

4 December 2008

**Initial questions concerning the proposal pertaining to the GI register for wines and spirits contained in TN/C/W/52**

The following is a compilation of questions and requests for clarification from various co-sponsors of the joint proposal, including Australia, Canada, Chile, Guatemala, Honduras, Japan, Korea, New Zealand, Nicaragua, South Africa, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu and the United States.

The co-sponsors of the Joint Proposal welcome the invitation extended at the meeting of 1 December 2008 of the Special Session for TRIPS Council, to submit questions relevant to the position of co-sponsors of TN/C/W/52 on the issue of the register for geographical indications for wines and spirits.

These questions refer exclusively to the portion of TN/C/W/52 that pertains to the mandate of the Special Session — the GI Register for wines and spirits. The other issues discussed in TN/C/W/52 remain clearly outside the mandate of the Special Session, and the Members posing these questions wish to make it clear that these questions are without prejudice to their positions regarding the status of the issues discussed in document TN/C/W/52 that are not within the mandate of the Special Session.

Further, the following questions are in no way exhaustive. We reserve our individual and collective rights to submit additional questions and comments, including in response to the answers provided by Members co-sponsoring TN/C/W/52.

For ease of reference, we have grouped the questions according to those specific paragraphs in TN/C/W/52 (paragraphs 1-3) that pertain to the mandate of the Special Session — the GI Register for wines and spirits. That said, we start with some general questions.

## General Questions

1. The need to integrate the "development dimension" into policy making on intellectual property protection has received increased recognition at the international level. How is the development dimension reflected in the wines and spirits GI register elements of TN/C/W/52?
2. How would the implementation process in the wines and spirits GI register elements of TN/C/W/52 impact WTO Members, particularly those developing countries who are not producers of wines or spirits?
3. TRIPS Article 1.1 grants Members the right to establish in their national systems their own criteria for determining eligibility for protection of geographical indications, within the parameters of Section 3, Part II of the Agreement. How do the co-sponsors of TN/C/W/52 reconcile their proposal with this right?
4. Why, in determining eligibility of geographical indications for inclusion in the system, are the exceptions provisions of Article 24 not relevant?
5. How are discrepancies regarding whether or not certain indications meet the definition of Article 22.1 addressed in the wines and spirits GI register elements of TN/C/W/52?
6. How do the EC's 'new ideas' and the register aspects of TN/C/W/52 relate? Does W/52 essentially replace the EC's 'new ideas' and its proposal on Geographical Indications of 14 June 2005 (WT/GC/W/547)?

## Paragraph 1 of TN/C/W/52

1. Members agree to establish a register open to geographical indications for wines and spirits protected by any of the WTO Members as per TRIPS. Following receipt of a notification of a geographical indication, the WTO Secretariat shall register the notified geographical indication on the register. The elements of the notification will be agreed.

7. We ask the co-sponsors of TN/C/W/52 to advise whether under the register they envision each Member would be responsible for the review or verification of notified terms *before* registration?

(a) If so, on what basis would this be done?

(b) And what information and supporting documentation would be included in the notification?

8. One of the co-sponsors of TN/C/W/52, the EC, has previously suggested that "other WTO Members... will not have to scrutinise notified GIs prior to their entry on the Register":

(a) what assurances will there be that a GI entered on the Register will, in fact, meet the definition of a GI, be it a wine or a spirit, and be protected in the country of origin?

(b) Can the co-sponsors confirm that the information and supporting documentation will be sufficient to meet the requirements of the domestic laws of all members?

9. The EC has also previously suggested that WTO Members would be able to notify a GI "as long as it is protected in the notifying Member":

(a) We ask the co-sponsors of TN/C/W/52 advise whether in their view it would it be open for Members to claim that a GI is protected "through tradition" or "by convention", for example, as used in common law systems?

(b) And if not, how would co-sponsors of TN/C/W/52 envision that these terms might be accounted for or protected?

10. Noting that the register for wines and spirits GIs elements of TN/C/W/52 do not refer to the issue of the costs of registration, an issue that was considered in previous proposals submitted by some of the co-sponsors of TN/C/W/52 and that the IP offices of many individual WTO Members work on a cost-recovery basis, we ask the co-sponsors of TN/C/W/52 to now advise Members who they would envision having to pay the additional costs of registration of a term on the WTO register?

(a) Would the cosponsors of TN/C/W/52 please confirm that costs related to registration *in other* Members would continue to be borne by the applicant, if this was the policy of the IP office of that Member?



11. If Members are required to "take into account" the terms notified on the register, this will require additional administrative costs, under both proposals. There could be a significant number of names included in the register. National IP offices could be faced with a significantly increased workload.
  - (a) Are there any estimates of the additional workload that could be expected by national IP offices?
  - (b) In addition, there are technical matters to work out related to searchability, translations, trademarks, etc.
12. Members are aware of conflicting claims to particular geographic indications. In light of such claims, please explain how protection of a geographic indication for a wine or spirit in a Member would constitute anything more than information regarding the situation in the notifying Member.
13. Since the co-sponsors of TN/C/W/52 appear to be proposing that the WTO Secretariat do no more than compile information that it receives, how do the co-sponsors propose to deal with conflicting claims to a geographic indication for a wine and/or spirit?
14. A number of similar or identical geographic names occur in the territory of more than one WTO Member.
  - (a) How would the situation of conflicting claims to the same geographical term be dealt with?
    - (i) Would all notified terms appear on the registry, even if similar or identical?
    - (ii) Would this be up to the registering country? On what basis would they take a decision (e.g. first to file)?
15. How would the Register for wines and spirits GIs be kept up-to-date regarding GI owners, addresses of service, etc.?
16. If a GI were to become generic in the country of origin, fall into dis-use, or have protection removed, how would that GI be removed from the Register for wines and spirits GIs?
  - (a) Under what other circumstances would a geographical term be removed from the Register?
17. Would the Register include sub-appellations, variations, or multi-termed GIs for wines and spirits? How would the cosponsors of TN/C/W/52 propose that such GIs be taken into account in other WTO Members?
18. In the EC's remarks of 21st Nov, the EC mentioned that the notified GI must have been "checked in the notifying Member following a domestic legal process that is in principle compliant with TRIPS." What does the EC mean by "legal process?" If it only means the process of domestic registration or

the judicial process, what about those GIs which are qualified for article 22.1 of TRIPS but have not sought domestic registration or not been through the judicial process? Will those GIs be qualified for notifying to the Register?

19. In the EC's remarks of 21<sup>st</sup> Nov, the EC claimed that the wines and spirits GIs register in TN/C/W/52 means "no administrative costs." Do the cosponsors envisage other types of costs might occur for the authorities and/or private sector of Members after the system is implemented? In our view, since the wines and spirits GIs register in TN/C/W/52 has the effect of prima facie evidence and the authorities and/or interested parties need "proof to the contrary" to change that effect, the system implies a bigger burden of proof for them. Therefore isn't it more accurate to say that the wines and spirits GIs register in TN/C/W/52 would transfer the administrative costs to other type of costs that will be borne by the authorities and/or interested parties of other Members?

20. We are interested to know what the contents of the notifications are. In wines and spirits GIs register in TN/C/W/52 it says "Following receipt of a notification of a GI, the WTO Secretariat shall register the notified GI on the register," which means the Secretariat will put any notified information on the website. But since the notified information will have the effect of prima facie evidence in each WTO member, it is very important to know the precise content of notifications to evaluate this proposal. We do not share the view in the EC's remarks of 21<sup>st</sup> Nov that the contents of the notifications should be left for after modalities. Therefore, we would like to reiterate our call for the EC or the other co-sponsors of TN/C/W/52 to table a complete proposal on wine register.



## Paragraph 2 of TN/C/W/52

2. Each WTO Member shall provide that domestic authorities will consult the Register and take its information into account when making decisions regarding registration and protection of trademarks and geographical indications in accordance with its domestic procedures. In the framework of these procedures, and in the absence of proof to the contrary in the course of these, the Register shall be considered as a *prima facie* evidence that, in that Member, the registered geographical indication meets the definition of "geographical indication" laid down in TRIPS Article 22.1. In the framework of these procedures, domestic authorities shall consider assertions on the genericness exception laid down in TRIPS Article 24.6 only if these are substantiated.

21. The elements of TN/C/W/52 dealing with the register for wines and spirits GIs clearly mandate that each WTO Member participate in the system. In the formal Special Session of the TRIPS Council on 29 October 2008 the EC confirmed that participation in the register was "mandatory" for all WTO Members.

(a) We ask that all the co-sponsors of TN/C/W/52 confirm that this is their position.

22. We note that some cosponsors of TN/C/W/52 do not currently have their own domestic systems in place to protect Geographical Indications for wine and spirits.

(a) Can these Members explain for the benefit of other Members which of the elements on the Wines and Spirits GIs Register in TN/C/W/52 have allowed these Members to set aside their previously long-held reservations regarding the establishment of a Register with legal effects and mandatory participation?

(b) Do these co-sponsors think it would be possible to implement the Wines and Spirits GIs Register elements of TN/C/W/52 without establishing a national registration system?

23. The EC's previous "new ideas" required implementation of a "rebuttable presumption" that a registered GI meets the definition of GI in TRIPS. By contrast, the wines and spirits GIs register elements of TN/C/W/52 suggest that registration is "*prima facie* evidence" that the registered GI meets the definition of GI in TRIPS unless there is "proof to the contrary".

(a) We ask the co-sponsors of TN/C/W/52 to explain their understanding of the substantive difference between these two requirements?

24. What definition of "evidence" do the co-sponsors of TN/C/W/52 have in mind? And what is their definition of "proof"?

25. What is meant by the term "consider"? If a Member 'considers' that it holds evidence to the contrary before making any decisions regarding domestic registration and protection of a multilaterally registered GI, what can it do?

Can it ask for removal of the GI from the Multilateral Registry? If so, who decides to remove it?

26. A Member's decision on the unregistered GI of its own to be protected in its territory has impact on other Members through the Multilateral Registry once it is registered in it, while a decision relating the multilaterally registered GI by a Member will have no impact on any other Members. Why should the decisions be dealt with differently, regardless of the same nature – unilateral decision by a country?
27. In case that country A and country B had made different decisions on the same GI, what would happen to the GI registered in the Multilateral Registry? Should the GI be still considered to meet Article 22.1 TRIPS or be removed from the Registry? If it will be removed, who makes the decision?
28. In the wines and spirits GIs register elements of TN/C/W/5, what is meant by "in the framework of these procedures?" Does it mean administrative or judicial procedures, or both?
29. Can the co-sponsors of TN/C/W/52 provide an example on how *prima facie* evidence will work in the administrative procedures?
30. In practical terms, if someone thought that a registered GI did not meet the TRIPS definition, what would they need to do to rebut the presumption?
- (a) How would they do it?
- (b) And what would they need to do to rebut the *prima facie* evidence?
31. Related to this same question, the requirement in the wines and spirits GI s register elements of TN/C/W/52 to consider registration as "*prima facie* evidence" unless there is "proof to the contrary" is rather confusing.
- (a) If there is evidence to the contrary, but not proof, what would authorities be required to do?
32. We note from the EC's remarks on 21 November that the notifying member would have to provide "evidence" that the notified term met the definition of "GI". Contrast that with the requirement in the wines and spirits GI s register elements of TN/C/W/52 for those who object to provide "proof to the contrary". This suggests that the party opposing the GI bears a greater evidential burden than the party seeking to establish the GI. This perception is reinforced by paragraph 4.1 of the EC's remarks from 21 November, which states that a registered GI will be considered to meet the TRIPS definition "in the absence of better available evidence to the contrary".
- (a) We ask the co-sponsors of TN/C/W/52 to confirm that their intention is to require the party opposing the GI to bear a greater evidential burden than the party seeking to register a term?
- (b) Further, is "better available evidence to the contrary" intended to be synonymous with "proof"?



33. Please elaborate on the scope of "evidence" that needs to be provided by the notifying member to support an assertion that the notified term meets the definition of "GI".

(a) For example, will it require evidence of consumer perception in the country where protection for the term is being sought?

34. Established WTO jurisprudence is that the burden of proof rests upon the party asserting the claim. If that party adduces evidence sufficient to raise a presumption (*prima facie* evidence) that what is claimed is true, the burden then shifts to the other party to provide evidence to refute it. But the wines and spirits GI s register elements of TN/C/W/52 would require Members to accept registration as *prima facie* evidence, and that this can only be rebutted by "proof to the contrary."

(a) Is it the intention of the co-sponsors of TN/C/W/52 to change established WTO jurisprudence on the burden of proof?

35. Generally, how would the situation of terms considered generic by some Members be dealt with?

36. What is intended by "substantiated" in the reference to "assertions of genericness"?

(a) Is this the same as "evidence"?

(b) Or does it mean "proof", or something else?

37. The EC has stated that "for GI definition and genericness, national authorities remain free as to the final decision on substance".

(a) Does this mean that national authorities are free to determine for themselves what constitutes "better available evidence to the contrary", "proof different" and "substantiate"?

38. The wines and spirits GIs register elements of TN/C/W/52 provides that "in the framework of these procedures, domestic authorities shall consider assertions on the genericness exception laid down in TRIPS Article 24.6 only if these are substantiated".

(a) What level of proof would be necessary to make such assertions "substantiated"?

(b) The terms of this provision seem to imply that domestic authorities could not, *ex officio*, raise the genericness exception in trade-mark registration procedures:

(i) Is this a correct interpretation?

(ii) If so, what is the rationale for this proposition?

39. What is meant by "in the framework of these procedures"?



40. Why do the co-sponsors of TN/C/W/52 maintain that the elements of the proposal which directly relate to the exception provided in TRIPs Article 24.6 do not alter the existing balance of rights and obligations within TRIPs?
41. What is meant by the phrase "take into account"? What would WTO Members need to do to "take its information into account"?
42. We note, in particular, the EC's assertion that registered GIs will be "considered to meet [indeed] the TRIPs definition in the absence of better available evidence to the contrary" and that "Members that do not have proof different should normally agree this is sufficient proof of the relation between the good and its territory of origin."
- (a) What does "better available evidence" mean?
- (b) What does "proof different" mean?
- (i) Who would make such determinations?
- (ii) What would constitute "proof" for GIs protected, for example, by convention or by common law?
43. We ask the co-sponsors of TN/C/W/52 to clarify whether "domestic authorities" also include law courts, and whether domestic courts are expected to apply the presumption in objection/opposition procedures and in infringement disputes?
44. We also ask the co-sponsors of TN/C/W/52 to clarify that disputes would be addressed in domestic courts by domestic authorities?
45. Is the intention that the Register be treated as a relative ground of refusal? As an absolute ground of refusal in respect of trademark applications?
46. Would there be a similar reverse burden on domestic authorities registering GIs to look at existing trademarks?
47. Would "decisions" be limited to trade-mark and GI examinations, or is the intention that it include third-party opposition procedures?
48. If the Register is to facilitate the protection of GIs for wines and spirits, why is there an obligation on domestic authorities to consult and take the Register into account when making decisions on trade-mark registrations, especially given that the presumption indicates only that the GI on the Register meets the TRIPs definition of a GI?
49. Is this provision intended to relate to domestic procedures regarding the registration and protection of any trade-mark or, more narrowly, to trade-marks used in association with wines or spirits?
50. How does this provision relate to Article 24.5 of TRIPs - could the effect of this provision imply that trademarks applied for or registered after a GI was included on the Register are applied for or registered in bad faith?

