

Chapter 1 · Introduction

The 1994 TRIPS Agreement, which became effective in 1995, established standards for international intellectual property protection and enforcement.¹ It was the first international treaty providing broad, detailed coverage of geographical indications, and it included the largest number of signatories on the issue.² Articles 22 through 24 articulate the minimum standards of protection for geographical indications that WTO Members must provide.³

Geographical indications, to be more closely defined *infra*, may loosely be defined as place names, or in some countries also words associated with a place, used to identify products with particular characteristics because they come from specific places.⁴ Article 22 of the TRIPS Agreement, to be discussed *infra*, is titled “Protection of Geographical Indications” and applies to all products.⁵ Article 23, also to be discussed *infra*, is titled “Additional Protection for Geographical Indications for Wines and Spirits” and provides added protections to wines and spirits only.⁶ And Article 24, also to be discussed *infra*, is titled “International negotiations; Exceptions” and details additional negotiations to take effect for geographical

¹ Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments - Results of the Uruguay Round, 33 I.L.M. 81 (1994) [hereinafter TRIPS Agreement].

² See Sergio Escudero, INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS AND DEVELOPING COUNTRIES, Trade-Related Agenda Dev. & Equity, at 31-32 (July 2001), available at http://www.southcentre.org/index.php?option=com_docman&task=doc_download&gid=28&Itemid = (last visited Jan. 19, 2009).

³ See TRIPS Agreement, *supra* note 1, Articles 22, 23 and 24; 1869 U.N.T.S. 299, 308-310, 33 I.L.M. 1125, 1205-07.

⁴ See, http://www.wto.org/english/thewto_e/whatis_e/tif_e/doha1_e.htm (last visited Jan. 19, 2009).

⁵ See TRIPS Agreement, *supra* note 1, Article 22.

⁶ See *id.*, Article 23.

indications as well as exceptions to protection of geographical indications.⁷

Additionally, another article worthy of attention, Article 23.4, mandates WTO Members to negotiate “the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system” in order to “facilitate the protection of geographical indications for wines.”⁸

All these attentions on geographical indications are of no surprise in today’s globalization of economy.⁹ According to the European Commission, geographical indication-labeled cheeses from France command a premium of two euros per kilo over French non-geographical indication cheeses.¹⁰ Extending this market premium worldwide is thus plainly attractive to producers. Accordingly, geographical indications, as well as these geographical indication related Articles within TRIPS, have become a part of heated international debate. In fact, the provisions devoted to geographical indications in the TRIPS Agreement were some of the most contentious during the Uruguay Round.¹¹ And the end result symbolizes a hard fought

⁷ *See id.*, Article 24.

⁸ *See id.*, Article 24.

⁹ *See* Kal Raustiala and Stephen R. Munzer, *THE GLOBAL STRUGGLE OVER GEOGRAPHIC INDICATIONS*, 18 *Eur. J. Int'l L.* 337, 352 (2007).

¹⁰ European Commission, 'Why Do Geographical Indications Matter to Us?' (30 July 2003), available at http://europa.eu.int/comm/trade/issues/sectoral/intell_property/argu_en.htm (last visited Jan. 19, 2009); *see also*, G. E. Evans and Michael Blakeney, 'The Protection of Geographical Indications After Doha: Quo Vadis?', 9 *J Int'l Econ L* (2006); *see also*, Michael Blakeney, 'Stimulating Agricultural Innovation', in K.E. Maskus and J.H. Reichman (eds), *International Public Goods and Transfer of Technology Under a Globalized Intellectual Property Regime* (2005).

¹¹ Albrecht Conrad, *The Protection of Geographical Indications in the TRIPS Agreement*, 86 *Trademark Rep.* 11, 45-46 (1996).

compromise, with many issues remained unresolved at the conclusion of TRIPS, necessitating further negotiations.¹²

At the Fourth Ministerial Conference in Doha, Qatar, in November 2001, WTO Members agreed to launch new negotiations.¹³ They also agreed to work on other issues, in particular the implementation of the present agreements.¹⁴ The entire package is called the Doha Development Agenda (DDA).¹⁵

In Paragraph 18 of the Doha Development Agenda, implementation of Article 23.4 and extension of the protection afforded in Article 23 to non-wines and spirits goods are contemplated.¹⁶ Specifically, Paragraph 18 of the Doha Development Agenda states that “[w]ith a view to completing the work started in the Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPS) on the implementation of Article 23.4, we agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference. We note that issues related to the extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits will be addressed in the Council for TRIPS pursuant to paragraph 12 of this Declaration.”¹⁷

And Paragraph 12 of Doha Development Agenda, which the extension of the protection afforded in Article 23 to non-wines and spirits goods is based on, states that “[w]e attach the utmost importance to the implementation-related issues and concerns

¹² *Id.*; see also, Stacy D. Goldberg, WHO WILL RAISE THE WHITE FLAG? THE BATTLE BETWEEN THE UNITED STATES AND THE EUROPEAN UNION OVER THE PROTECTION OF GEOGRAPHICAL INDICATIONS, 22 U. Pa. J. Int'l Econ. L. 107, 140 (2001).

¹³ See, http://www.wto.org/english/thewto_e/whatis_e/tif_e/doha1_e.htm (last visited Jan. 19, 2009).

¹⁴ See *id.*

¹⁵ See *id.*

¹⁶ See *id.*

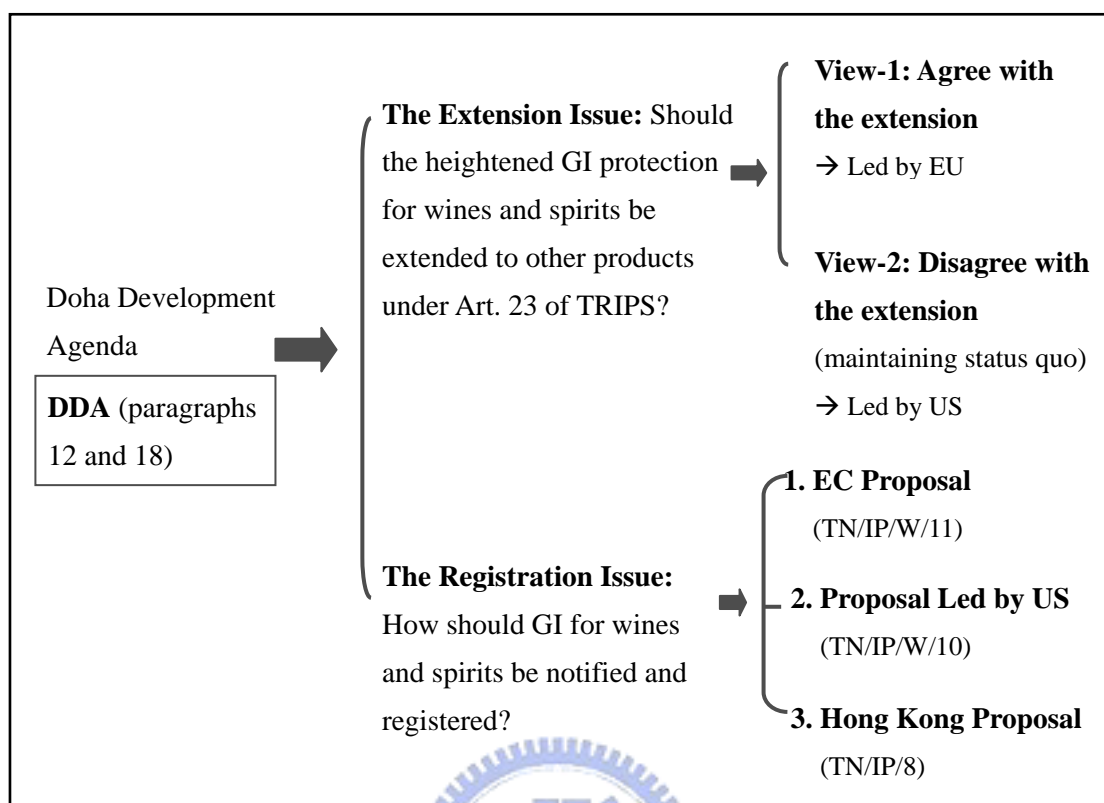
¹⁷ See *id.* (*Emphasis added.*)

raised by Members and are determined to find appropriate solutions to them. In this connection, and having regard to the General Council Decisions of 3 May and 15 December 2000, we further adopt the Decision on Implementation-Related Issues and Concerns in document WT/MIN(01)/17 to address a number of implementation problems faced by Members. We agree that negotiations on outstanding implementation issues shall be an integral part of the Work Programme we are establishing, and that agreements reached at an early stage in these negotiations shall be treated in accordance with the provisions of paragraph 47 below. In this regard, we shall proceed as follows: (a) where we provide a specific negotiating mandate in this Declaration, the relevant implementation issues shall be addressed under that mandate; (b) the other outstanding implementation issues shall be addressed as a matter of priority by the relevant WTO bodies, which shall report to the Trade Negotiations Committee, established under paragraph 46 below, by the end of 2002 for appropriate action.”¹⁸ Paragraphs 12 and 18 have collectively been referred to as the “Doha Mandate.”

Thus, two issues are debated under the Doha Mandate: (1) extending the higher (Article 23) level of protection beyond wines and spirits; and (2) creating a multilateral register for wines and spirits.¹⁹ Figure 1 illustrates these two issues as well as the views and proposals that have been raised thus far regarding these two issues.

¹⁸ See *id.* (*Emphasis added.*)

¹⁹ See, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).



【Figure 1】 The Two Issues Raised By The Doha Mandate

In June of 2002, twenty-one Members of the WTO proposed to the TRIPS Council to significantly extend geographical indication protection.²⁰ The proposal, strongly advocated by the European Union, parallels the two issues to be debated under the Doha Mandate and suggests two specific changes to the TRIPS Agreement:

²⁰ These Members were: Bulgaria, Cuba, Cyprus, the Czech Republic, the European Community Member States, Georgia, Hungary, Iceland, India, Kenya, Liechtenstein, Malta, Mauritius, Pakistan, Romania, the Slovak Republic, Slovenia, Sri Lanka, Switzerland, Thailand and Turkey. See Council for Trade-Related Aspects of Intellectual Property Rights - Communication from Bulgaria, Cuba, Cyprus, the Czech Republic, the European Communities and their Member States, Georgia, Hungary, Iceland, India, Kenya, Liechtenstein, Malta, Mauritius, Pakistan, Romania, the Slovak Republic, Slovenia, Sri Lanka, Switzerland, Thailand and Turkey: The Extension of the Additional Protection for Geographical Indications to Products Other than Wines and Spirits, IP/C/W/353 (Jun. 24, 2002), available at http://commerce.nic.in/ip_c_w_353.htm (last visited Jan. 19, 2009), also available at http://europa.eu.int/comm/trade/issues/sectoral/intell_property/wto_nego/intel4a.htm (last visited Jan. 19, 2009).

(i) to extend the Article 23 protections currently granted to wines and spirits to all products; and (ii) to establish a global registry for geographical indications.²¹

In October of 2003, the WTO countries met in Cancun, Mexico to discuss the proposed extension of geographical indication protection.²² The talks, however, collapsed and no agreement was reached.²³ The current position of Member-countries demonstrates the lack of agreement within the WTO with respect to geographical indications.²⁴ The European Union is a strong proponent of greater protection, whereas the United States, Australia and Canada, are very much opposed to extensions.²⁵ In fact, factions have formed with “countries like the [European Union], India and Switzerland” on one side, and “countries like Argentina, Australia, Canada, Chile, and the United States” on the other.²⁶ Some scholars have coined this divide in geographical indication debate as an “Old World” versus “New World” divide, where the Old World countries, including the European Union and its supporters, view geographical indications as deserving protection for products of high quality, while the New World countries, including United States and its supporters, disagree.²⁷

²¹ See *id.*; see also, WIPO, What is a Geographical Indication?, available at http://www.wipo.int/freepublications/en/geographical/450/wipo_pub_l450gi.pdf (last visited Jan. 19, 2009). [hereinafter What is GI]

²² See Trade Talks Put Place Marks on the Table, *Legal Times*, Oct. 13, 2003.

²³ *Id.*

²⁴ Bruce A. Babcock & Roxanne Clemens, Geographical Indications and Property Rights: Protecting Value-Added Agricultural Products (May 2004), available at <http://www.card.iastate.edu/publications/DBS/PDFFiles/04mbp7.pdf> (last visited Jan. 19, 2009).

²⁵ *Id.*

²⁶ See Felix Addor and Alexandra Grazioli, Geographical Indications beyond Wines and Spirits: A Roadmap for Better Protection of Geographical Indications of Origin in the WTO TRIPS Agreement, 5 *J. World Intell. Prop.* 865, 883 (2002).

²⁷ *Id.*; see Babcock & Clemens, *supra* note 24, at 8-9; see also, Alexandra Grazioli, The Protection of Geographical Indications, 6(1) *Bridges* 15 (2002), available at

A main reason for the two fractions' dichotomy views is that each Member approaches the two issues from its own economic interests. This paper examines these two issues in a greater detail from legal aspects in order to formulate a workable geographical indication protection system in light of WTO Doha Round Negotiations.



Chapter 2 · General Overview of Geographical Indications

2.1 What are Geographical Indications? - The Definition of Geographic Indications under the TRIPS Agreement.

Geographical indications have been defined differently under various treaties and have transformed over the years during the numerous negotiations internationally. Currently, under the TRIPS Agreement, a geographical indication is defined as an “indication[] which identif[ies] a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”²⁸ In other words, under TRIPS, geographic indications must comprise, *inter alia*, (1) a geographical location from which a product originates; and (2) a recognized quality that derives from that geographical location.²⁹

Prior to TRIPS, however, source indications with geographical significance fell into two categories: (1) indications of source and (2) appellations of origin. Both “indications of source” and “appellations of origin” first appeared in The Paris Convention for the Protection of Industrial Property of 1883.³⁰ As the name suggests, indications of source merely identified where the product was produced.³¹ On the other hand, appellations of origin included both the geographical region of a product and any specific features of that product in that particular region due to

²⁸ TRIPS Agreement, *supra* note 1, Article 22.1.

²⁹ *See id.*

³⁰ *See* the Paris Convention for the Protection of Industrial Property of 1883, at Articles 1.2 and 10. [hereinafter Paris Convention]

³¹ *See* the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891, at Article 1.1.

factors attributable to that region.³² The TRIPS Agreement's definition chose a middle approach between the two: the TRIPS Agreement's definition is broader than indications of source but leaves out the specific factors prong in appellations of origin.³³

With this compromised approach, geographical indications still function to serve several important functions. For example, geographical indications act as source identifiers by "identify[ing] goods as originating in a particular territory or a region or locality in that territory."³⁴ Geographical indications also indicate quality to consumers by attributing goods from an area with "a given quality, reputation or other characteristic."³⁵ Geographical indications also act as free publicity for and promote a particular territory or a region or locality in that territory, serving business interests of that geographical location.³⁶

This definition serving these functions may appear quite similar to a close intellectual property right cousin - trademarks. Both geographic indications and trademarks need to be tied to a particular good, and they both identify origin and function as source indicators. However, geographical indications and trademarks are indeed only cousins that look alike. Trademarks inform consumers of a specific producer of a product, whereas geographical indications inform consumers both the

³² See the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 1958, at Article 2.1. [hereinafter Lisbon Convention]

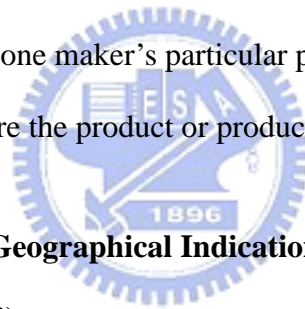
³³ Leigh Ann Lindquist, CHAMPAGNE OR CHAMPAGNE? AN EXAMINATION OF U.S. FAILURE TO COMPLY WITH THE GEOGRAPHICAL PROVISIONS OF THE TRIPS AGREEMENT, 27 Ga. J. Int'l & Comp. L. 309, 312 (1999).

³⁴ TRIPS Agreement, *supra* note 1, Article 22.1.

³⁵ See *id.*

³⁶ Steven A. Bowers, LOCATION, LOCATION, LOCATION: THE CASE AGAINST EXTENDING GEOGRAPHICAL INDICATION PROTECTION UNDER THE TRIPS AGREEMENT, 31 AIPLA Q.J. 129, 135 (2003).

geographical location from which the product originates and the recognized quality that derives from this geographical location. In other words, for geographical indications, there is an association between the products and the place where they were originally produced. This association to a product's place of origin does not exist for trademarks. Last but not least, unlike trademarks, geographical indications are not exclusive to any particular producer: a geographical indication may be used by all producers whose products are produced in the area where the geographical indication indicates and whose products have the same typical qualities, reputations or characteristics.³⁷ For example, Alishan tea may be a geographical indication for all tea makers in the Alishan mountain region who produce certain tea qualities that may be representative of the Alishan mountain region. Trademarks, on the other hand, may only be representative of one maker's particular product or products, but not to a particular region or place where the product or products may have come from.



2.2 The Rational to Protect Geographical Indications (Why should Geographical Indications be protected?)

One of the reasons that geographical indications have taken up different definitions over the years under various treaties is countries' and more particularly consumers in these countries' perceptions of geographical indications. The major dichotomies appear between the European Union and the United States, or as some of the scholars in the geographical indications field have loosely called, the "Old World" versus the "New World."³⁸

³⁷ Lina Montén, GEOGRAPHICAL INDICATIONS OF ORIGIN: SHOULD THEY BE PROTECTED AND WHY? -- AN ANALYSIS OF THE ISSUE FROM THE U.S. AND EU PERSPECTIVES, 22 Santa Clara Computer & High Tech. L.J. 315, 317-318 (2006).

³⁸ See *infra* note 256 on the definitions of the Old World and the New World.

For the Old World, led by the European Union, geographical indications are significant and worthy of protection for a number of important reasons. A major reason is that geographical indications identify a product's source.³⁹ As discussed *supra*, this function is not served by trademarks or any other intellectual property rights.

Also, geographical indications represent a certain quality to consumers by informing the consumers that “the goods come from an area where a given quality, reputation or other characteristic . . . is . . . attributable to their geographic origin.”⁴⁰ Consumers thus may rely on geographical indications for a certain quality, reputation or other special characteristics that they prefer in order to find the products of their choice.

And logically, stemming from the second reason, geographical indications represent significant business interests to producers of a certain region where the geographical indications come from, because these geographical indications represent an endorsement of the goods originating from that particular area.⁴¹ And the endorsement is only for that particular area alone, creating added business interests to producers of that area.

The European Union has also argued that producers who make products identified by a geographical indication also deserve to have their geographical indications protected because the products they produce “have unique features that are the result of their geographical origin,” and because they were “developed at the cost

³⁹ See United States Patent and Trademark Office, Geographical Indications, at <http://www.uspto.gov/web/offices/dcom/olia/globalip/geographicalindication.htm> (last visited Jan. 19, 2009) [hereinafter Geographical Indications].

⁴⁰ *Id.*

⁴¹ *Id.*

of considerable investment and following a long tradition.”⁴² With the protection of geographical indications, if producers from a particular region gain a reputation for producing high quality goods, then such producers may utilize its protected geographical indication to aid the consumers to differentiate those producers’ products from others that may be inferior or of different quality.⁴³ As some scholars have said, “trust” in the geographical indication is what will get consumers to pay a premium.⁴⁴ Thus, for this reason, providing protections to geographical indications shall mean great economical benefits to producers of premium quality and/or great reputation.

However, as some scholars believe, once a product is on the market and gains popularity and reputation, similar products will soon be produced in different regions, but using the same geographical indication.⁴⁵ This is the well known “free-riding”⁴⁶ or “free-rider” problem.⁴⁷

The “free-rider” problem occurs where producers in other regions use the same geographical indication to “free-ride” on the reputation of the original geographical indication.⁴⁸ Often times, in addition to “free-riding,” producers in other regions also try to pass their products off as being of the same quality, the same characteristics or at times, even the same as the original.⁴⁹ When “free-riding” occurs, consumers may be “misled into thinking that they are buying an authentic product with specific

⁴² See Grazioli, *supra* note 27.

⁴³ Felix Addor, Nikolaus Thumm and Alexandra Grazioli, Geographical Indications: Important Issues for Industrialized and Developing Countries, The IPTS Report 74, at 24. (May 2003).

⁴⁴ *Id.*

⁴⁵ See Grazioli, *supra* note 27.

⁴⁶ *Id.*

⁴⁷ See Addor, Thumm and Grazioli, *supra* note 43.

⁴⁸ *Id.*

⁴⁹ See *id.*; see also, Grazioli, *supra* note 27.

qualities and features,” when in fact, they are merely buying an imitation or worse off a passing off product that is nothing close to be like the original.⁵⁰ Legitimate producers likely will “lose a considerable share of the market as a result of this pillage, since their typical products are reduced to the same level as dozens of other products bearing the same name and reaping the benefit of their reputation even though they do not have the same qualities or characteristics.”⁵¹

Such use of a geographical indication should not be allowed because the use will damage the reputation of the original leading to a loss of profits.⁵² For example, if free-riding on a good's reputation is allowed and the reputation of the geographical indication is damaged, consumers may not be willing to pay as much for the quality good that originally bore the geographical indication.⁵³ This, as some scholars believe, will likely in turn lead to additionally losses to the original producers who will consequently “under-invest.”⁵⁴

On the other hand, if free-riding is not allowed, some scholars believe producers with a reputation for producing high quality products will be “more likely to continue to invest in upgrading their products to remain competitive.”⁵⁵ These scholars believe that in that case, protecting geographical indications will actually encourage innovation.⁵⁶ And legitimate producers may “expand sales, allowing [the legitimate producers] to achieve economies of scale.”⁵⁷

⁵⁰ *Id.*

⁵¹ See Addor, Thumm and Grazioli, *supra* note 43.

⁵² See Grazioli, *supra* note 27.

⁵³ See Addor, Thumm and Grazioli, *supra* note 43.

⁵⁴ *Id.*

⁵⁵ C. Fink & S. Beata, Trademarks, Geographical Indications, and Developing Countries, in Development, Trade, and the WTO: A Handbook, 403-12 (2002).

⁵⁶ *Id.*

⁵⁷ See Grazioli, *supra* note 27.

Providing protection to geographical indications also means that geographical indications now have judicial relieves in case of infringement or unfair competition.⁵⁸ These relieves strengthen the value of geographical indications in consumers' minds, allowing consumers to better and more fully utilize geographical indications to discern goods of their choice.

The European Union also argues that it is important for geographical indications to be protected because without protection, consumers may be confused as to the origin or quality of a product.⁵⁹ Thus, for example, if any tea maker, located within or outside of the Alishan mountain region, may mark its tea as Alishan tea, consumers would not be able to discern whether a tea, labeled as an Alishan tea, is truly produced from the Alishan region or whether the tea is of Alishan tea quality.

And similarly, the European Union further argues that without geographical indications protection, dishonest business operators might unfairly take advantages of geographical indications over legitimate producers and potentially tarnishing legitimate producers' reputations and causing financial loss.⁶⁰ The WIPO website uses agricultural products as an illustration of products that "typically have qualities that derive from their place of production and are influenced by specific local factors, such as climate and soil."⁶¹ In other words, the European Union is worried that if, for example, a tea of poor quality is allowed to be labeled as Alishan tea, Alishan tea's reputation would be compromised and potentially Alishan tea makers' may face critical financial losses. Thus, some of the earliest geographic indication legislations

⁵⁸ See Geographical Indications, *supra* note 39.

⁵⁹ See Montén, *supra* note 37, at 317-18.

⁶⁰ See What is a GI, *supra* note 21.

http://www.wipo.int/freepublications/en/geographical/450/wipo_pub_l450gi.pdf (last visited Jan. 19, 2009).

⁶¹ *Id.*

in some European countries specifically detailed an interest in avoiding consumer deception.⁶² And some later European legislations have even broadened the scope of this objective by protecting the economic values inherent in geographic indications. This is especially the case when insufficient protective measures have been deemed to result in certain terms becoming generic.⁶³

Last but not least, geographical indication proponents contend that geographical indications benefit consumers as they contribute to product safety by making it easier to identify producers and hold them responsible for their products.⁶⁴ For all these reasons, the European Union has fiercely advocated for a strong geographical indications protection system.

On the other hand, the United States has taken a different view and thus, approach in protecting geographical indications. The United States' 'interests' in protecting geographic indications was, and continues to be, "secondary to assuring that consumers are not misled by their use."⁶⁵ The United States has argued that under United States law, "the categorization of a term, for the purpose of determining the nature and extent of its legal protection, depends on how consumers understand

⁶² The regulation of 1718 in Berne, Switzerland, for example, restricted wine consumption to wine produced near Berne, at Neufchâtel and Neuenstadt "so that no one be misled by the name of foreign wines." A. Reichardt, Senior Administrator, General Directorate for Agriculture, Commission of the European Communities, Brussels, Symposium on the International Protection of Geographical Indications, Santenay (France) (November 9 and 10, 1989), WIPO publication No. 676 (E) at 37 (Geneva 1990).

⁶³ For example, some European countries have decried the terms 'Chablis' and 'Burgundy,' which in California, have become the respective generic terms for lower-quality white and red wines. Reichardt, *id* at 5.

⁶⁴ See Addor, Thumm and Grazioli, *supra* note 43.

⁶⁵ Lee Bendekgey and Caroline H. Mead, INTERNATIONAL PROTECTION OF APPELLATIONS OF ORIGIN AND OTHER GEOGRAPHIC INDICATIONS, 82 Trademark Rep. 765, 765-66 (1992).

the term.”⁶⁶ In other words, if the public understands certain ‘geographical indications’ as generic, the United States will not restrict the use of such “geographical indications.” Such “geographical indications,” in the United States’ eyes, are not of the geographical indications worthy of protection. This is an issue that the European Union has in particular objected to in United States’ protection of or failure to protect geographical indications: that the United States law’s failure to restrict the use of certain geographic indications that have become generic in this country.

Also, because these generic geographical indications are not worthy of protection in the United States’ eyes, the United States has also allowed the use of these terms as trademarks and afforded trademark protections to these terms.⁶⁷ In other words, these generic geographical indications, in the United States market, may denote a business, rather than a geographic or source. Expectedly, the European Union “finds equally offensive the United States’ willingness to afford trademark rights to geographic indications that serve to identify a single business source.”⁶⁸

In addition to this different view of protection on generic geographical indications, an issue that stems from generic geographical indications issue is the problem of ‘retroactivity:’ once a geographical indication has become generic and understood by the United States general public to be in the public domain, it would be “politically and economically unpalatable” for the United States to restrict the use of such geographic indications, adding to the difficulty to resolving this issue.⁶⁹ And the same applies to trademark owners in the United States: the laws in the United

⁶⁶ J. Thomas McCarthy and Veronica Colby Devitt, Protection of Geographic Denominations: Domestic and International, 69 TMR 199, 209 (1979).

⁶⁷ See Bendekgey and Mead, *supra* note 65.

⁶⁸ *Id.*

⁶⁹ *Id.*

States cannot be modified and retroactively applied to the detriment of the existing rights of United States trademark owners.⁷⁰

The United States' views of geographical indications, along with the European Union's views, represent "evolutions of the older and newer economies" and have resulted in the current deadlock on the proper treatment and protection of geographic indications during the Doha Round Negotiations of the TRIPS Agreement.⁷¹

2.3 Protection of Geographical Indications Under The TRIPS Agreement

2.3.1 Negotiation Process in TRIPS

The move in the past century towards a unified international intellectual property protection system is evident. From the signing of the Paris Convention in 1884 to the creation of the World Trade Organization in 1994, the basic framework of a world intellectual property law has been outlined.

The Paris Convention for the Protection of Industrial Property was first drafted in 1880 and became effective in 1884.⁷² Prior to the Paris Convention, there was little international intellectual property protection.

The World Intellectual Property Organization, or WIPO, is one of sixteen specialized agencies within the United Nations.⁷³ Membership to WIPO is open to all United Nations member countries and all signatory countries of the Paris and Berne Conventions.⁷⁴ WIPO, as the name suggests, was created to govern the use

⁷⁰ *Id.*

⁷¹ See Bendekgey and Mead, *supra* note 67.

⁷² See Paris Convention, *supra* note 30, as last revised at Stockholm, July 14, 1967, 21 U.S.T. 1582, 828 U.N.T.S. 30.

⁷³ See generally, <http://www.wipo.org/eng/main.htm> (last visited Jan. 19, 2009).

⁷⁴ Convention Establishing the World Intellectual Property Organization, July 14, 1967, 21 U.S.T. 1749, T.I.A.S. No. 6932, 828 U.N.T.S. 3 [hereinafter Convention Establishing WIPO].

and protection of international intellectual property.⁷⁵ Originally dubbed BIRPI, the acronym of its French name, WIPO serves three main functions: registration of international trademarks, promotion of intergovernmental cooperation in the administration of intellectual property, and administration of educational training programs.⁷⁶ WIPO administers sixteen multilateral intellectual property treaties, including the Paris and the Berne Conventions.⁷⁷ WIPO's members must ratify either the Paris or the Berne Convention.⁷⁸

The World Trade Organization, or WTO, officially opened its door on January 1, 1995.⁷⁹ One of the trade agreements included is the Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods of the Uruguay GATT or more commonly known as the TRIPS Agreement.⁸⁰ In addition to trade in goods, which GATT covered, the TRIPS Agreement also covers trade in intellectual property, including inventions, creations and designs.⁸¹ The TRIPS Agreement also incorporates the protections set forth in the Paris and Berne Conventions.⁸² This

⁷⁵ WIPO, created in 1967, can actually have its origins traced as far back as 1883 and 1886 when the Paris and the Berne Conventions were first adopted. Background Reading Material On Intellectual Property, WIPO Publication No. 659(E), 37 (1988).

⁷⁶ *Id.* at 40.

⁷⁷ *Id.* at 67. See also, Paris Convention, *supra* note 30, Berne Convention for the Protection of Literary and Artistic Works, 102 Stat. 2853, 828 U.N.T.S. 221.

⁷⁸ Convention Establishing WIPO, *supra* note 74, Article 14.

⁷⁹ Trading into the Future: WTO The World Trade Organization, Apr. 1999, 2d ed, 4. [hereinafter Trading into the Future].

⁸⁰ See TRIPS Agreement, *supra* note 1.

⁸¹ Trading into the Future, *supra* note 79.

⁸² See TRIPS Agreement, *supra* note 1; Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments, Results of the Uruguay Round vol. 31, 33 I.L.M. 1197 (1994). [hereinafter Marrakesh Agreement]

incorporation does not eviscerate WIPO as the Council for TRIPS and WIPO entered an agreement on January 1, 1996 to work together.⁸³

The TRIPS Agreement of 1994 was negotiated with the intent of providing greater protection for intellectual property rights worldwide.⁸⁴ Initially, with its vested interests in intellectual properties including trademarks, copyright and patents, the United States initiated the development of TRIPS.⁸⁵ The European Union, Japan, and Switzerland supported the United States,⁸⁶ resulting in the TRIPS Agreement covers a broad range of intellectual property rights.⁸⁷

Included within the board protection is the protection for geographical indications of source.⁸⁸ When the discussion led to this protection, however, the United States and the European Union took opposing positions.⁸⁹ The inclusion of geographical indications caused heated debates during the Uruguay GATT Rounds and continues to generate deadlock positions.⁹⁰ The issue of whether or not geographical indications should even be considered property was even a subject of debate.⁹¹

⁸³ Agreement Between the World Intellectual Property Organization and the World Trade Organization, WTO Doc. IP/C/6 (Jan. 1, 1996).

⁸⁴ See TRIPS Agreement, *supra* note 1.

⁸⁵ See Lindquist, *supra* note 33, at 315.

⁸⁶ *Id.*

⁸⁷ Laurinda L. Hicks and James R. Holbein, Convergence of National Intellectual Property Norms in International Trading Agreements, 12 Am. U. J. Int'l L. & Pol'y 769, 784 (1997).

⁸⁸ TRIPS Agreement, *supra* note 1, Articles 22, 23 and 24.

⁸⁹ See Lindquist, *supra* note 33, at 315.

⁹⁰ W. Lee Webster, The Impact of NAFTA, GATT, and TRIPS Provisions on Trademark and Copyright Law, 455 Prac. L. Inst. 21, 43-44 (1996).

⁹¹ See Louis Lorvellec, You've Got to Fight for Your Right to Party: A Response to Professor Jim Chen, 5 Minn. J. Global Trade 65, 69 (1996).

2.3.2 Geographical Indications Protection under TRIPS

The TRIPS Agreement was the first international treaty providing broad, detailed coverage of geographical indications, and the TRIPS Agreement included the largest number of signatories on this issue.⁹² The TRIPS Agreement provisions on geographical indication protection took effect in developed countries on January 1, 1996, in developing countries on January 1, 2000, and in least developed countries on January 1, 2006.⁹³ With respect to geographical indications, in Part II, Section 3, Articles 22, 23, and 24, the TRIPS Agreement sets forth standards for their international regulation and establishes international minimum standards.⁹⁴

Articles 22-24 articulate minimum standards of protection for geographical indications that all WTO Members must provide.⁹⁵ The TRIPS Agreement offers its own definition of a geographical indication. Article 22 provides for general protection of geographical indications. Article 23 provides for the additional protection granted to geographical indications for wines and spirits. Finally, Article 24 provides for future international negotiations and exceptions.⁹⁶

2.3.2.1 Article 22: Protection of Geographical Indications

The TRIPS Agreement defines in Article 22.1 that: “[g]eographical indications are, for the purposes of this Agreement, indications which identify a good as

⁹² See Escudero, *supra* note 2, at 31-32.

⁹³ See generally, TRIPS Agreement, *supra* note 1, Marrakesh Agreement, *supra* note 82. See also, Geographical Indications *supra* note 39.

⁹⁴ TRIPS Agreement, *supra* note 1, Articles 22, 23 and 24. See also, Geographical Indications *supra* note 39.

⁹⁵ TRIPS Agreement, *supra* note 1, Articles 22, 23 and 24, 1869 U.N.T.S. at 308-10, 33 I.L.M. at 1205-07.

⁹⁶ Philippe Zylberg, GEOGRAPHICAL INDICATIONS V. TRADEMARKS: THE LISBON AGREEMENT: A VIOLATION OF TRIPS?, 11 U. Balt. Intell. Prop. L.J. 1, 26 (Fall 2002-Spring 2003).

originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”⁹⁷ In other words, the definition specifies that the quality, reputation or other characteristics of goods can each be a sufficient basis for eligibility as a geographical indication, where such quality, reputation or other characteristics of goods are essentially attributable to the geographical origin of the good.⁹⁸

Article 22.2-22.4 focuses on the goals of providing consumer protection from false representations and preventing unfair competition. Under Article 22.2, Members must provide the legal means to prevent:

- “(a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).”⁹⁹

In other words, Article 22.2 of the TRIPS Agreement prohibits the use of false designations of origin and incorporates the unfair competition provisions of the Paris Convention into TRIPS.¹⁰⁰ This standard of protection is available for all geographical indications, and the standard for determining whether misleading has occurred is on misleading the public, i.e., misleading ordinary consumers, not members of the trade or experts.¹⁰¹

⁹⁷ TRIPS Agreement, *supra* note 1, Article 22.1.

⁹⁸ See Zylberg, *supra* note 96, at 26.

⁹⁹ TRIPS Agreement, *supra* note 1, Article 22.2.

¹⁰⁰ See Paris Convention, *supra* note 30, Article 10*bis*.

¹⁰¹ See J. Audier, TRIPS Agreement: Geographical Indications, at 21 (2002).

Article 22.3 lays out the relationship between geographical indications and trademarks. Specifically, Article 22.3 reads: “[a] Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.”¹⁰²

Again, this Article only prohibits “mislead[ing] the public.” In other words, if the use of a geographical indication in a trademark does not mislead the public, then such trademark registration is still permitted. For example, “Budweiser is a perfect example where trademark law conflicts with geographical indications.”¹⁰³

Article 22.4 also extends protection to a geographical indication “which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.”¹⁰⁴ For example, “a couturier from Paris, Texas, may not [be able to] use the mark PARIS on his clothes--notwithstanding geographical truth--if consumers would believe that those clothes came from Paris, France.”¹⁰⁵ On the other hand, if Roquefort, an appellation of origin for cheese from the Roquefort, France municipality, is used for clothing from Roquefort, such use would merely be an indication of source because Roquefort is not particularly well-known for producing clothing of any particular, distinctive quality.¹⁰⁶

¹⁰² TRIPS Agreement, *supra* note 1, Article 22.3.

¹⁰³ See. Goldberg, *supra* note 12, at 118-19. (Spring 2001).

¹⁰⁴ TRIPS Agreement, *supra* note 1, Article 22.4.

¹⁰⁵ Graeme Dinwoodie et al., *International Intellectual Property Law* 222- 23 (2001).

¹⁰⁶ *Id.* at 223.

In sum, Article 22 aims not only to protect geographical indications through a system of fair competition but also to protect consumers from being misled. False designations of origin and geographically misleading trademarks are prohibited and the Paris Convention's unfair competition provisions are incorporated into Article 22 of the TRIPS Agreement.

2.3.2.2 Article 23: Additional Protection for Geographical Indications for Wines and Spirits

In comparison to Article 22, Article 23 of the TRIPS Agreement provides a higher level of protection for wines and spirits. Article 23.1 states that each Member shall “provide the legal means for interested parties to prevent use of a geographical indication 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, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.”¹⁰⁷

This standard is much stricter than Article 22 because it protects geographical indications even where there is no danger of misleading the public, or where it might not amount to unfair competition, or where the true origin of the good might be indicated, or where the geographical indication might be accompanied by expressions such as ‘kind,’ ‘style,’ ‘type,’ ‘imitation’ or the like. Thus, labels that read “Champagne-style sparkling wine” would be prohibited under Article 23 of the TRIPS Agreement.¹⁰⁸

¹⁰⁷ TRIPS Agreement, *supra* note 1, Article 23.1.

¹⁰⁸ See Zylberg, *supra* note 96, at 27.

Article 23.2, like Article 22.3 of the TRIPS Agreement, protects against registration of a trademark for wines or spirits “which contains or consists of a geographical indication identifying wines” or spirits if such wines or spirits are not from such an origin.¹⁰⁹ This Article is a prohibition of trademark registration when a trademark is primarily geographically descriptive.¹¹⁰

Article 23.3 addresses homonymous geographical indications for wines where “protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22.”¹¹¹ In other words, Article 23.3 of the TRIPS Agreement addresses the issue of wine-growing regions in different countries that have the same name or same-sounding (homonymous) names.¹¹² An example is Rioja, which is a wine-growing region in both Spain and Argentina. The issue of homonymous geographical indications pertains almost exclusively to wines.¹¹³ Article 23.3 of the TRIPS Agreement solves this problem by protecting geographical indications from both regions.¹¹⁴

Article 23.3 then directs each Member to “determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.”¹¹⁵ In other words, it is up to the Members to make sure that the products be sufficiently differentiated from each other

¹⁰⁹ TRIPS Agreement, *supra* note 1, Article 23.2.

¹¹⁰ See Conrad, *supra* note 11, at 39.

¹¹¹ TRIPS Agreement, *supra* note 1, Article 23.3.

¹¹² See Intellectual Property and International Trade: The TRIPS Agreement 176 (Carlos M. Correa & Abdulqawi A. Yusuf eds., 1998).

¹¹³ See Addor and Grazioli, *supra* note 26, at 879.

¹¹⁴ See Goldberg, *supra* note 12, at 120-21.

¹¹⁵ TRIPS Agreement, *supra* note 1, Article 23.3.

to make sure that both producers are treated “equitably” and that consumers are not misled.¹¹⁶

Lastly, Article 23.4 provides for future negotiations to establish “a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.”¹¹⁷ Such negotiations are to be undertaken in the Council for TRIPS.¹¹⁸ And the purpose of this multilateral system of notification and registration of geographical indications for wines is to “facilitate the protection of geographical indications for wines.”¹¹⁹

In sum, Article 23 of the TRIPS Agreement carves out further protections for wines and spirits. Where wines or spirits are concerned, Members must allow parties to bar the use of any false or inaccurate geographic indicator, even if the indicator appears in translation or if accompanying language demonstrates that the product actually comes from somewhere else.¹²⁰ Next, Article 23 bars registration of any trademark for wine or spirit consisting of a false or inaccurate geographic indicator.¹²¹ Finally, Article 23 directs Members to negotiate with the explicit purpose of facilitating the protection of geographical indications for wines and establishing a system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.¹²²

¹¹⁶ See Addor and Grazioli, *supra* note 26, at 879.

¹¹⁷ TRIPS Agreement, *supra* note 1, Article 23.4.

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ TRIPS Agreement, *supra* note 1, Article 23.1. (indicating that Members must give parties the means to prevent the false or inaccurate use of an indicator, even if the packaging discloses the true origin of the goods, or if the indicator appears in translation or alongside "'kind,' 'type,' 'style,' 'imitation,' or the like").

¹²¹ TRIPS Agreement, *supra* note 1, Article 23.2. (prohibiting registration of any indicator that does not denote the true source of a good).

¹²² TRIPS Agreement, *supra* note 1, Article 23.4. (calling upon WTO Members to discuss the

2.3.2.3 Article 24: International Negotiations; Exceptions

The third Article applicable to geographical indications is Article 24, which addresses international negotiations and expectations.¹²³ This Article is directed to Members' future actions as it states that Members have agreed "to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23."¹²⁴

Specifically, Article 24.2 provides that the TRIPS Council will review the application of the provisions in Article 24.¹²⁵ Article 24.2 states that "[t]he Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section."¹²⁶ However, Article 24.2 also provides that it is the Member countries who must assist to assure compliance.¹²⁷ Scholars have argued that this is important and reasonable because the TRIPS Council meets so infrequently and is often not involved in disputes.¹²⁸

establishment of a multilateral registry exclusively for wine appellations).

¹²³ TRIPS Agreement, *supra* note 1, Article 24; *see also*, Escudero, *supra* note 2, at 31-32.

¹²⁴ TRIPS Agreement, *supra* note 1, Article 24.1.

¹²⁵ TRIPS Agreement, *supra* note 1, Article 24.2.

¹²⁶ *Id.*

¹²⁷ *See id.*; *see also*, See Montén, *supra* note 37, at 317-18.

¹²⁸ *See* Lindquist, *supra* note 33, at 317-18.

Although Article 24 mandates additional negotiations, Article 24.3 of the TRIPS Agreement makes clear and reiterates the importance that TRIPS places on geographical indication protection by not allowing countries to reduce the protection of geographical indications currently given under domestic law despite future negotiations: “a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.”¹²⁹

Article 24 then details circumstances under which a Member does not have to recognize geographical indications and lists exceptions to the requirements of protecting geographical indications, which in some scholars’ minds “severely limit Articles 22 and 23.”¹³⁰ For example, TRIPS uses Article 24.4 to prevent a false understanding that past developments in the field of geographical indications, such as the case where continuous use has occurred, are intended to be reversed. Specifically, Article 24.4 permits members to allow a person to continue to label its products with such an indication if the person has used a geographical indication on the same or related products for (a) at least ten (10) years prior to Uruguay GATT 1994 (i.e., April 15, 1994) or (b) in good faith prior to that date.¹³¹ Because Article 24.5, a separate paragraph of Article 24 to be discussed *infra*, deals with the existence of trademarks identical or similar to geographical indications under certain conditions, some scholars thus believe Article 24.4 deals with prior use of geographical indications for goods or services that are not considered to be either generic or a trademark.¹³²

¹²⁹ TRIPS Agreement, *supra* note 1, Article 24.3.

¹³⁰ See TRIPS Agreement, *supra* note 1, Article 24.2; see also, Goldberg, *supra* note 12, at 121.

¹³¹ See TRIPS Agreement, *supra* note 1, Article 24.4. See also, 33 I.L.M. 81, 92 (1994).

¹³² See Zylberg, *supra* note 96, at 28.

A similar rule also exists for wines and spirits: “[n]othing . . . shall require a Member to prevent continued . . . use of a particular geographical indication of another Member identifying wines or spirits . . . by any of its nationals . . . who have used [it] in a continuous manner . . . (a) for at least ten years preceding [April 15, 1994] or (b) in good faith”¹³³ Thus, for instance, in the United States, the word “Chablis” is used as a generic term to refer to white wine. Thus, under Article 24.4, the United States’ use of “Chablis” for white wine may be continued even though it is also a geographical indication.¹³⁴ Some scholars have even argued that the same applies for “champagne,” which is another generic term in the United States to mean any “light-colored wine with bubbles.”¹³⁵ According to these scholars, under Article 24.4, the United States’ use of “champagne” for light-colored wine with bubbles may also arguably be continued even though it is also a geographical indication.¹³⁶

Article 24.4 does not detail any particular formality for the “use.” As long as the use is continuous and meets the conditions detailed in Article 24.4, the exceptions to the use restrictions in Articles 22 and 23 may apply. In other words, someone who misuses a geographical indication for over 10 years prior to April 15, 1994 for similar or related goods can continue to do so. However, scholars generally believe that this “use” of geographical indications must be of taken to mean that the subsequent use be similar in scale and nature.¹³⁷ In other words, such use may not be expanded or for products of different nature.

Another important exception pertains to trademarks. Article 24.5 makes clear that exceptions apply “[w]here a trademark has been applied for or registered in good

¹³³ TRIPS Agreement, *supra* note 1, Article 24.4.

¹³⁴ See Geographical Indications, *supra* note 39.

¹³⁵ See Montén, *supra* note 37, at 321-22.

¹³⁶ See *id.*

¹³⁷ See Zylberg, *supra* note 96, at 28.

faith, or where rights to a trademark have been acquired through use in good faith either:

- (a) before the date of application of these provisions in that Member as defined in Part VI; or
- (b) before the geographical indication is protected in its country of origin; measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.”¹³⁸

In other words, a grandfather clause is added in Article 24.5 with respect to the registration of trademarks. Under Article 24.5, a prior trademark takes precedence over a later geographical indication, and thus “maintains its legal presumption of superiority, based on the principle of ‘first-in-time, first-in-right.’”¹³⁹ “TRIP[S] protects future misappropriation and moderately restricts its scope of application where past developments cannot be reversed.”¹⁴⁰

While Article 24.5 deals with the relationship of geographical indications to trademarks, Article 24.6 deals with the issue of geographical indications of wines and spirits becoming generic. Specifically, Article 24.6, which should be read together with Article 23 “to understand the legal issue of degeneration of geographical indications into generic terms,” states that “[n]othing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or

¹³⁸ TRIPS Agreement, *supra* note 1, Article 24.5.

¹³⁹ *Id.*, see also, Geographical Indications, *supra* note 39.

¹⁴⁰ See Conrad, *supra* note 11, at 43.

services in the territory of that Member.”¹⁴¹ The above description essentially refers to terms that have become “generic.”¹⁴² This Article 24.6 exception for generic goods has, for example, enabled Canada to classify 22 wine names and 15 spirit names as generic.¹⁴³ For instance, many would argue that Dijon mustard is a generic name for a type of mustard, rather than a geographical indication.¹⁴⁴ In that case, Dijon may be considered a generic term that a Member may refuse to provide geographical indications protection.

Article 24.6 standard is extended “with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.”¹⁴⁵ In other words, although some may view grapes, which are generally used to name wines, as an indirect indication of origins, the grape names need not be protected as geographical indications if the grapes existed at the date of entry into force of the WTO. Of course, Article 24.6 does not prevent a country to freely waive this “generic” exception of Article 24.6 and protect the grape names

¹⁴¹ TRIPS Agreement, *supra* note 1, Article 24.6.

¹⁴² See Geographical Indications, *supra* note 39. See also, WIPO, Geographical Indications: Historical Background, Nature of Rights, Existing Systems for Protection and Obtaining Effective Protection in other Countries, WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Sixth Session, Geneva, Mar. 12-16, 2001, at 24-25.

¹⁴³ See Dwijen Rangnekar, The Pros and Cons of Stronger Geographical Indication Protection, Bridges (Jan. 2002), available at <http://www.iprsonline.org/ictsd/docs/RangnekarBridgesYear6N3MarchApril2002.pdf> (last visited Jan. 19, 2009).

¹⁴⁴ See Tyler Cabot, Naming Rights: Is America the Home of the Free but Not of the Brie?, Wash. Post, May 21, 2003, at F01.

¹⁴⁵ TRIPS Agreement, *supra* note 1, Article 24.6.

anyway.¹⁴⁶ Scholars have generally viewed Article 24.6 as TRIPS’ “great effort not to disturb the status quo as much as possible.”¹⁴⁷

Another evidence of TRIPS not disturbing the status quo is Article 24.8. Specifically, Article 24.8 states that “[t]he provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person’s name or the name of that person’s predecessor in business, except where such name is used in such a manner as to mislead the public.”¹⁴⁸ Thus, as long as no misleading of the public occurs, a person’s name or the name of that person’s predecessor in business may also be exempted from geographical indications protection.

Although paragraphs 4 through 8 of Article 24 provides many exceptions and grandfather clauses, Member countries cannot use the grandfather clauses as a means to refuse to enter into negotiations with other member countries.¹⁴⁹

Finally, if certain geographical indications “are not or cease to be protected in their country of origin, or...have fallen into disuse in that country,” Article 24.9 provides that there is no obligation under the TRIPS Agreement to protect such geographical indications.¹⁵⁰ Thus, if a geographical indication is not protected at home, its protection under TRIPS is optional.¹⁵¹

¹⁴⁶ See Audier, *supra* note 101, at 19.

¹⁴⁷ See Goldberg, *supra* note 12, at 123.

¹⁴⁸ TRIPS Agreement, *supra* note 1, Article 24.8.

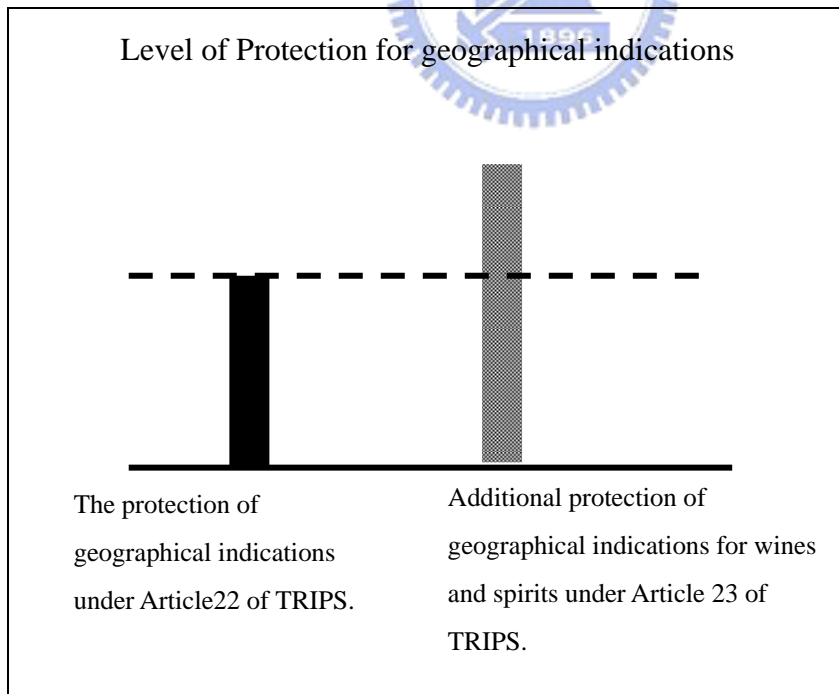
¹⁴⁹ See TRIPS Agreement, *supra* note 1, Article 24.1; *see also*, 33 I.L.M. 81, 92 (1994).

¹⁵⁰ TRIPS Agreement, *supra* note 1, Article 24.9; *see also*, 33 I.L.M. 81, 93 (1994).

¹⁵¹ See Zylberg, *supra* note 96, at 29.

Chapter 3 · Should the heightened geographical indication protection for wines and spirits be extended to other products under Article 23 of TRIPS?
(The Extension Issue)

Figure 2 illustrates the current geographical indication protection under Article 22.2 and Article 23 of the TRIPS Agreement. As shown in Figure 2 Graphical Representations Article 22.2 and Article 23, Article 22.2 and Article 23 afford a different level of protection for geographical indications; a lower level of protection is given for geographical indications of all products other than wines and spirits under Article 22 of the TRIPS Agreement, whereas an additional protection is given for geographical indications of wines and spirits under Article 23 of the TRIPS Agreement.



【Figure 2】 Graphical Representation Article 22.2 and Article 23.

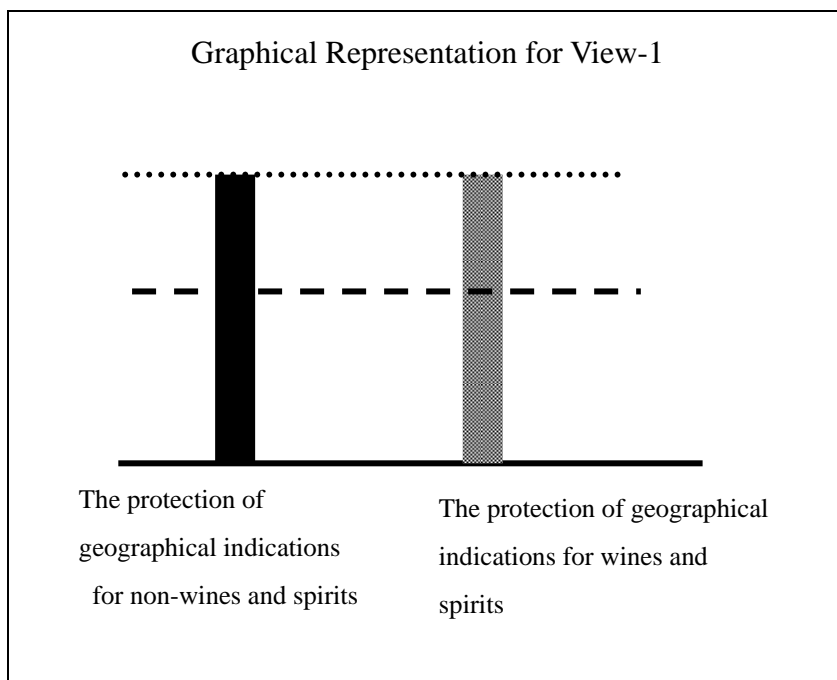
These different levels of protection have been one of the major controversies and have taken the center stage of TRIPS Doha Round Negotiations – the Extension Issue: should the heightened geographical indication protection for wines and spirits be extended to other products under Article 23 of the TRIPS Agreement?

A group of Members has proposed that the additional geographical indication protection for wines and spirits be extended to other products under Article 23 of the TRIPS Agreement. Another group of Members has argued that maintaining the current status quo is all that is required under the TRIPS Agreement and thus proper approach to the protection of geographical indications. Both groups have voiced their reasons for their positions.

3.1 View-1 : Agree with the extension (The additional protection should be extended to other goods)

Proponents of this view advocate the additional geographical indication protection be extended to all goods. In other words, regardless of whether a good falls under Article 22.2 or Article 23 under TRIPS, the levels of geographical indication protection are the same. Figure 3 illustrates the level of protection under this view.





【Figure 3】 Graphical Representation for View-1

This view was first brought up in 1999 by the Czech Republic to give beer regions the same protection as wine regions.¹⁵² Subsequently, Bulgaria, the Czech Republic, Iceland, India, Lichtenstein, Slovenia, Sri Lanka, Switzerland, and Turkey all joined forces in September 2000 through a paper submitted to the TRIPS Council to extend the additional geographical indication protection under TRIPS Article 23 to other goods.¹⁵³ For example, India at the time lobbied the WTO to include tea under Article 23 to enjoy the additional geographical indication protection.¹⁵⁴ These countries propose that TRIPS should adopt the exact geographical indication protection language, an absolute geographical indication protection system, of the 1958 Lisbon Agreement. Specifically, Article 3 of the 1958 Lisbon Agreement for

¹⁵² Robert Anderson, Czechs ask WTO to consider protecting Pilsener trademark, Fin. Times, November 23, 1999.

¹⁵³ Protection of Geographical Indications under the TRIPS Agreement and Related Work of the WTO, WIPO document WIPO/GEO/MVD/01/2 p. 7.

¹⁵⁴ Q&A: A Brewing Storm Anheuser-Busch and Budejovicky Budvar Continue Their Decades-Long Tussle over the Budweiser Name. General Director Jiri Bocek Talks About How the Budvar is Using "Geographic Indicators" to Take its Claim, Prague Bus. J., Feb. 12, 2001.

the Protection of Appellations of Origin and their International Registration says, “Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as ‘kind,’ ‘type,’ ‘make,’ ‘imitation,’ or the like.”¹⁵⁵ This protection outlined in the 1958 Lisbon Agreement is intended to apply to geographical indications of all products.

A main gripe for these Members who advocates this extension rests on the unfair treatment between products that seemingly are identical. As one of the submitted papers stated, “[t]here is no systematic or logical explanation for the distinction made [between wines and spirits and other goods in] the TRIPS Agreement. This distinction ignores that geographical indications for categories of goods other than wines and spirits are equally important for trade.”¹⁵⁶ In other words, these Members believe that the two-level geographical indication protection under TRIPS is a bias that favors wine and spirit producers over other similarly situated products.¹⁵⁷ And this bias creates a big difference in protection over the products that fall within the opposite side of the geographical indication protection system.¹⁵⁸ Thus far, at least Bulgaria, Cuba, the Czech Republic, Egypt, Iceland, India, Jamaica, Kenya, Liechtenstein, Mauritius, Nigeria, Pakistan, Slovenia, Sri Lanka, Switzerland, Turkey, and Venezuela have submitted formal communications to the WTO to protest this unequal level of geographical indication protection under TRIPS.¹⁵⁹ And at least Albania,

¹⁵⁵ See Lisbon Agreement, *supra* note 31, Article 3.

¹⁵⁶ WTO Secretariat, Communication from Bulgaria, the Czech Republic, Egypt, Iceland, India, Kenya, Liechtenstein, Pakistan, Slovenia, Sri Lanka, Switzerland and Turkey, IP/C/W/204/Rev. 1 at 3 (Oct. 2, 2000). [hereinafter Communication from Bulgaria]

¹⁵⁷ *Id.*

¹⁵⁸ *Id.*

¹⁵⁹ See WTO Secretariat, Proposal from Bulgaria, Cuba, the Czech Republic, Egypt, Iceland, India, Jamaica, Kenya, Liechtenstein, Mauritius, Nigeria, Pakistan, Slovenia, Sri Lanka, Switzerland,

Brazil, China, Colombia, Croatia, Ecuador, the European Union¹⁶⁰, Georgia, Iceland, India, Indonesia, the Kyrgyz Republic, Liechtenstein, the Republic of Macedonia, Moldova, Pakistan, Peru, Sri Lanka, Switzerland, Thailand, Turkey, the ACP Group¹⁶¹, and the African Group¹⁶² have backed this view.¹⁶³

Turkey and Venezuela, IP/C/W/247/Rev.1 (May 17, 2001) [hereinafter Proposal from Bulgaria], available at <http://www.origin-gi.com/article.php?sid=47> (last visited Jan. 19, 2009).

¹⁶⁰ The Member states of the EU include: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom. See http://europa.eu/abc/european_countries/index_en.htm (last visited Jan. 19, 2009).

¹⁶¹ The ACP Group, or the African, Caribbean and Pacific Group of States, is an organization created by the Georgetown Agreement in 1975. See <http://www.acpsec.org/> (last visited Jan. 19, 2009). According to the WTO, currently 56 signatories of the ACP Group are WTO Members, including: Angola, Antigua and Barbuda, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Cote d'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Fiji, Gabon, The Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Papua New Guinea, Rwanda, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Senegal, Sierra Leone, Solomon Islands, South Africa, Suriname, Swaziland, Tanzania, Togo, Trinidad and Tobago, Uganda, Zambia and Zimbabwe. See http://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd04_groups_e.htm (last visited Jan. 19, 2009).

¹⁶² According to the WTO, the African Group members include: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Congo (Democratic Republic), Côte d'Ivoire, Djibouti, Egypt, Gabon, The Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe. See http://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd04_groups_e.htm (last visited Jan. 19, 2009).

¹⁶³ See WTO documents TN/C/W/52 (July 19, 2008) and TN/C/W/52/Add.3 (July 29, 2008). Colombia and Ecuador are listed on the WTO website as Member countries in support of maintaining the current status quo on the Extension Issue. See http://www.wto.org/english/tratop_e/gi_background_e.htm (last visited Jan. 19, 2009). However, in accordance with WTO document TN/C/W/52, dated July 19, 2008, entitled "DRAFT MODALITIES FOR TRIPS RELATED ISSUES," Colombia and Ecuador are listed as joining such a

Additionally, these Members are of the opinion that geographical indication protection under the current TRIPS Agreement does not provide sufficient protection for products other than wines and spirits.¹⁶⁴ They believe the additional geographical indication protection should be extended to all products for at least the following four reasons: (1) to avoid legal uncertainty; (2) to reduce the burdens and costs for producers; (3) to prohibit “free-riding;” and (4) to protect geographical indications from becoming generic.

(1) To avoid legal uncertainty

The first reason put forth by the extension advocates is that the “misleading test” under Article 22.2 of the TRIPS Agreement results in legal uncertainty. Extension proponents believe legal uncertainty occurs “as to the enforcement of protection for an individual geographical indication at the international level” because national courts' interpretations of the standard in each Member country will vary.¹⁶⁵ In other words, because each Member’s national courts and national administrative authorities will decide on a case by case basis whether the public is being misled by a particular use of a geographical indication, and then enforce their decisions on such as basis, there is no telling whether an individual geographical indication will be protected and/or or enforced in a particular country. Extension advocates argue this case by case determination will result in inconsistent decisions and legal uncertainty regarding the protection granted to geographical indications and its enforcement at the international level.¹⁶⁶ Whether or not the public is

communication to the WTO in support of “the extension of the protection of Article 23 of the TRIPS Agreement to geographical indications for all products, including the extension of the Register.”

See id.

¹⁶⁴ *See* Bowers, *supra* note 36, at 149-52.

¹⁶⁵ TRIPS Agreement, *supra* note 1, Article 22; *see also* Proposal from Bulgaria, *supra* note 159, at 4.

¹⁶⁶ *Id.*

being misled and how the legal and administrative authorities apply and interpret Article 22.2's standard of 'misleading the public' will differ from country to country.

Additionally, some scholars believe the 'misleading' test may be difficult to satisfy in national courts.¹⁶⁷ For example, in a study of five cases in which United States federal courts have dealt with the issue of the "misleading" test, the cases "turn on whether the [United States] public makes an association between the product and the designated geographical area, and the likelihood of consumers' [sic] mistakenly inferring that association from defendant's mark."¹⁶⁸ Also, how a country's 'misleading' standard, for example, the United States' 'misleading' standard, which is "fairly clear law due to the ATF and USTO jurisprudence," relates to Articles 22.2(a) and 22.3 of the TRIPS Agreement is also unclear.¹⁶⁹

Because foreign courts will apply different standards in the process of determining whether a false or inaccurate geographical indication could mislead the public, legal uncertainty will result inevitably.¹⁷⁰ Some scholars have even forecasted a mess of "inconsistent decisions and legal uncertainty regarding the protection granted to geographical indications and... enforcement at the international level."¹⁷¹ Extension proponents thus argue that the 'absolutist' character of Article 23' provisions imposes no such risks on producers of wines and spirits and creates no legal uncertainty.¹⁷²

¹⁶⁷ See Peter Brody, Protection of Geographical Indications in the Wake of TRIPs: Existing United States Law and the Administration's Proposed Legislation, 84 Trademark Rep. 520, 524-27 (1994); see also, Bowers, *supra* note 36, at 151.

¹⁶⁸ See Brody, *supra* note 167, at 527.

¹⁶⁹ *Id.*

¹⁷⁰ See Bowers, *supra* note 36, at 150-51.

¹⁷¹ See Bowers, *supra* note 36, at 150-51.

¹⁷² See Proposal from Bulgaria, *supra* note 159, at 2.

Specifically, extension proponents feel that extending geographical indication protection will actually eliminate any legal uncertainty because “[a] simple test by the court of whether a product comes from the place and whether it has the quality designated by the geographical indication will be sufficient.”¹⁷³ Additionally, applying the Article 23 protections to all products would eliminate the risk of different judges reaching different conclusions.¹⁷⁴

(2) To reduce the burdens and costs for producers

Tied to the first reason for extending the protection of geographical indications for wines and spirits to other goods is that an extension “supports transparency” and will actually lead to lower costs such as reduced litigation costs when a showing of the public being misled or unfair competition is eliminated.¹⁷⁵ In other words, extension proponents further argue that under the protection of Article 23, geographical indication owners would eliminate the need and cost to demonstrate that consumers were confused, thus reducing the burdens and costs for producers. Again, the ‘absolutist’ character of Article 23 of the TRIPS Agreement imposes no such burdens and costs on producers of wines and spirits.¹⁷⁶ Any false or inaccurate use of a wine or spirit indicator is “totally prohibited.”¹⁷⁷

On the other hand, Article 22's ‘misleading’ test imposes burdens of production and proof that Article 23 does not.¹⁷⁸ The burdens and costs to prove the ‘misleading’ test is, apart from uncertain, “complicated and expensive.”¹⁷⁹

¹⁷³ See Addor, Thumm and Grazioli, *supra* note 43.

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

¹⁷⁶ See Proposal from Bulgaria, *supra* note 159, at 2.

¹⁷⁷ See Bowers, *supra* note 36, at 146.

¹⁷⁸ See Bowers, *supra* note 36, at 146.

¹⁷⁹ TRIPS Agreement, *supra* note 1, Article 22; see also Proposal from Bulgaria, *supra* note 159, at 4.

In other words, TRIPS creates two tiers of protection with big disparities on protection. However, extension proponents believe the differences in protection have no “logical explanation for the distinction” and unreasonably “exhibits a systemic bias that favors wine and spirit producers over other similarly situated products.”¹⁸⁰ This distinction ignores that geographical indications for categories of goods other than wines and spirits are equally important for trade”.¹⁸¹

(3) To prohibit “free-riding”

As discussed *supra*, one of the main reasons to protecting geographical indications is to prevent the free-riding problem. Here, in arguing for extending the protection standard of wines and spirits to other goods, extension proponents argue that this fundamental problem and risk for geographical indications and the top reason to protecting geographical indications is also the reason to extending the protection standard of wines and spirits to other goods.

Specifically, extension advocates contend that Article 22 of the TRIPS Agreement provides only a weak standard, i.e. the misleading test, to protecting the geographical indications of other goods.¹⁸² The additional protection, i.e. the unfair competition test, under Article 22 is also very difficult to prove.¹⁸³ Thus, extension proponents argue that Article 22 of the TRIPS Agreement enables free-riding by other producers on the “renown of a geographical indication.”¹⁸⁴ In other words, a producer may use a geographical indication for his product, even if it

¹⁸⁰ See Communication from Bulgaria *supra* note 156.

¹⁸¹ *Id.*

¹⁸² TRIPS Agreement, *supra* note 1, Article 22; see also, Proposal from Bulgaria, *supra* note 159, at 4.

¹⁸³ TRIPS Agreement, *supra* note 1, Article 22; see also, Proposal from Bulgaria, *supra* note 159, at 4.

¹⁸⁴ See *Id.*

does not originate in the territory purported, as long as the product's true origin is indicated on the label.

For example, extension advocates believe that under Article 22 of the TRIPS Agreement, anybody from outside a geographical origin may use a geographical indication for their product provided the product is not a wine or spirit and so long as the product is accompanied by one of the clarifying words listed in Article 23 as prohibited words for wines and spirits. Thus, “[p]roducers from outside the Darjeeling region may call their product ‘Darjeeling-style tea’ under Article 22 of [the] TRIPS Agreement, while a distiller from outside the state of Tennessee may not call his or her product ‘Tennessee[-like] whiskey’ under Article 23.”¹⁸⁵ In other words, extension proponents believe Articles 22 and 23 of the TRIPS Agreement prohibit “free-riding” in the case of wines and spirits, but permit it in the case of all other goods.¹⁸⁶

Extension proponents thus argue a producer can profit from the use of a famous geographical indication and argue at the same time that it is not misleading the consumer, thus free-riding on the famous geographical indication.¹⁸⁷

(4) To protect geographical indications from becoming generic

Lastly, proponents for extension also argue that “the use of geographical indications in translation or accompanied by expressions such as 'style,' 'type,' 'kind,' 'imitation,' or the like [as permitted by Article 22 of the TRIPS Agreement]... should be prohibited [because this use] puts ... geographical indications at risk to become generic terms.”¹⁸⁸ Specifically, these extension advocates argue that there

¹⁸⁵ See Bowers, *supra* note 36, at 132.

¹⁸⁶ *Id.* at 150.

¹⁸⁷ See Proposal from Bulgaria, *supra* note 159, at 4.

¹⁸⁸ TRIPS Agreement, *supra* note 1, Article 22; see also Proposal from Bulgaria, *supra* note 159, at 4.

are no difference between wines and spirits and other goods. Thus, the difference in protection between wines and spirits and other goods is arbitrary and should not be maintained.¹⁸⁹ Similar to the reasons given for the protection of geographical indications, both categories of goods suffer the same risks of becoming generic. These extension proponents argue that “[t]he geographical origin confers, whether due to natural or human factors, intrinsic qualities to a good which a similar product without this origin will not have.”¹⁹⁰ And since the geographical origin has the same importance for all products, regardless of whether the origin is for wines and spirits or other goods, the protection for wines and spirits or other goods should be the same.

The extension advocates point to Article 24 of the TRIPS Agreement, the so-called “built-in agenda,” as sufficient basis for further negotiations on increasing protection of geographical indications generally.¹⁹¹ Specifically, they argue that Article 24.1 of the TRIPS Agreement requires WTO Members to “enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23,” thereby “form[ing] the basis for negotiations to extend the additional protection of Article 23 to products other than wines and spirits.”¹⁹²

¹⁸⁹ *Id.* at 5

¹⁹⁰ *Id.*

¹⁹¹ See Communication from Bulgaria, *supra* note 156, at 3-4.

¹⁹² *Id.* at 3.

3.2 View-2 : Disagree with the extension. (The status quo of the current two-level system of protecting geographical indications under TRIPS should be maintained.)

An opposite position was first advocated by Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay, and the United States.¹⁹³ For example, the U.S. would at least be disinclined to increase protection for beer, in order to protect its own companies such as Anheuser Busch.¹⁹⁴ If other goods such as beer were included in Article 23, many U.S. products such as Budweiser would be adversely affected.¹⁹⁵ Since then, many Members as well as scholars have joined in on this view and believe the current two-level geographical indication protection system should be left untouched.¹⁹⁶ Figure 4 illustrates these Members' view on the extension issue.

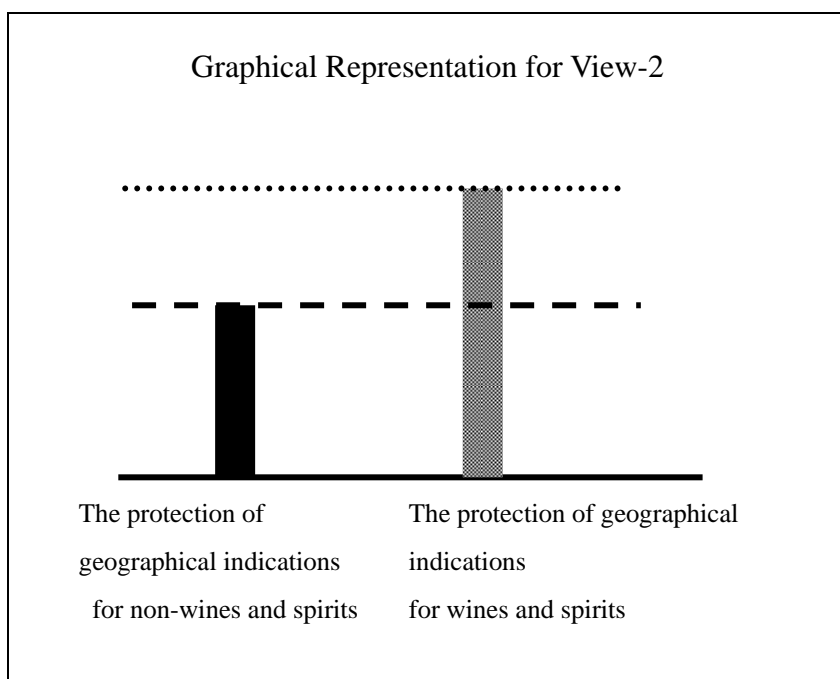


¹⁹³ Protection of Geographical Indications under the TRIPS Agreement and Related Work of the WTO, WIPO document WIPO/GEO/MVD/01/2 at 8.

¹⁹⁴ See Zylberg, *supra* note 96, at 57-58.

¹⁹⁵ See *Id.*

¹⁹⁶ See, Bowers, *supra* note 36. See also, Montén, *supra* note 37. Countries in support of this “maintain status-quo” view include (in alphabetical order) Argentina, Australia, Canada, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, New Zealand, Panama, Paraguay, the Philippines, Taiwan (Chinese Taipei), and the United States; see http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).



【Figure 4】 Graphical Representation for View-2

Members and scholars alike have all agreed that although a strong geographical indication protection system is desired, maximum participation of Members is a key to a workable geographical indication protection system.¹⁹⁷ Thus, compromises must be reached with Members of different views such as the United States.¹⁹⁸ And these Members and scholars believe the current geographical protection system is the result of such compromises and thus should be left unaltered.

“This group argues for greater reliance on strong national legislation to ensure conformance of product labeling with TRIPS Agreement Article 22.”¹⁹⁹ “Their opposition rests on concerns regarding the potential applicability of Article 24

¹⁹⁷ See e.g., Zylberg, *supra* note 96, at 2.

¹⁹⁸ See *id.*

¹⁹⁹ See WTO Secretariat, Communication from Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay and the United States, IP/C/W/289 at 4 (June 29, 2001) [hereinafter Communication from Argentina].

provisions to grandfathered and generic terms as well as the high economic costs associated with extending protection beyond wines and spirits.”²⁰⁰

This opposing view on geographical indication protection system, led by the United States, finds three main reasons to maintain the current two-level system: (1) the TRIPS negotiation history behind the current geographical indication protection system; (2) the costs associated with implementing and administering new laws; and (3) trade and production disruption as well as constraints on market access.

(1) The TRIPS negotiation history

Under this rationale, supporting Members opine that the two-level system of geographical indications protection under TRIPS is the result of delicate compromises and should be respected. Under this reasoning, a balance between protection of geographical indications and attracting maximum contracting parties has been reached with the current two-level geographical indication protection system. Thus, such balance should not be disturbed.

First of all, status quo advocates are not persuaded that Article 22 provides inadequate protection for geographical indications for products that are not wines or spirits.²⁰¹

Status quo advocates argue that extension advocates “have not sufficiently demonstrated how existing TRIPS rules, in particular Article 22, fail to provide sufficient protection for [geographical indications].”²⁰² Specifically, there are no cases reported “where interested parties have sought to enforce ... Article 22 level protection, and have failed.”²⁰³

²⁰⁰ *Id.* at 5-8.

²⁰¹ *Id.* at 5.

²⁰² *Id.* at 8.

²⁰³ *Id.* at 2.

Also, as the Australian government once observed in a Communication to WTO Members, “the consumer is entitled to protection from the use of deceptive, confusing, or misleading labeling [T]he consumer is also entitled to have a full range of choice between legitimate (non-deceptive) products, and benefits from having sufficient information about a product to make an informed choice.”²⁰⁴ Status quo advocates thus argue in light of these considerations, in order for the consumer to make an informed choice and not be misled or deceived by labeling, only the product’s true origin need to be clearly indicated on the product’s label.²⁰⁵ Consumers will not materially benefit from an extension of Article 23 protection to all goods.

A case that took place in the pre-TRIPS Agreement, *Roquefort v. Faehndrich*, illustrates status quo advocates’ beliefs.²⁰⁶ In 1960, the defendant “Faehndrich imported into the United States a quantity of sheep’s milk blue-mold cheese ... produced in Hungary and Italy.”²⁰⁷ Faehndrich repackaged the cheese for retail sale, replacing the original labels marked “Product of Italy” and “Product of Hungary” with new labels marked “Imported Roquefort Cheese.”²⁰⁸ The new label provided no indication to the consumer that Faehndrich’s cheese came from Italy or Hungary.²⁰⁹ The Second Circuit of the United States ultimately held that Faehndrich’s use of the word “Roquefort” on “substantially identical goods was

²⁰⁴ WTO Secretariat, Communication from Australia, IP/C/W/211 at 3. (Oct. 19, 2000).

²⁰⁵ See Communication from Argentina, *supra* note 199, at 3.

²⁰⁶ 303 F.2d 494, 133 U.S.P.Q. (BNA) 633. (2nd Cir. 1962).

²⁰⁷ *Id.* at 496; 133 U.S.P.Q. (BNA) at 636.

²⁰⁸ 303 F.2d 496, 133 U.S.P.Q. (BNA) 636 (2nd Cir. 1962).

²⁰⁹ *Id.*

‘likely to cause confusion or mistake or to deceive purchasers as to the source of the origin of the goods’”²¹⁰

As the Faehndrich case illustrates, “minimizing consumer confusion over the true origin of Article 22 goods depends heavily upon effective national legislation governing consumer product labeling standards and judicial enforcement of those standards.”²¹¹ Scholars have argued that the protection afforded by Article 22 of the TRIPS Agreement is not the problem; “what national courts and legislatures could do to strengthen Article 22 enforcement in their jurisdictions” is the key to protecting geographical indications of other goods.²¹² In fact, scholars have argued that “[i]f a product label uses a geographical term in its name that is not the true origin of the product, while clearly and simultaneously informing the consumer of the product's true origin elsewhere on the label, so-informed consumers can reject the product as not ‘authentic.’”²¹³ Scholars believe consumers with their purchasing power will ultimately influence how a producer uses a geographical indication in the producer’s product’s name.²¹⁴

Additionally, the two-tiered system of geographical indication protection, differentiating wines and spirits from other products, was a negotiated result between WTO Members with compromises made to reach an agreement that is widely accepted by WTO Members.²¹⁵ The negotiations started as early as 1987 during the Uruguay Round negotiations, in particular during the Brussels

²¹⁰ *Id.* at 498; *see also*, 15 U.S.C. § 1114.

²¹¹ *See Bowers, supra* note 36, at 155-59.

²¹² *Id.*

²¹³ *Id.*

²¹⁴ *Id.*

²¹⁵ *See* Communication from Argentina, *supra* note 199, at 1; *see, e.g.*, Escudero, *supra* note 2, at 22-26.

Ministerial Conference.²¹⁶ Compromises extended beyond the TRIPS Agreement discussions and negotiations to the General Agreement on Tariffs and Trade ("GATT") negotiations were made.²¹⁷ This is something even the extension advocates concede.²¹⁸ And scholars, even those who "support[] strong protection for geographical indications and international harmonization of such protection," have largely agreed that an agreement with a wide acceptance by WTO Members is acceptable with "just" compromises.²¹⁹

Thus, status quo advocates have argued that "[t]he position papers by extension advocates do not demonstrate that they fully appreciate the interrelated delicate compromises underlying the TRIPS Agreement and GATT -- itself a key reason not to upset the delicate balance of TRIPS Agreement geographical indication protection."²²⁰ Scholars have even argued that "status quo advocates relied upon the sanctity of these GATT compromises in considering whether to support the TRIPS Agreement."²²¹ Some scholars have even as a result doubted extension advocates' behavior and suspected that "[f]or extension advocates subsequently to attempt to unravel these linked, delicate compromises -- compromises they had the opportunity to block during TRIPS Agreement negotiations -- calls into question whether extension advocates negotiated in good faith."²²²

²¹⁶ See Communication from Bulgaria, *supra* note 156, at 3; *see also*, WTO Secretariat, Summary of Major Problems and Their Causes as Identified Thus Far and of Issues Considered Relevant, MTN.GNG/NG5/W/2/Rev.1 at 15 (June 25, 1987), <http://www.wto.org>.

²¹⁷ See Communication from Argentina, *supra* note 199, at 3.

²¹⁸ See Communication from Bulgaria, *supra* note 156, at 3.

²¹⁹ See Zylberg, *supra* note 96, at 2.

²²⁰ See Bowers, *supra* note 36, at 160-61.

²²¹ *Id.*

²²² *Id.*

Some status quo advocates agree. For example, Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay and the United States have submitted the TRIPS Agreement negotiation history, observing that “[the] compromise [leading to Articles 22 and 23], sought by several wine-producing countries, particularly the [European Community], represented a significant concession by a number of Members, among them other wine-producing Members, that did not see the need to create an imbalance in [geographical indication] protection by conferring increased protection on wine and spirit [geographical indications]. Our experience of implementation of the TRIPS Agreement since this time has done nothing to change our view that the Article 23 level of protection is unbalanced and that this imbalance should not be accentuated by extension of scope to all products.”²²³ In other words, although status quo advocates are not happy with the added protection for wines and spirits, because of the trade-offs these status quo advocates received during the negotiations, they are willing to continue administering of the current geographical indication protection system under Articles 22 and 23 of the TRIPS Agreement. Nothing has changed that requires an extension of protection to all products.

According to these status quo advocates, the negotiating history of the TRIPS Agreement offers persuasive support against extending the greater protection for wines and spirits to other goods.

(2) Increased cost of implementing new laws and administrative mechanisms

In addition to the negotiation history behind Articles 22 and 23 of the TRIPS Agreement, status quo advocates focus on a range of consequences and costs for

²²³ See Communication from Argentina, *supra* note 199, at 1.

Member states associated with altering existing TRIPS Agreement provisions.²²⁴

Status quo advocates argue that the consequences and costs have effects on trade and consumers which may outweigh the benefits of changing the TRIPS Agreement.²²⁵

For example, status quo advocates are concerned about the range of economic costs associated with extending Article 23 protection, including “the costs of implementing new laws and administrative mechanisms; ... the administrative and financial burden of providing ‘additional protection’ to the large number of other Members’ [geographical indications]; [the] possible closing-off of future market access opportunities for emerging industries, and uncertainty concerning the continued use in existing markets; ... consumer confusion caused by re-naming and re-labelling [sic] of products; [and the] heightened risk of disputes over [geographical indications] between WTO Members and between producers in WTO Members.”²²⁶

For example, the United States has argued that “rather than consumers being confused under the current system, as argued by geographical indication proponents, consumer confusion would instead result if existing products would have to be re-named.”²²⁷ Re-namings and the resulting re-labelings would also foreseeably result in substantial administrative costs.²²⁸ And re-naming and re-labeling also mean that associated re-advertising of products would be necessary, adding to even more costs for affected companies.²²⁹ And the subsequent decrease in sales due to

²²⁴ *Id.* at 2.

²²⁵ *Id.* at 9.

²²⁶ *Id.* at 2.

²²⁷ See Addor, Thumm and Grazioli, *supra* note 43.

²²⁸ See Rangnekar, *supra* note 143.

²²⁹ See Babcock & Clemens, *supra* note 24, at 11; see also, Cabot, *supra* note 144.

the name change, leading to financial losses may also be predicted. And worst yet, damages in reputation may also occur irreparably.

Scholars have argued that the above costs and losses are not imaginary. An example of a company already affected is Kraft, which produces Parmesan cheese. Parmesan gets its name from the classic Italian Parmigiano Reggiano, and Kraft has been producing Parmesan since 1945.²³⁰ However, due to the strict European Union laws, since 2002, Kraft is no longer permitted to sell the cheese under the name Parmesan within the European Union.²³¹ Instead, Kraft is now using the name Pamesello.²³² According to Michael Pellegrino, vice president in the Kraft Foods Cheese division, the effect of the European court's ruling that resulted in the name-change no doubt "has the risk of alienating our consumers and losing them."²³³

Another interesting example is the Budweiser case, where beer by the same name is produced in both the United States by Anheuser-Busch and in the Czech Republic by Budweiser Budovar. Budweiser Budovar is claiming to be the original producer of Budweiser beer,²³⁴ but Anheuser-Busch, through their general counsel Frank Z. Hellwig, is advocating the position that a prior trademark should take precedence over a later geographical indication.²³⁵ As some scholars have

²³⁰ See Babcock and Clemens, *supra* note 24, at 10.

²³¹ *Id.*

²³² *Id.*

²³³ James Cox, What's in a Name?, USA Today, Sept. 9, 2003, available at http://www.usatoday.com/money/economy/trade/2003-09-09-names_x.htm (last visited Jan. 19, 2009).

²³⁴ See Elizabeth Barham, Translating Terror: The Global Challenge of French AOC Labeling, 19 J. of Rural Studies 127, 129 (2003).

²³⁵ See Frank Z. Hellwig, A Way Forward for Geographic Indications, available at http://www.wipo.int/edocs/mdocs/geoind/en/wipo_geo_sfo_03/wipo_geo_sfo_03_22-part2.pdf (last visited Jan. 19, 2009).

observed, given that the American brand is the best selling beer in the world, the company has clearly spent vast resources on promoting the product, “[i]t would be naïve to assume that Anheuser-Busch would relinquish the European name without a struggle.”²³⁶

(3) Inevitable trade and production disruption as well as constraints on market access

Also, as some scholars have observed, regardless of how European producers may feel, “[t]he reality of the situation is that...numerous product names are indeed used as generic in the United States.”²³⁷ For these product names that have become generic, status quo advocates argue that the Article 22 offers “a sensible compromise between geographical indication protection on the one hand, and allowing the continued use of names that have become generic in certain areas, on the other.”²³⁸ If other goods were to receive an increased level of protection as with Article 23, such a level of protection would be detrimental to many producers.²³⁹

For example, some scholars have tallied the products and product names that may be affected, including for wines and spirits: Beaujolais, Bordeaux, Bourgogona, Chablis, Champagne, Chianti, Cognac, Grappa di Barolo, Graves, Liebfraumilch, Malaga, Marsala, Madeira, Medoc, Moselle, Ouzo, Porto, Rhin, Rioja, Saint-Emilion, Sauternes, Jerez/Xerez, and for other products: Asiago, Azafran de la Mancha, Comte, Feta, Fontina, Gorgonzola, Grana Padano, Jijona y Tourron de Alicante, Manchego, Mortadella Bologna, Mozzarella di Bufala Campana,

²³⁶ See Zylberg, *supra* note 96, at 39-58.

²³⁷ See Cabot, *supra* note 144, at F01. See, e.g., Rangnekar, *supra* note 143.

²³⁸ See TRIPS, *supra* note 1, Article 23.2.

²³⁹ See Babcock and Clemens, *supra* note 24, at 10.

Parmigiano Reggiano, Precorino Romano, Prosciutto di Parma, Prosciutto di San Daniele, Prosciutto Toscano, Queijo Sao Jorge, Reblochon, Roquefort.²⁴⁰

This is especially an issue for the United States and other countries with European immigrants, such as Canada and Latin American countries, because many of the products these countries produce have names that were originally taken from place-names in Europe.²⁴¹ In many instances, “[i]mmigrant business owners of European [descent] were familiar with geographical names from their home countries that were associated with quality products and used them to promote their *337 own products.”²⁴²

For example, many such names, such as “feta” cheese, are seen as generic names for products, not indicators of origin, which implies that such names should be eligible to fall under the exception for generic terms stated in Article 24 of TRIPS.²⁴³ In the words of Sarah Thorn, director of international trade for the Grocery Manufacturers Association of America, “[i]s it fair to claim after hundreds of years of fair use that these are ‘my products?’ . . . Nobody thinks of Dijon mustard as . . . coming from Dijon, France. No, it is a type of mustard.”²⁴⁴

Status quo proponents argue that under the current system, the producers still must conform to labeling standards such that the public is not misled or deceived. Thus, as long as Article 22 compels a producer to disclose the true geographical origin of the product, scholars believe that “there will be an incentive for producers to develop the value of their own geographical indications.”²⁴⁵

²⁴⁰ See *id.*, tbl. 1, at 9.

²⁴¹ See Barham, *supra* note 234, at 128.

²⁴² *Id.*

²⁴³ *Id.*

²⁴⁴ See Cabot, *supra* note 144.

²⁴⁵ See Bowers, *supra* note 36, at 155-59.

A further argument against the extension proposals has been raised not by the United States, but by Latin American countries, along with Australia, and South Africa, and is related to the potential for conflicts between producers from different regions that arises out of homonymous geographical indications.²⁴⁶ As discussed *supra*, there are regions in the new world that have names that are identical to those in the old world, leading to homonymous geographical indications.²⁴⁷ And as discussed *supra*, TRIPS addresses this issue by declaring that both old and new world homonymous geographical indications are protected.²⁴⁸ However, as discussed *supra*, TRIPS does not prohibit any Member from providing any added protections or to change any protections to homonymous geographical indications.²⁴⁹ Thus, the European Union has since banned South Africa from using the words ‘port’ and ‘sherry,’ even though South Africa has a long history of using these terms for its products.²⁵⁰ In light of the South Africa experience, if geographical indication protections were to be extended as proposed, some scholars believe the outcome would inevitably be “trade/production disruption as well as constraints on market access.”²⁵¹

In addition to the current issues associated with extending the increased protection of geographical indications to the other products, some scholars have also argued that extension would “close off future market access opportunities for emerging industries.”²⁵² For example, these scholars worry that geographical

²⁴⁶ See Rangnekar, *supra* note 143.

²⁴⁷ *Id.*

²⁴⁸ *Id.*; see TRIPS Agreement, *supra* note 1, Article 24.3.

²⁴⁹ *Id.*

²⁵⁰ See Rangnekar, *supra* note 143.

²⁵¹ *Id.*

²⁵² See Addor, Thumm and Grazioli, *supra* note 43.

indications would be a reason for serious trade restrictions in emerging industries, such as dairy and processed agricultural industries.²⁵³ In that case, scholars believe that allowing only certain products to carry a given geographical indication will “unfairly reduce competition and encourage monopolization, and arguably, sanctioning such monopolies will ultimately lead to higher prices for consumers for the products that are permitted to maintain that geographical indication.”²⁵⁴

Thus, extending the protection of Article 23 in the TRIPS Agreement to products other than wines and spirits has significant negative ramifications for consumers, the public, and producers and traders. On balance, status quo advocates argue that the current status quo should be maintained, if only to safeguard the compromises leading not only to the TRIPS Agreement, but to the other GATT-related agreements.²⁵⁵ And thus, not surprisingly, for the reasons discussed *supra*, some scholars have even openly supported maintaining the current status quo of a two-tier system of geographical indication protection.²⁵⁶

3.3 To formulate a workable geographical indication system on the Extension

Issue based on normative analysis.

3.3.1 Extension Issue-Related Empirical Study

Currently, Members focus more on each Member’s own economic interests rather than on whether and how to protect geographical indications, causing current gridlocks in negotiations. Unlike the other intellectual property rights, the dividing line on Members’ economic interests does not occur between developed nations’

²⁵³ *Id.*

²⁵⁴ *Id.*

²⁵⁵ See Bowers, *supra* note 36, at 163.

²⁵⁶ See e.g., Bowers, *supra* note 36, at 317-318.

interests versus developing nations' interests.²⁵⁷ For example, developed nations such as EU, Iceland, Liechtenstein and Switzerland agree with the extension. On the other hand, developed nations such as Australia, Canada, New Zealand, Taiwan and the US desire to maintain the current status quo. No clear preference towards geographical indication protection exists amongst developing nations, either. For example, Albania, Brazil, China, Colombia, Croatia, Ecuador, Georgia, India, Indonesia, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Peru, Sri Lanka, Thailand, Turkey, the ACP Group and the African Group all are in support of expanding the extension. At the same time, equal number of developing countries, including Argentina, Chile, the Dominican Republic, El Salvador, Guatemala, Honduras, Panama, Paraguay and the Philippines, support keeping the current system. Table-1 illustrates this diversion from the traditional notion of economic interests.



²⁵⁷ The basis for determining developed or developing status of a country is based on Wikipedia which in turn references various sources for information including the World Bank, International Fund, CIA, and UN. *See generally*, http://en.wikipedia.org/wiki/Developed_nation and http://en.wikipedia.org/wiki/Developing_Countries.

【Table -1】 The Extension Issue in connection with “developed countries” vs. “developing countries”

| | Agree with Extension | Maintaining Status quo |
|--|--|---|
| Developed countries | EU, Iceland, Liechtenstein and Switzerland. | Australia, Canada, New Zealand, Taiwan and the US. |
| developing (or under-developing) countries | Albania, Brazil, China, Colombia, Croatia, Ecuador, Georgia, India, Indonesia, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Peru, Sri Lanka, Thailand, Turkey, the ACP Group, and the African Group. | Argentina, Chile, the Dominican Republic, El Salvador, Guatemala, Honduras, Panama, Paraguay and the Philippines. |

Regarding geographical indications, a different economic interest line, “old world’s” interests versus “new world’s” interests, exists.²⁵⁸ Old world economies, including Albania, China, Croatia, EU, Georgia, Iceland, India, Indonesia, Liechtenstein, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Sri Lanka, Switzerland, Thailand, Turkey and the African Group, all back up the extension of geographical indication protection. On the other hand, other than a

²⁵⁸ The “old world” is generally defined to include Europe, Asia and Africa plus surrounding islands. *See generally*, Wikipedia at http://en.wikipedia.org/wiki/Old_World. The term is in distinction from the term the “new world,” which is generally defined as the Americas and Australasia. *See generally*, Wikipedia at http://en.wikipedia.org/wiki/New_World. However, when the terms are used in the geographical indication field, esp. when referring to wine producers, the United States, Argentina, Australia, Canada, Chile, New Zealand, South Africa, and Uruguay are generally considered as the “New World Wine Producers,” whereas France, Germany, Italy, Spain, Portugal, and Austria are considered among the “Old World Wine Producers.” *See*, Kevin M. Murph, CONFLICT, CONFUSION, AND BIAS UNDER TRIPS ARTICLES 22-24, 19 Am. U. Int’l L. Rev. 1181, notes 30 and 31 (2004), citing Corrs Chambers Westgarth lawyers, “WTO and the Clash of the New World/Old World Wine Producers.” http://www.corrs.com.au/WebStreamer?page_id=2202. Other scholars in the geographical indication field have taken the view that the term “old world” refers to “emigrant countries,” whereas the term “new world” refers to “immigrant countries.” *See e.g.*, Montén, *supra* note 37. For the purpose of this paper, these latter general geographic indication definitions are used.

handful of countries, such as Brazil, Colombia, Ecuador and Peru, new world economies, including Argentina, Australia, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, Honduras, Panama, the Philippines, New Zealand, Paraguay, Taiwan and the US, support leaving the current system alone. Table-2 illustrates this division between the “old” versus “new” world economic interests.²⁵⁹

【Table-2】 The Extension Issue in connection with “Old World” vs. “New World”

| | Agree with Extension | Maintaining Status quo |
|-----------|--|---|
| Old World | Albania, China, Croatia, EU, Georgia, Iceland, India, Indonesia, Liechtenstein, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Sri Lanka, Switzerland, Thailand, Turkey and the African Group. | |
| New World | Brazil, Colombia, Ecuador and Peru. | Argentina, Australia, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, Honduras, New Zealand, Panama, Paraguay, the Philippines, Taiwan and the US. |

There appears to be a predilection between the continents as well. For example, countries in continents with long history, including Europe and Africa, tend to support the expansion of geographical indication protections, whereas later discovered continents, including the Americas and Australia, opposes such an expansion. In this division of views, it is interesting to note that countries in Asia, a continent including countries with rich histories and countries with new immigrants, find supporters in both extending and maintaining the status of geographical indication protections.

²⁵⁹ Because the ACP Group represents a joint alliance between the African, Caribbean and Pacific Group of States, this empirical study thus does not attempt to dissect and categorize this Group which undoubtedly includes different interests and compromises.

Table-3 illustrates countries' views on geographical indication protections by continent.

【Table-3】 The Extension Issue in connection to the geographical regions

| Continent | Agree with Extension | Maintaining Status quo |
|-----------|--|--|
| Europe | Albania, Croatia, EU, Georgia, Iceland, Liechtenstein, the Republic of Macedonia, Moldova, Switzerland and Turkey. | |
| Africa | The ACP Group and the African Group. | |
| Asia | The ACP Group, China, India, Indonesia, the Kyrgyz Republic, Pakistan, Sri Lanka and Thailand. | Taiwan and the Philippines. |
| America | The ACP Group, Brazil, Colombia, Ecuador and Peru. | Argentina, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, Honduras, Panama, Paraguay and the US. |
| Australia | | Australia and New Zealand. |

Accordingly, if each Member only considers its own economic interests, then geographical indication protection under TRIPS will always be a topic to be negotiated. This conclusion is evident comparing Uruguay Round TRIPS negotiations with Doha Round Negotiations: current views on extension for countries that were against geographical indication protection during Uruguay Round TRIPS negotiations remain largely unchanged through Doha Round Negotiations. As Table-4 illustrates, despite all the extensive negotiations, Argentina, Australia, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, Honduras, New Zealand, the Philippines, Taiwan and the US did not changed their views to maintain status quo through the two rounds of negotiations. And the remaining three countries, Costa Rica, Japan and Namibia, who also opposed the protection of geographical indications

during Uruguay Round negotiations have not expressed their views thus far on the Extension Issue. In other words, continual negotiations are not the keys to resolving the geographical indication protection issue, unless countries consider geographical indication protection from a different angle. Whether and how to protect geographical indications should be examined from the goals that protection is intended to serve.

【Table-4】 The current views on extension for countries that were against geographical indication protection during Uruguay Round TRIPS negotiations²⁶⁰

| | Agree with Extension | Maintaining Status quo |
|--|--------------------------------------|---|
| Against protection of geographical indications during Uruguay Round TRIPS negotiations | Colombia and Ecuador. ²⁶¹ | Argentina, Australia, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, Honduras, New Zealand, the Philippines, Taiwan and the US. |

²⁶⁰ See Press Release, United States Department of State, U.S. Seeks Voluntary System on Protecting Wine, Spirits Naming Rights (Sept. 20, 2002) [hereinafter Press of U.S.] (indicating that Argentina, Australia, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Namibia, New Zealand, the Philippines, and Taiwan have joined the United States in opposing TRIPS' protection of geographic indicators), at <http://useu.usmission.gov/Article.asp?ID=1417A188-695F-493D-A829-5D43BF2875F9> (last visited Jan. 19, 2009).

²⁶¹ Again, on the WTO website, Colombia and Ecuador are listed as Members in support of maintaining the current status quo on the Extension Issue. See http://www.wto.org/english/tratop_e/gi_background_e.htm (last visited Jan. 19, 2009). In this empirical study, however, Colombia and Ecuador are listed to be in support of “the extension of the protection of Article 23 of the TRIPS Agreement to geographical indications for all products, including the extension of the Register” based on Colombia and Ecuador’s position taken in WTO document TN/C/W/52, dated July 19, 2008, entitled “DRAFT MODALITIES FOR TRIPS RELATED ISSUES,” even though such a position appears to be in contradiction with this WTO’s website. See *id.*

3.3.2 From the legal reasons to protect geographical indications on the Extension Issue.

There are scholars who have also concluded similarly that whether and how to protect geographical indications should be examined from the goals that protection is intended to serve. According to Kal Raustiala and Stephen R. Munzer, “[w]e are aware that the geographical indication debate is primarily driven not by philosophical arguments but by political interests. ...”²⁶² This paper attempts to provide a different basis for consideration, namely the legal reasons, in considering the protection of geographical indications.

3.3.2.1 The legal reasons to protect geographical indications

As discussed *supra*, geographical indication serves very similar functions as trademarks. Thus, from these functions and the definition of geographical indication *supra*, two main legal reasons can be deducted for the protection of geographical indications: (1) to protect consumers and (2) to avoid unfair competition.²⁶³ This paper focuses on these two main reasons for protection in an attempt to facilitate the current geographical indication negotiation gridlock.

²⁶² See Raustiala and Munzer, *supra* note 9, at 364.

²⁶³ Scholars agree that legal protection of geographical indications is justified for many reasons, “with consumer confusion and search costs looming the largest.” *Id.* at 353. See also, W. M. Landes and R. A. Posner, *The Economic Structure of Intellectual Property Law* (2003), ch. 7; K. Maskus, *Intellectual Property Rights in the Global Economy* (2000); Economides, “The Economics of Trademarks,” 78 *Trademark Reporter* (1988) 523; Landes and Posner, “Trademark Law: An Economic Perspective,” 30 *JL & Econ* (1987) 265, arguing that “geographical indication protection in international law is justifiable for many of the reasons that trademark protection is justifiable: primarily, to protect consumers against confusion and to lower their search costs.”

(1) To protect consumers

The first reason to protect geographical indication is to protect consumers. If geographical indications were not protected, consumers could be misled to purchase products from regions not of their choices. For example, without a geographical indication protection system, any tea company may freely sell its tea claiming such tea to be from a famous tea region, Alishan. Consumer Amanda could be misled to purchase such tea, wasting time and money, then falsely concluding she does not like Alishan tea, and never trusting any Alishan tea. Thus, a geographical indication protection system is necessary to protect consumers from intentional and even unintentional mislabeling.

(2) To avoid unfair competition

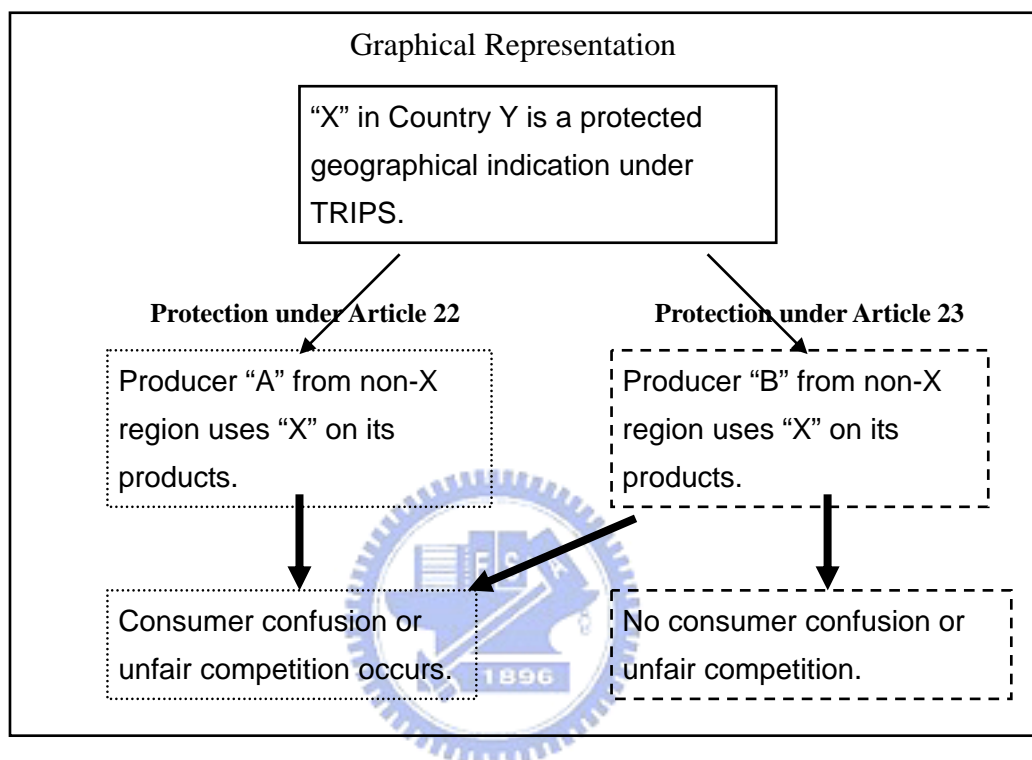
For a geographical indication protection system to function, the system also needs to prevent free-riding problems, which may help prevent geographical indications from becoming generic. Again, without a geographical indication protection system, any tea company may freely label its tea to be from Alishan in order to increase its sales and market exposures. True Alishan tea sales may be affected while Alishan tea quality may decline, eventually causing the geographical indication “Alishan tea” to become generic. Accordingly, a geographical indication protection is needed to prevent these unfair competitions.

3.3.2.2 Suggested resolutions based on the legal reasons to protect geographical indications on the Extension Issue

With these reasons to protect geographical indications in mind, it is clear that the current geographical indication protection under TRIPS and the proposal to extend the current geographical indication protection either fail to further these reasons for geographical indication protection or overcompensates on protection.

3.3.2.2.1 Problems with current geographical indication protection under TRIPS

The reasons for geographical indication protection are the same for all goods. However, as illustrated in the Figure 5, the current geographical indication protection under TRIPS unfairly discriminates between Art. 22 and Art. 23.



【Figure 5】 Discriminating Treatments Under Article 22.2 and Article 23.

Thus, under the current TRIPS geographical indication protection system, geographical indications for wines and spirits enjoy a “near-absolute protection”²⁶⁴

²⁶⁴ See TRIPS Agreement, *supra* note 1; see also, Proposal from Bulgaria, *supra* note 159, at 1. Article 23 does not require any showing of misleading any consumers. See Bowers, *supra* note 36, at 146, explaining that, in contrast to TRIPS Article 22, Article 23 provides additional protections under which “there is no requirement to show that the public may be misled by using a particular geographic indication”; see also, Christine Haight Farley, “Conflicts Between U.S. Law and International Treaties Concerning Geographical Indications,” 22 *Whittier L. Rev.* 78 (2000), stating that this measure “does not require that the use of the geographical indication be misleading in order to be actionable.” Consumers may or may not be misled by a use of a geographical indication and unfair competition may or may not exist. TRIPS Agreement, *supra* note 1, Article 23, 1869 U.N.T.S. at 309, 33 I.L.M. at 1205-06. Expressions such as “like,” “style,” “type,” “kind” and “imitation” are all prohibited. *Id.* There is also no requirement to show infringement, either. *Id.* Thus, under

while geographical indications for all other goods are only protected “where the geographical indication fails the so-called ‘misleading test’ or constitutes an act of unfair competition.”²⁶⁵ In other words, Article 22 requires additional burdens of proof that Article 23 does not.²⁶⁶ TRIPS thus creates “two tiers of protection with marked disparities of protectiveness.”²⁶⁷

Many countries have voiced their fury for this unfair level of protection.²⁶⁸ And their view has been backed by some scholars.²⁶⁹ Some scholars have even taken the view that current expanded protection for wines and spirits should be reduced.²⁷⁰

Article 23, wine and spirit competitors not producing within the geographical area are simply prohibited from using the corresponding denomination. *Id.*

²⁶⁵ TRIPS Agreement, *supra* note 1, Article 22; *see also*, Proposal from Bulgaria, *supra* note 159, at 1. Article 22 of TRIPS protects against misleading consumers as to the origin of a good. This is focusing on consumers, “making the subjective awareness or knowledge of people in the marketplace the determinative inquiry.” *See* Farley, *supra* note 264.

²⁶⁶ *See* Bowers, *supra* note 36, at 146, contending that, unlike producers of goods that fall under TRIPS Article 22, producers holding a qualified geographic indicator for a wine or spirit do not have the onus of proving a violation of the “misleading” test under TRIPS Article 23. By contrast, any false or inaccurate use of a wine or spirit indicator is “totally prohibited.” *Id.*

²⁶⁷ *See* Communication from Bulgaria, *supra* note 156, at 3. (arguing that “[t]here is no systematic or logical explanation for the distinction made in... the TRIPs Agreement. This distinction ignores that geographical indications for categories of goods other than wines and spirits are equally important for trade.”)

²⁶⁸ *See Id.* These countries include Bulgaria, Cuba, the Czech Republic, Egypt, Iceland, India, Jamaica, Kenya, Liechtenstein, Mauritius, Nigeria, Pakistan, Slovenia, Sri Lanka, Switzerland, Turkey, and Venezuela.

²⁶⁹ Kal Raustiala and Stephen R. Munzer, both are professors at UCLA, have strongly cried foul of the current geographical indication protection under TRIPS Agreement: “[w]e contend, however, that the current level of protection afforded by TRIPS for wine and spirits -- which disallows any mention of a protected GI by a producer outside the region, even if the place of production of the product is clearly indicated -- is unwarranted and goes well beyond what any existing theory of property can support.” Raustiala and Munzer, *supra* note 9, at 340. An earlier brief version of this argument was made in Raustiala and Sprigman, “Eat, Drink and be Wary: Why the US Should Oppose the WTO's Extending Stringent Intellectual Property Protection of Wine and Spirit Names to Other Products,” at <http://www.findlaw.com>.

3.3.2.2.2 Problems with Extending geographical indication Protection

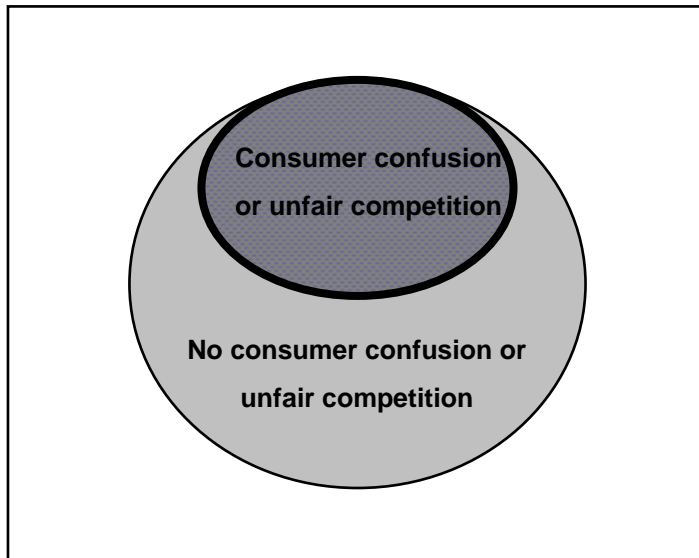
As discussed *supra*, in addition to the two legal reasons, two additional views have been voiced in support for the expansion in protection for geographical indications: (1) to avoid legal uncertainty and (2) to reduce burdens and costs for producers. These additional views are without merits.

(1) Extension of geographical indication protection to avoid legal uncertainty?

Extension of the current geographical indication protection may avoid legal uncertainty. However, this end does not justify the means. First of all, the fact that different countries may conclude differently does not mean legal uncertainty exists. In fact, even different judges within the same country may rule differently, but again, this does not mean legal uncertainty exists. Judges, as well as countries, should be given discretions to rely on their professional judgments to make determinations, even if such determinations may come out differently.

As illustrated in Figure 6, legal certainty exists for scenarios where consumer confusion or unfair competition exists and where no consumer confusion or unfair competition exists. Relying on judges' proficiencies, only when the facts fall within the borderline of consumer confusion or unfair competition and no consumer confusion or unfair competition may "legal uncertainty" occur. Geographical indication protection should not be extended and is not a solution to resolve these borderline cases.

²⁷⁰ "Indeed, our analysis suggests that the absolute standard ought to be revoked, not extended. While the discrimination the EU has noted in the treatment of different types of products exists, the proper solution is to harmonize downward to the general TRIPS standard rather than upward to the absolute protection standard." Raustiala and Munzer, *supra* note 9, at 363.



【Figure 6】 Consumer Confusion and Unfair Competition

Additionally, for all the other intellectual property rights protections or even any body of law, different judges may conclude differently given the same facts. Such “legal uncertainty” has not led anybody to conclude that the absolute protections are necessary for the other intellectual property rights or that body of law. Geographical indication protection shall be no different.

The argument that the extension will “avoid legal uncertainty” is thus, baseless.

(2) Extension of geographical indication protection to reduce burdens and costs for producers?

The argument that the extension will “reduce burdens and costs for producers” is equally baseless.

Some supporters of extension have argued that because wine and spirits enjoy the additional protection under Art. 23, without this additional protection for the other products in essence discriminates the other products.²⁷¹ As can be easily seen,

²⁷¹ The EU has argued that geographical indications are “the main vehicle [to compete for their] quality products.” European Commission, ‘Why Do Geographical Indications Matter to Us?’ (30 July 2003), available at: http://ec.europa.eu/trade/issues/sectoral/intell_property/argu_en.htm (last visited Jan. 19, 2009). See also, Evans and Blakeney, *supra* note 10, at 575; see also, Blakeney,

discrimination bears no relation to reducing burdens and costs for the producers of the other products.²⁷²

Extension of geographical indication protection will indeed reduce the burdens and costs for producers. However, such burdens and costs are not eliminated. Rather, the burdens and costs are only shifted onto consumers and all the other countries. However, this transfer of burdens and costs increases the resources that need to be exerted to protect geographical indications.

The potential burdens and costs on a producer differ from the potential burdens and costs on consumers and other countries. For a producer, without the extension in geographical indication protection, the producer needs to prove that its geographical indication has been misappropriated; the public has been misled and/or an act of unfair competition has occurred. On the other hand, if geographical indication protection is extended, consumers and other countries are bound by the producers' monopoly; consumer Amanda will need to spend a lot of time, money and effort to perhaps have a chance to find a needle in a hay stack where a non-Alishan-grown tea may taste similar to Alishan tea. The burdens and costs for consumer Amanda to find non-Alishan-grown tea that taste similar to Alishan tea, even if no consumer confusion and/or unfair competition exists, significantly increase. The proper solution to resolving this problem perhaps is an appropriate allocation of burdens and costs, rather than extending the protection of geographical indications.

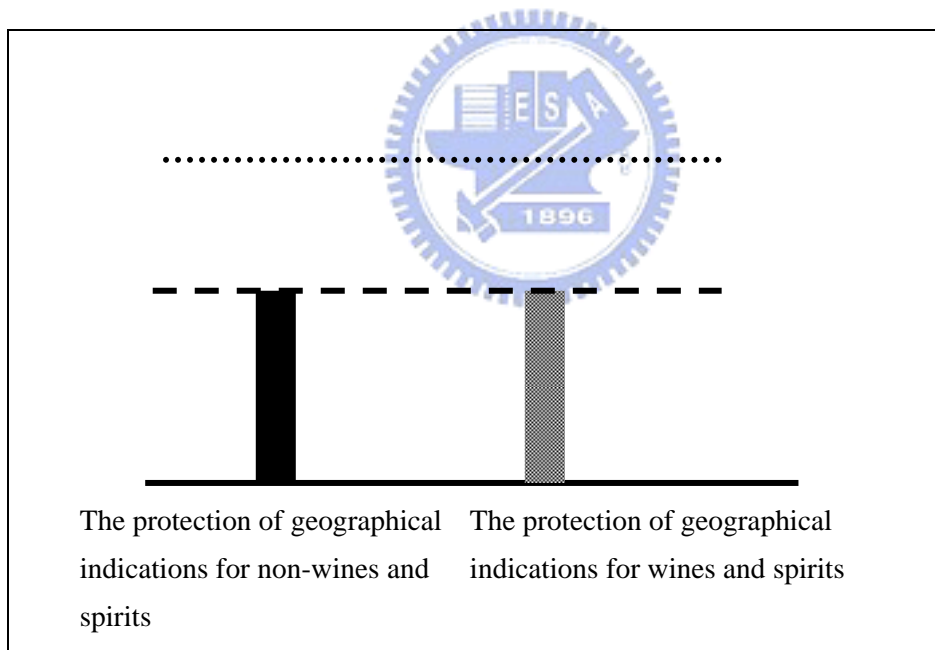
supra note 10.

²⁷² EU's argument that other products should not be discriminated "lacks a compelling justification and would represent a boon for producers with little if any social benefit. While the discrimination the EU has noted in the treatment of different types of products exists, the proper solution is to harmonize downward to the general TRIPS standard rather than upward to the absolute protection standard." *See* Raustiala and Munzer, *supra* note 9, at 363.

Thus, the two additional reasons, avoiding legal uncertainty and reducing the burdens and costs for producers, are not powerful rationales for geographical indication protections. Only the two legal reasons, to protect consumers and avoid unfair competition, are the proper bases to support for the protection of geographical indications.

3.3.2.2.3 Suggested resolutions based on the legal reasons to protect geographical indications on the Extension Issue

Taking consumer protection and unfair competition avoidance into consideration, as illustrated in Figure 7, the additional protection for wines and spirits should be eliminated.²⁷³



【Figure 7】 Suggested Geographical Indications Protections

²⁷³ Some scholars have concluded similarly: “[a]s a result, we contend that the TRIPS standard for non-wine and spirits products -- essentially, that only misleading uses of protected GIs are banned -- is justified...We therefore conclude that the international legal standard for all GI-denominated products should track that which TRIPS currently embodies for non-alcohol-based products. The existing wines and spirits standard should be eliminated, not extended.” *Id.* at 353-54.

3.3.2.2.3.1 Harmonized downward geographical indication protection in view of consumer protection

To protect consumers, a geographical indication protection system shall prevent consumer confusion while maintain options for consumers in a cost-effective manner.²⁷⁴ This will allow consumers to choose efficiently without being deceived. The harmonized downward geographical indication protection can achieve just this goal.

(1) To avoid consumer confusion

As discussed *supra*, geographical indication must be linked to a particular product in order to allow consumers to discern different products.²⁷⁵ Thus, the appropriate geographical indication protection system must prevent consumer confusion. Indeed, consumer confusion avoidance should be the threshold. Generally, protection should provide nothing more and nothing less.²⁷⁶

For example, as long as consumer confusion is avoided, a maker should generally be permitted to use a geographical indication in a non-confusing manner. A tea manufacturer Taipei Tea Incorporated may freely label its tea “Alishan-like

²⁷⁴ “We argue that GI protection in international law is justifiable for many of the reasons that trademark protection is justifiable: primarily, to protect consumers against confusion and to lower their search costs.” *Id.* at 340. *See also*, W. M. Landes and R. A. Posner, *The Economic Structure of Intellectual Property Law* (2003), ch. 7; K. Maskus, *Intellectual Property Rights in the Global Economy* (2000); Economides, ‘The Economics of Trademarks’, 78 *Trademark Reporter* (1988) 523; Landes and Posner, ‘Trademark Law: An Economic Perspective’, 30 *J L & Econ* (1987) 265.

²⁷⁵ TRIPS Agreement, *supra* note 1, Article 22.1.

²⁷⁶ Too much protection can actually lead to consumer confusion. “[T]he absolute protection standard can foment confusion. It is often hard to market a similar product with a different name without using or referencing a well-known GI...” *See* Raustiala and Munzer, *supra* note 9, at 362.

tea,” affording consumers choices without confusion.²⁷⁷ This is exactly what a downward harmonized geographical indication protection system provides.

(2) To save on search-costs

Consumers shall also be able to utilize geographical indication protection for efficient decision making. For example, if a consumer Amanda is fond of an aromatic but pricey tea which enjoys a geographical indication protection, Amanda could utilize the geographical indication label to find similarly tasteful yet affordable tea from the same region, which may or may not be produced by the same tea maker, saving Amanda’s time, money and resources.²⁷⁸ Again, the downward harmonized geographical indication protection system achieves this goal as well.

3.3.2.2.3.2 Harmonized downward geographical indication protection in view of unfair competition avoidance

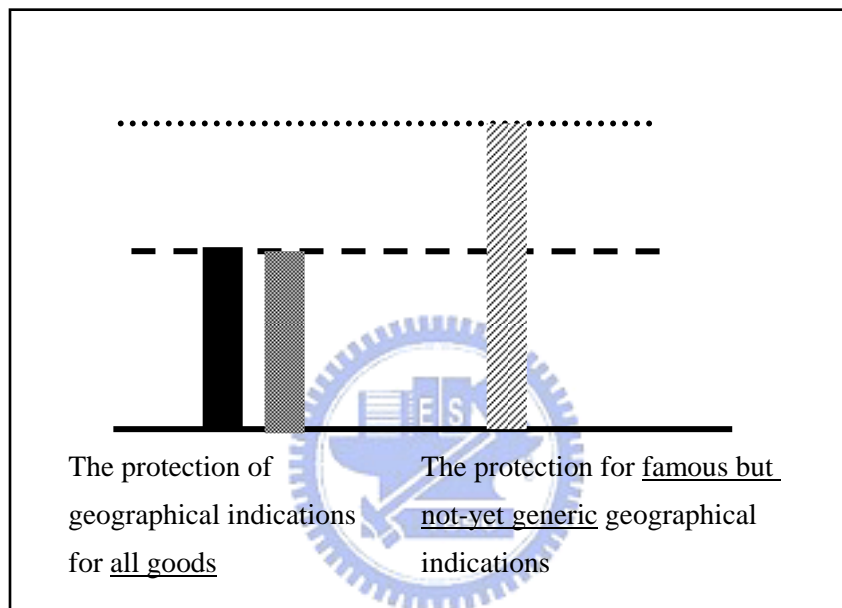
Similar to the consumer confusion legal reason for geographical indication protection, a fitting geographical indication protection system needs to handle the unfair competition legal reason properly, which is to provide a threshold protection. A harmonized downward geographical indication protection appropriately takes care of this concern, since it is a standard no different than the current protection under TRIPS.²⁷⁹ Thus, a harmonized downward geographical indication protection system addresses both of the legal reasons for the protection of geographical indications.

²⁷⁷ Scholars agree: “[t]he absolute protection standard...is not grounded in a consumer-confusion rationale, since no consumer would be confused by a label reading ‘Imitation Champagne from New Zealand’.” *Id.*

²⁷⁸ “It is often hard to market a similar product with a different name without using or referencing a well-known GI.... The same is true for search costs.” *Id.*

²⁷⁹ TRIPS Agreement, *supra* note 1, Article 22.

Of course, there may exist some exceptional cases that deserve additional protection. For example, some famous but not-yet generic geographical indications may suffer extraordinary free-riding problems. In those cases, a heightened level of geographical indication protection may be justified, as illustrated in Figure 8. However, only in those particular situations, an extended protection shall be considered.



【Figure 8】 Suggested Geographical Indications Protections Including Famous But Not-Yet Generic Geographical Indications

Chapter 4 · How should geographical indications for wines and spirits be notified and registered? (The Registration Issue)

4.1 The Basis For Negotiation On The Registration Issue

In addition to the Extension Issue, the Registration Issue is another hotly contested geographical indication issue during the Doha Round Negotiations. As discussed *supra*, the basis for the notification and registration system for wines lies upon Article 23.4 of the TRIPS Agreement, which provides that “in order to facilitate the protection of geographical indications for wines, negotiation shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.”²⁸⁰ While Article 23.4 calls for the negotiations of a geographical indication registration system only with respect to wine, a geographical indication registration system for spirits has also been a part of WTO’s negotiations.²⁸¹ Indeed, in the Doha Development Agenda, Members were specifically directed to “negotiate the establishment of the multilateral system for wines and spirits by the Fifth Session of the Ministerial Conference.”²⁸²

Of course, the protection of geographical indications does not depend upon the existence of a registration or a notification system.²⁸³ However, a registration and notification system would make the protection of geographical indications more complete with substantive meanings, since the protection would be enforceable. A

²⁸⁰ TRIPS Agreement, *supra* note 1, Article 23.4.

²⁸¹ See WTO, Report (1996) of the Council for TRIPS, WTO Doc. IP/C/8 (Nov. 6, 1996), available at [http:// docsonline.wto.org/](http://docsonline.wto.org/) (last visited Jan. 19, 2009).

²⁸² See, the Doha Development Agenda.

²⁸³ TRIPS Agreement, *supra* note 1, Article 23.4.

global registry and notification system would also make the system more predictable and perhaps “put the legitimate users in a better position in enforcement proceedings.”²⁸⁴ Taking these reasons into consideration, TRIPS calls for the negotiations to be undertaken in the TRIPS Council.²⁸⁵

The TRIPS Council, in general, is responsible for the workings of the TRIPS Agreement as according to Article 68 of the TRIPS Agreement, the Council is “the body, open to all members of the WTO, that is responsible for administering the TRIPS Agreement, in particular monitoring the operation of the Agreement.”²⁸⁶ The TRIPS Council reviews the operation of the TRIPS Agreement, including as is applicable to this case, a review of how individual countries implement their respective legislation under the notification procedure of Article 63.²⁸⁷ As Article 63.2 of the TRIPS Agreement requires, a Member must “notify the laws and regulations made effective by that Member pertaining to the subject-matter of the

²⁸⁴ See Addor, Thumm and Grazioli, *supra* note 43.

²⁸⁵ TRIPS Agreement, *supra* note 1, Article 23.4. There is also a request to extend the registration system for products other than wine and spirits. See generally, Minutes of Meeting Held in the Centre William Rappard on 21 and 22 April 1999, WTO Doc. IP/C/M/23 (June 2, 1999) [hereinafter Minutes 1999] (summarizing the two proposals as well as the countries that support each one), available at <http://docsonline.wto.org> (last visited Jan. 19, 2009). However, as TRIPS Agreement Article 23.4 only addresses the establishment of a registration system for wines and spirits, this paper will accordingly focus only on such a system.

²⁸⁶ See generally, WTO, The Organization: Whose WTO Is It Anyway? (describing the structure of the WTO and where the TRIPS Council falls within the hierarchy of the organization). See also, WTO, Work of the TRIPS Council, at http://www.wto.org/english/tratop_e/trips_e/intel6_e.htm (last visited Jan. 19, 2009); and WTO, Frequently Asked Questions About TRIPS in the WTO: What Is the Role of the TRIPS Council?

²⁸⁷ See WTO, Review of the Implementing Legislation [hereinafter The Implementation]; see also, TRIPS Agreement, *supra* note 1, Article 63; see also, WTO, Notifications Under the TRIPS Agreement [hereinafter WTO Notifications], at http://www.wto.org/english/tratop_e/trips_e/intel7_e.htm (last visited Jan. 19, 2009) (providing an overview of the notification requirements under TRIPS).

Agreement to the Council for TRIPS in order to assist the Council in its review of the operation of the Agreement. These notifications are the basis for reviews of implementing legislation carried out by the Council.”²⁸⁸ The TRIPS Council also acts as a facilitator in the negotiations for the development of a multilateral registration system of geographical indications for wine.²⁸⁹

As is evident with TRIPS Article 23.4, Members have agreed to negotiate on the registration and notification issues with the goal of increasing the protection of geographical indications. However, that is about the extent on the Members’ agreement. During the Doha Round Negotiations, the TRIPS Council has begun to organize and facilitate bilateral or even multilateral consultations between Members in an attempt to move the negotiations along.²⁹⁰ The Doha Declaration’s deadline for completing the negotiations was by the Fifth Ministerial Conference in Cancún in 2003.²⁹¹ However, thus far, the negotiations appear to have progressed slowly;²⁹² the TRIPS Council appears to be still conducting preliminary work initiated in 1997, including information gathering and organization/timing of the negotiations.²⁹³ Since negotiations were not completed by the Fifth Ministerial Conference in Cancún

²⁸⁸ See The Implementation, *supra* note 287; see also, TRIPS Agreement, *supra* note 1, Article 63; see also, WTO Notifications, *supra* note 287. (providing an overview of the notification requirements under TRIPS).

²⁸⁹ TRIPS Agreement, *supra* note 1, Article 23.4.

²⁹⁰ *Id.* at Article 24.1-3.

²⁹¹ http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

²⁹² See WTO, Annual Report (1997) of the Council for TRIPS, WTO Doc. IP/C/12 (Nov. 28, 1997) [hereinafter Annual Report 1997], available at <http://docsonline.wto.org> (last visited Jan. 19, 2009).

²⁹³ See Annual Report 1997, *supra* note 287; WTO, Annual Report (1998) of the Council for TRIPS, WTO Doc. IP/C/15 (Dec. 4, 1998), available at <http://docsonline.wto.org> (last visited Jan. 19, 2009) (announcing that the European Communities have submitted a proposal for a multilateral register of geographical indications and discussing other members' plans to submit proposals and comments).

in 2003, TRIPS ‘mandate’ that the negotiations now take place “within the overall timetable for the round.”²⁹⁴

A major bottleneck in progress is due to the different approaches and desired effects to be achieved with the registration and notification system, taken by two groups. These two groups, led by the United States and the European Union, have submitted and debated on two proposals. A proposal from the European Communities was first submitted in July of 1998 (the “EC Proposal”).²⁹⁵ The EC Proposal has been supported by Albania, Brazil, China, Colombia, Croatia, Ecuador, EU, Georgia, Iceland, India, Indonesia, Liechtenstein, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Peru, Sri Lanka, Switzerland, Thailand, Turkey, the ACP Group, and the African Group.²⁹⁶ Subsequently in February of 1999, a joint proposal from the United States and Japan, which was later revised and supplemented by a joint proposal from Canada, Chile, Japan, and the United States was submitted (the “US Led Proposal”).²⁹⁷ This US Led Proposal has thus far been

²⁹⁴ http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

²⁹⁵ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005). See also, WTO, Annual Report (1999) of the Council for TRIPS, WTO Doc. IP/C/19 (Oct. 22, 1999) [hereinafter Annual Report 1999], available at <http://docsonline.wto.org> (last visited Jan. 19, 2009); see also, Proposal for a Multilateral Register of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement, WTO Doc. IP/C/W/107 (July 28, 1998) [hereinafter EU Proposal], available at <http://docsonline.wto.org> (last visited Jan. 19, 2009); see also, Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement, WTO Doc. IP/C/W/133 (Mar. 11, 1999) [hereinafter U.S. Proposal], available at <http://docsonline.wto.org> (last visited Jan. 19, 2009); see also, Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits Based on Article 23.4 of the TRIPS Agreement, WTO Doc. IP/C/W/133/Rev.1 (July 26, 1999) [hereinafter U.S. Proposal Rev.], available at <http://docsonline.wto.org> (last visited Jan. 19, 2009). See generally, Minutes 1999, *supra* note 285 (summarizing the two proposals as well as the countries that support each one).

²⁹⁶ See WTO documents IP/C/W/353 (June 24, 2002) and TN/C/W/52/Add.3 (July 29, 2008).

²⁹⁷ See WTO document TN/IP/W/10 (April 1, 2005). See also, Annual Report 1999, *supra* note 295;

backed from Argentina, Australia, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Japan, Korea, Mexico, New Zealand, Nicaragua, Paraguay, Taiwan, South Africa and the United States.²⁹⁸

In light of the deadlocks between these two main proposals, Hong Kong, China has also proposed a compromise (the “Hong Kong Proposal”).²⁹⁹ Table-5 listing supporting Member(s) of the EC Proposal, US Led Proposal as well as the Hong Kong Proposal details the current positions that have been taken by the WTO Members on the three Proposals.



see also, EU Proposal, *supra* note 295; *see also*, U.S. Proposal, *supra* note 295; *see also*, U.S. Proposal Rev., *supra* note 295. *See generally*, Minutes 1999, *supra* note 285 (summarizing the two proposals as well as the countries that support each one).

²⁹⁸ *See* WTO document TN/IP/W/10/Rev.2 (July 24, 2008). In this WTO document entitled “PROPOSED DRAFT TRIPS COUNCIL DECISION ON THE ESTABLISHMENT OF A MULTILATERAL SYSTEM OF NOTIFICATION AND REGISTRATION OF GEOGRAPHICAL INDICATIONS FOR WINES AND SPIRITS,” Ecuador appears as a Member to join in on this US-led submission to the WTO. However, in a WTO document dated only 5 days thereafter, Ecuador is listed as a supporting Member to the EC Proposal. *See* WTO document TN/IP/W/10/Add.3 (July 29, 2008). For the purpose of this paper, the later dated submission is chosen as Ecuador’s official position.

²⁹⁹ *See* WTO document TN/IP/W/8 (Apr. 23, 2003).

【Table-5】 Listing Supporting Member(s) of The EC Proposal, US Led Proposal and Hong Kong Proposal

| | EC Proposal (TN/IP/W/11) (TN/C/W/52/Add.3) | US Led Proposal (TN/IP/W/10/Rev.2) | Hong Kong Proposal (TN/IP/W/8) |
|-------------------------|---|---|--------------------------------------|
| Supporting Member(s) | Albania, Brazil, China, Colombia, Croatia, Ecuador, EU, Georgia, Iceland, India, Indonesia, Liechtenstein, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Peru, Sri Lanka, Switzerland, Thailand, Turkey, the ACP Group, and the African Group. | Argentina, Australia, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Japan, Korea, Mexico, New Zealand, Nicaragua, Paraguay, Taiwan, South Africa and the US. | Hong Kong |
| Participation | Voluntary | Voluntary | Voluntary |

The latest proposals as well as a side by side comparison of all three proposals are illustrated in Tables-6 and Table-7 and are available for download at <http://docsonline.wto.org> on the WTO website.³⁰⁰

³⁰⁰ See <http://docsonline.wto.org> (last visited Jan. 19, 2009). See also, a Secretariat paper (WTO document TN/IP/W/12 of 14 September 2005) and an earlier compilation in document TN/IP/W/7/Rev.1, dated 23 May 2003 (with a correction, TN/IP/W/7/Rev.1/Corr.1 dated 20 June 2003).

【Table-6】 Comparison of Notification and Registration of Geographical Indications Under the EC, US Led and Hong Kong Proposals

| | EC Proposal | US Led Proposal | Hong Kong Proposal |
|--------------|---|---|--|
| Notification | Each Participating Member may notify the WTO any geographical indication that identifies a wine or a spirit originating in that Member's territory. | | |
| Registration | 18-month after reservation, the WTO shall register the notified geographical indication on the Register. | An automaticity of registration system: following receipt of a notification, the WTO shall register the notified geographical indication on “the Database of geographical indications for Wines and Spirits.” | After receiving a notification, the WTO shall undertake formality examination of the notification and then record the notified geographical indication in the Register of geographical indications. It does not involve substantive examination. |



【Table-7】 Legal Effects Under the EC, US Led and Hong Kong Proposals

| | EC Proposal | US Led Proposal | Hong Kong Proposal |
|---------------|--|--|--|
| Legal Effects | <p>For Members who have not lodged any reservation within the 18-month period:</p> <p>1. Participating Members: shall provide the legal means for interested parties to rely on the geographical indication registration as a rebuttable presumption that the geographical indication is eligible for protection.</p> <p>2. All Members: shall not refuse protection of the registered geographical indications on any of the grounds referred to in paragraph 3.2(a), (b) and (c) of this proposal.</p> | <p>Each Participating Member commits to ensure that its procedures include the provision to consult the Database when making decisions regarding registration and protection of trademarks and geographical indications for wines and spirits in accordance with its domestic law.</p> | <p>Registration of an indication on the Register shall be admitted as prima facie evidence to prove:</p> <p>1. ownership of the indication;</p> <p>2. that the indication satisfies the definition in Art. 22.1 of TRIPS as a geographical indication; and</p> <p>3. that the indication is protected in the country of origin. (Art. 24.9 of TRIPS)</p> |

As can be seen from Table-6 and Table-7, all Members appear to be in agreement on notification. However, the three proposals differ significantly on how and when registrations of geographical indications take effect. The three proposals also differ considerably on legal effects. Specifically, as WTO clearly realizes, “[w]hen a geographical indication is registered in the system, what legal effect, if any, would that need to have within member countries, if the register is to serve the purpose of ‘facilitating protection’,” the only obligation mandated in Article 23.4 for the registration system?³⁰¹ The legal effects, if at all, for non-participating Members are

³⁰¹ See http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009) and TRIPS Agreement, *supra* note 1, Article 23.4.

also of concern.³⁰² Members are also uneasy on the potential administrative and financial costs and burdens for each Member.³⁰³ Would the possible benefits of a notification and registration system outweigh these costs and burdens for these Members? The three proposals are studied in greater details from the legal aspects to formulate a workable geographical indication notification and registration system in light of these three proposals and the negotiations during the WTO Doha Round.

4.2 The three proposals in the WTO and observations of the same

4.2.1 The EC Proposal

As discussed *supra*, the EC Proposal was first submitted in July of 1998.³⁰⁴ The latest version, a very detailed proposal, was circulated in June 2005 and calls for the TRIPS Agreement to be amended with an annex to Article 23.4.³⁰⁵

Under the current EC Proposal, the suggested steps and procedures as well as issues for consideration for registering geographical indications are (1) a submission of a geographical indication to be registered; (2) a procedure for opposing listing such a geographical indication; (3) legal effects to be afforded to a registered geographical indication; and finally (4) future means to alter the registration.³⁰⁶

³⁰² See http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³⁰³ See *id.*

³⁰⁴ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005). See also, Annual Report 1999, *supra* note 295; see also, EU Proposal, *supra* note 295; see U.S. Proposal Rev., *supra* note 295. See generally, Minutes 1999, *supra* note 281 (summarizing the two proposals as well as the countries that support each one).

³⁰⁵ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); see also, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³⁰⁶ See EU Proposal, *supra* note 295; see also, WTO, TRIPS Council: US, Japan Submit Proposal on Geographical Indications, at http://www.wto.org/english/news_e/news99_e/pu190299.htm (last visited Jan. 19, 2009) [hereinafter WTO Website 5].

Specifically, under the EC Proposal, Member participation in the geographical indication registration system is ‘voluntary.’ Members may voluntarily submit a list of geographical indications that are already given recognition and protection as geographical indications in their own country.³⁰⁷ Upon submission of such a list, the WTO Secretariat will notify all Members and Members have a proscribed time period such as one year or 18 months to examine the request for registration. Any Member may oppose the application request based on any reason within the context of TRIPS.³⁰⁸

The EC Proposal introduces a ‘rebuttable presumption’ status for a geographical indication once the geographical indication is registered.³⁰⁹ The ‘rebuttable presumption’ status would afford a protection for the registered geographical indication in all Members, unless a ‘reservation’ is lodged within the proscribed time period such as one year or 18 months, calculated from the time the geographical indication is registered.³¹⁰ If a Member does not make such a reservation within the proscribed time period, the Member would not be able to refuse protection after the term has been registered.³¹¹ Only when a reservation is made during the proscribed time period would the reservation-making Member be able to challenge the ‘rebuttable presumption.’³¹²

³⁰⁷ See EU Proposal, *supra* note 295.

³⁰⁸ *Id.* at III.

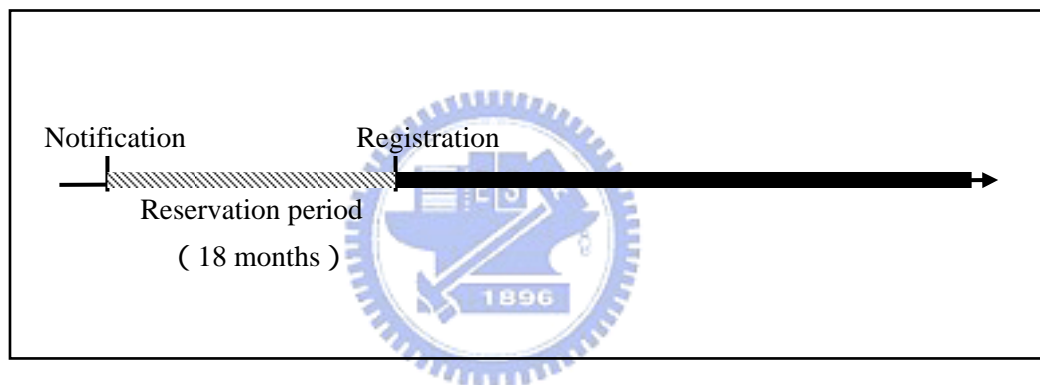
³⁰⁹ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³¹⁰ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³¹¹ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³¹² See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

Once a registered geographical indication passes the proscribed period, under the EC Proposal, all Members who did not challenge the registration as well as Members who failed in its challenge of the registration will be responsible for complying with the TRIPS Agreement and taking all appropriate measures required thereunder to effectively protect in their territories geographical indications registered under the multilateral system proposed in the EC Proposal.³¹³ Thus, under the EC Proposal, challenging the registration of a geographical indication becomes critical if a Member does not wish to protect a geographical indication. Figure 9 illustrates on a time line the notification and registration relationships under the EC Proposal.



【Figure 9】 EC Proposal (TN/IP/W/11)

As discussed *supra*, challenging the registration of the geographical indication would have to be on permitted grounds only.³¹⁴ Grounds for refusing protection include:

- the geographical indication does not correspond with the definition in Article 22.1 of TRIPS;
- in accordance with Article 24.9 of TRIPS, there is no protection of the geographical indication in the country of origin;

³¹³ See EU Proposal, *supra* not 295.

³¹⁴ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

- the geographical indication is considered to be generic as described in Article 24.6 of TRIPS; and
- any scenarios covered under Article 22.4 of TRIPS.³¹⁵

Under the EC Proposal, if the grounds for a reservation are not acceptable, the reservation-making Member still may not challenge the ‘rebuttable presumption’ and still would not be able to refuse protection for the term once the term has been registered.³¹⁶

The European Union has fiercely advocated its EC Proposal. Despite the far reaching and binding effects of the EC Proposal, the European Union has argued that the manner the proposed geographical indication registration system is set up does not require Members to change or abandon their own domestic system of law or existing practice.³¹⁷ Rather, the European Union argues that the EC Proposal “creates law on an international level which can join countries legally despite the fact that all members have varying systems of law to protect geographical indications within their own countries.”³¹⁸ Because the EC Proposal is viewed to provide incentives and added values to register geographical indications and thus promote the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits, the terms “TRIPS-plus” or “value-added” have often been used to refer to the EC Proposal.³¹⁹

³¹⁵ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009); EU Proposal, *supra* note 295, at III; TRIPS Agreement, *supra* note 1, Articles 22.1, 24.4, 24.6 and 24.9.

³¹⁶ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³¹⁷ See WTO Website 5, *supra* note 306.

³¹⁸ See Goldberg, *supra* note 12, at 128-130.

³¹⁹ See WTO Website 5, *supra* note 306; *see also*, EU Proposal, *supra* note 295.

4.2.1.1 Issues in EC Proposal

Many Members, including Australia, Japan, the Republic of Korea, Canada, Chile, and Hong Kong, have expressed concerns or even criticized the EC Proposal, esp. that the participation under the EC Proposal is not ‘voluntary’ under the EC Proposal.³²⁰ The idea of ‘voluntary’ participation comes from Article 23.4 of the TRIPS Agreement, which only mandates the establishment of a registration system for geographical indications on wines “for protection in those Members participating in the system.”³²¹ In other words, for Members who do not participate in the registration system for geographical indications on wines, those Members may choose not to participate in the system and those Members may also choose not to provide protection for geographical indications on wines.

On the other hand, the EC Proposal, esp. the legal effects to be afforded to a registered geographical indication, has been complained to be involuntary. Many has criticized that the EC Proposal would “change the obligations of WTO [m]embers under the TRIPS Agreement.”³²² Upon the conclusion of the one year period, geographical indications will become fully and indefinitely protected in all WTO Members. According to the EC Proposal, “[i]f registration is refused and the refusal is confirmed by the appropriate mechanism within a reasonable period of time, only a member who had opposed the granting of protection and produced evidence to support its opposition need not apply the principle of full and indefinite protection.”³²³ In other words, although submission of names for geographical indication protection

³²⁰ See U.S. Proposal Rev., *supra* note 295.

³²¹ See generally, TRIPS Agreement, *supra* note 1, Article 23.4.

³²² See U.S. Proposal Rev., *supra* note 295.

³²³ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009); *see also*, EU Proposal, *supra* note 295.

is voluntary under the EC Proposal, the products once accepted for registration, however, would be protected in all member countries, thus creating an involuntary participation in protection for WTO Members.³²⁴ Only when a Member who successfully opposes a registration would that Member then be exempted from having to protect the geographical indication.³²⁵

The EC Proposal has argued that this ‘involuntary’ participation requirement for protection of geographical indications is reasonable because if only some Members participate in the registration system for geographical indications on wines, the registration system would not work properly.³²⁶ Also, the purpose of Article 23 of the TRIPS Agreement, which is to aim to increase the protection of individual geographical indications, would be defeated.³²⁷ The EC Proposal further argues that if the purpose of increasing the protection of individual geographical indications is defeated, all the years of negotiations during the various Rounds during the WTO would be wasted.³²⁸

However, the EC Proposal in reality would be burdensome for Members and unfairly shifting the burden of proof. Indeed, the EC Proposal has been said to “impose burdensome and costly procedural requirements on both the WTO Secretariat and on WTO Members.”³²⁹ First of all, if a Member failed to present its reservation within 18 months, such a Member would not be able to decline protection to the term

³²⁴ See WTO Website 5, *supra* note 306.

³²⁵ See *id.*

³²⁶ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³²⁷ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³²⁸ See WTO documents WT/GC/W/547, TN/C/W/26 and TN/IP/W/11 (14 June 2005); *see also*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 14, 2009).

³²⁹ See U.S. Proposal Rev., *supra* note 295.

on the register on grounds such as that the term was not a geographical indication or that it was a generic term in that Member's territory. This would be placed an unprecedented substantive legal obligation on all WTO Members. Specifically, in the EC proposal, failure to lodge a reservation within the 18-month period would waive all chances of invoking the exception, creating an irrebuttable presumption for paragraph 3.2(a), (b) and (c) of this proposal. Members would actually be forced to participate.

The EC Proposal also seems to violate the TRIPS Agreement. First of all, if a member can only oppose a registration based on reasons stemming from the TRIPS Agreement, then a successful opposition would mean the geographical indication is not worthy of protection under TRIPS.³³⁰ However, the EC Proposal continues to afford protection for these rejected geographical indications in non-opposing Members' countries; non-opposing Members would be forced to protect non-qualifying geographical indications.

Also, the EC Proposal likely violates Article 4 of the TRIPS agreement, which mandates a most-favored nation treatment for all Members.³³¹ Specifically, if only a successfully opposing Member does not need to protect a geographical indication, non-opposing Members would be treated unequally by being forced to protect the geographical indication and thus, violating the most-favored nation treatment under Article 4 of the TRIPS Agreement.

Last but not least, non-participating Members would have onerous obligations but no corresponding enjoyment of benefits under the EC Proposal. Specifically, for Members who do not wish to participate in the EC Proposed registration system for geographical indications for wine, those Members would enjoy no benefits and

³³⁰ See Goldberg, *supra* note 12, at 128-29.

³³¹ *Id.*

protection of their own geographical indications. However, those Members would still need to provide protection of other Members' geographical indications if those other Members participate in the EC Proposed geographical indication registration system.

The EC proposal would change the balance of rights and obligations under TRIPS and would therefore be beyond the mandate of facilitating protection. What Members were supposed to negotiate was the establishment of a system that would facilitate, and not modify, the protection of geographical indications.

4.2.2 The US Led Proposal

Both Japan and the United States expressed the view that any system that might be developed should:

- (1) not establish new obligations or diminish the rights and obligations contained in Section 3 of Part II of the TRIPS Agreement;
- (2) should accommodate the various systems for protection of geographical indications existing in all WTO [m]embers' legal regimes;
- (3) not impose undue burdens or costs on the WTO Secretariat; and
- (4) be voluntary and non-burdensome for the WTO [m]embers choosing to participate.³³²

Thus, as discussed *supra*, in response to the EC Proposal, the US Led Proposal, document TN/IP/W/10/Rev.2, has been put forward by Argentina, Australia, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Japan, Korea, Mexico, New Zealand, Nicaragua, Paraguay, Taiwan, South Africa and the United States.³³³

³³² See U.S. Proposal Rev., *supra* note 295.

³³³ See WTO document TN/IP/W/10/Rev.2 (July 24, 2005); see *supra* note 298 on Ecuador's position.

The US Led Proposal does not lay out every detail as precisely as the EC Proposal. Rather, the US Led Proposal merely states what the proposed geographical indication registration system would and would not do. In particular, the US Led Proposal recommends the TRIPS Council to set up a voluntary participation system for the registration of geographical indications where Members may voluntarily notify any geographical indications to be registered. The WTO would publish a list of geographical indications supplied by Member countries that are being protected domestically within those Member countries.³³⁴ The list of geographical indications would be registered in a central database.³³⁵ Additionally, “[f]or each of these [geographical indications, the Members] would explain what the terms of protection are under their laws--for example whether there is an expiry date, and if so when--and whether the protection comes under an international agreement.”³³⁶

Additionally, under the US Led Proposal, those Members choosing to participate in this geographical indication registration system would be required to consult this central database when making decisions on geographical indication protections in their own countries.³³⁷ Non-participating members, on the other hand, would be “encouraged” but “not obligated” to consult the database.³³⁸ The WTO members would agree to refer to this list when making decisions about national protection.³³⁹

³³⁴ See WTO Website 5, *supra* note 306.

³³⁵ http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³³⁶ See WTO Website 5, *supra* note 306.

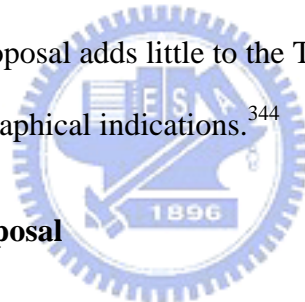
³³⁷ *Id.*

³³⁸ *Id.*

³³⁹ *Id.*

The US Led Proposal does not want to amend the TRIPS Agreement.³⁴⁰ The United States believes that the registration system should be completely voluntary, and that “[a] WTO Member is not required to participate in this system to obtain full protection under the TRIPS Agreement for its geographical indications for wines and spirits.”³⁴¹ The United States argues that its proposed registration system reflects the divergent methods of protecting geographical indications in different Member countries, while respecting each Member’s own law.³⁴² “If any Member want[ed] to challenge the protection given to a geographical indication in a particular country, the challenge would have to be made” in that country’s own system.³⁴³

The US Led Proposal is a lot less protectionist and less strict than that of the EC Proposal. Thus, some scholars have called the US Led Proposal a “minimalist” proposal, meaning that the Proposal adds little to the TRIPS Agreement or to the goal of greater protection for geographical indications.³⁴⁴



4.2.2.1 Issues in US Led Proposal

The European Union has criticized that the US Led Proposal as being only “[a] little more than the creation of a database that would contribute little to task the protection of geographical indications.”³⁴⁵ Indeed, this has been the main criticism on the US Led Proposal: “[t]he US Led Proposal lacks specifics and could not serve as a model for the negotiations of an international registration system.”³⁴⁶

³⁴⁰ *Id.*

³⁴¹ See U.S. Proposal Rev., *supra* note 295.

³⁴² See WTO Website 5, *supra* note 306.

³⁴³ *Id.*

³⁴⁴ See Dinwoodie, *supra* note 105, at 232; see also, WTO Website 5, *supra* note 306.

³⁴⁵ See WTO Website 5, *supra* note 306.

³⁴⁶ See Goldberg, *supra* note 12, at 130-31.

Specifically, because a product may be automatically registered in the registration system under the US Led Proposal and there lacks any geographical indication screening under that Proposal, the registration would not provide any useful information. For example, there is no telling whether the notified term actually met the geographical indication definition required under the TRIPS Agreement. It is predictable that the database under the US Led Proposal would eventually be loaded with unreliable information, which would not contribute to legal certainty that would facilitate the protection geographical indications.

4.2.3 The Hong Kong Proposal

In light of the two extreme approaches taken by the European Union and the United States-led group, one going for the “TRIPS-plus” or “value-added” approach while another taking the “minimalist” route, Hong Kong, China has proposed a compromise.³⁴⁷ In the Hong Kong Proposal, Hong Kong closely tailors the EC Proposal by adopting a majority portion of the EC Proposal. The Hong Kong Proposal and the EC Proposal only differ in the scope of ‘presumption’ the Hong Kong Proposal affords to a registered term. In the Hong Kong Proposal, a registered term would enjoy a more limited “presumption” than under the EC Proposal, and only in those countries choosing to participate in the system.³⁴⁸

4.2.3.1 Issues in Hong Kong Proposal

The Hong Kong Proposal has gathered very little momentum and has garnered no support from any other Member countries. In fact, there has been little

³⁴⁷ See WTO document TN/IP/W/8 (April 23, 2003); *see also*,

http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

³⁴⁸ See WTO document TN/IP/W/8 (April 23, 2003); *see also*,

http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last visited Jan. 19, 2009).

discussions of the Hong Kong Proposal amongst scholars as well. One understandable reason is that because the Hong Kong Proposal closely tailors the EC Proposal, the Hong Kong Proposal also inherits the issues to the EC Proposal. For example, similar to the EC Proposal, the Hong Kong Proposal would unfairly shift the burden of proof to the Members who are not registering a geographical indication.

Also, because the Hong Kong Proposal removes the substantive examination for the geographical indications and conducts only a formality check, the Proposal would essentially create a geographical indication right in each WTO Member country without any substantive examination. Once a term is registered and enjoys the status as a geographical indication, the status becomes prima facie evidence that such a term is protectable and worthy of protection as a geographical indication. This presumption and heightened evidence status all are afforded by the Hong Kong Proposal to a term based on a simple formality check without substantive status. No existing system, including trademarks, grants such a high evidentiary presumption without any substantive examination. Under existing systems, even trademarks are granted an evidentiary presumption only after a rigorous examination.

As discussed *supra*, the purpose of Article 23.4 of the TRIPS Agreement was only to “facilitate” the protection of geographical indications, not to create new rights or obligations for geographical indications. The Hong Kong Proposal expands beyond the purpose of Article 23.4 of the TRIPS Agreement.

4.3 Members’ views on the Registration Issue In Comparison to the Extension

Issue

Both the Registration Issue as well as the Extension Issue have caused substantial frictions amongst Members during the Doha Round Negotiations. As can be seen from Table-8, Members who are in support of the extension of heightened

geographical indication protections to non-wines and spirits on the Extension Issue also support the “TRIPS-plus” or “value-added” approach of the EC Proposal on the Registration Issue. On the other hand, Members who desire to maintain status quo and oppose any extension of heightened geographical indication protections for non-wines and spirits on the Extension Issue have voiced their support on the US Led Proposal. And no Members, regardless of their view on the Extension Issue, would like to take the milder and more compromised proposal raised by Hong Kong.

【Table-8】 The Extension Issue in connection to the Registration Issue

| | Agree with Extension | Maintaining Status Quo |
|--------------------|---|--|
| EC Proposal | Albania, Brazil, China, Colombia, Croatia, Ecuador, EU, Georgia, Iceland, India, Indonesia, Liechtenstein, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Peru, Sri Lanka, Switzerland, Thailand, Turkey, the ACP Group, and the African Group. | |
| US Led Proposal | | Argentina, Australia, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, Honduras, New Zealand, Taiwan and the US. |
| Hong Kong Proposal | | |

Thus, from Table-8, it is of no surprise that there exists no clear division line between developed, and developing and under-developed countries, the same as we saw that various developed, and developing and under-developed countries have taken on the Extension Issue. Developed versus developing and under-developed

countries' views on the EC Proposal, US Led Proposal and Hong Kong Proposal are illustrated in Table-9.

【Table-9】 The Registration Issue in connection with “developed countries” vs. “developing countries”

| | EC Proposal | US Led Proposal | Hong Kong Proposal |
|--|--|---|--------------------|
| Developed countries | EU, Iceland, Liechtenstein and Switzerland. | Australia, Canada, Japan, Korea, New Zealand, Taiwan and the US. | |
| Developing (or under-developing) countries | Albania, Brazil, China, Colombia, Croatia, Ecuador, Georgia, India, Indonesia, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Peru, Sri Lanka, Thailand, Turkey, the ACP Group, and the African Group. | Argentina, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay and South Africa. | |

And the same with the Extension Issue, the dividing line on the Registration Issue lies more closely on an Old World versus New World basis, as illustrated in Table-10.³⁴⁹

³⁴⁹ See *supra* note 259 on the ACP Group.

【Table-10】 The Registration Issue in connection with “Old World” vs. “New World”

| | EC Proposal | US Led Proposal | Hong Kong Proposal |
|-----------|--|---|--------------------|
| Old World | Albania, China, Croatia, EU, Georgia, Iceland, India, Indonesia, Liechtenstein, the Kyrgyz Republic, the Republic of Macedonia, Moldova, Pakistan, Sri Lanka, Switzerland, Thailand, Turkey and the African Group. | Japan and Korea. | |
| New World | Brazil, Colombia, Ecuador and Peru. | Argentina, Australia, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, New Zealand, Nicaragua, Paraguay, Taiwan, South Africa and the US. | |

And as discussed *supra*, since Members have focused on the Extension and the Registration Issues from non-legal aspects, Members’ current views on the Registration Issue, as with their views on the Extension Issue, have not changed despite all Rounds of negotiations. Specifically, as illustrated in Table-11, Members who were against the protection of geographical indications during the Uruguay Round TRIPS negotiations now also desire to choose the minimalist approach and support the US Led Proposal which maintains the current TRIPS Agreement without any amendment. Table-11 again illustrates that only if the Members were to focus on the legal aspects can a workable geographical indication notification and registration system and a workable geographical indication protection system be formulated.

【Table-11】 The current views on registration for countries that were against geographical indication protection during Uruguay Round TRIPS negotiations³⁵⁰

| | EC Proposal | US Led Proposal | Hong Kong Proposal |
|---|--------------------------------------|---|--------------------|
| Against protection of geographical indications during Uruguay Round of TRIPS negotiations | Colombia and Ecuador. ³⁵¹ | Argentina, Australia, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Japan, New Zealand, Taiwan and the US. | |

In light of these comparisons, it is clear that as with the Extension Issue, if Members continue to focus only on the Registration Issue from non-legal aspects, Members could continue to negotiation but no rounds of negotiations would bear fruits on the Registration Issue, either. Only by focusing on the legal aspects to protect geographical indications would a workable geographical indication notification and registration system be acceptable to all Members.

4.4 From Legal Aspects To Formulate A Workable Geographical Indication

Notification and Registration System

Taking all the problems in the EC, US Led and Hong Kong Proposals into consideration, a workable geographical indication notification and registration system must “facilitate the protection of geographical indications for wines.”³⁵² Nothing more and nothing less. Additionally, such a workable geographical indication

³⁵⁰ See Press of U.S., *supra* note 260. (indicating that Argentina, Australia, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Namibia, New Zealand, the Philippines, and Taiwan have joined the United States in opposing TRIPS' protection of geographic indicators),

³⁵¹ See *supra* note 261 on Colombia and Ecuador.

³⁵² TRIPS Agreement, *supra* note 1, Article 23.4.

notification and registration system, under the currently negotiated TRIPS Agreement, must be “for wines eligible for protection in those Members participating in the system.”³⁵³ In other words, for wines not eligible for protection, then no protection should be given. Moreover, for Members who choose not to participate in the system, no participation shall be required.

To meet these minimum requirements set by the current TRIPS Agreement which was extensively negotiated, from legal aspects, the workable geographical indication notification and registration system must:

- provide at least a database in order to facilitate the protection of geographical indications;
- provide for substantive examination for the geographical indications so that only eligible geographical indications are protected;
- provide for voluntary participation to the Members;
- impose burdensome and costly procedural requirements on both the WTO Secretariat and on WTO Members;
- not unfairly shift the burden of proof to the Members who are not registering a geographical indication; and
- not violate the TRIPS Agreement.

However, upon a closer examination of these criteria, one may easily see that these criteria in fact contradict with each other. This is one fundamental reason that WTO Members have been unable to reach a solution for a workable geographical indication notification and registration system. For example, in order to “facilitate the protection of geographical indications,” participation by the WTO Members in the system cannot be voluntary. Otherwise, if Members may freely choose to opt out of

³⁵³ *Id.*

the system, geographical indication protection cannot be “facilitates.” Alternatively, as another example, any system that includes substantive examinations for geographical indications has a high potential to impose burdensome and costly procedural requirements on both the WTO Secretariat and on WTO Members. Thus, under the currently negotiated TRIPS Agreement, a workable geographical indication notification and registration system is not feasible.

However, the currently negotiated TRIPS Agreement does provide a basic framework for a workable geographical indication notification and registration system. Since the current TRIPS Agreement has been heavily negotiated, Members allegiance to the purposes and goals of the current TRIPS Agreement may be presumed. Under this presumption, all WTO Members should participate in any workable geographical indication notification and registration system in order to “facilitate” the protection of geographical indications, the major goal Members desire to achieve with the workable geographical indication notification and registration system. With such full participation, all Members will reap the benefits of geographical indication protection without any increased burdens.

Additionally, the workable geographical indication notification and registration system should equally apply for all goods, not just wines and spirits. No goods were intended to be treated any differently during any of the negotiations of the TRIPS Agreement. Thus, non-wines and spirits goods should not be discriminated in the workable geographical indication notification and registration system.

Of course, this geographical indication notification and registration system may be implemented in stages, allowing for graduation adoption and implementation. Perhaps this system may first be adopted for wines and spirits and then subsequently adopted for all goods. Once this geographical indication notification and registration system is adopted for wines and spirits, scholars may further devise and suggest

details in adoption and implementation and thus for the sake of brevity, this paper will not go into such details.

For protections to only the eligible geographical indications, Members should apply for registration of their geographical indications. Upon application, one central WTO agency should perform substantive examinations before issuing a registration. Such a central agency system would reduce the burdens and procedural cost on both the WTO Secretariat and on WTO Members. The substantive examinations should include:

- (1) an examination of the ownership of the geographical indication;
- (2) whether the indication satisfies the definition in Art. 22.1 of the TRIPS Agreement as a geographical indication; and
- (3) whether the indication is protected in the country of origin (*i.e.* Article 24.9 of the TRIPS Agreement does not apply.)

Upon registration, such registration should then be allowed to create a rebuttable presumption on the validity of the geographical indication, shifting the burden of proof onto the non-registering Members.

All registrations shall be kept in a central geographical indication database with the WTO in order for all Members to have access to the information, thus facilitating that protection of geographical indications.

This geographical indications notification and registration system would resolve the problems discussed *supra* in connection with the EC, the US Led and the Hong Kong Proposals. Additionally, this geographical indications notification and registration system, with the central geographical indication database with collective information from all Members would facilitate Member's protection of geographical indications. For example, each Member's trademark offices would be able to go to a

central database to determine whether to issue a certain trademark due to the existence of an identical or similar geographical indication.

Also, prior to any registration, one central agency within WTO may uniformly make determinations with regards to basic issues relating to geographical indication protection, avoiding legal uncertainties created by different interpretations amongst Members. This uniform determination legitimizes the shifting on the burden of proof once a registration is issued. And last but not least, this registration system with substantive examination would increase the reliability of the registered information. Only eligible geographical indications would be protected.



Chapter 5 · Conclusion

During the Fourth Ministerial Conference in Doha in 2001, WTO Members had agreed that by the Fifth Ministerial Conference, they would negotiate on (1) whether to extend the increased protections under Article 23 of the TRIPS Agreement currently granted to wines and spirits to all products (the “Extension Issue”); and (2) how to establish a global registry for geographical indications for wines and spirits (the “Registration Issue”). However, focusing on their own economic interests, Members have thus far negotiated but failed to reach an agreement on these two issues. To formulate a workable geographical indication protection system, this paper proposes that Members should approach these two issues from legal aspects instead. Such an approach would in turn care for the economic interests that each WTO Member has.

On the Extension Issue, currently WTO Members are divided into two groups--agreeing to extend the increased protections under Article 23 of the TRIPS Agreement currently granted to wines and spirits to all products and maintaining the current status quo. From the empirical studies, it is clear that these two sides are divided by their respective economic interests which despite rounds of negotiation, will not likely change their views. Thus, this paper provides a suggested alternative resolution based on the legal reasons: a harmonized downward geographical indication protection system which would (1) protect consumers while (2) devoid unfair competition. Taking these two legal reasons into consideration, the additional protection for wines and spirits should be eliminated, not extended, protecting equal protections for wines and spirits as well as other goods. Consumers would be protected with the lowered protection while no unfair competition would occur. Only in case of exceptional cases, which WTO Members may later discuss and

determine, should additional protection be considered. In those cases, a heightened level of geographical indication protection may be afforded.

On the Registration Issue, WTO Members have negotiated and come up with three different proposals and accordingly, Member countries have therefore been divided into three groups on this Issue. Again, from the empirical studies, it is clear that Members again choose sides based on their respective economic interests which again will unlikely change. This paper thus analyzes the problems existing in each proposal and provides a workable geographical registration system from the legal aspects. In this suggested system, in order to protect only the eligible geographical indications, Members should apply for registration of their geographical indications. Upon application, one central WTO agency should perform substantive examinations before issuing a registration. Once a registration is issued, such registration should then be allowed to create a rebuttable presumption on the validity of the geographical indications. Additionally, the workable geographical indication notification and registration system should equally apply to all goods, not just wines and spirits. No goods were intended to be treated any differently during any of the negotiations of the TRIPS Agreement. Thus, non-wines and spirits goods should not be discriminated in the workable geographical indication notification and registration system.

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