1. As requested at the technical level consultations held by Deputy Director-General Thompson-Flôres on 25 April 2005, the purpose of this note is to present a factual compilation of the issues raised and views expressed on issues related to the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits since the matter was put on the Doha Work Programme (WT/MIN(01)/DEC/1, paragraph 18).

2. The work undertaken on this subject since the Doha Ministerial Conference includes the consideration given to this matter in both formal and informal meetings of the Council for TRIPS in 2002, the consultations held by the Director-General in Spring 2003 and the technical level consultations held by Deputy Director-General Thompson-Flôres at the request of the Director-General from December 2004 to April 2005, as well as certain statements made in the TNC and the General Council. A list of the formal and informal meetings at which a discussion dedicated to extension issues has taken place can be found at Annex 1. These discussions were organized around, respectively, a Checklist of Issues, dated 17 September 2002, prepared by the Chairman of the Council for TRIPS (JOB(02)/117), suggestions made by the Director-General reflected in a "non-exhaustive list of possible topics for discussion" which was circulated on 25 June 2003 and suggestions circulated by Deputy Director-General Thompson-Flôres on 13 January 2005; copies can be found at Annex 2. The compilation describes issues raised and points made, both in writing and orally, at the various meetings referred to above. A full list of relevant documents can be found at Annex 3.
This note is organized under the following headings:

I. GENERAL POINTS

II. ISSUES RELATING TO PROTECTABLE SUBJECT-MATTER

III. THE IMPACT OF EXTENSION ON PRODUCERS IN THE AREA DESIGNATED BY A GEOGRAPHICAL INDICATION

IV. THE IMPACT OF EXTENSION ON PRODUCERS NOT IN THE AREA DESIGNATED BY A GEOGRAPHICAL INDICATION

V. IMPACT OF EXTENSION ON THE RELATIONSHIP BETWEEN TRADEMARKS AND GEOGRAPHICAL INDICATIONS

VI. IMPACT OF EXTENSION ON THE TREATMENT OF HOMONYMOUS GEOGRAPHICAL INDICATIONS

VII. THE IMPACT OF EXTENSION ON CONSUMERS

VIII. THE ADMINISTRATIVE COSTS AND BURDENS OF THE PROCEDURES ASSOCIATED WITH ANY EXTENDED PROTECTION AND ANY OTHER IMPACTS ON GOVERNMENTS

4. Sources for the points reflected in the compilation are contained in footnotes. Where the footnote refers to a consultation or to TRIPS Council minutes, the point was made orally. In many cases, the same point has been made more than once; the footnotes do not purport to contain references to all such occasions.

5. In the discussions, objections have been lodged to the use of certain terminology, such as references to the "illegitimate" use of a GI, "usurpation" and "free-riding", on the ground that such terminology is inappropriate when applied to activities that are legal and conducted in good faith. The delegations that have used these terms have said that they reasonably convey in concise form their views. In this note, the terminology used by those Members whose views are being recorded is reflected. This should not be taken to imply any endorsement by the Secretariat of the use of that terminology.

I. GENERAL POINTS

6. The mandate in paragraph 18 of the Doha Declaration and in the paragraph on Implementation in the General Council Decision of 1 August 2004 for addressing issues related to the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement for products other than wines and spirits has been discussed. One view has been that negotiations on this matter, pursuant to paragraphs 12 and 18 of the Doha Declaration, like on other outstanding implementation issues, formed an integral part of the Doha Work Programme. GI extension was an essential element of a balanced outcome to the Doha Round. It was an
implementation issue as it related to asymmetries and imbalances resulting from the Uruguay Round. It was not just a European issue; most advocates of extension were developing countries. The matter had been extensively and exhaustively discussed. Given that in the Doha Round important decisions in other fields of negotiations would need to be taken, the General Council and TNC should make a decision in favour of extension. A proposal for how extension could be implemented had been made in the Annex to document TN/C/W/14. In response, the view has been expressed that paragraphs 12 and 18 of the Doha Declaration did not constitute a commitment to negotiate on GI extension. Moreover, treating the matter as a development issue was inappropriate given that the differences on this matter were not between developed and developing countries. As there was no existing provision in the TRIPS Agreement granting additional protection of geographical indications to products other than wines and spirits nor any agreed mandate to negotiate the extension of this additional protection, this issue could not be treated as an implementation issue. The discussions had not led to a consensus to recommend initiation of negotiations on extension; rather, it was clear that a substantial number of Members were opposed for several reasons, including, but not limited to, the fact that there had been no demonstration that existing protection for geographical indications under Article 22 of the TRIPS Agreement was not sufficient.

7. Views have been exchanged about the interrelationship of the extension proposal with the other two GI initiatives that are being pursued by some Members in the WTO – a multilateral system of notification and registration of GIs for wines and spirits in the Special Session of the Council for TRIPS and the so-called "claw-back" proposal tabled by the European Communities in the Negotiating Group on Agriculture. One view has been that all these proposals related to intellectual property issues and to rights and obligations under the TRIPS Agreement and must be considered when discussing the objectives, scope and content of the proposal for GI extension, for the following reasons:

- Proposals on claw-back, extension and the multilateral register were slightly different procedural means to achieve the same policy end. First, under "claw-back", the proponents sought to go back in time and prohibit the use of certain terms, some of which had become generic in nature or had been trademarked, by requiring WTO Members to give up their rights to use the exceptions contained in Article 24 of the TRIPS Agreement. Second, they sought to ensure that the use of all terms they considered to be GIs "in the future" would also be further circumscribed or effectively prohibited (so-called extension). Third, they sought, via a legally binding and compulsory multilateral register, to prohibit the use of terms by legitimate users and users/owners of generic terms and trademarks.

- Proposals to prohibit certain Members from using specific terms would upset the balance of rights and obligations contained in the TRIPS Agreement. Currently, many WTO Members enjoyed the right to the on-going use of the terms which the proponents had suggested should be included on the claw-back list. These rights to use the terms were guaranteed by the TRIPS Agreement. The fact that these terms could continue to be used was fundamental to the agreement reached on geographical indications at the end of the Uruguay Round and to the balance found in the Agreement between the protection of GIs and other public policy interests. Under

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3 India, DG consultations, 30 June 2003.
4 Hungary, DG consultations, 22 May 2003.
5 JOB(05/61; TN/C/W/14.
6 WT/MIN(01)/W/8; Argentina, DG consultations, 22 May 2003.
7 IP/C/W/395.
claw-back, all the exceptions now carefully set out in the TRIPS Agreement would be clearly and immediately forfeited.\(^8\)

8. In response, the following has been said:

- Extension was a forward-looking initiative that sought to establish an adequate framework of protection for GIs not yet considered as generic or registered as trademarks. Conversely, the limited GI list, which had been proposed to be negotiated in the Agriculture Committee, was an initiative that sought to claw-back the exclusive use of certain GI names for the relevant WTO Member, even if they were currently considered generic or trademarks in other WTO Members. This was a market access issue. Claw-back was closely linked to many other issues of the negotiating package, not just extension. Since claw-back, market access, extension and many other issues were part of the single undertaking, the appropriate framework to address these linkages would be in the TNC, where Members would be able to discuss the linkages between the different elements of the single undertaking, after Members had done the technical work on GI extension and reported to both the General Council and the TNC.\(^9\)

9. The rationale for the **two levels of protection for GIs under the TRIPS Agreement** has been discussed:

- One view has been that the protection provided by Article 22 of the TRIPS Agreement, which was the only one available for geographical indications for products other than wines and spirits, was insufficient and the imbalance between those GIs and GIs for wines and spirits should be eliminated by extending the protection accorded to wines and spirits to all products, while preserving through the exceptions allowed in Article 24 the necessary balance between the interests of affected parties.\(^10\) GIs were an intellectual property right equal to trademarks, designs or patents. None of these intellectual property rights discriminated among categories of products in granting effective protection. There were no commercial, economic or legal reasons to limit effective protection only to GIs for wines and spirits or not to provide such protection also to GIs for all other products.\(^11\)

- Another view has been that the protection provided for in Article 23 was more than was necessary to achieve the legitimate objectives of GI protection set out in Article 22.2 and its extension would accentuate the imbalance resulting from the departure in Article 23 from the balance found in Article 22 between the interests of consumers, producers and the general public. The differential treatment was not based on economic or any other form of logic, but rather was the result of historical negotiation and specific circumstances that were particular to the wine sector. It had been agreed as a significant concession in the Uruguay Round, not because of any belief in its inherent merits. It also had to be recalled that under the GATT and the

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\(^8\) JOB(05)/8, paras. 7-8; Argentina, Brazil, Chile, Colombia, New Zealand and the United States, DDG consultations, 7 February 2005; Singapore, DDG consultations, 10 March 2005.

\(^9\) JOB(03)/119, page 2; EC, DDG consultations, 7 February 2005.

\(^10\) IP/C/W/353, paras. 4 and 12; Slovak Republic, IP/C/M/38, paras. 137-138; JOB(03)/119, pages 5-6.

\(^11\) TN/C/W/14, page 1.
GATS there was frequently different treatment of different products and services. If the differential level of protection was considered a problem, it would best be remedied by removing the Article 23 level. Moreover, the seriousness with which some Members claimed to regard the issue of discrimination was to be doubted when those same Members were seeking to introduce new discrimination between products through their claw-back proposal.

10. The issue of the effect of extension on the balance of rights and obligations and the distribution of benefits between Members has been discussed. Concern has been expressed that it could lead to imbalance. In this regard, the view has been expressed that some Members might have very few GIs but might be obliged to protect hundreds or thousands of GIs from other Members. Extension could create an additional dichotomy between the benefits WTO Members with many GIs receive and the costs borne by Members with few GIs. Under the Lisbon Agreement, very few of its developing country Members had registered GIs. On the other hand, France had registered 77 per cent of the GIs protected under this Agreement. In sum, European countries had registered 784 GIs out of a total of 834 registered GIs. The EC proposal on claw-back would negatively affect the Uruguay Round balance by taking away all the exceptions.

11. In response, it has been said that there was no evidence of this alleged "imbalance in numbers". On the contrary, concrete examples of countries already applying extension in which very few foreign right holders had attempted to protect their GIs showed that this argument was unfounded. Since 1996, for example, Brazil had registered or received applications for only five GIs from the EC and Paraguay none. In neither country had there been any GI related litigation. The argument did not recognize the fundamental principle that GI protection within the TRIPS Agreement was an "on-demand" protection, i.e. right holders had to invoke such protection in third country courts. Right holders only went to a third country to benefit from that protection when they had the export capacity to make the investment worthwhile, and when they had an interest. Moreover, the issue of "imbalance in numbers" was not relevant when assessing the economic benefits of an "extended" GI protection and resulting market opportunities. What was important was the existing and potential trade flows regarding each individual GI, the value of which varied greatly. A single GI, for example that on "Basmati" rice which generated some US$300 million in exports, could be much more important than many GIs which were not used for export. If it was felt that "imbalance in numbers" was an issue, this would suggest radical solutions when it came to trademarks or patents. For example, the USPTO had registered more than 2.5 million trademarks and yet no one had claimed that, because the United States was the biggest beneficiary of trademark protection, that section of the TRIPS Agreement should be abolished. Moreover, since the issue fell within the single undertaking,

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12. IP/C/W/386, para. 3; United States IP/C/M/38, para. 174; Uruguay, IP/C/M/37/Add.1, para. 127; Australia, DG consultations, 22 May 2003; Argentina, DDG consultations, 7 February 2005; Canada, DDG consultations, 10 March 2005.
13. Chile, IP/C/M/36/Add.1, para. 164; Argentina, IP/C/M/38, para. 156.
14. JOB(05)/8, paras. 13-14.
16. Argentina, DDG consultations, 7 February 2005; Australia, IP/C/M/38, para. 177.
17. Canada, DDG consultations, 25 April 2005; JOB(05)/8, paras. 7-8; Argentina, DDG consultations, 7 February 2005; Australia, DG consultations, 30 June 2003.
18. EC, Hungary and Malta, IP/C/M/37/Add.1, respectively, paras. 142 (also citing annex, pp. 77-79), 148 and 157; EC, JOB(03)/119, page 3; EC, DG consultations, 30 June 2003.
it was not appropriate to raise issues of the balance of rights and obligations or of advantages and disadvantages in just one area; the right approach was to consider the overall balance.\textsuperscript{19}

12. Views have been exchanged about the way the extension proposal relates to the rationale for the protection of IPRs. One view has been that there were serious doubts about the proposition that governments should grant monopoly rights in perpetuity based on an accident of history and geography, as the demandeurs were proposing. IP rights were normally granted to those who had discovered or created something and for a certain period of time. Protection was given to creators, scientists, inventors, authors and researchers in order to reward them for having come up with new products, new processes and new works of art. At the same time, they, and their investors, were given an incentive to continue doing so.\textsuperscript{20} The GI issue should be examined in the light of the WTO's work on competition policy. Proponents had to accept, at a minimum, that the extension proposal was to extend monopoly rights in certain geographical terms to certain of their producers, and that there was an anti-competitive element to the creation of such rights.\textsuperscript{21}

13. In response, it has been said that to claim that GIs should not be protected as IPRs because such rights were intended to protect innovation and creativity was not correct because IPRs went beyond those two criteria. In fact, there were many examples in the TRIPS Agreement of categories of IPRs that did not protect either innovation or creativity, e.g., the protection of undisclosed information for marketing approval of pharmaceutical products.\textsuperscript{22} Moreover, GIs were not monopolistic in the same way that patents and copyrights were because, unlike patents and copyrights, nobody would be prevented from producing and selling the product itself. Therefore, the incentive effect of GIs was directed to a much greater extent at small producers looking for niche markets, as opposed to big companies which more frequently made use of patents and copyrights. The implication that the efforts invested in the reputation of any famous product in relation to its geographical origin would not be creative failed to recognize that sometimes this reputation was based on decades or even centuries of creativity, including in the development of traditional knowledge.\textsuperscript{23} Moreover, it was incorrect to say that there were no other IPRs without limits to the duration of protection; trademarks and trade secrets were cases in point.\textsuperscript{24}

14. Views has been expressed on the implications of GI extension for the preservation of cultural diversity. One view has been that, since a number of Members had received many immigrants who had brought with them their cultural traditions, including names and terms, it would be culturally insensitive for Members, predominantly those from which these people had migrated, to try to claim back terms that had been used for decades without being contested.\textsuperscript{25} Under such culinary traditions, these terms were, for immigrants in their new and adopted country, simply generic descriptions for food products and food preparation.\textsuperscript{26} Members should acknowledge the entitlement of governments to regulate to achieve legitimate policy objectives to enhance cultural diversity.\textsuperscript{27} Immigrants' customs were acquired rights which Members could not wipe out in the course of negotiations.\textsuperscript{28} In response, it has been said that the grandfathering exception under Article 24 was of particular relevance in light of this important agricultural non-trade concern, namely, the preservation

\textsuperscript{19} Hungary, DG consultations, 30 June 2003; Bulgaria, DDG consultations, 10 March and 25 April 2005.
\textsuperscript{20} Australia, IP/C/M/38, para. 72; DG consultations, 22 May 2003; DDG consultations 7 February 2005; Argentina, DG consultations, 30 June 2003.
\textsuperscript{21} New Zealand, IP/C/M/36/Add.1, para. 152; Canada, DDG consultations, 7 February 2005.
\textsuperscript{22} EC, IP/C/M/38, para. 130.
\textsuperscript{23} Bulgaria, IP/C/M/38, para. 125; Switzerland, DDG consultations, 7 February 2005.
\textsuperscript{24} India and Switzerland, DDG consultations, 7 February 2005.
\textsuperscript{25} Australia, IP/C/M/35, para. 146.
\textsuperscript{26} Canada, DG consultations, 22 May 2003.
\textsuperscript{27} Australia, IP/C/M/35, para. 146.
\textsuperscript{28} Argentina, IP/C/M/36/Add.1, para. 86.
of cultural identity. The continued availability of all the exceptions, including the grandfathering exception, would adequately take care of that concern. Article 23.3 on homonymous GIs provided additional proof that extension was not contrary to the preservation of cultural diversity.\(^{29}\) It has also been argued that the names of the teas, coffees, rice, bananas, carpets and handicrafts of the proponents were at stake and cultural heritage that GI extension sought to protect.\(^{30}\)

15. The question of whether the technical work necessary to clarify fully the objectives, scope, content and implications of the extension proposal has been adequately accomplished has been discussed.

- One view has been that these issues have been discussed extensively for a number of years and that the questions related to them had been posed and answered repeatedly. There had been a thorough examination and an exhaustive discussion on GI extension since the start of the Doha Round. Evidence of this could be found in the numerous communications and proposals made by several WTO Members and in the minutes of the TRIPS Council, including some detailed presentations that pre-dated the Doha Round, such as in documents IP/C/W/204/Rev.1, W/247/Rev.1, W/289 and W/308/Rev.1. Under this view, the consultations held by Deputy Director-General Thompson-Flôres, acting as a Friend of the DG, concluded the technical work on GI extension.\(^{31}\)

- Another view has been that there was as yet not a full understanding of these matters and that many questions put had not been adequately answered.\(^{32}\) The adoption of panel reports by the DSB in April 2005 showed that there was not yet full implementation of existing obligations. This should precede any effort to change them.\(^{33}\) It was proposed that a good way of elucidating the issues at stake would be to study a practical example of what would be the implications in a specific case of doing everything that the proponents were suggesting. The example of “feta” cheese might be used for this purpose, in the light of the ongoing European controversy and litigation regarding the costs and implications of designating this name as a GI.\(^{34}\) There was some discussion about the possible implications in the Canadian market.

16. In response to the suggestion for the carrying out of a case study, the view was expressed that nowhere else in the WTO had such a study been requested or attempted.\(^{35}\) By way of reaction, it was said that all negotiators had to look, at least domestically, at what might be the market and welfare impacts of possible results of negotiations. In regard to intellectual property, it was necessary also to factor in the whole public policy balance, including the rights of consumers and producers, the effects on innovation, etc.\(^{36}\)

17. The view has been expressed that independent research carried out in recent years, such as papers produced by UNCTAD, ICTSD, the UK Commission on Intellectual Property Rights and by the WTO Secretariat, had indicated that the costs and benefits of GI extension were not clear. The

\(^{29}\) Hungary, IP/C/M/37/Add.1, paras. 150 and 151.

\(^{30}\) India, IP/C/M/36/Add.1, para. 59.

\(^{31}\) JOB(05)/61, paras. 3-4 and Annex; Switzerland, DDG consultations, 25 April 2005.

\(^{32}\) Australia, Malaysia, New Zealand and the United States, DDG consultations, 25 April 2005.

\(^{33}\) Australia, DDG consultations, 25 April 2005.

\(^{34}\) Canada, DDG consultations, 10 March 2005; Australia, Canada, Chile, New Zealand, South Africa and the United States, DDG consultations, 25 April 2005.

\(^{35}\) EC, DDG consultations, 25 April 2005.

\(^{36}\) Canada, DDG consultations, 25 April 2005.
burden was on the proponents to show that there would be net economic benefits to all if extension were to be accepted.37

18. In response, the view has been expressed that, since empirical economic analysis was only possible retrospectively, it was not possible to show empirically what would be the advantages flowing from a change in the legal framework. This was the reason behind the lack of clarity in the results of these studies. There were however studies, including by UNCTAD and by UNCTAD-ICTSD, which pointed to a positive effect.38 A meeting of some African Members had concluded that the issue of costs and benefits should not be viewed in purely mathematical terms; there was also a need to look at the costs of "non-extension" as well as at the role that GIs could play in relation to "country branding" and addressing questions of biopiracy and traditional knowledge.39 Moreover, the task in the technical consultations was not to overcome a burden of having to prove the merits of extension and thereby reach consensus, but to elucidate options which would be available when finding the appropriate balance at the end of the day in the wider Doha negotiations.40

19. Concern has been expressed about the desirability of extending the higher level of protection to all products when the TRIPS provisions on GIs had yet to be fully implemented by all WTO Members. The TRIPS Agreement had only entered into force in 1995, some Members had only recently implemented their obligations and others had yet to do so. The TRIPS Council had yet to complete a full assessment of how Members had implemented their obligations with regard to geographical indications. The adoption of two reports by the DSB in 2005 showed that one of the key demandeurs had yet to fully implement its obligations. Those reports had raised important issues relating to the interpretation of the TRIPS Agreement that needed to be fully taken into account by the TRIPS Council.41 In response, it has been said that the extension proposal did not intend to create any new level of protection but aimed merely at extending the already existing level of protection of geographical indications for wines and spirits as provided by Article 23 of the TRIPS Agreement to all other products. Thus, the goal of the extension proposal was to create a level playing field for the protection of geographical indications in the TRIPS Agreement so that all Members could benefit equally from the more effective level of protection for their products. Further, matters relating to the protection of geographical indications under the TRIPS Agreement had been discussed exhaustively in the TRIPS Council and subsequently. It was important not to mix up distinct matters.42

II. ISSUES RELATING TO PROTECTABLE SUBJECT-MATTER

20. Two main views have been put forward regarding the scope of the definition of a GI under Article 22.1 and its impact on the eligibility of indications that would benefit from extension:

- Extension would have no implications for the definition contained in Article 22.1, since it did not distinguish between product areas and, therefore, constituted a basis for balanced protection of geographical indications for all products alike. The definition in Article 22.1 was flexible enough to serve the purposes of extension.43 The specific extension proposal contained in the Annex to document TN/C/W/14 did not envisage any change to Article 22.1.

37 Australia, DDG consultations, 10 March 2005.
38 Sri Lanka and Switzerland, DDG consultations, 10 March 2005.
40 Bulgaria, DDG consultations, 10 March and 25 April 2005.
41 JOB(02)/95; Australia, DDG consultations, 25 April 2005; Chile, IP/C/M/37/Add.1, para. 145.
42 JOB(05)/61; TN/C/W/14; Switzerland, IP/C/M/36/Add.1, para. 190.
43 IP/C/W/353, paras. 7 and 8; Sri Lanka and Jamaica, IP/C/M/36/Add.1, respectively, paras. 135 and 160; Czech Republic, IP/C/M/37/Add.1, para. 109.
There were divergent and varied interpretations of the definition of a GI. This was important because WTO Members that were looking towards extension of Article 23 to provide protection for specific terms in the territory of other WTO Members might discover that those terms did not receive protection because other WTO Members concluded that the terms did not meet the definition of a geographical indication or were not protectable because they were covered by one of the exceptions in Article 24. Thus it was unlikely that extension of Article 23 to geographical indications for other goods would provide the promised protection for all terms in all WTO Members.

Discussion of the difference between what many countries appeared to understand as being or not being covered by the Article 22 definition and, in practice, what protection was actually provided would be helpful to ensure that expectations of possible benefits flowing from extension would be in fact realistic.

The question of what would or would not fall within Article 22.1 was fundamental to assessing what benefits producers would obtain from increased protection in export markets.

21. The view has been expressed that it is particularly important to have a common understanding of the definition in Article 22.1 when products other than wines were being considered since they had usually been protected by trademarks and without any collective control system - unlike in the case of wines, which in some European countries had been mostly protected by appellations of origin or similar systems strictly controlled by the government or community in question.

22. The question of the applicability of the principle of territoriality towards the definition of geographical indications eligible for protection has been discussed. In this regard, the following points had been made:

- Only the national legislation of each country could further elaborate the scope, coverage and nature of what was covered by Article 22.1. This was the right of Members according to the Agreement, which left them free to determine the appropriate method of implementing it within their own legal system and practice.

- There was a need to explore further the question of whether the criteria for eligibility of a term for protection as a GI were to be determined by the country of origin of the GI or by the country where the protection was sought. Were the proponents of extension seeking a unique global outcome for an individual geographical indication or were they prepared to maintain exceptions for different linguistic and cultural applications, and to allow for different perceptions among different consumers?

- The principle of territorial application, i.e. the right of each Member to decide whether a given indication was a geographical indication or not, should not be taken away and exchanged for a complicated process of international registration, challenges, disputes and arbitration, which would be performed by people that would

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44 Australia, DDG consultations, 7 February 2005; Canada, IP/C/M/38, para. 82.
45 IP/C/W/386, para. 5; Chinese Taipei and Malaysia, DDG consultations, 25 April 2005; Guatemala, IP/C/M/37/Add.1, paras. 101-102.
46 New Zealand, IP/C/M/37/Add.1, para. 163; Argentina, TRIPS Council consultations, 10 November 2002.
47 Australia, IP/C/M/38, para. 74.
48 Korea, IP/C/M/37/Add.1, para. 141.
49 Australia, Argentina and Paraguay, IP/C/M/37/Add.1, respectively, paras. 112, 161 and 183.
50 Australia, IP/C/M/36/Add.1, para. 99.
51 Australia, IP/C/M/35, para. 141.
not be officers of the governments of the Member where protection was being sought.\textsuperscript{52}

23. In response, it has been said that the principle of territoriality did indeed apply to the TRIPS Agreement and its provisions on geographical indications. It assumed that WTO Members accepted at face value the claim of a Member in which a geographical indication originated that the geographical indication met the definition in Article 22.1 and was thus entitled to the "legal means for interested parties" that the TRIPS Agreement required. However, such entitlement did not determine whether the particular GI would eventually be protected. For example, this would be the case of a claim for protection of the name "telephone" for a wine GI.\textsuperscript{53}

24. The question of the extent to which country names would be accepted by trading partners as being eligible to be geographical indications has been discussed. In this regard, the view has been expressed that, while many of the proponents of extension seem to be interested in securing protection for their countries' names as geographical indications, the extent to which other Members would accept this was unclear:

- The legislation of a Member limited recognition of country names as geographical indications to "exceptional circumstances". The question has been raised whether, as a matter of practice, terms like "Bulgarian yoghurt", "Chinese tea", "Kenyan coffee", "Colombian coffee", "Hungarian salami" or "Jamaican rum" would be recognized as geographical indications?\textsuperscript{54}

- Another piece of legislation of that Member stated that imported wines with indications "serving exceptionally to identify a wine as originating in the territory of a third country" could only be used if listed in an annex, but as yet the annex was blank.\textsuperscript{55} Terms such as "Australian Chardonnay" and "New Zealand Chardonnay", had been refused protection under that Member's system on the ground that they referred to geographical areas that were too big to satisfy the second part of the Article 22 definition, \textit{i.e.} that a given quality, reputation or other characteristic of the good was essentially attributable to its geographical origin.\textsuperscript{56}

25. In response, the following points have been made:

- The names of localities, regions and even countries could be geographical indications under Article 22.1, provided that they met the conditions set out therein, in particular regarding the existence of a link between the quality, reputation or other characteristics of a product and its geographical origin. Any name or sign that conveyed geographical origin and fitted the definition in Article 22.1 was eligible for protection as a geographical indication. Because of the necessity to establish the linkage between the quality, reputation and other characteristics and the geographical origin of goods, the question of whether a certain name fitted the definition could only be determined on a case-by-case basis, taking into account all the relevant specifics of individual situations. Many of the misunderstandings regarding which

\textsuperscript{52} Australia, IP/C/M/37/Add.1, para. 156; Chile, DG consultations, 30 June 2003.

\textsuperscript{53} EC and India, IP/C/M/37/Add.1, respectively, Annex, page 83 and para. 159.

\textsuperscript{54} Australia, IP/C/M/37/Add.1, para. 152; IP/C/W/386, para 11.

\textsuperscript{55} Australia, IP/C/M/37/Add.1, para. 152.

\textsuperscript{56} New Zealand, IP/C/M/37/Add.1, para. 163.
names or signs would or would not fit the definition in Article 22.1 could be traced back to a failure to keep in mind the importance of this linkage.57

- Some Members had registered country names as GIs. Examples were "Luxembourg" for meat products and "Swiss" for watches. Such registrations had not been limited to small countries nor even to the area of foodstuffs. Examples of protected country GIs in the area of wines and spirits were: Martinique Rhum, Guadeloupe Rhum, Réunion Rhum, Guyane Rhum, Irish Whiskey, Whisky Español, Brandy Italiano, Deutscher Weinbrand (German Brandy), Eau-de-vie de marc or de pomme or de poire or de kirsch or de quetsch or de mirabelle, or de prunelle – marque national luxembourgeoise, Dansk Akvavit (Danish Aquavit), Anís Español, Ginjinha Portuguesa, Anís Português.58

- The question of country names would only be relevant to the debate if Members were suggesting that something in the Article 22.1 definition be changed, which was not the case. If some Members believed that Article 22.1 was insufficient, they should table proposals to clarify it in the way desired.59

26. It has been asked whether certification marks can protect country names.60 In response it has been said that country names, such as Thailand for a particular type of rice, would be eligible for protection as a certification mark.61

27. It has been said that the definition contained in Article 22.1 would not cover rules of origin or indications of source, since they did not indicate any quality, reputation or other characteristic of a product but just its geographical origin. Rules of origin were a tool for tariff classification and had to be distinguished from geographical indications within the meaning of the TRIPS Agreement.62

28. The question has been raised as to whether geographical terms applied to blended products, such as Kenyan coffee or mixtures of Jasmine and other rice or Darjeeling and other tea, would qualify as GIs.63

29. In regard to non-place names or non-geographical names (i.e., terms that are not names of a locality, a region, etc.), such as Jasmine or Basmati rice, the question has been raised as to whether they would be accepted as qualifying under the definition contained in Article 22.1.64 In response, it has been said that non-geographical names were eligible for protection as long as they identified a product as coming from a certain territory. For example, "Jasmine rice" clearly evoked Thailand and could be a GI irrespective of its non-geographical nature. Other examples were "Vinho Verde", "Cava" and "Tête du Moine" (a Swiss traditional cheese). Geographical indications could also take the form of symbols or emblems, such as the Taj Mahal to designate Indian products of that region,

57 Hungary, IP/C/M/37/Add.1, para. 147; EC, IP/C/M/38, para. 139; IP/C/W/353, para. 7; India, IP/C/M/36/Add.1, para. 62; Jamaica, IP/C/M/37/Add.1, para. 136.; EC, IP/C/M/37/Add.1, Annex, pages 83-84.
58 EC, IP/C/M/37/Add.1, Annex, pages 83-84; Jamaica, IP/C/M/37/Add.1, para. 136.
59 Bulgaria, IP/C/M/38, para. 135; Bulgaria, DDG consultations, 7 February 2005.
60 Thailand, TRIPS Council consultations, 10 November 2002.
61 United States, TRIPS Council consultations, 10 November 2002.
62 IP/C/W/353, para. 7.
63 Australia and the United States, TRIPS Council consultations, 10 November 2002; Australia, IP/C/M/38, para. 74.
64 Australia, IP/C/M/35, para. 144; New Zealand, IP/C/M/35, para. 157; United States, IP/C/M/36/Add.1, para. 74; Australia, IP/C/M/37/Add.1, para. 155; IP/C/W/386, para. 11.
the Eiffel Tower for products from the region of Paris, or the map of Jamaica for coffee or sugar originating in that country.\(^{65}\)

30. The question of the extent to which so-called *traditional expressions*, such as "vintage", "quality liqueur wine", "sweet", "dry", "fine", "ruby", "tawny" or "château", would fall within the definition of geographical indications has been discussed.\(^{66}\) The view has been expressed that the very claim that the definition in Article 22.1 was flexible raised concerns that such terms might be thought protectable as geographical indications.\(^{67}\) Countries should be cautious about agreeing to extension as they did not know where the demands would end, even though such terms had no specific connection with a geographical source.\(^{68}\) In this regard, the following points had been made:

- Doubt has been sown by an official press statement of a Member saying that traditional expressions were geographical indications.\(^{69}\)

- There was no reason why, for example, wine producers from France should enjoy exclusive rights to the use of the word "château" when that was a common descriptive word in other countries as well.\(^{70}\)

- Some Members claimed ownership of certain bottle shapes. In a few years time the champagne-type bottle, which had been used all over the world, could suddenly be declared as a traditional expression or a traditional shape.\(^{71}\)

31. In response, it has been said that:

- Traditional expressions cannot be protected as geographical indications because they were not associated with a specific geographical origin.\(^{72}\) In fact, since traditional expressions did not qualify for the geographical indication definition of Article 22.1, they were not an issue for the discussion on extension.\(^{73}\)

- Since traditional expressions were not protected as geographical indications in their country of origin, in accordance with Article 24.9 they would not be eligible for protection in other Members.\(^{74}\)

- Because terms like "vintage", "sweet", "dry" and "fine" were all related to wines and spirits, they were not relevant to the debate on the extension to products other than wines and spirits.\(^{75}\)

\(^{65}\) IP/C/W/353, para. 7; Sri Lanka, IP/C/M/36/Add.1, para. 136; Jamaica, India and EC, IP/C/M/37/Add.1, respectively, paras. 136, 159 and Annex, page 84; Switzerland, TRIPS Council consultations, 10 November 2002.

\(^{66}\) Australia, IP/C/M/36/Add.1, para. 101; JOB(02)/95, page 5.

\(^{67}\) Australia, IP/C/M/36/Add.1, para. 184.

\(^{68}\) Australia, IP/C/M/35, para. 201.

\(^{69}\) Australia, IP/C/M/37/Add.1, para. 155; Australia, IP/C/M/36/Add.1, para. 88.

\(^{70}\) Canada, IP/C/M/36/Add.1, para. 126.

\(^{71}\) Australia, IP/C/M/36/Add.1, para. 185.

\(^{72}\) Kenya, IP/C/M/35, para. 175.

\(^{73}\) Switzerland, TRIPS Council consultations, 10 November 2002; EC, DDG consultations, 7 February 2005.

\(^{74}\) EC, IP/C/M/37/Add.1, Annex, pages 84-85; Switzerland, TRIPS Council consultations, 10 November 2002; Jamaica, IP/C/M/37/Add.1, para. 136.

\(^{75}\) EC, IP/C/M/35, para. 183.
32. Questions have been raised as to whether plant varieties and plant names, terms without any consumer recognition, and fanciful terms could fall within the definition of a GI and be eligible for protection. It has also been asked whether it was proposed that non-product-related process and production methods would be covered. In response to the last point, it has been said that according to the definition in Article 22.1 of the TRIPS Agreement, a geographical indication could for example be based on local human factors present at the place of origin of the products (such as certain manufacturing techniques or a traditional production method). Therefore, if local producers, especially small and medium sized enterprises, had a reputation for a production method which they had developed over time, it was their legitimate right to enjoy the benefits of it.

33. The question has been asked as to whether the proponents were advocating that services be covered by extension. In response, it was stated that the proposal of the proponents of extension did not cover services.

34. Greater clarity as to the product scope of the extension proposal has been sought. Would traditional handicrafts and artworks be excluded as seemed to be the case for the claw-back proposal? What non-agricultural products would be covered? In response, it has been said that the goal of extension was to allow more effective protection to be afforded not only to GIs for wines and spirits but also to all other products, such as, for illustrative purposes, rice, silk, coffee, tea, tobacco, apples, pineapples, cotton, vanilla, honey, beef, palm oil, cinnamon, carpets, ceramics, silver or wooden handicrafts, etc.

35. It has been argued that one reason why many of the benefits that the proponents of extension sought may not be achieved was that geographical indications of importance to them might fall within one of the Article 24 exceptions and thereby not be eligible for protection. Certain terms that had been referred to as of importance in connection with extension were already generic in some other countries and would thus fall within the exception provided in Article 24.6. Examples included Bukhara carpets in the United States, Bulgarian yoghurt in France or Ceylon tea and Basmati rice.

36. In response, it has been said that it should be borne in mind that, if a geographical indication should prove to have become generic in one Member, this did not mean it had lost all its economic value in other Members. Exceptions applied on a Member-by-Member basis, meaning that extension would offer legitimate producers an effective legal means to enable them to prevent the degeneration of their geographical indications into generic terms in new markets.

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76 Australia and the United States, DDG consultations, 7 February 2005; New Zealand, IP/C/M/35, para. 157; IP/C/W/386, para. 5.
77 New Zealand, DDG consultations, 7 February 2005; Uruguay, TRIPS Council consultations, 10 November 2002.
78 IP/C/W/353, para. 6.
79 Turkey, IP/C/M/35, para. 165.
80 Australia, DDG consultations, 7 February 2005; Australia, IP/C/M/35, para. 141.
81 Switzerland, DDG consultations, 7 February 2005; Kenya, IP/C/M/35, para. 174.
82 New Zealand, DDG consultations, 7 February 2005.
83 Colombia, DDG consultations, 7 February 2005.
84 WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, para 4 and footnote 2; Switzerland, DDG consultations, 7 February 2005; TN/C/4, page 2.
85 IP/C/W/386, paras. 10-11; Guatemala, IP/C/M/37/Add.1, para. 102.
86 Switzerland, IP/C/M/37/Add.1, para. 133.
III. THE IMPACT OF EXTENSION ON PRODUCERS IN THE AREA DESIGNATED BY A GEOGRAPHICAL INDICATION

37. The issue of the impact of extension on producers in the area designated by a geographical indication has been extensively discussed. In their draft legal proposal contained in the Annex to document TN/C/W/14, the proponents have proposed that Article 23 be amended to require each Member to provide the legal means for interested parties to prevent use of geographical indications identifying "goods for such goods not originating in the place indicated by the geographical indication in question..." rather than only for geographical indications identifying "wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question...". The view has been expressed that this should be done for the following reasons:

- Legitimate producers of a product identified by a geographical indication would be better protected against illegal use of the geographical indication of such category of products. Competitors not producing such a product within the indicated geographical area would be prevented from illegitimately using the geographical indication for such products. Hence all producers would have a clear view of the situations in which use of a geographical indication for products of the same category was lawful or not.87

- The existing provisions of Article 22 did not prevent free-riding on the reputation of a product which displays unique features and a specific quality due to its geographical origin by other products bearing the same geographical indication but produced in other regions and not possessing the same qualities. For example, it was perfectly legal under the TRIPS Agreement to sell yoghurt of Bulgarian taste or feta of Bulgarian type.88 On the other hand, Article 23 provided protection against the use of a geographical indication with a "délocalisant" indicating the true origin and against use in translation or with expressions such as "kind", "type", "style", "imitation" or the like.89

38. In response, it has been argued that:

- The protection afforded for geographical indications by Article 22 of the TRIPS Agreement, and its implementation through certification trademarks, adequately addressed the concerns about protecting names and connotations of national heritage and quality. In this regard, a Member said that it offered a transparent, easy-to-use system for the protection of GIs, for example for "Stilton" for cheese, "Parma" for ham, "Roquefort" for cheese, "Swiss" for chocolate, "Colombian" for coffee from Colombia, "Halloumi" for cheese from Cyprus, "Darjeeling" for tea from India, "Parmigiano-Reggiano" for cheese from Italy, "Jamaica Blue Mountain" for coffee from Jamaica, and "Banshu Somen" for noodles from Japan. Many developing countries were already taking advantage of the certification mark system to benefit from such protection.90 Another Member said that it offered such protection under the provisions of its trademark act, for example to "India" for spices, "Ceylon tea" and "Freiburger cheese".91

87 IP/C/W/353, para. 13.
89 IP/C/W/353, para. 13; TN/C/W/14, page 2; JOB(05)/61, page 4.
91 Canada, IP/C/M/35, para. 171.
- Any perception that Article 22 protection was insufficient was largely due to the failure of Members to implement fully and appropriately existing obligations under Article 22. Further, the low level of registrations by foreigners in some countries in order to obtain Article 23 protection seemed to indicate that producers currently felt that Article 22 provided sufficient protection. A further constraint on the ability of many Members to use the existing protection under the TRIPS Agreement resulted from their failure in many cases to protect GIs domestically.\(^{92}\) It has not been adequately demonstrated why Article 22 protection was insufficient. The Council should be provided with concrete examples of the problems Members have had, or were currently encountering, in obtaining satisfactory protection under that provision.\(^{93}\)

- As to the free-riding argument made by the proponents, indications of geographic origin used in one country began to be used in other countries not because the indications were well-known world-wide and the users sought a "free-ride", but because citizens of the first country had emigrated to the second and used the same terms for their products that they had used in their home countries. Much of that emigration had taken place from the 17th to the mid-20th centuries, in many cases before appellation of origin protection had even been established in the territories of those Members that now claimed those terms. Immigrants had invested heavily in the development, production and advertising of products using these familiar terms, creating broad demand in both domestic and global markets, and meeting with tremendous commercial successes. So it could be more accurately said that those old world producers wishing to reclaim those names were the real "free-riders" trying to exploit the marketing success of new world producers.\(^{94}\)

39. It has been said that reliance on the system for the protection of collective or certification marks had the disadvantage that regular renewal fees would have to be paid, in addition to the problem of not securing Article 23-level protection.\(^ {95}\) In response, it has been said that this cost should be balanced against those that would be incurred as a result of a GI extension system. Some Members were advocating a costly multilateral registration system that would probably be based on a fee-for-service cost.\(^ {96}\)

40. The question of \textit{whether extension would help prevent GIs becoming generic} terms has been discussed. One view has been that, since in the current situation, geographical indications of products other than wines and spirits could be usurped and free-ridden upon by products not having the respective origin or quality, they risked, by such illegitimate use, to become generic, to lose all their economic potential and economic value and to deceive consumers.\(^ {97}\) Because under extension, unlike under Article 22, use of a geographical indication with a "\textit{délocalisant}" indicating the true origin (e.g., so-called semi-generics) or use in translation or with expressions such as "kind", "type", "style", "imitation" or the like would be prevented for all geographical indications alike, extension

\(^{92}\) IP/C/W/386, para. 6; New Zealand, IP/C/M/37/Add.1, para. 166; Australia, IP/C/M/38, para. 76.

\(^{93}\) Canada, IP/C/M/37/Add.1, para. 121; New Zealand, DDG consultations, 7 February 2005; Chinese Taipei, DDG consultations, 25 April 2005.

\(^{94}\) IP/C/W/386, para. 7; United States, TRIPS Council consultations. 10 November 2002; Chile, DDG consultations, 10 March 2005; Argentina, DDG consultations, 25 April 2005.

\(^{95}\) Sri Lanka, IP/C/M/38, para. 144.

\(^{96}\) Australia, IP/C/M/38, para. 149.

\(^{97}\) TN/C/4, page 2.
would help prevent more geographical indications from becoming generic. The need to do so was ever more important since, with globalization and the fast flow of goods and information, worldwide awareness of a new geographical indication could develop very quickly.

41. In response, it has been argued that Article 22 protection was sufficient to ensure that a geographical indication did not become generic. With a GI regime that fully implemented the TRIPS Agreement as currently written, it was to be doubted that there were examples of products that, while fully exploiting the protection available, had lost their distinctive nature and become generic. If this did happen, it would be because the owner of the GI had not used the means available pursuant to Article 22 to prevent use of the GI by others. For example, the term "parmesan" had been used worldwide for many decades as the generic term for hard white cheese. In fact, the term was so generic that the Members of the Codex Alimentarius wished to establish product-identity standards so that anyone worldwide could produce parmesan to internationally established standards. If "parmesan" was really such an important geographical indication, the purported owners could have tried to protect it in the United States as a certification mark, as had the owners of "Roquefort". In reaction, it was said that, while certification mark protection had been obtained for "Parmigiano Reggiano", this had not helped in providing protection for "Parmesan" since such protection would have conflicted with several pre-existing local trademarks consisting of stylistic versions of the term "Parmesan", even if that term was not itself protected.

42. The question of whether Article 23 protection would reduce the burdens and costs, and increase the effectiveness, of enforcement of GIs compared to Article 22 protection has been discussed. One view has been that, by providing greater clarity and legal certainty as to the situations in which use of a geographical indication was lawful or not, Article 23 protection would mean that legitimate users of geographical indications would not have to undergo costly procedures to demonstrate that the consumer was confused, involving expensive, often inconclusive, opinion polls. The test under Article 23 was more objective and judicial decisions would be more uniform and harmonious as the final decision was not left to the judge's appreciation on whether the "public" was actually misled. On the other hand, the "misleading the public" test of Article 22 was not clear enough and was likely to lead to long legal discussions. Offering small producers and associations the less-costly and legally-secure protection of Article 23 would give them a better way to prevent the abusive use of their GIs in a foreign country than the difficult and burdensome proof that the public has been misled, or that there was an act of unfair competition.

43. In response, it has been said that:

- Extension would not obviate the need for producers to take action to enforce their rights and bear the associated costs. This was entirely consistent with the protection of other types of IPRs. Producers benefiting from those rights must bear the costs of protecting them. Thus, the extent to which producers would actually benefit from a

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98 IP/C/W/353, para. 13; Sri Lanka, DDG consultations, 10 March 2005; WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, paras. 7 and 13; JOB(02)/32, para. 15; JOB(05)/61, para. 4; Switzerland, IP/C/M/38, para. 69.

99 Switzerland, IP/C/M/37/Add.1, para. 131.

100 IP/C/W/386, para. 7; United States, DDG consultations, 7 February 2005; Paraguay, IP/C/M/38, para. 128.


102 EC, IP/C/M/38, paras. 152 and 171.


104 Turkey, IP/C/M/35, para. 166; IP/C/W/353, para. 4.

105 Pakistan, IP/C/M/37/Add.1, para. 167; WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, para. 6.
higher level of protection would also depend on the extent to which producers would be willing and able to enforce their rights.\textsuperscript{106}

- The argument regarding clarity and legal certainty overlooked the fact that, in order to pursue rights under Article 23, the complainant would bear the burden of rebutting claims that one of the exceptions to protection provided in Article 24 applied.

- It was incorrect to suggest that the tests of misleading the public and unfair competition in Article 22 as applied in domestic jurisdictions led to inconsistent decisions. Application of these tests led to decisions about whether use in a particular case was misleading or unfair by applying the same standard of misleading conduct or unfair competition in each case. It was the application of the same rules and standards at the national level in each case that provided consistency and certainty.

- To gain legal certainty from Article 23 such that producers would be certain of what terms they could use and what they could not, the result of extension would have to be that those using a particular term identifying goods from their geographic location would not have to compete with anyone using that term to identify goods coming from another area. If this was what the demandeurs were seeking, it would raise a number of points: would this require a prohibition on the use of the term on any other goods; would this also require a prohibition on the use of the term in any language; how would WTO Members know which translations the GIs users felt were appropriate translations of the GI and thus should be prohibited; would a list of GIs that included all possible translations of the terms be necessary to accomplish this; and, how would this be compatible with some of the flexibilities under Article 1.1 of the TRIPS Agreement?\textsuperscript{107}

- Producers also needed to be aware that establishing rights to a GI domestically would entail costs. Domestic producers wishing to establish a GI needed to mobilize other producers in the region to create a consensus. Reaching intra-domestic consensus could be a difficult process because producers would need to settle the territorial limits within which the essential link to a quality, reputation or other characteristic of a product would apply, and also decide what would be the criteria that would apply in determining when a GI could be used. These processes could cause conflicts between domestic producers that would need to be adjudicated. Such efforts would also likely require government lobbying and studies to demonstrate the geographical boundaries, including to defend against claims by producers who would be left outside of the boundaries. Such costs could not be easily borne by developing countries' producers or industries which were dominated by small and medium-size enterprises.\textsuperscript{108}

44. The question of the extent to which extension would assist beneficiary producers market their products and increase their trading opportunities has been discussed. One view has been that improved legal security at the multilateral level would encourage producers to use GIs as an efficient marketing tool. It would constitute an incentive for producers to market their goods internationally, thus promoting international trade.\textsuperscript{109} Basing investment and export decisions on potentially contradictory and changing judicial interpretations was a risk that GI producers, especially those of developing country Members, could not afford. Uncertainty about the conditions in which
producers operate was bad for trade and investment and, therefore, bad for development.\textsuperscript{110} "Extension" would open new market opportunities by preventing trade distortions. The benefits resulting from "extension" would foster development of local rural communities and encourage a quality-oriented agricultural and industrial policy. As was the case for products protected via trademarks, those benefiting from adequate geographical indication protection would be in a better position to benefit from an enhanced access to third country markets.\textsuperscript{111} In a time of globalizing and highly competitive trade, the added-value of a GI would create new and better opportunities for quality products, especially for smaller and developing Members and a valuable alternative to the benefit of economies of scale.\textsuperscript{112} An investigation made by a Swiss institute (IHA/GfM Institut für Marktanalysen) had showed that consumers paid a great deal of attention to the geographical origin of products when buying a product.\textsuperscript{113} As a GI was an asset belonging to a certain community residing in a particular area, such communities should be entitled to use their GIs for additional commercial advantage. Geographical indications were particularly important for developing countries and could add value to their export trade.\textsuperscript{114}

45. In response, it has been said that:

- Extension could not in itself make geographical indications for quality products a valuable marketing tool. It was the hard work of establishing a quality product and promoting that product in the marketplace that would turn a GI from simply a place name into a valuable marketing tool. It was the perception of the consumer that would make a GI valuable, and that could only be established through efforts by the GI right holders who use the term to market quality products to the consumer. Were the demandeurs expecting GI extension to leap over those critical steps of marketing and producing quality products in export markets?\textsuperscript{115} A recent European study focusing on the effectiveness of GIs suggested that GIs were not working very well in terms of clarifying consumer understanding. According to these experts, GIs were not used extensively by consumers to differentiate between products, since they did not recognize them. Moreover, the consumers that did recognize GIs did not rely on GIs alone to provide them with the information on the origin and qualities of goods. Consequently, consumer demand for goods bearing a GI did not rise and prices, in reaction, remained unchanged. Therefore, producers were not necessarily benefiting from their use of a GI.\textsuperscript{116}

- None of the examples cited had shown that GIs had been the causal factor of any increase in market share, which could be many and varied. A full and proper analysis would have to weigh up the relative contribution of various factors in this regard, and it would, therefore, be very difficult to see how many of the statistics presented could convincingly attribute increased prices and market share to a GI.\textsuperscript{117}

\textsuperscript{110} TN/C/W/21/Rev.1, paras. 5-6.
\textsuperscript{111} IP/C/W/353, para. 4; JOB(03)/119, page 6; JOB(02)/32, para 6.
\textsuperscript{112} TN/C/W/14, page 2; JOB(02)/32, para 10.
\textsuperscript{113} Switzerland, IP/C/M/38, para. 108.
\textsuperscript{114} India, DG consultations, 30 June 2003; WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, para. 8.
\textsuperscript{115} New Zealand and Chile, IP/C/M/38, paras. 87 and 113, respectively; United States and New Zealand, DDG consultations, 7 February 2005.
\textsuperscript{116} Canada, IP/C/M/38, para. 84.
\textsuperscript{117} Australia, IP/C/M/38, para. 73.
- The recognition of a product with a geographical indication protection could never guarantee market access because such recognition did not eliminate tariff barriers nor technical regulations nor any other type of non-tariff measure.\textsuperscript{118}

- Many terms of potential interest to \textit{demandeurs} were likely to be ineligible for protection because they would not fall within the definition of a GI used in the jurisdiction where protection was claimed or would fall within an exception of Article 24, having been used in international markets for decades.\textsuperscript{119}

46. It has also been said that Article 23 of TRIPS was not a panacea for wines and spirits producers. In fact, commentators were now saying that the highly regulatory approach in Europe was a factor explaining the difficulty European wine producers had in marketing and innovating in a way that attracted consumers, to match the success of the New World wine producers.\textsuperscript{120} On what studies and facts were developing countries supporting extension basing their view that this proposal would benefit them?\textsuperscript{121} In response, it has been said that, while extension would help all producers of traditional quality products of particular geographical origin to adequately protect their investment and compete in the global market against bulk products, GIs were only one of the marketing strategies available to them; they were neither a guarantee of success nor a panacea for all problems.\textsuperscript{122}

**IV. THE IMPACT OF EXTENSION ON PRODUCERS NOT IN THE AREA DESIGNATED BY A GEOGRAPHICAL INDICATION**

47. The impact of extension on producers not in the area designated by a geographical indication but which have been using the term in question has been discussed. One view that has been expressed is that such producers might face considerable adjustment and other costs and burdens, including:

- Marketing costs associated with developing substitute terms and changing current packaging, and getting consumers to recognize them. The re-naming and marketing process would be complicated by the fact that, in many cases, producers would have to try and market what would appear to be "new" products (because they had different names), but without the benefits of those products actually having any new characteristics.\textsuperscript{123} These costs should not be underestimated, particularly when there was a need to launch a marketing campaign in an overseas market.\textsuperscript{124} Stakeholders were asking what names could be used if they were deprived of using the normal term for that product, would all affected producers use the same new term and who would be responsible for bearing the costs of developing new names, re-labeling and educating consumers.\textsuperscript{125} As regards translations of GIs, a large number of terms in the local language might be excluded if their equivalents in other languages were recognized as GIs.\textsuperscript{126} The following were examples of terms that producers were concerned about losing because they could be eligible for protection under an extended Article 23: asiago cheese, balsamic vinegar, camembert cheese, edam

\textsuperscript{118} Ecuador, IP/C/M/35, para. 188; Argentina, Chile and Uruguay, IP/C/M/36/Add.1, paras. 85, 148 and 164, respectively; Guatemala, IP/C/M/37Add.1, para. 100.

\textsuperscript{119} Australia, IP/C/M/38, para. 75; Chinese Taipei and Malaysia, DDG consultations, 25 April 2005; IP/C/W/386, para. 10.

\textsuperscript{120} Argentina and Australia, DDG consultations, 10 March 2005.

\textsuperscript{121} Argentina, DDG consultations, 10 March 2005.

\textsuperscript{122} Switzerland, DDG consultations, 10 March 2005.

\textsuperscript{123} New Zealand, IP/C/M/38, para. 89; United States, DG consultations, 30 June 2003.

\textsuperscript{124} Australia, IP/C/M/38, para. 80.

\textsuperscript{125} Canada, DDG consultations, 10 March and 25 April 2005.

\textsuperscript{126} China, IP/C/M/37/Add.1, para. 139.
cheese, emmentaler cheese, feta cheese, gouda cheese, kalamata olives, parmesan cheese and pilsner.\textsuperscript{127}

- Costs would include:

  (i) the loss of revenue, as prices would have to be lowered in order to encourage consumers to buy these "new" products;

  (ii) the costs of alterations to the production and labelling processes;

  (iii) the costs resulting from disruption to consumer relationships, especially as the TRIPS Agreement did not include transition periods to allow producers sufficient time to adjust. For example, how would consumers know that the quality of the newly named products had not changed\textsuperscript{128},

  (iv) losses associated with a potential loss of market access, particularly into markets with quotas or tariffs that related to specific product types or product names.\textsuperscript{129}

- Unlike in the case of a company required to change a trademark, these costs might apply to a multitude of companies since the terms affected were generally used by many producers.\textsuperscript{130}

- Furthermore, there were the costs of undertaking a country-by-country analysis of every export market to determine whether producers outside the area indicated by the GI would be able to continue to use existing packaging and marketing material in those markets. If these producers failed to do this kind of research, they would risk subjecting themselves to sanctions or court actions in export markets accusing them of breaching another producer's GI.\textsuperscript{131}

- Since one of the major incentives for the demandeurs was a belief that extension would enable them to enhance market share in their own countries for products protected by GIs, it had to be recognized that, to the extent this took place, other suppliers would be excluded.\textsuperscript{132}

- An example of the effects of Article 23 concerned a small domestic producer of sparkling wines. After EC producers had successfully brought an action before a New Zealand court to stop this producer from using the term "Champagne" to designate its wine, the producer had been faced with costs of US$250,000 for a new marketing campaign. In the first year after it had been prohibited from using the indication "Champagne" its revenues had dropped 40 per cent and it had taken four years before it went back to a profitable situation.\textsuperscript{133} An example of the difficulty in finding alternative names was in regard to "Port", the use of which had been stopped following a bilateral agreement with the EC. However, the EC had objected also to

\textsuperscript{127} IP/C/W/386, para. 25.
\textsuperscript{128} Canada, DDG consultations, 10 March 2005.
\textsuperscript{129} Australia, IP/C/M/38, para. 80.
\textsuperscript{130} Chile, DDG consultations, 7 February 2005.
\textsuperscript{131} Australia, IP/C/M/38, para. 80.
\textsuperscript{132} New Zealand, IP/C/M/38, para. 88.
\textsuperscript{133} New Zealand, DDG consultations, 30 June 2003; New Zealand, DDG consultations, 7 February 2005.
48. In response, the following points have been made:

- The concern that extension would necessitate substantial re-labelling of products by producers outside the designated area, which would result in administrative costs and consumer confusion, was unsubstantiated. Such re-labelling would not be necessary because the exceptions contained in Article 24 would apply mutatis mutandis to the extended protection under Article 23.135 The extension proposal was designed to have effects only for the future and would not affect the existing uses of names that coincided with protected geographical indications to the extent that they were in conformity with the TRIPS Agreement, along the lines of what was embedded in Article 24.136 Extension did not demand rollback protection.137 These exceptions would take due account of prior good faith use of GIs for products without the relevant origin. If, however, such use had taken place in bad faith, with the intention to free-ride on the reputation of a GI, the Article 24 exceptions would not apply. In that case, the obligation to re-label a specific product seemed an appropriate consequence. The economic long-term benefits of extension would, in any case, outweigh the costs of a few cases where re-labelling might be necessary.138

- The provisions of Article 24 generally applied to all products (i.e., including wines and spirits) alike, with the exception of Article 24.4 and, to a certain extent, that of Article 24.6 which may need to be adapted.139 Whatever adjustments to Article 24 of the TRIPS Agreement may be necessary, if adequately justified, should be guided by the following principles: (i) they should not go to the detriment of the principle of "extension" of additional protection to all products; (ii) they should be crafted restrictively and allow only for restrictive interpretations as inherent in the nature of exceptions; (iii) they should enable a flexible solution taking into account the interest of the various market participants. Use in good faith, uses for a long period of time, not misleading the consumer should be key criteria when looking at the use of geographical indications qualifying for exceptions; (iv) they should not diminish the level of protection previously available to geographical indications.140

- If some delegations considered that the exceptions in Article 24 would be insufficient, they should make proposals for how they might be adjusted.141

- Was there any evidence that experience with the TRIPS provisions on wines and spirits since they had come into force had shown that they had required re-labelling or had led to products disappearing from the market? Given that the exceptions under Article 24 were so broad, the claim of re-labelling was not credible without such examples.142 In fact, some of the countries expressing the most concern were also

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134 Australia, DDG consultations, 10 March 2005.
136 IP/C/W/353, para. 3; Czech Republic, IP/C/M/37/Add.1, para. 169; JOB(05)/61, para. 5.
137 TN/C/W/14, page 2.
138 Switzerland, IP/C/M/38, para. 70.
139 IP/C/W/353, para. 36.
140 IP/C/W/353, para. 39.
141 Bulgaria, EC, Hungary and Switzerland, DG consultations, 30 June 2003; JOB(05)/61, para. 7; JOB(03)/119, page 5.
142 EC, IP/C/M/38, para. 197; JOB(03)/137.
claiming that their industries had been particularly successful in the period in export markets.\footnote{Czech Republic, DG consultations, 22 May 2003.}

- The concern that producers outside the designated area would have to perform extensive examinations to determine whether they would be allowed to use a GI was without foundation. Extension would eliminate legal uncertainties by requiring producers and traders to answer only one simple question when deciding whether to use a GI on a product: did the product come from the place and have the given quality designated by the GI in question? This was easy to examine and would not result in any additional costs.\footnote{Switzerland, IP/C/M/38, para. 71.}

- Rather than expressing concern about the burden on producers outside the GI area in having to check market by market, concern should be had for similar costs that GI right holders currently had to bear, especially as most were small communities of producers with few resources.\footnote{Hungary, DG consultations, 30 June 2003.}

49. In reaction, caution has been expressed about placing too much reliance on Article 24 exceptions, for the following reasons:

- Reference has been made to the need for adjustments to Article 24.6, the crucial exception on generics.\footnote{New Zealand, IP/C/M/37/Add.1, para. 165.}

- The removal of the consumer deception and unfair competition tests would reduce the ability of producers from outside the geographical area to use the courts to objectively test whether terms were eligible for protection or had in fact become generic, and thus diminish their ability to avail themselves of the Article 24.6 exception.\footnote{New Zealand, IP/C/M/37/Add.1, para. 165.}

- The availability of any Article 24 exception would have to be determined case by case in each WTO Member and, depending on the determination in each country, could make it necessary for a producer to vary its labels from one market to the next, or, as an alternative, to cease using a geographical term altogether, including in markets where the use of that term would not mislead consumers. In either case, the costs would be considerable.\footnote{United States and Chile, IP/C/M/38, paras. 96 and 113, respectively.}

- The position in the negotiations on the establishment of a multilateral system of notification and registration of GIs for wines and spirits of the same Members that were advocating extension should be borne in mind. In that context, Members’ ability to apply Article 24 exceptions under their national legislation and jurisdiction would be curtailed through an opposition procedure to be set up under the wine registry system suggested by those delegations.\footnote{Argentina and Chile, IP/C/M/38, paras. 97 and 113, respectively.}

- In negotiating bilateral agreements, the practice of some Members had been to demand elimination of the use of the TRIPS exceptions, such as the exception that allowed the continued use of terms like "feta" that had become generic in many
countries. This pressure could only be expected to increase in a multilateral setting.  

- The assurances about the willingness to preserve the exceptions in Article 24 in extension negotiations were of little comfort given the proposals that ignored Article 24 exceptions in order to obtain exclusive use of certain GI names that had been made in the Agriculture negotiations.  

50. In response, it has been said that the argument that the type of registration system that a Member was suggesting would take away the right of WTO Members to determine whether a term was eligible for protection was simply not the correct interpretation of that Member’s proposal. The proposal was to create a registry in which there would be a rebuttable presumption of eligibility for protection. While the burden of proof before local courts would be reversed, the ultimate decision whether a term had met the definition would remain at the national level.  

51. The impact of extension in third country markets, i.e. markets in which producers using a GI are not based but in which their products are actually or potentially traded and marketed, has been discussed. One view has been that the implications will depend on a number of variables including:

- The extent of local acquisition of rights and their enforcement by GI right holders. Experience in countries already applying extension showed that this was low.

- Whether the term was protected as a GI in its country of origin. Some terms about which concerns had been expressed, e.g. "mozzarella", were not so protected.

- The applicability of Article 24 exceptions and the scope of these exceptions as they would result from the negotiations. For example, "extension" as already applied to wines and spirits under TRIPS had not stopped the use of the term "Port" by producers in the United States.

- The volume and value of production in third countries using names considered as GIs in other WTO Members and the amount exported to third countries. The evidence pointed to the effects being minimal, if any. According to information provided by third country companies in the cheese sector for example, it would appear that the potential affected production would not exceed 94,000 tons, of which only 2,600 tons were exported outside the country of production.  

52. In response, it has been said that the implications for producers’ rights in third markets was a key concern, for the following reasons:

- Article 24 exceptions would only apply in the markets where producers had been using a term for some time. If the term had not yet been used in the export market, the company would forfeit its future ability to use that term in that market.  

- In accordance with Article 24.6, whether a term was considered to be generic was determined by each Member within its territory. The exceptions under Article 24.6

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151 United States, DG consultations, 30 June 2003; Argentina, Australia and Chile, DDG consultations, 7 February 2005; JOB(05)/8, para. 11.
152 Hungary, IP/C/M/38, para. 131.
153 EC, JOB(03)/119, page 5.
applied on a per-Member basis. Thus, even if a term was generic (Article 24.6 exception) in one WTO Member, it could be a protected GI in other WTO Members. For example, if Member X had concluded sufficient bilateral agreements for absolute protection of the term "XYZ," producers in a WTO Member where "XYZ" was a generic term would nonetheless be precluded from exporting to any WTO Member with whom Member X had concluded such a bilateral agreement. Therefore, due to that bilateral agreement, the producers in the WTO Member where the term was generic would not be able to export that product using the generic term to other markets.

- The argument that the impact in third markets would be minimal because these rights were "on-demand rights" that private parties were required to enforce was contradicted by what the EC was saying in the Agriculture and register negotiations. The EC was attempting in the Agriculture negotiations to establish a worldwide regime to make all WTO Members responsible for protecting the GIs of European producers. Therefore, Members could expect the EC to claw-back other Members' use of familiar terms such as parmesan, feta, burgundy, port and many others. In the TRIPS Special Session, the EC had proposed a register that would require all Members to provide absolute protection to names on that register to save their producers the trouble of seeking protection "on-demand" country-by-country. Governments would have to expend the resources to challenge each and every one of the EC's names within an 18-month time-frame or lose their rights to invoke TRIPS exceptions.

- The impact of extension on third country markets would be anything but trivial and it was not clear how the statistics provided in relation to potential impact on the cheese sector had been derived. Calculations based on the same data produced significantly different conclusions.

53. The view has been expressed that it was not only the impact on producers outside the GI area that had to be taken into account but also that on their downstream processors and distributors. This would cover, inter alia, traders involved in the import, bulk-breaking, repackaging, transhipment and distribution, including in third countries. Thus, the number of businesses and industries affected by extension would be greater than the number of traditional primary producers affected. When these downstream producers were considered, the number of businesses and industries affected by the costs of extension increased exponentially.

V. IMPACT OF EXTENSION ON THE RELATIONSHIP BETWEEN TRADEMARKS AND GEOGRAPHICAL INDICATIONS

54. The impact of extension on the relationship between trademarks and geographical indications, especially the consequences for prior trademark rights in the products affected, has been discussed. In their draft legal proposal contained in the Annex to document TN/C/W/14, the proponents of extension have advocated that Article 23.2 of the TRIPS Agreement apply to all products. Consequently, the first reference to "wines" in paragraph 2 of Article 23 should be replaced by a reference to "goods" and the second reference to "wines" by the expression "such goods".

158 Singapore and the United States, DDG consultations, 10 March 2005.
159 TN/C/W/14 and Add.1-2 and Corr.1, Annex; India and Romania, IP/C/M/36/Add.1, respectively, paras. 65 and 111.
Furthermore, the reference to "spirits" should be deleted and the third reference to "wines or spirits" replaced by a reference to "goods.  

This would mean that, unlike in the present situation under Article 22.3, the registration and validity of registered trademarks containing or consisting of geographical indications would be precluded even if they did not mislead the public.  

These Members have expressed the view that this would have the following advantages:

- It would facilitate the examination of trademarks by administrative authorities, trademark registrars or judges. They would refer to a simple, objective criterion (i.e., do the products identified by a trademark, which contains or consists of a geographical indication, really have the geographical origin referred by the geographical indication?) when deciding whether or not to refuse the registration of a trademark, if their legislation so permits, or to invalidate the trademark for products not originating in the indicated region.

- Producers from the geographical location, representative associations from those areas, or even associations of consumers, as well as other interested parties would obtain a more effective and less costly protection of their geographical indications against trademarks. Trademark holders and applicants would also have a clearer vision of whether a trademark containing a geographical indication could be used or not. This would also be instrumental in clarifying the relationship between trademarks and geographical indications.

- Prior trademarks would continue to benefit from the exception currently included in Article 24.5 of the TRIPS Agreement. The proponents of extension were open to explore how to adjust such an exception (e.g. relevant dates) to the entry into force of the "extended" protection, if needed. In this way, the balanced result that was obtained for wines and spirits at the end of the Uruguay Round could be replicated in the Doha Round.

- In the EC, no GI had ever been used as the basis for the removal of a trademark. The same was probably true in other Members. Were there any cases where GI protection had led to the cancellation of a trademark?

55. In response, the following points have been made:

- Geographical indications and trademarks have similar objectives, such as providing consumers with accurate source information and avoiding consumer deception, and should be entitled to similar protection in many respects. A fundamental concept of international trademark law, including under TRIPS, was that owners of registered trademarks should be able to prevent unauthorized third parties from using identical or similar signs for identical or similar goods if such use would be confusing. Identical or similar signs could certainly include words or marks that might fall within the Article 22 definition of a geographical indication. Thus, a geographical indication established after a trademark should not detract from, or prejudice, the rights of a trademark owner under Article 16. Any discussion of geographical indications and trademarks should be approached with this objective in mind.

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160 Bulgaria, IP/C/M/36/Add.1, para. 118 and footnote 3; JOB(05)/61, annex; TN/C/W/14, annex.
161 IP/C/W/353, para. 18.
162 IP/C/W/353, para. 20; India, IP/C/M/36/Add.1, para. 65.
163 EC, JOB(03)/119, page 4.
164 EC, DG consultations, 30 June 2003.
165 EC, JOB(03)/137.
indications had to recognize that fundamental concept which was simply a matter of fairness.\footnote{166 United States, IP/C/M/35, para. 155.}

- The 
  \textit{demandeurs} appeared to wish to give geographical indications precedence over established trademarks for all products, not just for wines and spirits. There was no reason why one form of IP should take precedence over another, especially in instances where a trademark had been established first. The justification of providing legal certainty had been given, but this applied only to the GI owner and the proposals could cause considerable legal and market uncertainty for the trademark owner. When talking about uncertainty, one also needed to consider the consumer.\footnote{167 United States, IP/C/M/36/Add.1, para. 155;  Argentina, DG consultations, 30 June 2003.}

- GI extension would create troublesome conflicts with trademarks, causing trademark owners either to have to cease using their marks or be unable to stop other manufacturers from using similar terms that confused or misled the consumer. In the EC, geographical indications enjoyed a superior position where they were allowed to coexist with pre-existing trademarks, despite the possibility of confusion. This was true even if the trademark had been registered or used for years, or even decades, before the geographical indications. The promise that under the extension proposal trademarks would continue to benefit from the Article 24.5 exception for prior existing trademarks did not provide the necessary reassurances if the view was that Article 24.5 forced trademark owners to coexist with confusingly similar GIs – with prejudice to their exclusive trademark rights.\footnote{168 United States, DG consultations, 30 June 2003.}

- As one should not discriminate among different types of products, one should also not discriminate between different categories of intellectual property. Consequently, there was no reason to eliminate the requirements for the general protection of Article 22 for geographical indications, i.e. the need to prove that the public was misled or that unfair competition had occurred, and not to do this, for instance, for trademarks.\footnote{169 Chile, IP/C/M/37/Add.1, para. 144.}

56. In response, it has been argued that it is not fair to suggest that Articles 16 and 22 are parallel provisions. Article 16 should be compared with Article 23.1 to a certain extent. Under Article 16, if the goods or services were identical, the confusion of the consumer was presumed and confusion did not need to be proved.\footnote{170 EC, IP/C/M/35, para. 182.}

57. The view has been expressed that the exclusion by the EC of mineral waters from the scope of its GI regime for foodstuffs demonstrated the possible conflicts between GIs and trademarks and, in this case, the desire of EC producers of mineral waters to give priority to their trademarks.\footnote{171 IP/C/W/386, para. 22;  United States, IP/C/M/36/Add.1, para. 77.} In response, it was said that mineral waters had been excluded because they were eligible to benefit from protection under a different regime.\footnote{172 EC, TRIPS Council consultations, 10 November 2002.}
VI. IMPACT OF EXTENSION ON THE TREATMENT OF HOMONYMOUS GEOGRAPHICAL INDICATIONS

58. In their draft legal proposal contained in the Annex to document TN/C/W/14, the proponents of extension have proposed that the reference to wines in Article 23.3 of the TRIPS Agreement should be removed so that the provision would apply to homonymous geographical indications for all products.\textsuperscript{173} Article 22.4 of the TRIPS Agreement would continue to apply in cases where two geographical indications of two WTO Members were similar but not identical, if one of these indications falsely represented to the public that the good which it designated originated in the territory of the other Member. Article 22.4 of the TRIPS Agreement would also apply where the name of a territory, region or locality of a country, protected as a geographical indication, entered into conflict with the same or a similar name that evoked a geographical origin in another country but did not correspond to an existing location within its territory.\textsuperscript{174}

59. In the view of the proponents, this would have the following advantages:

- it would mean that the trade-fostering solution found in Article 23.3 by which markets are kept open in the case of homonymous geographical indications by finding adequate solutions for their coexistence would apply to all products\textsuperscript{175};

- it would deal with the effects of historical colonization or immigration flows in terms of their resulting city, region and locality names that were identical to the ones used in the home countries of immigrants, thus providing additional proof that extension was not irreconcilable with the idea of adequately addressing genuine concerns related to the preservation of cultural diversity. However, keeping the possibility open for domestic manufacturers to start selling products under names that free-ride under the geographical indications of others did not seem to fall within these legitimate concerns.\textsuperscript{176}

60. In response, it has been said that the claim that Article 23.3 was "trade fostering" was open to serious challenge. Under the level of protection afforded by Article 22, producers who wished to use a GI from one location and producers who wished to use the same GI from another location were both able to do so when those locations shared the same or similar names, including in translation, provided they ensured that the goods produced in either location did not deceive consumers as to their actual origin. This seemed a practical, non-burdensome approach to ensure that consumers received the information that they needed, and that producers retained the right to use names fairly and in good faith. Article 23, on the other hand, said that there needed to be additional conditions imposed on producers seeking to use a shared term. This led to a number of questions in relation to the implementation of Article 23.3 of the TRIPS Agreement and whether this may be another example of the way, when implemented, extension could lead to restrictions to trade. For example, what practical conditions should be complied with by third countries? Who determined these practical conditions? Did the provision require exports to be held up until these "practical conditions" were agreed? How long could these delays be?\textsuperscript{177} Additionally, it was fundamental to discuss what would be the implications of the claw-back proposal on the TRIPS provisions related to homonymous GIs in Articles 22.4 and 23.3. The claw-back proposal introduced other conditions to the coexistence of homonymous GIs. For example, the proposal in document JOB(03)/12 and Add.1 said that two GIs

\textsuperscript{173} Bulgaria, IP/C/M/36/Add.1, para. 118 and footnote 3; JOB(05)/61, annex; TN/C/W/14, annex; IP/C/W/353, para. 25.
\textsuperscript{174} IP/C/W/353, para. 28.
\textsuperscript{175} IP/C/W/353, paras. 23-24.
\textsuperscript{176} Hungary, IP/C/M/37/add.1, para. 151.
\textsuperscript{177} Australia, TRIPS Council consultations, 10 November 2002.
could coexist if they were "traditionally and consistently used" or "if its use for that purpose is regulated by the country of origin".\textsuperscript{178}

VII. THE IMPACT OF EXTENSION ON CONSUMERS

61. With regard to the impact of extension on consumers, one view that has been expressed was that one of the basic principles of a market-oriented economy was consumers' right to be able to choose in the full knowledge of what they consumed. It was also their right to enjoy the particular characteristics of the product they wished to consume. The reputation of a product should not be subject to abuse simply because it was not a wine or a spirit. Any potential impact of extension on consumers would be positive, as it would enable them to make better choices with more accurate information on the product they wished to buy. Consumers were free to decide whether to buy a product with a specific geographical origin indicating specific characteristics and qualities or to buy a similar, maybe cheaper, product without these characteristics. Extension, however, would ensure that consumers would be able to trust in their choice when opting for a product using a GI.\textsuperscript{179}

62. In response, the following points have been made:

- Consumers currently were not confused regarding the products they were buying because the use of terms that misled consumers was already dealt with under an Article 22 standard. Article 22 allowed interested parties to protect geographical indications for all goods in instances where their use could confuse consumers.\textsuperscript{180} It would be helpful to have clarified why it was considered that Article 22 was not adequate for this purpose, and also how Article 23 might provide a guarantee of quality that Article 22 did not.\textsuperscript{181}

- Were an Article 23 standard to be applied for all goods, the increase in costs to industry to rename, re-label and repackage would be passed on to consumers resulting in higher priced goods. Also, consumers would no longer be able to recognize the products that they were used to purchasing.\textsuperscript{182}

- Extension would lead to a smaller number of producers making a particular product. It was basic economics that, as the supply of the named product would fall, prices would likely rise and consumers would be worse off. The concentration of market power and the scope for anti-competitive practices consequent on IPRs would have a damaging effect on consumers because it would result in higher prices.\textsuperscript{183} Additionally, there was no guarantee that the quality of what was available to consumers would be higher. In fact, the quality could be even worse in a situation of lesser competition because there would be little incentive to improve upon a product.\textsuperscript{184}

- Consumers would also have diminished choice. Previously they had been able to choose from a variety of brands of similar products, increasing the chance of finding a product that would meet their own needs in terms of quality, price and process.

\textsuperscript{178} Chile, DDG consultations, 7 February 2005.
\textsuperscript{179} Turkey, IP/C/M/35, para. 166; Switzerland, IP/C/M/38, para. 110; WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, para. 16; JOB(03)/119, page 6.
\textsuperscript{180} IP/C/W/386, para. 26; Australia, IP/C/M/38, para. 81.
\textsuperscript{181} New Zealand, DDG consultations, 7 February 2005.
\textsuperscript{182} IP/C/W/386, para. 26; Australia, IP/C/M/38, para. 81.
\textsuperscript{183} Argentina, DDG consultations, 7 February 2005.
\textsuperscript{184} New Zealand, IP/C/M/38, para. 90.
Alternatively, it could be argued that consumers would not have a diminished choice but that they would have to increase their search costs to find their preferred price and quality combination since a crucial product descriptor would no longer be available to them. Either way there would be a cost to consumers.\textsuperscript{185}

- Extension could also diminish choice by discouraging innovative products in favour of products meeting specifications defined in the country of origin of the GI.\textsuperscript{186}

- The approach to consumer protection that extension would entail was quite at odds with consumer policies of a number of countries, such as in those possessing a system of food standards and regulation designed to give consumers maximum choice while protecting their right of choice and variety. Regulators should and would want to invest their time, energy and resources in making sure that products were safe. This objective had nothing to do with a geographic indication.\textsuperscript{187}

- Trademark protection was in no way inferior to GI protection. In fact, it was questionable whether, in practice, GI protection in Europe did in fact fully protect the consumer from being misinformed and misled with respect to the true origin of the product.\textsuperscript{188}

63. In reaction to the above responses, the following views have been expressed:

- As to the question of whether the extension of Article 23-level protection would lead to consumer confusion, it was not possible to understand how consumers could be confused if it had been agreed that only a product that had in fact originated in a given geographic territory could bear a term which identified the product as originating from a territory where a given quality, reputation and other characteristic of the good was essentially attributable to its geographical origin.\textsuperscript{189}

- Extension could indeed result in higher prices for the products bearing GIs and this would ultimately be paid by consumers. Consumers would, however, not necessarily have to pay those prices, as would be the case for patents or copyrights. They would always be able to choose to pay the lower prices of the "generic" products. Those prices could even fall, so consumers would have increased choice and maybe lower prices.\textsuperscript{190}

- GI-extension would increase consumers’ choice by providing, through a more reliable international protection, an incentive for producers, in particular SMEs, to invest in the production of more GI-products which owe their particular quality, reputation or other characteristic to their geographical origin.\textsuperscript{191}

- The argument according to which consumers would not be able to recognize the products after extension was unsubstantiated as the example of the Catalan-Spanish GI "Cava" demonstrated. In 1986, following the entry of Spain into the European Communities, producers in that region had agreed to give up the use of the term

\textsuperscript{185} New Zealand, IP/C/M/38, para. 90.
\textsuperscript{186} Canada and Singapore, DDG consultations, 10 March 2005.
\textsuperscript{187} New Zealand, IP/C/M/38, para. 93.
\textsuperscript{188} United States, DG consultations, 30 June 2003.
\textsuperscript{189} Hungary, IP/C/M/38, para. 117.
\textsuperscript{190} Bulgaria, IP/C/M/38, para. 124 and DDG consultations, 25 April 2005.
\textsuperscript{191} TN/C/W/21/Rev.1.
"Champagne" and had started to use a new denomination called "Cava". In 1987 the exports of "Cava" had increased by 31 per cent and in 1988 by 16 per cent. In the next ten years, the exports of "Cava" had increased by 1,000 per cent. This did not suggest any difficulty on the part of consumers in identifying the product.192

If it was argued that, for consumer policy purposes, it would be desirable for Members to retain the possibility to use the GIs of others when the real origin of the product was also indicated, why had no similar argument been made in respect of any other field of IPRs. For instance, in the area of trademarks, no suggestion had been made that a particular trademark used should be allowed to be copied and used on the products of another manufacturer so as to keep this product affordable to consumers.193

VIII. THE ADMINISTRATIVE COSTS AND BURDENS OF THE PROCEDURES ASSOCIATED WITH ANY EXTENDED PROTECTION AND ANY OTHER IMPACTS ON GOVERNMENTS

64. It has been suggested that it would be helpful to have a breakdown of the administrative and other costs associated with the actual experience of some of the proponents with GI-related internal issues194, for example in regard to "Feta" in the EC or "Champagne" and "Emmental" in Switzerland195 or information on the grounds for and level of expected additional costs of extension in WTO Members which either already provided such extended protection at the national level, or which disposed of a national register of wines and spirits.196

65. In regard to the extent to which extension would require new or modified legislation and institutions, one view has been that:

- Since all Members were already obliged to provide protection to GIs according to Articles 22 and 23, extension would imply only minimum administrative changes. These might be limited to a modification of legislative provisions so that the protection of GIs for wines and spirits would be extended to GIs for all other products.197

- A comparison of what the TRIPS Agreement required under Articles 22 and 23 showed that the differences were minimal from the legal point of view and that they only referred to the criteria to grant protection – the public being misled or the existence of unfair competition, present in Article 22 but not in Article 23. Therefore, the implementation of protection envisaged in Article 23 for all GIs would not necessarily require the establishment of a completely new protection system.198

- Many countries, including Brazil, Costa Rica, Cuba, Venezuela, Colombia, Peru, Paraguay, India, Uruguay and the Bangui Agreement African countries already provided for extension in their domestic legislation.199

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192 EC, IP/C/M/38, para. 143.
193 Hungary, IP/C/M/38, para. 117.
194 New Zealand, DDG consultations, 7 February 2005.
195 Australia, DDG consultations, 10 March 2005.
196 EC, JOB(03)/137.
197 Switzerland, IP/C/M/38, para. 203; TN/C/W/14, page 2; EC, JOB(03)/119, page 5; WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, paras. 10-11.
198 Switzerland, IP/C/M/38, para. 203.
199 EC, DG consultations, 30 June 2003.
66. In response, the following points have been made:

- Extension of Article 23 would require more complicated implementation than was the case for Article 22 implementation; countries would have to institute a system that protected a wide variety of products and may have to change fundamental concepts in their laws. Members that had not yet implemented Articles 22 and 23 or had implemented them by reproducing the language of these Articles verbatim in their laws would have to implement them substantively by creating mechanisms to define and enforce these provisions.  

- In some Members, Article 23-level protection could not be provided for GIs for products other than wines and spirits merely by extending what they currently did with respect to GIs for wines and spirits. Were Article 23 level protection extended to GIs beyond those currently regulated, new statutory authorities would have to be given to agencies that currently did not have such authority, or new agencies would have to be created, adding even greater costs.

- If Article 23 were extended to cover geographical indications for all goods, the traditional trademark standard and confusion analysis would not be sufficient because Article 23 required implementation of an "absolute" standard — if the goods did not come from the place named, the GI was invalid regardless of whether its use would mislead the public. To require the trademark regime to begin using a different standard - one not based on consumer confusion - would necessitate, at least in the trademark regimes of some Members, a fundamental philosophical change. This would necessitate a substantial overhaul of the entire trademark and unfair competition regime, a cost that must be acknowledged. Amending the trademark and unfair competition laws to provide Article 23-level protection for all GIs would be to stand those laws on their heads. Requiring Members to rewrite fundamental concepts and rework existing structures might be inconsistent with Article 1 of the TRIPS Agreement.

- Apart from intellectual property legislation, it might also be necessary to amend legislation relating to agricultural product standards. If terms used in that legislation could no longer be used, how could governments regulate the products concerned, with some producers having to use new and, as yet, unknown names.

As to the point that the domestic legislation of many countries already provided for extension, the discussions should focus on substantive issues and not refer to the legislation of other countries. Article 1 of the TRIPS Agreement provided that Members’ legislation could offer greater protection than that stipulated in the Agreement. This did not mean that Members were obliged to agree internationally to a greater protection than provided in the Agreement, nor that they had agreed to extend the obligations they had through it.

201 United States, IP/C/M/38, para. 174.
202 IP/C/W/386, paras. 16 and 20.
203 United States, IP/C/M/38, para. 175.
204 United States, DDG consultations, 10 March 2005.
205 Canada, DDG consultations, 7 February 2005.
206 Brazil, IP/C/M/37/Add.1, para. 179; Paraguay, IP/C/M/37/Add.1, para. 182.
Article 7bis of the Paris Convention required that Paris Union members provide protection for collective marks. That obligation was incorporated into the TRIPS Agreement via its Article 2.1. Therefore, protecting GIs through registration as collective marks would use a system that was already required to be in place under TRIPS.\(^\text{207}\)

67. With regard to the costs and burdens on governments that might be associated under extension with procedures for acquiring protection, one view that has been expressed is that:

- Among the ways of implementing the protection of domestic and foreign GIs were systems, like the Swiss system, where GIs were protected independently of registration. This type of protection presented several advantages. First, it ensured general protection for all GIs, both national and foreign, at a lower cost. Secondly, it did not entail specific burdens on national administrations, other than that of developing legislation concerning the subject-matter and extension of the protection of GIs at the domestic level, as well as providing the means for interested parties to stop the abusive use of GIs. Thirdly, the costs linked to the protection of GIs would be borne by the legitimate producers and consumers' associations and not the national administration. Therefore, extension would not necessarily entail costs and administrative burdens that would be out of proportion.\(^\text{208}\)

- Information provided at TRIPS Council meetings showed that in various developing countries with formal systems of GI protection very few holders of foreign GIs had sought such protection.\(^\text{209}\)

- In a country providing protection on the basis of registration, an income for the administration would be generated because GI owners would have to pay fees for GI registration. It was true that this income was not as significant as it was from the registration of trademarks, for which the payment of renewal fees was necessary. The administration's burden of maintaining the GI protection system did not, however, exceed that of the trademark systems. The burden was, in fact, much lower and did not increase in relation to the number of GIs protected. What did increase was the income from fees. The more applications for GIs, the more revenue flowed to the government. Therefore, the argument of higher administration costs, made by those who provided GI protection through the trademark system, was not relevant to this issue.\(^\text{210}\)

- Extension would facilitate the task of trademark examiners faced with an application for the registration of a trademark including a GI for a product other than wines and spirits, and having to determine whether such a trademark would mislead the consumer or not. Such a determination was often made on the basis of the examiner's information of what an average consumer did or did not think. However, such a determination could be challenged before domestic courts on the basis of evidence such as consumer surveys, which were often unavailable at the time that trademark examiners needed to make their decisions. With extension, trademark examiners would simply have to assert whether a trademark application contained or consisted of a protected GI and would only allow registration to proceed if the trademark was

\(^{207}\) United States, IP/C/M/38, para. 176.
\(^{208}\) Switzerland, IP/C/M/38, paras. 204-205: WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, paras. 10-11.
\(^{209}\) EC, IP/C/M/38, para. 179.
\(^{210}\) Czech Republic, IP/C/M/38, para. 191.
entitled to use the geographical indication for its products. There would no longer be the need to make a costly and difficult determination of whether the consumer would be misled by the registration of a trademark, including a GI. It would be clear to producers whether they could use a term or not. Consequently, they would not use GIs that belonged to others or that were used by others in other countries. This would result in a greater clarity and certainty of legal protection, which would diminish litigation and related costs.211

68. In response, the following points have been made:

- Once the Article 23.4 multilateral system negotiations were completed, it was likely that some Members would enforce implementation through dispute settlement proceedings based upon Articles 22 and 23 and the Article 23.4 multilateral system. Because Article 23, in the view of some delegations, essentially required a labelling regime wherein all labels were policed for compliance with the Article 23 requirements, the implementation burdens of such a system became very complicated. Were Article 23 to be extended to cover geographical indications for all goods, the number of labels to be reviewed and policed would increase exponentially.212

- The replacement of national systems not involving registration by one consequent on a multilateral register would shift the burden of administering and enforcing geographical indication rights from right holders to governments, contrary to the principle that right holders should bear the costs of protecting and enforcing their rights.213

- The workload of trademark offices would be affected by the fact that Article 23 applies "even where the geographical indication is used in translation". This would create a considerable extra burden. In case of extension, Members would need to consider how to translate into their own language geographical indications from various languages of the world. It would be necessary to prepare a database of translations to be used by trademark examiners. Also, regarding GIs from countries in whose languages Members would not have a great deal of experience, pronunciation data of the translated geographical indication itself might not be sufficient for the reference purposes of trademark examiners. The examiner would have to prepare translated data concerning the name of the region of production and the product itself related to the geographical indication.214

- Rescinding prior trademarks would be likely to result in right holders in prior trademarks defending their rights in national courts, thus raising questions of the consequent litigation costs.215

211 EC, IP/C/M/38, para. 188; IP/C/W/353, para. 20; EC, DDG consultations, 10 March 2005.
212 IP/C/W/386, para. 15.
213 Singapore, DDG consultations, 10 March 2005.
214 Japan, IP/C/M/38, para. 183.
215 Singapore, DDG consultations, 10 March 2005.
A Member's use, to protect GIs, of the trademark regime that it was already required to have under the TRIPS Agreement would involve only the use of that Member's resources already committed to the trademark system for applications, registrations, opposition, cancellations, adjudication, and enforcement. 216

Contrary to assertions made by some of the demandeurs, obtaining and reviewing rights under a trademark system was not expensive, as evidenced by the vast numbers of trademarks that were maintained by small and large producers alike. 217

Under the multilateral registration system proposed by the demandeurs for extension, if a Member were to claim that a term is generic, it could be obliged to go through an arbitration system. This would be a very costly exercise, as shown by the costs in challenging GIs in the EC system, for example, which were massive. Therefore, Members should weigh up the costs for re-registering certification marks with the costs of the disputes they would be involved with in challenging whether a country could use a generic term. 218

In regard to the impact of extension on costs and burdens on governments associated with enforcement, one view has been:

- There was cause for concern that, because systems for the recognition of GIs of some Members provided for government recognition, oversight and enforcement of the standards established for the use of GIs, the governments of Members that did not have such a system might be called upon to assume such responsibilities. It would require considerable resources to set up the system and ongoing resources to maintain it. 219

- If the view that extension would reduce right holders' costs of enforcing GIs was dependent on having a registration system in place along the lines of that proposed by the demandeurs in the TRIPS Council Special Session and on Member governments monitoring and enforcing GIs on behalf of right holders, the effect of what the demandeurs were seeking would be to shift costs from right holders to governments at the tax payers' expense. 220

- Enforcement obligations in respect of IPRs could be some of the most costly and difficult aspects of implementing intellectual property protection. The TRIPS Agreement obligated governments to provide necessary legal means to right holders and to play a role in enforcing the regime. For example, Article 23.2 required a government to refuse or invalidate registration of a trademark that contained or consisted of GIs for wines and spirits with respect to wines and spirits that did not have this origin. Article 23.3 required governments to determine the practical conditions under which homonymous GIs could be used. Some of the enforcement provisions contained in Part III of the Agreement also had application to rights in GIs. For example, Section 2 of Part III required application of certain civil and administrative procedures to rights covered by TRIPS, including GIs. It was impossible to isolate the discussion of extension in this context from the negotiations for a multilateral system of registering wines and spirits GIs. Under some Members'
proposals, WTO Members would have to play an even more active role in enforcement in the following ways: notifying domestic GIs; examining GIs by other countries; engaging in bilateral negotiations and, possibly, in dispute resolution to either defend or to object to a notification of a particular GI.\textsuperscript{221}

70. In response, the following points have been made:

- Although the system of GI recognition of some Members provided for governmental enforcement, this was not the case for the protection of GIs under TRIPS. Extension, or for that matter GI protection, did not require government enforcement. The TRIPS Agreement did not state that governments must police third countries’ GIs. The TRIPS Agreement was a minimum-standard agreement and in regard to GI protection it was quite clear that enforcement was left to right holders. Some Members had however made a choice of protecting GIs via government enforcement. Certainly other Members could choose differently.\textsuperscript{222}

- Regarding the costs for administrations relating to enforcement of protected GIs, all such costs on national legal systems had already been imposed by the enforcement provisions of the TRIPS Agreement. With extension, costly proof in civil or criminal courts or administrative bodies would no longer be necessary in order to show that either the public was misled or an act of unfair competition had occurred in relation to the use of a GI. From this point of view, the additional level of GI protection would represent not only a simplification of the enforcement process but would also represent a cost-saving possibility.\textsuperscript{223}

71. The view has been expressed that if, under extension, producers were to be prohibited from using a certain term and that use was treated as a kind of property, this might be seen as a form of expropriation by the government that might give rise to an obligation to compensate the affected producers. It could be seen as a breach of a constitutionally protected right, which could be invoked by foreign as well as domestic investors, maybe on the basis of investment protection agreements.\textsuperscript{224}

72. It has been suggested that it would be useful to have an exchange of views on what kind of technical assistance would be necessary to help Members that do not have domestic systems and infrastructures in place to cope with extension.\textsuperscript{225}

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\textsuperscript{221} Australia, IP/C/M/38, para. 178; Argentina, IP/C/M/38, para. 208.
\textsuperscript{222} EC, IP/C/M/38, para. 190; JOB(03)/119, page 5; WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, para. 10.
\textsuperscript{223} Czech Republic, IP/C/M/38, para. 192; WT/GC/W/540/Rev.1 and TN/C/W/21/Rev.1, paras. 7 and 12; TN/C/W/14, page 2.
\textsuperscript{224} Chile, DDG consultations, 7 February 2005.
\textsuperscript{225} New Zealand, DDG consultations, 7 February 2005.
ANNEX 1

LIST OF FORMAL AND INFORMAL MEETINGS AT WHICH DISCUSSION DEDICATED TO EXTENSION ISSUES HAS TAKEN PLACE (2002-2005)

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ANNEX 2.1
CHECKLIST OF ISSUES*

Note by the Chairman

The issues that could be discussed can be grouped into three main categories:

- the legal issues relating to the differences between the general protection for geographical indications provided for in the TRIPS Agreement and the additional protection for geographical indications for wines and spirits;

- broader policy issues such as the impact on producers and consumers of any extended protection; and

- the administrative costs and burdens of the procedures associated with any extended protection and any other impacts on governments.

In addition, it will be necessary for the Council to give thought to the way in which it should report to the TNC by the end of this year.

It is suggested that the Council might focus on the first of the above baskets of issues at its September 2002 meeting and address the remaining two at its November 2002 meeting, at which time an opportunity would also be provided to revisit the basket one issues. If Members so wish and the meeting schedule permits, an additional informal meeting could also be organized.

It is emphasized that the purpose of the checklist is not to limit discussion but rather to facilitate its rational organization. All issues that are of significant concern to delegations must be open to discussion. The checklist is therefore, necessarily, non-exhaustive. In particular, it might be noted that the topics identified for discussion under each of the main baskets are illustrative and do not prevent delegations from raising additional questions under those headings.

With regard to relevant work under way in other contexts, it is suggested that, in considering the issues on the checklist, the Council should take advantage of and avoid duplication of work done under other agenda items and in other fora, such as WIPO.

The legal issues relating to the differences between the general protection for geographical indications provided for in the TRIPS Agreement and the additional protection for geographical indications for wines and spirits

A basic starting-point for the discussion would seem to be an adequate appreciation of the differences between the general level of protection for GIs and the additional protection required in the area of wines and spirits. This is necessary for a proper understanding of the implications of any extended protection. There has been a fair amount of discussion of these differences, with some emphasizing the importance of the general level of protection and the limited significance of the additional protection given the exceptions of Article 24 and others emphasizing the need to prevent new unauthorized usages of GIs.

* Extracted from JOB(02)/117, dated 17 September 2002.
Topics that might be considered in this discussion would include:

- **Issues relating to protectable subject-matter.** While some delegations have expressed the view that this matter does not need discussion in this context given that no change to the definition contained in Article 22.1 is envisaged, some other delegations have indicated that, given the different implications of extended protection, it is difficult to discuss this matter without greater clarity as to the nature and number of terms that might be eligible for protection, including in regard to such matters as to the relative role of the country of origin and the country where protection is sought in determining the criteria for eligibility for protection, the eligibility of country names, non-place names and of so-called "traditional expressions", etc.

- **Issues relating to the protection to be granted.** This could include discussion of:
  
  - the difference in the level of protection taking into account the exceptions provided for in Article 24;
  
  - the difference in the treatment of the relationship between trademarks and geographical indications; and
  
  - the difference in the treatment of homonymous geographical indications.

**Broader policy issues such as the impact on producers and consumers of any extended protection**

On the producers' side, there are two sets of producers whose concerns might be analysed:

- The producers that produce the product in the area that is designated by the term that benefits from enhanced protection. Building on the discussion of the legal differences, to what extent would such producers benefit from such protection in the marketing of their product in other countries?

- The producers of the product in other areas who might be prevented from making use of the protected geographical indication. To what extent would such producers be adversely affected in the marketing of their product and what kind of adjustment costs/burdens might they be faced with?

With regard to consumers, further discussion might be considered to establish the relative importance of the claimed benefits from greater clarity in the geographical origin of the products concerned against claimed confusion and higher prices that might arise from disruption to existing marketing practices.

**The administrative costs and burdens of the procedures associated with any extended protection and any other impacts on governments**

These issues have been raised at a number of levels:

- **Adaptation of legislation and institutions.** Issues that might be discussed include the extent to which existing models for wines and spirits could be extended to other product areas and the extent to which a thorough review of trademark and unfair competition legislation would be entailed.

- **Use of procedures for acquiring protection.** Issues that might be discussed include the extent to which use of these procedures might put burdens on governments and
commercial interests, for example because of the number of likely applications, the difficulties of dealing with differences as to eligibility for protection, claimed likely pressures to observe criteria applicable in the country of origin, etc.

- **Enforcement.** Issues that could be discussed include the extent to which the burden for ensuring compliance would rest on the commercial interests concerned or governments might be required to monitor compliance and get involved in litigation at the national level and, potentially, dispute settlement proceedings at the multilateral level.
ANNEX 2.2

NON-EXHAUSTIVE LIST OF POSSIBLE TOPICS FOR DISCUSSION*

Fax from the Director-General

1. Topics mentioned by the Director-General at the May consultation:
   (a) the relationship between the extension proposals put forward in the TRIPS context and the proposals made on geographical indications in the context of the negotiations on agriculture;
   (b) the scope of the extension proposals, in terms of the range of products and the number of geographical indications;
   (c) the potential implications of extension for prior trademark rights and for the TRIPS Agreement's provisions on the protection of trademarks;
   (d) the potential implications of extension in third country markets.

2. At the May consultation, reference was made to the advantages and disadvantages for the different parties that might be affected by extension, notably:
   (a) producers in the area identified by the geographical indication, having regard to the protection already available under Article 22 of the TRIPS Agreement and/or the trademark system;
   (b) other producers using the GI;
   (c) consumers;
   (d) governments.

3. A number of questions relating to the way in which possible extension might interface with the WTO system more generally were raised, including:
   (a) the distribution of rights and obligations, or advantages and disadvantages, between WTO Members, including for developing country and least-developed country Members;
   (b) the implications for the WTO objective of promoting trade liberalization.

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ANNEX 2.3

IMPLEMENTATION ISSUES: TECHNICAL LEVEL CONSULTATION
ON GI EXTENSION, 7 FEBRUARY 2005

Fax from the Deputy Director-General*

You are invited to a technical level consultation on issues related to the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits, to be held on the morning of 7 February 2005 in Room D, starting at 10 a.m.

At the end of the organizational consultation held on 16 December, I indicated that, in the light of the views expressed, I would put to you a number of suggestions for topics for discussion at the February consultation – topics which could be added to as the work progresses.

I would suggest therefore that, at the February meeting, discussion might initially seek to clarify:

- the objectives, scope and content of the extension proposal put forward by some delegations,

- the implications (including costs and benefits) of such a proposal, including for (a) producers benefiting from a GI; (b) other producers; (c) consumers; and (d) government authorities.

In addressing these topics, delegations may wish to discuss, inter alia, points referred to by the Director-General in the "Non-exhaustive List of Possible Topics for Discussion" he circulated in June 2003.

Delegations having any comments on the above suggestions are invited to let me have them by c.o.b., Thursday 27 January.

* Extracted from a fax sent to WTO Members on 13 January 2005.
# ANNEX 3

## DOCUMENTS ON GI EXTENSION ISSUES SINCE DOHA MINISTERIAL CONFERENCE

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<td>Communication from Bulgaria, the Czech Republic, the European Communities and their member States, Hungary, Liechtenstein, Kenya, Mauritius, Nigeria, Pakistan, the Slovak Republic, Slovenia, Sri Lanka, Switzerland, Thailand and Turkey Regarding Paragraphs 18 and 12 of the Draft Ministerial Declaration</td>
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