Regulation, the labelling requirement is a matter affecting the acquisition of protection for GIs.29

26. In Australia – Tobacco Plain Packaging, the Panel considered an argument that footnote 3 of the TRIPS Agreement serves as useful context for interpreting the term "protected" as used in Article 6quinquies A(1) of the Paris Convention (1967), and found that:

"By its own terms, footnote 3 defines the term 'protection' for the purposes of the national and MFN treatment obligations under Articles 3 and 4 of the TRIPS Agreement. ... In its context, its express purpose is to define the scope of national and MFN treatment obligations relating to IP rights, and not to define the scope of the rights as such. The substantive standards for rights accorded to trademark owners are defined elsewhere in the Agreement. We do not agree with Honduras that footnote 3 of the TRIPS Agreement should be interpreted to serve an additional function beyond this express purpose, and thus expand the meaning of the term 'protected' in the Paris Convention (1967) to include substantive minimum rights that Members would be obliged to confer to the owner of a trademark or, in particular, that such minimum rights should include 'some minimal use of trademarks' or 'ability to use a trademark'. We see no basis for conflating the scope of the national and MFN treatment obligations with the separately defined scope of trademark rights afforded under the TRIPS Agreement."30

1.3 Relationship with other provisions of the TRIPS Agreement

27. In Indonesia – Autos, the Panel noted that the transition period under Article 65.2 does not apply to Article 3:

"[W]e note that Indonesia has been under an obligation to apply the provisions of Article 3 since 1 January 1996, Article 3 not benefiting from the additional four years of transition generally provided by Article 65.2 to developing country Members."31

1.4 Relationship with other WTO Agreements

28. In US – Section 211 Appropriations Act, the Appellate Body referred to GATT jurisprudence on Article III:4 of GATT 1994 in interpreting Article 3 of the TRIPS Agreement for the following reason:

"As we see it, the national treatment obligation is a fundamental principle underlying the TRIPS Agreement, just as it has been in what is now the GATT 1994. The Panel was correct in concluding that, as the language of Article 3.1 of the TRIPS Agreement, in particular, is similar to that of Article III:4 of the GATT 1994, the jurisprudence on Article III:4 of the GATT 1994 may be useful in interpreting the national treatment obligation in the TRIPS Agreement."32

29. The Panel in EC – Trademarks and Geographical Indications noted the similarity, and the differences, between Article 3 of the TRIPS Agreement and Article III:4 of GATT 1994:

28 Panel Reports, EC – Trademarks and Geographical Indications (US), para. 7.403.
29 Panel Reports, EC – Trademarks and Geographical Indications (US), para. 7.486.
30 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.1772.
"It is useful to recall that Article 3.1 of the TRIPS Agreement combines elements of national treatment both from pre-existing intellectual property agreements and GATT 1994. Like the pre-existing intellectual property conventions, Article 3.1 applies to "nationals", not products. Like GATT 1994, Article 3.1 refers to "no less favourable" treatment, not the advantages or rights that laws now grant or may hereafter grant, but it does not refer to likeness."\footnote{Panel Reports, \textit{EC – Trademarks and Geographical Indications (US)}, para. 7.131, and (Australia), para. 7.181.}

30. The Panel in \textit{EC – Trademarks and Geographical Indications} referred to both GATT and WTO jurisprudence on the phrase "no less favourable" treatment as used in Article III:4 of GATT 1994 in interpreting Article 3 of the TRIPS Agreement (see paras. 13, 15 and 17 above) for the following reason:

"The interpretation of the 'no less favourable' treatment standard under other covered agreements may be relevant in interpreting Article 3.1 of the TRIPS Agreement, taking account of its context in each agreement including, in particular, any differences arising from its application to like products or like services and service suppliers, rather than to nationals."\footnote{Panel Reports, \textit{EC – Trademarks and Geographical Indications (US)}, para. 7.135, and (Australia), para. 7.185.}

31. The Panel in \textit{EC – Trademarks and Geographical Indications} explained that Article 3.1 of the TRIPS Agreement and Article III:4 of GATT 1994 can co-exist and that neither overrides the other:

"The Panel notes that there is no hierarchy between the TRIPS Agreement and GATT 1994, which appear in separate annexes to the WTO Agreement. The ordinary meaning of the texts of the TRIPS Agreement and GATT 1994, as well as Article II:2 of the WTO Agreement, taken together, indicates that obligations under the TRIPS Agreement and GATT 1994 can co-exist and that one does not override the other. This is analogous to the finding of the Panel in \textit{Canada – Periodicals}, with which the Appellate Body agreed, concerning the respective scopes of GATS and GATT 1994. Further, a 'harmonious interpretation' does not require an interpretation of one that shadows the contours of the other. It is well established that the covered agreements apply cumulatively and that consistency with one does not necessarily imply consistency with them all."\footnote{Panel Reports, \textit{EC – Trademarks and Geographical Indications (US)}, para. 7.208, and (Australia), para. 7.244.}