

EC – TRADEMARKS AND GEOGRAPHICAL INDICATIONS¹

(DS174, 290)

| PARTIES | | AGREEMENTS | TIMELINE OF THE DISPUTE | |
|--------------|-----------------------------|--|-----------------------------|----------------|
| Complainants | United States, Australia | TRIPS Arts. 3, 4, 16, 17 and 24 GATT Arts. III:4 and XX(d) TBT Annex 1.1 and 1.3 | 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 AT ISSUE

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

2. SUMMARY OF KEY PANEL FINDINGS²

National treatment (TRIPS Art. 3.1 and GATT Art. III:4)

- **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 obligations under TRIPS Art. 3.1 and GATT Art. III:4 by according less favourable treatment to non-EC nationals and products, than to EC nationals and products. By providing, “formally identical”, but in fact different procedures based on the location of a GI, the European Communities in fact modified the “effective equality of opportunities” between different nationals and products to the detriment of non-EC nationals and products.
- **Application and objection procedures:** The Panel found that the Regulation's procedures requiring non-EC nationals, or persons resident or established in non-EC countries, to file an application or objection in the European Communities through their own government (but not directly with EC member states) provided formally less favourable treatment to other nationals and products in violation of TRIPS Art. 3.1 and GATT Art. III:4, and that the GATT violation was not justified by Art. XX(d).
- **Inspection structures:** In the US Report, the Panel found that the Regulation's requirement that third-country governments provide a declaration that structures to inspect compliance with GI registration were established on its territory violated TRIPS Art. 3.1 and GATT Art. III:4 by providing an “extra hurdle” to applicants for GIs in third countries and their products, and that the GATT violation was not justified by Art. XX(d). In the Australian report, the Panel found that these inspection structures did not constitute a “technical regulation” within the meaning of the TBT Agreement.

Relationship between GIs and (prior) trademarks

- **TRIPS Arts. 16.1, 17, 24.3 and 24.5:** The Panel found that Art. 16.1 obliges Members to make available to trademark owners a right against certain uses, *including* uses as a GI. Art. 24.5 provided no defence, as it creates an exception to GI rights, not trademark rights. Art. 24.3 only grandfathers individual GIs, not systems of GI protection. Therefore, the Panel initially concluded that the EC Regulation was inconsistent with Art. 16.1 as it limited the availability of trademark rights where the trademark was used as a GI. However, the Panel ultimately found that the Regulation, on the basis of the evidence presented, was justified under Art. 17, which permits Members to provide exceptions to trademark rights.

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

² Other issues addressed: TRIPS Art. 1, 2, 4, 8, 22, 23; Paris Convention Arts. 2 and 10*bis*; extension of submission deadline; separate panel reports; request for information from WIPO; preliminary ruling; requirements of panel request (DSU Art. 6.2); terms of reference; evidence; specific suggestions for implementation (DSU 19); order of analysis (GATT and TRIPS).

³ In order to register third-country GIs in the European Communities, 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.