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The Lisbon Agreement's Misunderstood Potential

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WORLD INTELLECTUAL PROPERTY ORGANIZATION

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The Lisbon Agreement's Misunderstood Potential

Daniel Gervais*

Geographical indications; TRIPS

In his address at the ceremony to mark the 50th anniversary of the adoption of the Lisbon Agreement on October 31, 2008,[1] WIPO Director General Francis Gurry noted that there was renewed interest in the Lisbon Agreement.[2] He underscored the fact that the agreement allows states that so wish to protect appellations used in connection with any relevant product—including products other than wines and spirits, which benefit from a higher level of protection under the TRIPS Agreement.[3] The Director General also emphasised the ability of the Agreement, considered against the backdrop of its negotiating history, to accommodate a variety of different legal concepts "with different national legal traditions and within a framework of specific historical and economic conditions."[4] He concluded that the "negotiators of the Lisbon Agreement have taught us back in 1958 that it is possible to get to a result that combines effective protection beautifully with flexibly applicable exceptions."[5] In this short essay, I will consider the basis for such claims, and the degree to which the notion of appellation of origin overlaps with the notion of geographical indication contained in the TRIPS Agreement. This will allow us to ask, though perhaps not fully answer, a

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[1] Available at *http://www.wipo.int/about-wipo/en/dgo/speeches/gurry_lisbon_08.html* [Accessed August 24, 2009].

[2] Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration, October 31, 1958, as revised at Stockholm on July 14, 1967, and as amended on September 28, 1979, 923 U.N.T.S. 205 (Lisbon Agreement).

[3] Indications used in association with wines and spirits benefit from a higher level of protection under art.23.1 of the TRIPS Agreement. Agreement on Trade-Related Aspects of Intellectual Property Rights, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts, 1869 U.N.T.S. 299, 33 I.L.M. 1125, 1197 (TRIPS Agreement or TRIPS). See Daniel Gervais, *The TRIPS Agreement: Drafting History and Analysis*, 3rd edn (London: Sweet & Maxwell, 2008), pp.303–309.

[4] Address by Francis Gurry, Director General, WIPO, at the Ceremony to Mark the 50th Anniversary of the Adoption of the Lisbon Agreement, Lisbon, October 31, 2008, available at *http://www.wipo.int/about-wipo/en/dgo/speeches/gurry_lisbon_08.html* [Accessed August 24, 2009].

[5] See *http://www.wipo.int/about-wipo/en/dgo/speeches/gurry_lisbon_08.html* [Accessed August 24, 2009].

key question, namely whether the Lisbon system could be used as the register mandated under art.23.4 of TRIPS.

I will proceed in three parts. First, I consider the definitional issues: TRIPS protects geographical indications, not appellations of origin. Any substantial difference between the two notions would argue against the applicability of the Lisbon system in the TRIPS context. In Part II, I review the history of the Lisbon Agreement and attempt to identify and quantify the flexibility mentioned by the Director General that seems to be available to Lisbon Member States. In the last part, I consider possible changes to the Lisbon system. Admittedly, the last part is only an inventory and will require further development at a later date.

Part I—Appellations of origin and geographical indications

The Lisbon Agreement deals with ''appellations of origin'', which are defined in the agreement as follows:

> ''the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and[6] characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.''[7]

Appellations of origin are thus terms or symbols that designate a geographical location, which may be as small as a village or as big as a country, to distinguish products produced in that geographical location and produced either according to regulations or ''local, constant and trusted usage''[8] in such location which results in certain quality or characteristics of the product, and/or its fame. Typically, this will be due to a method of production or of extraction of certain local resources. The notion is not, however, confined to food products or indeed products that require that certain local natural resources be used. Industrial products may also be protected by an appellation due to the availability of specialised skills and know-how,[9] and protection may also extend to a certain presentation of products for sale.[10]

The concept of ''indication of source'' under the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods[11] is broader, but the level of protection of such indications is lower. A cause of action under the Madrid Agreement (typically for seizure on importation) arises when a *false* indication of source, whether or not the product has qualities or characteristics that derive from its

[6] As we will see below, this appears to be an incorrect translation of the official (French) version. In art.2(2).

[7] Article 2(1) of the Lisbon Agreement. This definition is also used to define the same term used in the *Paris Convention for the Protection of Industrial Property* and in the *Convention on the Use of Appellations of Origin and Denominations of Cheeses*.

[8] Actes de la Conférence Réunie à Lisbonne du 6 au 31 Octobre 1958 (1963), p.813 [hereinafter Actes]. The Acts of the Lisbon Conference were published in French. All translations are the author's own.

[9] Actes, p.813.

[10] Actes, p.814.

[11] April 14, 1891, revised October 31, 1958, 828 U.N.T.S. 389 (Madrid Agreement).

geographical origin. An indication of source is not limited to geographical locations; it could be a trade name for example.[12]

The TRIPS Agreement is the first multilateral text dealing with another notion, namely that of ''geographical indication'' (GI). The question here is whether, and if so how, that notion may be different from the Lisbon notion of appellation of origin.[13]

Article 22.1 of the TRIPS Agreement resembles art.2 of the Lisbon Agreement, yet it also differs at least facially from Lisbon on a number of points: (a) appellations of origin under Lisbon designate a ''product'', while a geographical indication under TRIPS identifies a ''good'', the term traditionally used in the GATT/WTO context to differentiate goods from services (that is, the definition does not include services)[14]; (b) appellations of origin under the Lisbon Agreement are geographical names of a country, region, or locality, while geographical indications under TRIPS are any indication pointing to a given country, region or locality, but not necessarily limited to the *name* of a country, region or locality—what matters is the indication that the good originates in the territory of a member or a part thereof and; (c) finally, appellations of origin speak of a geographical environment, including natural and human factors,[15] while TRIPS uses a more general concept of ''geographical origin''.

We can eliminate the good/product distinction simply by looking at other linguistic versions. The French version of the TRIPS Agreement and the Lisbon Agreement use the term ''produit'' for both ''good'' and ''product.''[16]

The fact that Lisbon refers only to ''names'' is potentially a real difference. However, as Mihály Ficsor noted in his report to WIPO, ''at the end of the day, a name is something that identifies.''[17] It also is apparently the current practice under the Lisbon Agreement to register denominations that may not be ''names'' *stricto sensu*.[18] Finally, the official French version of the Agreement does not use the term ''nom,'' but rather ''denomination,'' which, according to major dictionaries, *includes* names but also

[12] Actes, p.814.

[13] See *Alberto Francisco Ribeiro de Almeida*, ''Key Differences Between Trade Marks and Geographical Indications'' (2008) 30 E.I.P.R. 406, 407–408.

[14] Apparently, no difference in meaning (between ''product'' and ''good'') was intended, especially in light of the fact that in both the French and Spanish versions the same words, namely ''produit'' and ''producto'' respectively, were used.

[15] For examples of how far this could be applied, see Florent Gevers, ''Geographical Names and Signs Used as Trade Marks'' (1990) 8 E.I.P.R. 285, and, Florent Gevers, ''The Future Possibilities of International Protection for Geographical Indications'' [1991] *Industrial Property* 154.

[16] See, e.g. art.15.1 of the TRIPS Agreement and art.2 of the Lisbon Agreement. Additionally, the French text of the Lisbon Agreement is the original version (see art.17(1)(a) of the Agreement), while all official versions of the TRIPS text (English, French and Spanish) have equal weight. See the last paragraph of the *Marrakesh Agreement Establishing the World Trade Organization*, April 15, 1994, 1867 U.N.T.S. 154, 33 I.L.M. 1144. The TRIPS Agreement is Annex 1C of that Agreement.

[17] Mihály Ficsor, *Challenges to the Lisbon system*, Document prepared for the WIPO Forum on Geographical Indications and Appellations of Origin, Lisbon, October 30–31, 2008, WIPO/GEO/LIS/08/4, October 31, 2008, 5, available at *http://www.wipo.int/meetings/en/details.jsp?meeting_id=16802* (Fiscor Report) [Accessed September 10, 2009]. Mr Ficsor is Vice President of the Hungarian Patent Office. There is support for this view in various dictionairies. For example, the *Websters Dictionary* provides two definitions of the term ''name'', one of which reads: ''a *word or symbol* used in logic to designate an entity'' (emphasis added).

[18] Ficsor Report, p.6.

anything used to designate something.[19] Yet, while the Lisbon registry officials may decide to accept denominations other than names *stricto sensu*, it is difficult to argue that they must. Ideally, an administrative practice could be discussed and issued to clarify the matter. A document prepared by the Secretariat for the recently established Working Group on the Development of the Lisbon System[20] refers to the somewhat broader concept of ''denomination that identifies a geographical entity in the country of origin.''[21] Concerning the third apparent difference, namely the substantive elements that constitute an appellation and a geographical indication under Lisbon and the TRIPS Agreement, respectively, the first point to note is that the negotiating history of the Lisbon Agreement shows that, as mentioned by the Director General, the agreement was understood to provide considerable flexibility to Member States. The Lisbon drafters would have recognised the TRIPS definition as similar if not identical to the concept they were trying to define. For example, a difference often mentioned between the two instruments is that the Lisbon definition (art.2(1)) mentions only the quality and[22] characteristics of a product, while TRIPS also mentions its reputation. This is correct of course. However, the definitions are functionally identical when one considers that the Lisbon Agreement defines ''country of origin'' as ''the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its *reputation.*''[23] There remains only what amounts mostly to a sequencing difference: Lisbon focuses on quality and characteristics and seems to assume that a reputational advantage will follow, while TRIPS simply apposes the three notions.

One could also interpret the reference to reputation in Lisbon as requiring reputation ''next to'' quality or characteristics. This view is supported by art.2(2) but also by the use of the term ''recognized'' in art.1(2). The meaning of this term as it features in art.1(2) is explained in the Report of the Fourth Commission of the Lisbon Conference[24] as follows:

> ''Article I was approved with the addition of the word ''recognized'' before the words ''protected as such'' This change was considered necessary to harmonize this provision with the principle according to which an appellation always protects a product having a certain degree of notoriety.''[25]

Reputation could be considered at first glance as a soft, subjective criterion. However, it can be measured. Reputation is the result of years of work in association with a product that has created a mental link between that product and its geographical origin, but reputation is also a cause that can be measured by its effects. For example,

[19] See, e.g. Le Petit Robert.

[20] See the Summary by the Chair, WIPO Document LI/WG/DEV/1/3 of March 20, 2009.

[21] WIPO Document LI/WG/DEV/1/2 Rev., Annex II, p.4.

[22] It should be noted that the official signed text of the Lisbon Agreement is the French text and uses ''*ou*'', not ''*et*'', that is ''or'' not ''and'', and in that respect is similar to TRIPS. A key WIPO publication does the same (i.e. use the disjunctive form), even in English. *See* G.H.C. Bodenhausen, *WIPO Guide to the Paris Convention*, (Geneva: BIRPI, 1969) p.23.

[23] Lisbon Agreement art.2(2).

[24] See Actes p.859.

[25] See Actes p.859.

consumer surveys, price differentials attributable to the perceived advantage of the product because of its origin, etc. Accordingly, WIPO has taken the view that reputation is a legal, objective criterion used to identify a protected product.[26]

The other criteria mentioned in TRIPS art.22.1 are ''harder'' and perhaps easier to prove, namely the quality and (other) characteristics of the product itself. But even ''quality'' may be defined in a number of ways according to a consumer's priorities. In the same vein, at least the selection of which (other) characteristics are relevant may be subject to the same criticism. In other words, while all the criteria mentioned in art.22 are potentially partially ''subjective'', they can be considered by way of rational demonstration and comparative analysis. Presumably, if potential buyers of a product want it because of a quality or characteristic associated with it stem from its geographical origin (whether the cause is human or natural factors or a combination of both), then that product could be said to have a given reputation. The difference in treatment of reputation between Lisbon and TRIPS would then not be *functionally* different.

Another possible distinction is between geographical indications under TRIPS and trade rules concerning the national origin of a product. The geographical ''origin'' for this purpose may or may not be the same ''origin'' that would be determined under the WTO Rules of Origin Agreement and may not be indicated in the same way. Under that agreement, origin is the criterion used to determine the national source of a product. Such rules usually attach a product to country or customs territory, and there is no need to show that a particular characteristic of the product is derived from a specific geographical origin. Their importance is derived from the fact that duties and restrictions in several cases depend upon the source of imports, but they are also used to implement measures and instruments of commercial policy such as anti-dumping duties and safeguard measures; to determine whether imported products shall receive most-favoured-nation (MFN) treatment or preferential treatment; for the purpose of trade statistics; for the application of labelling and marking requirements; and for government procurement purposes.

Interestingly, certain initial proposals for a TRIPS text covered both geographical indications and ''appellations of origin'',[27] and may help in understanding the distinction. For instance, the Swiss proposal contained the following provision:

> ''A geographical indication is any direct or indirect reference to the geographical origin of a product, including characteristics or qualities which are related to that origin . . . [while] an appellation of origin is a qualified geographical indication denominating a country, region or locality indicating that a product is originating therefrom and has qualities, reputation or other characteristics which are essentially or exclusively attributable to the geographical origin, including human or natural factors. A denomination which has acquired a geographical character in relation to a product which has such qualities, reputation or characteristics is also deemed to be appellation of origin.''[28]

[26] See WIPO document SCT/10/4.
[27] In particular the Swiss proposal tabled on May 14, 1990, document MTN.GNG/NG11/W/73.
[28] MTN.GNG/NG11/W/73, art.220.

Again, this is true to the extent one reads the Lisbon text strictly. TRIPS does use the broader concept of ''indication'' and thus seems to blend the normative heft of Lisbon in protecting geographically-dependent quality, characteristics or reputation, with the symbolic flexibility of the Madrid Agreement by encompassing broadly any *indication* that would point to a particular geographic origin provided, however, that a certain quality or characteristic (and/or reputation) is attributable to that origin. Yet, appellations protected under Lisbon currently[29] go beyond names and include many logos and, again on this count, there appears to be little if any functional difference between TRIPS and Lisbon.

The initial Lisbon text (proposed by the secretariat) only contained a definition of the notion of ''country of origin.''[30] Israel then proposed a definition of the notion of appellation that it presented as very flexible.[31] That definition[32] was amended, but the *principle* was retained: the underlying idea was to avoid constraining national lawmakers. Put differently, the purpose of the amendment was to embed the difference between indications of source, on the one hand, and appellations of origin on the other (the essential difference being the quality or characteristics of the product or its reputation) while leaving considerable implementation flexibility to each Member State.[33]

Another definitional approach which attempts to make a distinction between geographical indications and appellations of origin is contained in European Union legislation, which, however, refers to ''*designations* of origin'' instead of appellations:

''2. For the purposes of this Regulation[34]:

[29] The entire bibliographic catalogue may be downloaded at *ftp://ftpird.wipo.int/wipo/lisbon/* [Accessed September 7, 2009].

[30] Actes, p.832.

[31] Actes, p.832.

[32] In this agreement, ''appellation of origin'' means the geographical name of a country, region, or locality, from which a product originates and which implies a particular quality or nature of the product due to this country, region or locality [author's translation].

[33] Actes, p.859: ''By introducing a definition for appellations of origin into the Agreement itself, such definition could be invoked for the purposes of registration, without prejudicing a national definition, whether broader or more precise in scope'' (as translated in fn.1 of Annex II of document LI/WG/DEV/1/2 Rev.

[34] Council Regulation 510/2006 (which replaced Council Regulation 2081/92 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs following the WTO panel case dealing with geographical indications protection in the European Union). There are several other relevant instruments. At the level of the European Union: Council Regulation 479/2008 of April 29, 2008 on the common organisation of the market in wine, amending Regulations 1493/1999, 1782/2003, 1290/2005, 3/2008 and repealing Regulations 2392/86 and 1493/1999 [2009] OJ L148/1; Commission Regulation 1607/2000 of July 24, 2000 laying down detailed rules for implementing in particular the Title relating to quality wine produced in specified regions, [2000] OJ L185/17; Commission Regulation 753/2002 of April 29, 2002 laying down certain rules for applying Council Regulation 1493/1999 as regards the description, designation, presentation and protection of certain wine sector products, [2002] OJ L118/1; Commission Regulation 1282/2001 of June 28, 2001 laying down detailed rules for the application of Council Regulation 1493/1999 as regards the gathering of information to identify wine products and to monitor the wine market and amending Regulation 1623/2000 [2001] OJ L176/14; Council Directive 89/104 of December 1, 1988 to approximate the laws of the Member States relating to trade marks [1989] OJ L40/1, adopted on December 21, 1988, art.7 (Exhaustion of the rights conferred by a trade mark) and Council Regulation 40/94 of December 20,

(a) designation of origin: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:
   — originating in that region, specific place or country, and
   — the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area;

(b) geographical indication: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:
   — originating in that region, specific place or country, and
   — which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.''

The differences between the two notions are as follows: (1) ''essentially or exclusively due'' *v* ''attributable''; (2) ''geographical environment'' *v* ''geographical origin''; and (3) ''production, processing *and* preparation'' *v* ''production, processing *or* preparation''. The definition of ''designation of origin'' thus emphasises the *essentialness* of the geographic impact on quality or characteristics whereas the geographical indication only refers to a quality, characteristic or reputation that is *attributable* to production and/or processing and/or preparation. TRIPS also refers to essentialness and its notion of geographical indication is thus counter-intuitively closer to this European notion of designation of origin.

One could argue that this European regulation does not amount to an excessively generous effort to clarify or simplify the debate. In fact, it gets worse: the regulation provides for the possibility that a geographical designation may be treated as a designation of origin.[35] Presumably, centering on a notion of geographical indication that would compatible with the Lisbon concept of appellation (which seems possible given their substantial degree of overlap) would ameliorate a possible future for Lisbon outside of Europe.

Also worth mentioning, art.1721 of NAFTA[36] contains a definition of ''geographical indications'', as follows:

''2. For purposes of this Agreement:

geographical indication means any indication that identifies a good as originating in

1993 on the Community Trade Mark; Directive 2000/13 of the European Parliament and of the Council of March 20, 2000 on the labelling, presentation and advertising of foodstuffs [2000] OJ L109/29 and Directive 97/55 of European Parliament and of the Council of October 6, 1997 amending Directive 84/450 concerning misleading advertising so as to include comparative advertising [1997] OJ L290/18.

[35] Council Regulation 2081/92 of July 14, 1992, art.4.

[36] North American Free Trade Agreement, US-Can.-Mex., December 17, 1992, 107 Stat. 2057, 32 I.L.M. 289 (1993), available at *http://www.nafta-sec-alena.org/DefaultSite/index_e.aspx?DetailID=78.* [Accessed September 7, 2009].

the territory of a Party, or a region or locality in that territory, where a particular quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.''

As can readily be observed, this definition is similar to the one contained in the TRIPS text except for the word ''particular'' which was replaced by ''given''.

In summary, geographical indications as defined in the TRIPS Agreement *may* cover a somewhat broader scope than appellations of origin as defined in the Lisbon Agreement, because they include the ''reputation'' parameter found in the European Union Regulation mentioned above as a separate element, whereas in Lisbon reputation is assumed to derive from the quality or characteristics and is mentioned in the definition of ''country of origin'' instead of the definition of appellation itself.[37] Yet, when one looks at functional differences, there are very few and exist mostly in European regulations where their purpose and function are not immediately apparent. Perhaps Europe would be willing, in negotiating a worldwide art.23 register, to simplify its system or at least facially align the notions it uses to reflect international norms.

As regards indications of source (Madrid Agreement), they are clearly a different, broader concept, covering any indication pointing directly or indirectly to a country or place of origin without the need to show that a particular quality, reputation or characteristic follows form the ''source.''[38] The same could be said of art.10 of the Paris Convention which extends the application of the provisions of art.9 to cases of ''direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant''.

Part II—Lessons from the Lisbon negotiating history

The Vienna Convention instructs us to look at a treaty's negotiating history[39] when the meaning of the text is not plain.

Article 1 of the Lisbon Agreement provides that states party to that treaty must ''protect on their territories, in accordance with the terms of this Agreement, the

[37] In addition, systems concerning appellations of origin usually presuppose the existence of a registration system. See WIPO document GEO/CE/I/II, April 9, 1990, para.41. See also ''The Definition of Geographical Indications'', WIPO document SCT/9/4, October 1, 2002. It is also relevant to note that this European Regulation was negotiated at about the same time as TRIPS.

[38] See ''Document on Geographical Indications: Historical Background, Nature of Rights, Existing Systems for Protection and Obtaining Protection in Other Countries'', WIPO document SCT/8/4, April 2, 2002, p.4 and Actes, pp.771, 814.

[39] Article 32 provides:

''Recourse may be had to supplementary means of interpretation, *including the preparatory work of the treaty and the circumstances of its conclusion*, in order to confirm the meaning resulting from the application of article 31, or to determine the meaning when the interpretation according to article 31:

(*a*) leaves the meaning ambiguous or obscure; or

(*b*) leads to a result which is manifestly absurd or unreasonable.''

(emphasis added)

appellations of origin of products of the other countries of the Special Union,[40] recognised and protected as such in the country of origin and registered at the International Bureau of Intellectual Property'' (WIPO). The obligation to protect appellations is thus bounded by the need for the appellation to be protected in the country of origin and the need to be registered at WIPO. This implies the existence of an international registry. It does *not*, however, imply either national registers or a domestic *sui generis* regime. This will become clearer as we look at other provisions.

Article 2 contains the definitions already discussed in Part II.

Article 3 provides, as in art.23 of the TRIPS Agreement, that protection must be conferred against 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. The negotiating history shows that the original draft only provided protection generally against ''counterfeiting.'' The negotiators elected to use words (usurpation or imitation) with somewhat more precise meaning. Interestingly, the Czechoslovak delegation asked whether Pils, Pilsen and Pilsner would be considered imitations, and the Drafting Committee responded in the affirmative and PILS (and related terms) was the first appellation to make its way on the Lisbon register.[41] The notion of translation was also added at the suggestion of the host nation, Portugal.[42]

Article 4 safeguards existing protection under the Paris Convention and the Madrid Agreement and probably also applies to existing protection under bilateral and plurilateral agreements, national laws and regulations, and court or administrative decisions.

Article 5 is by far the most important provision of the Lisbon Agreement and here the negotiating history is highly informative because the original text prepared by the Secretariat was essentially rewritten at the Diplomatic Conference that adopted the Agreement.[43]

Applications for registration may only be made by or through the appointed authority of a member State[44] of the Special Union, though they apply in the ''name of any natural persons or legal entities, public or private, having, according to their national legislation, a right to use such appellations.''[45] Two conclusions can already be drawn about the Lisbon system: (a) a national authority must be appointed to interface

[40] Because members of the Lisbon system saw themselves as providing for higher protection than members of the Paris Convention but assumed they would be members of the Paris Union (see Actes, p.814), they created a ''special union'' as members of Lisbon.

[41] Actes, p.834. However, when Czechoslovakia registered PILS, five declarations of refusal were notified, including one by France alleging that ''Pils'' was not a proper appellation of origin. France—Déclaration de refus (April 17, 1968) (on file with author).

[42] Actes, p.834.

[43] See Matthijs Geuze, ''Let's Have Another Look at the Lisbon Agreement: Its Terms in Their Context and in the Light of Its Object and Purpose'', WIPO Document WIPO/GEO/BEI/07/10 (June 18, 2007).

[44] The official French text speaks of ''*administration compétente*''.

[45] Lisbon Agreement, art.5(1). The obligation to apply through a national authority is similar under the Madrid system (trade marks).

with the international register[46]; and (b) it is up to each country of origin to decide who has the right to use a protected appellation.

The rest of art.5 prescribes the registration process.[47] First, WIPO must notify ''without delay'' any new registration and publish them in a periodical.[48] Then, and this is the core of the system, any national office may declare that it ''cannot ensure the protection of an appellation of origin whose registration has been notified to it . . . together with an indication of the grounds therefore.''[49] The declaration of refusal must be made within one year of the receipt of WIPO's notification and may not be made later.[50] The declaration does not reduce protection that may be available under other instruments (such as the Paris Convention or the Madrid Agreement). This means that the higher protection (in the absence of any misleading element) may not be available, but protection available for a false indication would still apply (it is often protected under the trade mark statute).[51] If such a declaration is made within the appropriate delay and with a proper justification (for example, the appellation is generic in the declaring country), WIPO then notifies the country of origin of the refusal, which, in turn, notifies the right holder (holder of the registration). The *only* remedy available at that juncture for the right holder is to resort, in the declaring/refusing country, to the judicial and administrative remedies open to the nationals of that country. That is, national treatment. As already mentioned, there are no limits on the grounds that may be invoked in support of a declaration under art.5(3).

Finally, art.5(6) provides that if an appellation that has been granted protection in a given country pursuant to notification of its international registration but was already in use by third parties in that country, and assuming that no refusal is notified under art.5(3), such third parties may be given a delay of up to two years to cease using the appellation.[52] A notification to WIPO is required.

[46] Article 4 of the Regulations under the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration (latest version entered in force on April 1, 2002; available at *http://www.wipo.int/lisbon/en/legal_texts/* [hereinafter the Regulations]) [Accessed September 7, 2009] provides that each country must inform WIPO of the name and address of the authority competent to effect each of the notifications possible under the agreement.

[47] The details of the process are contained in the regulations.

[48] Lisbon Agreement, art.5(2).

[49] Lisbon Agreement, art..5(3).

[50] Lisbon Agreement, art..5(4).

[51] See, e.g. s.43(a)(1) of the Lanham Act (15 U.S.C. s.1125(a)(1) (1988)) which provides:

''Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.''

For a discussion, see Lillian R. BeVier, ''Competitor Suits for False Advertising under s.43(a) of the Lanham Act: A Puzzle in the Law of Deception'', (1992) 78 Va. L. Rev. 1.

[52] See r.12 of the Lisbon Regulations.

The negotiating history makes plain that the negotiators did *not* want any international supervisory or oversight authority.[53] Some Member States had already exchanged lists of appellations bilaterally prior to their accession to Lisbon which were then multilateralised using the Lisbon register. Moreover, a Lisbon Union member can refuse any appellation notified to it and, if and when approached by the country of origin, can negotiate the withdrawal of such refusals[54] in the same way that bilateral agreements are now negotiated to protect certain geographical indications.[55] As mentioned at the conference:

> ''The refusal must be accompanied by the grounds for which the country has decided not to grant protection. Those grounds constitute a basis for possible discussion with a view to arriving at an agreement.''[56]

Finally, under Rule 16, a Lisbon member may invalidate a registered appellation. Once the invalidation is final, it must be notified to the International Bureau.[57]

The negotiating history mentions specifically as a ground for refusal the fact that an appellation may have become generic in a country. However, Italy had suggested an amendment to limit refusals only to cases where an appellation has become generic in the declaring country and this amendment was refused (by a vote of 7-1).[58] Clearly, there are other possible grounds for refusal.[59] They would include the fact the appellation is used for product that violates *ordre public* or simply that it is not a proper appellation.[60] The *Actes* make that clear: ''The proposed procedure gives countries which receive the notification of an appellation of origin from the International Bureau of opposing any legal or factual situation which would prevent the grant of protection for all or part of the territory of the Special Union.''[61]

Some Lisbon members have refused appellations that conflict with earlier trade

[53] Actes, p.836.

[54] A mechanism to withdraw declarations of refusal is provided in art.11 of the Regulations.

[55] In 2005 a bilateral agreement was reached between Europe and the United States on products of the vine (see Press Release, U.S. Trade Representative, ''United States and European Community Reach Agreement on Trade in Wine'' (March 10, 2006), *http://www.ustr.gov/Document_Library/Press_Releases/2006/March/United_States_European_Community_Reach_Agreement_on_Trade_in_Wine.html* [Accessed September 7, 2009]. For a discussion see Brian Rose, ''No More Whining about Geographical Indications: Assessing the 2005 Agreement between the United States and the European Community on the Trade in Wine'', (2007) 29 Hous. J. Int'l L. 731.

[56] Actes, p.817 (author's translation). A number of proposed amendments to the Rules would streamline the system. See Documents LI/A/25/1 (July 24, 2009) Annex 1, and LI/WG/DEV/2/1 Rev, Annex 1.

[57] For example, the appellation BUD, which was refused by several Lisbon members, was invalidated in Hungary, Italy and Portugal (see Lisbon registration 598). The Italian invalidation refers to a final decision by the Italian Supreme Court No.13168/02 of June 18, 2002, confirming a decision by the Court of Appeal of Milan.

[58] Actes, pp.835–837.

[59] Iran refused all appellations relating to alcoholic beverages or pork meat, as well as the only Israeli appellation on the Lisbon Register (Jaffa). See Lisbon Bulletin No.37.

[60] The appellation ''Bud'' (Appellation No.501) was similarly refused by many Lisbon members as not referring to a geographical location. The case also highlights the differences between appellations and trade marks.

[61] Actes, pp.817 (author's translation).

marks,[62] an area which is partly regulated by TRIPS. Moreover, the Chair of the Negotiation Committee explained that there should be no international control of the grounds for refusal. As a formal matter, a declaration of refusal must contain grounds. Beyond that, it would seem the matter would be left for courts to decide or for further bilateral discussions. In the former case, perhaps the grounds for refusal could be challenged, but before the courts of the declaring (refusing) country.

There are three other substantive provisions worth mentioning here. First, art.6 provides that a registered appellation cannot be deemed to have generic as long as it remains protected in the country of origin. As noted in a WIPO document, however, ''exceptions to this general rule may apply, in particular in cases of acquiescence, i.e. if the exclusive right to use the appellation of origin has not been enforced vis-à-vis certain persons, who are using the appellation of origin in respect of products that do not meet the specific geographically-determined qualifications linked to the appellation of origin.''[63] Still, art.6 may pose difficulties in countries where geographical indications are protected as trade marks and where genericness is a valid defence against a claim of infringement.

Subject to this provision, a registration has no time limit. Secondly, art.8 provides that:

> ''[l]egal action required for ensuring the protection of appellations of origin may be taken in each of the countries of the Special Union under the provisions of the national legislation:
>
> 1. at the instance of the competent Office or at the request of the public prosecutor;
> 2. by any interested party, whether a natural person or a legal entity, whether public or private.''[64]

This provision seems to imply ex officio powers from the national office, attorney general or other official to take legal action, but no obligation to do so. It also leaves remedies essentially up to each Member State, though it should amount to protection against ''usurpation and imitation.''[65]

Finally, art.14(2)(c), provides that any country acceding to this agreement may, within a period of one year, declare in regard to which appellations of origin, already registered at the International Bureau, it wishes to exercise the right provided for in art.5(3).[66] This means that any new Lisbon member does not have to accept any of the

[62] See, e.g. the refusal of the appellation KHVANCHCARA (country of origin: Georgia) by Bulgaria of May 10, 2005, Appellation No.862, because of a conflict with an earlier national trade mark. There are many similar examples. See fn.60 above.

[63] Geuze, ''Let's Have Another Look at the Lisbon Agreement: Its Terms in their Context and in the Light of Its Object and Purpose'', WIPO Document WIPO/GEO/BEI/07/10 (June 18, 2007), p.8. This may be relevant in the context of the Wine Agreement concluded between the European Union and the United States, which grandfathered a number of so-called ''semi-generic'' appellations, including Champagne and Chablis (Lisbon Appellations 231 and 155, respectively). See art.6 of the Agreement between the European Community and the United States of America on Trade in Wine, March 10, 2006.

[64] Lisbon Agreement, art.8.

[65] Actes, p.814.

registered indication. It does, however, have a duty to examine those appellations and decide whether it wants to notify a refusal, which it must do within one year of accession.

In summary, Lisbon is a flexible multilateral agreement, and one that confers little substantive power to the international registry and entrusts decisions about protection to the national administrations and the courts of each Member State. It does not require a domestic sui generis registration system; only that a national office be empowered to interface with the international registry (either the same one or a different one for each type of notification provided for under the agreement). To be able to use the international register, the appellation must be protected in the country of origin of the right holder (whose status is also decided under the domestic law of each member). This necessarily implies that a legal mechanism be put in place in each Member State. But this mechanism could be a national law or regulation, a court decision, a decision by a specialised agency or board, a trade mark-like (application/publication/opposition/registration) system or indeed a *sui generis* system, as in many European countries.

The agreement does not curtail the implementation method to be used by each Member State. In fact, just the opposite is true: the regulations provide that an application must contain, inter alia, ''the title and date of the *legislative or administrative provisions, the judicial decisions or the date and number of the registration* by virtue of which the appellation of origin is protected in the country of origin.''[67]

Part III—Can we reinvent Lisbon?

In the introduction, I posed a fairly straightforward question: can the Lisbon system be used as the register mandated under art.23(4) of the TRIPS Agreement?

Perhaps the main difference between the approaches of different groups of industrialised countries during the TRIPS negotiations resided in the fact that, for some, protection should be accorded whenever use of an indication constituted unfair competition, while for others, an element of deception (misleading the public) was necessary. This is also a reflection of the dual nature of protection of trade mark and geographical indication (or other related concept) in many countries, where, on the one hand, there is a strong element of consumer/buyer protection (against misleading use) and, on the other hand, marks and indications are protected against dilution or depreciation of their value (and of the associated goodwill) even in cases where no consumer/buyer would likely be misled. The solution found in the agreement, as is often the case in international negotiations, was to include a part of both: the new rule addresses (for goods other than wines and spirits)[68] the use of indications that may mislead the public, but incorporates the obligations under art.10*bis* of the Paris Convention in respect of unfair competition. Yet, the protection against dilution in this

[66] In practice, the International Bureau notifies the entire existing stock of Lisbon registered appellations upon accession to the new member country, which then has one year from receipt of that notification to notify any refusal(s). As noted above, however, under r.16 an appellation may be invalidated (typically by a final decision of a court of law) after the expiry of his 12-month period.

[67] Regulations, art.5(a)(vi) (emphasis added).

[68] Under art.23, there is no such need to prove that the public might be misled or that the act constitutes unfair competition.

article is certainly not as broad as in the national laws of a number of WTO members and it is thus likely that additional protection may be sought in this area. The linkage with traditional knowledge protection may raise the level of interest of this issue for several WTO members, including developing country members.[69] Yet, Lisbon, as noted above, permits but does not mandate the expansion of protection against non-deceptive use of indications beyond those for wines, which may offer Doha negotiators an elegant solution. Lisbon registrations have to be protected against usurpation and imitation, but the exact scope of protection will depend on the level of protection available in the country concerned. It may include protection against dilution, which applies even in the absence of consumer confusion. Additionally, while TRIPS does distinguish between wines and spirits, on the one hand, and other products, on the other, members are free to protect, e.g. wines and spirits differently, provided the Lisbon minimum obligations are met. The Agreement is thus flexible enough to protect wines and spirits at a higher level (that is, without deception). It would allow WTO (TRIPS) members access to an existing system under which the necessary expertise exists for proper consideration as to whether a registered denomination is indeed an appellation as defined in the Lisbon Agreement. As I attempted to demonstrate in Part I, the definitional gaps, if any, between TRIPS and Lisbon are such that most if not all of those differences can be considered functionally irrelevant.

Yet, WTO members need not jump into the Lisbon system *tel quel*. WTO members who are non Lisbon-members should, however, wish to join the ongoing discussions on the reform of the Lisbon system.[70] The system as it stands could be improved. For instance, in addition or in parallel to recently-considered changes to the application process, such as the adoption of Administrative Instructions[71], one could argue for a clearer pathway to allow similar appellations to co-exist where appropriate.[72] The solution might require an amendment to the Rules but most likely not to the agreement itself.[73]

Rules for refusals could and probably should be spelled out with greater clarity.

[69] As Professors Maskus and Fink rightly note, ''some developing countries stand to gain from stronger WTO rules for GI protection. However, benefiting commercially from GIs requires complementary efforts to identify valuable GIs and build an actual international reputation for them.'' Carsten Fink and Keith Maskus, ''The Debate on Geographical Indications in the WTO'' in Richard Newfarmer (ed.), *Trade, Doha, and Development: Window into the Issues* (The World Bank, 2005), p.210. See also Daniel Gervais, ''Traditional Knowledge: Are We Closer to the Answers? The Potential Role of Geographical Indications'' (2009) 15 *ILSA Journal of International and Comparative Law* 551.

[70] Of particular interest if the establishment of a working group established at the 23rd (6th extraordinary) session of the Assembly of the Lisbon Union (September 22 to 30, 2008) responsible for exploring possible improvements to the procedures under the Lisbon Agreement. The Working Group met in Geneva from March 17 to 20, 2009. See the Summary by the Chair, WIPO Document LI/WG/DEV/1/3 of March 20, 2009.

[71] See above.

[72] See the proposals now before the Assembly (document LI/A/25/1 of July 25, 2009). The proposed Administrative Instructions would facilitate the use of electronic means for notifications. The notification of co-existence situations would be facilitated by the other amendment before the Assembly, namely that for the introduction of procedures for the notification of statements of grant of protection. This would *not* require all member countries to accept co-existence in each and every case.

[73] A number of proposals for changes to the Rules were made by the Secretariat and some were considered at First Session of the Working Group. See above and WIPO Document LI/WG/DEV/1/2 Rev. of February 10, 2009.

However, an empirical analysis of current practice reveals a fairly consistent if mostly unwritten code of conduct among Lisbon members. Refusals of Lisbon registered appellations can be categorized on the basis of three types of grounds: those relating to the definition; those relating to an earlier right; and ''other grounds''. Refusals in the first category are typically made because an appellation does not meet the definition contained in art.2(1) of the Lisbon Agreement, that is, more precisely, because: (a) it is a generic indication of a type of product; (b) it is just an indication of the origin of products; (c) it is an homonymous denomination that does not meet the definition; (d) the denomination is not geographical; (e) the denomination is insufficiently precise to be able to meet the definition; or (f) the competent authority is not convinced that the denomination meets the definition. The second category of refusals are meant to reflect the existence of prior rights (such as an earlier trade mark). Indeed, an opposition or request for cancellation may be filed against an appellation submitted for registration. A creative solution under the current rules, an appellation may be refused only partially, that is its right holder cannot use it to prevent the use of a specified homonymous appellation. Typically, the protection is refused unless a specified homonymous denomination can co-exist. Co-existence may be allowed under the national law of only one or some member country(ies). Other member countries' may not allow co-existence.[74] Finally, a third set beyond those two groups of reasons, appellations are sometimes refused because they are likely to generate confusion; because the registration has not taken place in respect of all producers in the region concerned; or because the appellation goes against religious values, ethics or public order.[75] Another possibly more interesting option is the adoption of a protocol, as was done for the Madrid system.

Naturally, if the Lisbon system were used as the TRIPS register and an appellation/indication was refused in a way which, while compatible with the form requirements of Lisbon, violated TRIPS, the WTO dispute-settlement system could be triggered. WTO Members, in adopting Lisbon as the TRIPS register, could provide a set of substantive principles, based on arts 23 and 24, to avoid most such cases. Additionally, the negotiation which follows a refusal under Lisbon matches the spirit of the consultations required under the WTO Dispute Settlement Understanding.

Conclusion

The Lisbon system, which led a mostly uneventful life until recently, now has a possible new role to play as the multilateral register the negotiation of the establishment of which is mandated under art.23(4) of the TRIPS Agreement. Contrary to the practice of most current Lisbon members that protect appellations of origin under a *sui generis* system, both the text and negotiating history of the Lisbon Agreement make it

[74] If the proposed amendments now before the Lisbon Assembly are adopted, if a member country allows co-existence, it will be able to submit a partial refusal or a partial statement of grant of protection based on the situation of co-existence. This way the Lisbon Register would reflect the actual situation in member countries as closely as possible. See document LI/WG/DEV/1/2 Rev., Annex 1.

[75] The author is indebted to Mr Matthijs Geuze, Head, International Appellations of Origin Registry, for his input, especially on this point. All errors and omissions are entirely mine, however, as are the views expressed in the article.

plain that the establishment of such a parallel, *sui generis* system is but one way of implementing Lisbon. While valid normative concerns might justify the establishment of *sui generis* systems such as those in existence in the European Union, neither TRIPS nor Lisbon requires this outcome in the protection of GIs and appellations of origin, respectively.[76] The Lisbon Agreement is flexible in that it allows members to refuse an appellation on a vast array of grounds and then only allows for a negotiation to take place among the registering and refusing members. A new Lisbon member may also refuse any appellation currently on the register when it joins.

Proceeding in this way would require that each non-Lisbon WTO member to take a good look at the current list of appellations (less than 900) and refuse those it considers unacceptable. This would generate a finite list of bilaterally refused (contentious) appellations, which could then be negotiated away to the extent possible over time, not unlike the tariff negotiations that take place in multilateral trade rounds under the GATT/WTO. This would seem a major step forward in certainty for owners of trade marks and indications and would remove a thorn in the side of the Doha process. A protocol could also be considered. It could clarify definitions to match the TRIPS notion of geographical indication more directly; align refusal and invalidation with TRIPS rules; and allow a finding of genericness at any point. The success of the Madrid Protocol is a clear indication that this option is realistic.

[76] For a US discussion, see, e.g. Margaret Ritzert, ''Champagne Is from Champagne: An Economic Justification for Extending Trademark-Level Protection to Wine-related Geographical Indications'' (2009) 37 AIPLA Q.J. 191.