

**MULTILATERAL SYSTEM OF NOTIFICATION AND REGISTRATION OF
GEOGRAPHICAL INDICATIONS UNDER ARTICLE 23.4
OF THE TRIPS AGREEMENT**

Communication from Hong Kong, China

The following communication was received on 17 April 2003 from the Hong Kong Economic and Trade Office with the request that it be circulated to the Special Session of the Council for TRIPS.

I. INTRODUCTION

1. Article 23.4 of the TRIPS Agreement provides that, in order to facilitate the protection of geographical indications for wines, negotiation shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system. According to the Doha Development Agenda, Members shall negotiate the establishment of the multilateral system for wines and spirits by the Fifth Session of the Ministerial Conference.

2. Negotiation has taken place for the above purpose, but, up to now, there are still divergent views on a number of issues. The note by the Chair (JOB(03)/60, dated 20 March 2003), sets out a number of elements for further discussion. This paper sets forth Hong Kong, China's proposals regarding:

- (i) the mechanism of the system of notification and registration;
- (ii) its legal effect; and
- (iii) participation.

II. PURPOSE

3. The purpose of this paper is to put forward an alternative model for the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits under Article 23.4 of the TRIPS Agreement. It is recognized that:

- (i) the purpose of the multilateral system under Article 23.4 of the

TRIPS Agreement is to facilitate the protection of geographical indications for wines and spirits in accordance with Articles 22 to 24 of the TRIPS Agreement;

(ii) according to Article 1.1 of the TRIPS Agreement, WTO Members shall be free to determine the appropriate method of implementing the provisions of the Agreement within their own legal system and practice;

(iii) intellectual property rights are essentially territorial in nature;

(iv) the system to be established shall not impose additional substantive legal obligations or confer additional legal rights on Members which are beyond the TRIPS Agreement; and

(v) the establishment and maintenance of the system shall not impose undue financial and administrative burdens on Members choosing to participate in the system.

III. FEATURES AND LEGAL EFFECT

4. The following is an outline of the features and legal effect of the proposed system:

(i) The multilateral system involves only a formality examination of the geographical indication subject to notification. Provided that basic information identifying the geographical indication, its ownership, and the basis on which it is claimed to be protected in the country of origin is submitted to the responsible authority, the indication will be entered on the register.

(ii) The system does not deal with competing claims for geographical indications. This will continue to be dealt with under domestic laws.¹

(iii) The costs of operating the system will be shared between participating Members on the basis of numbers of notifications.

(iv) Registration should be accepted by participating Members' domestic courts, tribunals or administrative bodies as prima facie evidence of: (a) ownership; (b) that the indication is within the definition of "geographical indications" under Article 22.1 of the TRIPS Agreement; and (c) that it is protected in the country of origin. The intention is that the issues will be deemed to have been proved unless evidence to the contrary is produced by the other party to the proceedings before domestic courts, tribunals or administrative bodies when dealing with matters related to geographical indications. In

¹ For the purpose of this paper (including the Annexes), "domestic laws" means the laws applicable in the jurisdiction of the relevant Member.

effect, a rebuttable presumption is created in favour of owners of geographical indications in relation to the three relevant issues.

(v) The proposed legal tool will help the owner of a geographical indication to discharge the legal burden of proof on the issues in the course of domestic proceedings where such burden lies on him under the domestic laws. This will in turn facilitate protection of geographical indications through the domestic systems of participating Members.

(vi) The availability of the legal tool is not intended to prejudice the operation of other presumptions which may be applicable under domestic laws.

(vii) Questions relating to the applicability of the grounds or exceptions under Articles 22 to 24 should continue to be decided by domestic courts, tribunals or administrative bodies of participating Members, applying domestic laws, having regard to the relevant local circumstances. For the avoidance of doubt, decisions of the domestic courts, tribunals or administrative bodies of participating Members shall only have territorial effect.

(viii) The system should be entirely voluntary at the outset. The question of scope of participation should be re-visited after the system has been up and running for [four] years.

5. Annex A sets out the detailed mechanism. A preliminary assessment on the costs for operating the proposed system is attached at Annex B.

ANNEX A

**ALTERNATIVE MODEL FOR A MULTILATERAL SYSTEM OF NOTIFICATION AND
REGISTRATION OF GEOGRAPHICAL INDICATIONS ESTABLISHED UNDER
ARTICLE 23.4 OF THE TRIPS AGREEMENT**

A. NOTIFICATION

1. Members wishing to participate in the system ("Participating Members")² may notify the administering body³ of any domestic geographical indications for wines and spirits which are protected under their domestic legislation, judicial decisions or administrative measures.

2. Notifications submitted shall include the following:

(a) Details of the geographical indication (e.g. the name, the place or area, quality, reputation or other characteristics, and goods indicated by the geographical indication).

(b) The name and contact details of the owner of the geographical indication.

(c) The Participating Member making the notification.

(d) Details of the office competent to receive correspondence from the administering body.

(e) Either:

A statement executed under seal by the government of the notifying Member to the effect that the geographical indication:

(i) conforms with the definition in Article 22.1 of the TRIPS Agreement;

(ii) is protected by law and has not fallen into disuse in the territory of the notifying Participating Member; and

(iii) a statement by the government of the notifying Participating Member that the geographical indication is for wines and/or spirits.

Or:

² It is assumed that the Participating Members will be making the notifications. It may become necessary to address the issue whether individual owners of geographical indications should be allowed to make notifications directly.

³ So far the proposals from Members appear to be suggesting that the WTO Secretariat should be responsible for the operation of the system. Consideration may be given to whether other suitable international organizations should be charged with the responsibility of operating the system.

The relevant domestic legislation or judicial decisions protecting the geographical indication in the territory of the notifying Participating Member.

(f) Any commencement or expiry date of protection under the relevant domestic legislation, administrative measures or judicial decisions of the notifying Member.

(g) The requisite fee.⁴

3. Notifications may be made at any time. However, the administering body may fix the maximum number of applications to be processed each year, having regard to the administrative capacity and resources constraints of the administering body.

B. REGISTRATION

1. After receiving notifications from Participating Members, the administering body shall undertake formality examination of the notifications and ensure that documents submitted are in order. The examination process does not involve substantive examination.

2. The administering body may require the notifying Participating Member to rectify any deficiency if it considers the documentation submitted fails to meet the stipulated minimum formal requirements.

3. Once the administering body is satisfied that the formalities and documents submitted are in order and the requisite fee has been paid, the geographical indications shall be recorded in the Register of Geographical Indications. For each geographical indication recorded on the Register, the administering body shall, as soon as practicable, issue an official copy of the Certificate of Registration to the relevant Participating Member. Certificates of Registration may be issued in electronic form.

4. The Register of Geographical Indications shall contain the following information in respect of each registered geographical indication:

- (a) The name of the geographical indication.
- (b) The place or area, other quality, reputation or characteristics, and the goods indicated by the geographical indication.
- (c) The name and contact details of the owner of the geographical indication.
- (d) The Participating Member making the notification.
- (e) Details of the office competent to receive correspondence from the administering body.

⁴ The user-pays principle applies. The system will be run on a full-cost recovery basis. Consideration might be given to special and differential treatment in this regard for least-developed country Members and developing country Members.

- (f) The relevant statement executed under seal by the government of the notifying Participating Member (as in A.2.(e) above) or the relevant domestic legislation, judicial decisions or administrative measures protecting the geographical indication.
- (g) Any commencement or expiry date of protection under the domestic legislation, administrative measures or judicial decisions of the notifying Participating Member.
- (h) A statement to the effect that the date of notification and registration shall not be taken as providing evidence of priority between conflicting claims in respect of identical or similar geographical indications.
- (i) The date of registration.
- (j) The serial number of registration.

5. The administering body shall notify the Participating Members of any new or amended registrations. This may be done by electronic means.

6. The Register (which should be kept up-to-date by the administering body) shall be made available on the WTO Internet website for access and search by the public. The administering body shall distribute a copy of the Register to every Participating Member on an annual basis.

C. UPDATING OF THE MULTILATERAL REGISTER

1. Initial registrations shall be valid for a period of 10 years. Subject to the payment of a specified fee, Participating Members may submit a request to the administering body for the renewal of registrations. Each renewed term shall be a further period of 10 years, and there shall be no limit on the number of times renewals can be made.

2. Participating Members requesting renewal of a geographical indication on the Register shall submit the information set out in paragraph A.2 above, subject to any factual changes that have occurred since the original registration or subsequent amendment. Such applications shall be subject to a formality examination as described in Part B of this Annex.

3. The relevant Participating Members shall, as soon as possible, notify the administering body of any amendments or corrections to the registrations on the Register. The administering body shall allow such amendments or corrections to the registrations if it is satisfied that the notification is in order and a specified fee has been paid.

4. The administering body shall be responsible for the compilation, maintenance and updating of the Register.

5. If any registered geographical indications are no longer protected or have fallen into disuse in the country of origin, the Participating Member who submitted the original application shall notify the administering body and such geographical indications shall be removed from the Register accordingly.

6. Any Participating Member may notify the administering body that a registered geographical indication is refused protection by the courts, tribunal or administrative bodies in its country or territory on grounds permitted under Articles 22 to 24 of the TRIPS Agreement. The administering body shall, as soon as possible, upon receipt of such a notice, transmit it to the Participating Member

who submitted the original application and, at the same time, record the refusal in the Register together with the reasons for refusal.⁵

D. EFFECT OF REGISTRATION

1. The Certificate of Registration (or such copies of the Certification as domestic laws may permit) shall be proof of inclusion of the relevant geographical indication in the Register of Geographical Indications in any domestic courts, tribunals or administrative bodies of the Participating Members in any judicial, quasi-judicial or administrative proceedings related to the geographical indication.

2. Registration of an indication on the Register shall be admitted as prima facie evidence to prove:

- (a) ownership of the indication;
- (b) that the indication satisfies the definition in Article 22.1 of the TRIPS Agreement as a geographical indication; and
- (c) that the indication is protected in the country of origin (i.e. Article 24.9 of the TRIPS Agreement does not apply)

in any domestic courts, tribunals or administrative bodies of the Participating Members in any judicial, quasi-judicial or administrative proceedings related to the geographical indication. The issues will be deemed to have been proved unless evidence to the contrary is produced by the other party to the proceedings. In effect, a rebuttable presumption is created in relation to the above three issues.⁶

3. Any of the facts intended to be proved by the prima facie evidence in paragraph D.2 above may be rebutted by evidence to the contrary. Members may further provide, if their legal system so permits, that costs may be awarded against the party who has unsuccessfully challenged the prima facie evidence.⁷

4. For the avoidance of doubt:

- (a) A Participating Member may refuse protection of a geographical indication in accordance with its domestic laws, if any of the grounds or exceptions under Articles 22 to 24 of the TRIPS Agreement is found to be applicable by its domestic courts, tribunals or administrative bodies having regard to the relevant local circumstances.
- (b) Decisions of the domestic courts, tribunals or administrative bodies of Participating Members shall only have territorial effect.
- (c) The admittance of the prima facie evidence is not intended to affect the operation of other presumptions which may be applicable under domestic laws.

⁵ The recordal procedure is aimed at enhancing transparency. The decision of the domestic courts, tribunals or administrative bodies to refuse protection of a registered geographical indication shall only have binding effect within its territory.

⁶ For jurisdictions where there is a distinction between legal burden and evidential burden of proof, the proposed legal tool will shift the evidential burden of proof on issues (a)-(c) mentioned in this paragraph.

⁷ Such a provision may help to deter potential abuse of the right to challenge the prima facie evidence on the basis of a Certificate Registration.

E. PARTICIPATION

Participation in the system is voluntary which means that:

1. Members should be free to participate and notify GIs protected in their territories.
2. The obligation to give legal effect to registrations under the system will only be binding upon Members choosing to participate in the system.

F. REVIEW

The notification and registration system shall be subject to review after [four] years from establishment of the system. In particular, the question of scope of participation should be re-visited as part of the review.

ANNEX B

GEOGRAPHICAL INDICATIONS REGISTRY FOR WINES AND SPIRITS APPROXIMATE COSTING

In the course of previous discussions in the TRIPS Council, a number of Members hoped that a costing estimate could be attached to any proposal for setting up a geographical indication Registry.

The model put forward by Hong Kong, China in this paper is based on formality examination by the WTO Secretariat (or a similar body) in Geneva, and no multilateral opposition proceedings.

Hong Kong, China has had experience of operating a Designs Registry based on formality examinations. The examination of applications for registered designs in Hong Kong, China is a little more complex than the formality examination proposed in this paper, because design registration must include examination of claims for priority under the Paris Convention. This step would not be applicable to geographical indications.

For the purpose of costing, we have assumed:

- a maximum capacity of 10,000 registered geographical indications;
- the workflow is 1,000 applications per year;
- registrations must be renewed after 10 years;
- 70 per cent of all registered geographical indications are renewed (based on HK Designs Registry experience);
- 1.5 per cent of registrations are amended or records changed in 10 years (based on HK Designs Registry experience);
- all computer equipment will be written down in 10 years, but, in effect, equipment could be renewed after five years at minimal cost if the system specification is unchanged;
- HK costs have been converted to US dollars at US\$7.8 = HK\$1.0, and a cost-of-living index has been applied to adjust to Swiss cost factors.

Based on our experience, two full-time university graduate staff are required to carry out the formality examinations, supported by a small clerical staff together with overheads and accommodation. On this basis, we estimate the cost of establishing a computer system and secure Internet server with requisite software to support the register will be US\$10,800. The annual recurrent cost would be in the region of US\$253,900. Based on these figures, the cost of registering an individual geographical indication would be around US\$180.
