

Excerpted from:

**Statements by the U.S. Representative
At the Meeting of the WTO Dispute Settlement Body (DSB)**

**Geneva,
April 20, 2005**

**Item 3. EUROPEAN COMMUNITIES – PROTECTION OF TRADEMARKS AND
GEOGRAPHICAL INDICATIONS FOR AGRICULTURAL PRODUCTS AND
FOODSTUFFS**

**A. REPORTS OF THE PANEL: COMPLAINT BY THE UNITED STATES
(WT/DS174/R AND ADD.1, & 3) AND COMPLAINT BY AUSTRALIA
(WT/DS290/R AND ADD.1, 2 & 3)**

· Mr. Chairman, we are pleased to propose the adoption of this report. We believe that it provides useful guidance to Members with respect to geographical indications and trademarks, and we would like to thank the Panel and the Secretariat for their thorough work. We would like to highlight certain aspects of the report that Members may find particularly instructive.

· First, the Panel confirmed what we have long alleged: that the EC GI Regulation discriminates against non-EC persons and products. Specifically, the panel confirmed that the EC cannot continue to deny GI protection to a foreign national simply because his or her government does not have an “equivalent” GI protection system to that of the EC. Nor can the EC continue to make GI protection contingent on the availability of “reciprocal” GI protection in the other country. Rather, WTO Members must offer GI protection to the nationals of all WTO Members, regardless of how those Members have chosen to implement their TRIPS Agreement obligations. This finding emphasizes the freedom Members have under the TRIPS Agreement to implement GI obligations within their own system.

· Second, the Panel confirmed that a Member such as the EC that permits its own nationals to register and oppose GIs directly must provide that same direct access to nationals of other WTO Members, and not require intervention by their governments. This is important, because whether or not a name qualifies for GI protection in the territory of a Member depends on criteria under the domestic law of that Member. If a national of any WTO Member satisfies those criteria, that national should receive the protection, regardless of whether its government intervenes. The same is true of the ability to oppose the registration of GIs. Intellectual property rights are private rights that should be granted to rightholders who qualify for them; Members should not shift the burden to other governments to negotiate those rights on behalf of their nationals.

· Third, the panel confirmed that the EC cannot continue to make GI protection for foreign nationals contingent on the availability of specific government inspection systems in their home country. This finding, too, emphasizes the discretion that WTO Members

have in implementing GI protection in their own territory. It also emphasizes again that intellectual property rights are private rights that cannot be denied to foreign nationals based on how their government has chosen to protect GIs in their territory.

- Finally, the panel made several important findings with respect to the relationship between trademarks and GIs. The panel found that the EC GI Regulation is inconsistent with Article 16.1 of the TRIPS Agreement, because it fails to allow the owners of validly registered, pre existing trademarks the right to prevent confusing uses of geographical indications registered under the EC Regulation. Significantly, the panel also rejected the EC's claim that Articles 24.3 and 24.5 of the TRIPS Agreement provide for a regime of "co-existence" between registered geographical indications and pre-existing trademarks under which owners of registered trademarks are denied Article 16.1 rights.

- The panel found that the Regulation's inconsistency with Article 16.1 is justified only insofar as it fits within the narrow permissible exceptions to trademark rights under Article 17 of the TRIPS Agreement. This finding under Article 17 has important implications for how the EC GI Regulation must be applied.

- First, the panel relied on the fact that the EC GI Regulation prevents registration of a GI if it would cause a "relatively high" likelihood of confusion with a pre existing trademark. Because the panel found that the GI Regulation fits within the Article 17 exception only because it "can" ensure the rejection of GIs that cause a relatively high likelihood of confusion, it is incumbent on the EC to make sure that it does so in practice. Therefore, the United States expects that, in determining whether a GI should be registered and protected, the EC will reject registrations where such a likelihood of confusion exists. To do otherwise would be contrary to the panel's findings in this dispute. In this regard, a relatively high likelihood of confusion in the relevant market for a trademark – even if just in a single EC member State – is sufficient to compel rejection of the GI registration. Further, where a GI registration is sought for a sign that is identical to a pre existing registered trademark and is for use on identical goods, such a likelihood of confusion would be presumed, pursuant to Article 16.1 of the TRIPS Agreement.

- Second, the panel found that GIs registered under the Regulation are permitted to curtail a trademark owner's rights to only a very limited extent. Specifically, since the GI Regulation confers a right to use the GI only if used strictly in accordance with its registration, the panel found that the trademark owner's rights are not curtailed with respect to any signs that are not registered, including, significantly, "linguistic versions" of the GI that are not entered in the register. These findings were critical to the panel's ultimate conclusion that the Regulation's breach of Article 16.1 was justified under the narrow TRIPS exception to trademark rights. Indeed, as the panel expressly states: "[i]f the GI registration prevented the trademark owner from exercising its rights against these signs, combinations of signs or linguistic versions, which do not appear expressly in the GI registration, it would seriously expand the exception and undermine the limitations on its scope." Thus, under the panel's findings, registered trademark owners continue to enjoy their full TRIPS rights to prevent the confusing use of anything other than the specific sign entered in the GI register. This includes the right to prevent the confusing

use of the registered GI translated into another language.

· In conclusion, Mr. Chairman, we look forward to the EC's prompt implementation of the DSB's recommendations and rulings in this dispute, and will be carefully monitoring the EC's future application of its GI Regulation in light of the panel's findings.

For full text of the April 20, 2005 Statement by the U.S. Representative to the WTO Dispute Settlement Body, click here: <http://www.usmission.ch/Press2005/0420DSBMeeting.htm>