

**DOHA WORK PROGRAMME – THE EXTENSION OF THE ADDITIONAL
PROTECTION FOR GEOGRAPHICAL INDICATIONS TO PRODUCTS
OTHER THAN WINES AND SPIRITS**

*Communication from Bulgaria, the European Communities, Guinea, India, Kenya,
Liechtenstein, Madagascar, Moldova, Romania, Switzerland, Thailand and Turkey*

Revision

The following communication, dated 10 December 2004, is being circulated at the request of the Delegation of Switzerland.

A. Introduction

0. In the Doha Declaration of November 2001, Ministers declared that they attach the utmost importance to the issue of extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits (referred to as "GI-extension"). By confirming its nature as an outstanding implementation issue, they declared that negotiations on the "GI-extension" shall be an integral part of the Doha Work Programme. Since the end of 2002, consultations were held at the level of the TNC to advance negotiations. In view of the Ministerial Conference in Cancún in 2003, the Director-General himself engaged in consultations in order to help work progress. The General Council reaffirmed his mandate in its Decision on the Doha Work Programme adopted on 1 August 2004, instructing the Director-General to report to the TNC and the General Council no later than May 2005 for the Council to review progress and take appropriate action no later than July 2005.

0. The purpose of this present communication is to assist these consultations of the Director-General on "GI-extension". Since the Doha Ministerial Conference in 2001, considerable substantive work on the issues of "GI-extension" has been done and questions and concerns raised in this context have been extensively examined¹. The consultations now to be continued by the Director-General must allow concluding this work in order for Members to decide appropriate action on this basis by July 2005.

¹ IP/C/W/204/Rev.1, 2 October 2000; IP/C/W/247/Rev.1, 17 May 2001; IP/C/W/289, 29 June 2001; IP/C/W/308/Rev.1, 2 October 2001; JOB(02)/32, 11 April 2002; IP/C/W/353, 24 June 2002; JOB(02)/194, 26 November 2002, IP/C/W/360, 26 July 2002; JOB(02)/95, 26 July 2002; IP/C/W/386, 8 November 2002; IP/C/W/395, 10 December 2002; JOB(03)/119, 23 June 2003; JOB(03)/137, 8 July 2003; TN/C/W/14/Add.2, 15 July 2003; TN/C/4, 13 July 2004.

0. In the second part of the communication (Part B), key points on the contents and benefits of "GI-extension" are once more set out, addressing again certain questions raised in the earlier discussions. Further (Part C), a proposal is made on how the consultations of the Director-General should be organized to make them productive and enable the General Council to make an informed decision on appropriate action for "GI-extension".

B. Questions and answers on "GI-extension"

What is the goal of "GI-extension" ?

0. The goal of "GI-extension" is to increase the legal certainty of the protection that the TRIPS Agreement currently affords to geographical indications for products other than wines and spirits. The extension of the GI wines and spirits regime to other products advances the solution based on a mechanism that can be easily implemented by WTO Members. In so doing, geographical indications will be a more suitable instrument for the benefit of all WTO Members and especially for developing countries, that are more likely to benefit from the TRIPS Agreement regime if the more effective protection is afforded not only to geographical indications for wines and spirits but also to all other products.²

What are the benefits of "GI-extension" ?

0. By increasing the level of legal certainty and transparency in the international regulatory framework for the protection of geographical indications, "GI-extension" will enhance and benefit international trade flows. Today, the applicable protection regime to geographical indications for non-wine and non-spirit products is based on unclear and ambiguous rules. Basing investment and export decisions on potentially contradictory and changing judicial interpretations of vague concepts such as "consumer deception" and "act of unfair competition" is a risk that GI producers, especially those of developing country Members, cannot afford. Uncertainty about the conditions in which producers operate is bad for trade, bad for investment and therefore bad for development.

0. Producers in developing countries who have little or no resources to allocate to costly and legally uncertain enforcement of their geographical indications by complicated litigation requirements are the first to suffer from the lack of "GI-extension". Enforcing the protection of geographical indications for non-wines and non-spirits products based on the standards of Article 22 of the TRIPS Agreement requires the establishment of the costly and burdensome proof of the misleading test or of a case of unfair competition.

0. Through the more effective protection and facilitated enforcement under the additional protection of Article 23.1-3 of the TRIPS Agreement, "GI-extension" will prevent more geographical indications from becoming generic in the future and therewith from losing all their economic value. Use of expressions such as "kind", "style", "type", or use of geographical indications in translation will not only be prohibited for geographical indications for wines and spirits but without discrimination for all Members' other products.

0. Thereby, "GI-extension" will make geographical indications for quality products of all WTO Members a valuable marketing tool, providing them with new opportunities and in particular smaller and developing country Members with a valuable alternative to economies of scale.

0. It is the collective responsibility of WTO members to ensure that the TRIPS Agreement provides a framework which permits all WTO Members, developed and developing countries alike, to

²Such as, for illustrative purposes, rice, silk, coffee, tea, tobacco, apples, pineapples, cotton, vanilla, honey, beef, palm oil, cinnamon, carpets, ceramics, silver or wooden handicrafts, etc.

protect their GI products efficiently and effectively, embedding their local particularities, traditions and know how. Failure to do so will continue to tolerate free-riding, especially on developing country resources.

Will "GI-extension" result in administrative costs and burdens for Members?

0. No. "GI-Extension" does not require Members to introduce or establish a new legal or administrative protection regime at the national level. Nor does Article 23.1-3 of the TRIPS Agreement require Members administrations and public authorities to enforce "ex officio" the protection of geographical indications against usurpation and free-riding. As for any other intellectual property right and as today for geographical indications for wines and spirits, this is the responsibility of the right holder and legitimate users of a geographical indication.

0. Where a Member's legislation on the protection of geographical indications today differentiates between wines and spirits on the one hand and other products on the other hand, it will be sufficient, in order to implement "GI-extension", to remove this differentiation while using the same laws or administrative structures already applicable for geographical indications for wines and spirits for all geographical indications. Such an amendment is of technical nature and will not incur significant costs.

How about costs to producers?

0. "GI-extension" will save litigation costs to legitimate producers of GI products through an easier burden of proof in enforcement procedures to end usurpation and illegitimate use of a geographical indication.

0. Certain Members raised concerns about what would happen to past uses of geographical indications for products not having the origin indicated by the geographical indication used. Also, that "GI-extension" could result in costs for such producers being no longer allowed to use such indications for their products and having to re-label them. The TRIPS Agreement takes into account such concerns, both under the protection level of Article 22 and the additional protection of 23 of the TRIPS Agreement. Thus, indications having become generic terms in a Member and cases of good faith, long term use of geographical indications for products without this origin are excepted by Article 24 from the TRIPS protection for geographical indications. "GI-extension" will not undo these exceptions and will therefore not results in costs by stopping such use of generic terms or good faith, long term use. However, "GI-extension", by providing a more effective protection for enforcement purposes, will help GI producers to prevent more geographical indications from becoming generic in the future and from being usurped, and this for geographical indications for all products and not just wines and spirits.

0. The balance struck by the TRIPS Agreement is a careful one: no Member has made a complaint so far about excessive protection for geographical indications for wines and spirits under the additional protection of Article 23.1 to 3 of the TRIPS Agreement. No dispute settlement case on the basis of this protection has arisen, no producer of wine or spirits has had to stop existing business activities on the basis of the additional protection of the TRIPS Agreement.

0. By contrast, complaints about usurpation of geographical indications and a lack of protection for products other than wines and spirits are consistently growing. This is unequivocal proof that a new balance must be found so that the interests of all producers of all WTO Members are adequately protected. The balance found in the Uruguay Round for geographical indications for wines and spirits, including the specific exceptions in Article 24 of the TRIPS Agreement, are the points of reference for "GI-extension".

And consumers?

0. "GI-extension" neither attempts to eliminate competition nor intends to erect barriers to trade. No product will be excluded from trade by "GI-extension". On the contrary, "GI-extension" seeks fairer international trade and competition by ensuring a better and more effective regulatory framework for the protection of geographical indications and therewith a use of geographical indications which will benefit both producers and consumers. "GI-extension" will increase consumers' choice by providing, through a more reliable international protection, an incentive for producers, in particular SMEs, to invest in the production of more GI-products which owe their particular quality, reputation or other characteristic to their geographical origin. Furthermore, "GI-extension" will benefit consumers by providing them with more reliable information about the origin of products using a geographical indication, assisting them thereby in their choice whether they want to pay a premium for the authentic GI-product or opt for a product without the added value of a specific "local flavour".

C. The Consultations by the Director-General

0. The result of the consultations on "GI-extension" by the Director-General must enable the General Council to decide on appropriate action by July 2005. A mere procedural arrangement for further treatment of "GI-extension" will, at that stage of the Doha trade round, not be appropriate action. Members must engage in a constructive manner, and in a substantive discussion in these consultations before July 2005 on questions of concern to Members and avoid moving in circles.

0. The consultations should focus on technical work aimed at ensuring that by July 2005, the TNC/GC has a clear vision of:

- (1) What is necessary to incorporate "GI-extension" in the TRIPS Agreement?
- (2) The solutions and mechanisms available to address the substantive concerns that WTO members have expressed with regard to costs and burdens (such as the application of the exceptions of Article 24 of the TRIPS Agreement, adjustment of transitional periods, etc.).

0. As agreed in the Decision adopted by the General Council on the Doha Work Programme of 1st August 2004, this work should be done without prejudice to WTO Members final positions on the substance and the mandate of this matter.

0. As agreed by the Director-General and WTO Members participating in the consultations held on 24th November 2004, such substantive work shall be carried out by a working group at technical level, supervised by the Director-General but guided by a Deputy Director-General (acting as a friend of the Director-General) and assisted by the WTO Secretariat, enabling thus the Director-General to report back to Members on the progress of work in his regular consultative meetings.
