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1 ARTICLE 22

1.1 Text of Article 22

Article 22

Protection of Geographical Indications

1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.
2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:
 - (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
 - (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).
3. A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

1.2 Article 22.1

1.2.1 "geographical indications"

1. In *EC – Trademarks and Geographical Indications (US)*, the Panel accepted that a "designation of origin" and "geographical indication" defined in the EC Regulation in different terms fell within the definition in Article 22.1:

"The term 'geographical indications' is defined in Article 22.1 of the TRIPS Agreement. It is not disputed that registered 'designations of origin' and registered 'geographical indications', as defined in the Article 2(2) of the Regulation, are a subset of 'geographical indications' as defined in Article 22.1 and therefore relevant to the European Communities' implementation of Article 22.2."¹

2. In *EC – Trademarks and Geographical Indications (Australia)*, the Panel rejected a claim under Article 22.2 with respect to product names that satisfy the conditions for protection in the Member where protection is sought but which have become the so-called "international trading standard" for a product:

"[I]t suffices to note that Article 22.2 applies to geographical indications that satisfy the definition in Article 22.1. Article 22.2 does not apply to generic terms, as confirmed by Article 24.6. Each Member applies the definition of GIs with respect to its own territory so that the question whether the indication is generic or otherwise not entitled to protection in another Member's territory is not relevant, unless the other Member is the country of origin."²

1.3 Article 22.2

1.3.1 The *chapeau* of paragraph 2

1.3.1.1 "in respect of"

3. In *EC – Trademarks and Geographical Indications (Australia)*, the Panel interpreted the obligation to provide certain legal means "[i]n respect of" GIs, in context, as an obligation to provide for the protection of GIs and rejected a claim concerning situations that might concern GIs:

"Article 22.2 is found in Section 3 of Part II of the TRIPS Agreement. Part II sets out minimum standards concerning the availability, scope and use of intellectual property rights, which is one of the objects and purposes of the Agreement, as highlighted in paragraph (b) of the second recital in its preamble. The first seven sections of Part II contain standards relating to categories of intellectual property rights. Each Section provides for a different category of intellectual property, setting out, as a minimum, the subject matter which is eligible for protection, the scope of the rights conferred by the relevant category of intellectual property and permitted exceptions to those rights. Section 3 contains all these features for the category of GIs, as highlighted in its title, which reads 'Protection of Geographical Indications'. Article 23.1 expressly provides for protection to prevent use of a GI for wines and spirits. Whilst the protection of GIs affects the protection of trademarks, as expressly recognized in Articles 22.3 and 23.2, Section 3 does not provide for trademark protection, except to the extent that trademark systems are used to protect GIs. Therefore, read in context, the obligation

¹ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, para. 7.738; *EC – Trademarks and Geographical Indications (Australia)*, para. 7.711. For the definitions of "designation of origin" and "geographical indication" in the EC Regulation see the Panel Reports *EC – Trademarks and Geographical Indications (US)*, para. 7.187; *EC – Trademarks and Geographical Indications (Australia)*, para. 7.223.

² Panel Report, *EC – Trademarks and Geographical Indications (Australia)*, para. 7.715.

in Article 22.2 to provide certain legal means 'in respect of' GIs, is an obligation to provide for the protection of GIs.³ Australia's claim does not appear to concern the protection of GIs, but rather the protection of other subject matter *against* the protection of GIs. Therefore, it does not disclose a cause of action under Article 22.2."⁴

1.3.1.2 "Members"

4. In *EC – Trademarks and Geographical Indications (US)*, the Panel found that the EC Regulation at issue did not implement Article 22.2 but did not consider that this necessarily meant that the European Communities had failed to implement Article 22.2:

"Turning to the Regulation, we note that it makes protection available, in the sense that it provides legal means to protect GIs. However, those legal means have *not* been provided to interested parties with respect to GIs located in a third country, including a WTO Member, that does not satisfy the equivalence and reciprocity conditions, and the government of which does not examine and transmit an application. These interested parties include persons who are 'nationals of other Members' within the meaning of Article 1.3 of the TRIPS Agreement. Further, to the extent that the legal means may be provided to interested parties with respect to such GIs, the Regulation alone does not provide them, because protection is contingent on satisfaction of conditions and execution of certain functions by governments of third countries. Therefore, the Panel concludes that the United States has made a *prima facie* case in support of its claim that *the Regulation* does not make available the legal means to interested parties in accordance with Article 22.2 of the TRIPS Agreement.

However, the obligation under Article 22.2 is placed on *the European Communities*, not on the Regulation. The TRIPS Agreement creates positive obligations in Parts II and III to accord protection according to certain minimum standards, in addition to the prohibitions against discrimination found in the basic principles under Part I. In accordance with Article 1.1, the European Communities is free to determine the appropriate method of implementing the provisions of the Agreement within its own legal system and practice. It is not obliged to ensure that this particular Regulation implements Article 22.2 where it has other measures that do so."⁵

5. The Panel noted that there were alternative measures under which the European Communities potentially implemented its obligations under Article 22.2 and, in the circumstances, did not find that the European Communities had failed to implement those obligations:

"Nevertheless, the United States chose to challenge only the Regulation, as amended, 'and its related implementing and enforcement measures'. It has not demonstrated that these alternative measures, which lie outside the Panel's terms of reference, are inadequate to provide GI protection to for interested parties nationals of other Members as required under Article 22.2 of the TRIPS Agreement. Therefore, it has not presented sufficient evidence to raise a presumption that the European Communities (as opposed to the Regulation) does not implement its obligations under Article 22.2. Accordingly, the Panel concludes that, with respect to the equivalence and reciprocity conditions and the examination and transmission of applications under the Regulation, the United States has not made a *prima facie* case that the European Communities has failed to implement its obligation under Article 22.2 of the TRIPS Agreement."⁶

³ (*footnote original*) Consequently, whilst Article 22.4 provides for protection *against* GIs, it only applies to the protection of other GIs.

⁴ Panel Report, *EC – Trademarks and Geographical Indications (Australia)*, para. 7.714. See also Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2845.

⁵ Panel Report, *EC – Trademarks and Geographical Indications (US)*, paras. 7.745-7.746

⁶ Panel Report, *EC – Trademarks and Geographical Indications (US)*, para. 7.751.

1.3.1.3 "interested parties"

6. In *EC – Trademarks and Geographical Indications (US)*, the Panel explained that the obligation in Article 22.2 is to provide certain legal means to "interested parties" who are nationals of other Members in accordance with the criteria referred to in Article 1.3:

"Article 1.3 provides that 'Members shall accord the treatment provided for in this Agreement to the nationals of other Members'. That includes the protection provided for in Article 22.2, which obliges Members to provide legal means for 'interested parties'. The interested parties must qualify as 'nationals of other Members' in accordance with the criteria referred to in Article 1.3. These persons can be private parties, which is reflected in the fourth recital of the preamble to the agreement, which reads '[r]ecognizing that intellectual property rights are private rights'.

Therefore, in order to determine whether the European Communities has implemented its obligation owed to other Members in Article 22.2, the Panel must examine whether it has provided the legal means required by that provision for interested parties who are nationals of other Members."⁷

7. With respect to the meaning of the term "interested party" as used in Article 22, in *EC – Trademarks and Geographical Indications (US)* the Panel found that the provision regarding persons who may be deemed an "interested party" under Article 10(2) of the Paris Convention (1967) did not set out a criterion for eligibility for protection for the purposes of the TRIPS Agreement although it may provide guidance on the interpretation of Articles 22 and 23 of the TRIPS Agreement:

"The Panel accepts that an 'interested party' is a person who is entitled to receive protection under Articles 22 and 23 of the TRIPS Agreement. However, in the Panel's view, Article 10(2) of the Paris Convention (1967) does not set out a criterion for eligibility for protection. Article 10(2) is a deeming provision for the term 'interested party' used in Article 9(3) of the Paris Convention (1967), as made applicable under Article 10(1). Once a person has qualified as a national, Article 10(2) may provide guidance on whether that person may be treated as an interested party for the purposes of Articles 22 and 23 of the TRIPS Agreement."⁸

1.3.2 No right of objection in Article 22.2

8. In *EC – Trademarks and Geographical Indications*, the Panel rejected arguments in support of a claim under Article 22.2 that an EC Regulation failed to provide a right of objection to the registration of a GI:

"Article 22.2 does not provide for a right of objection to the registration of a GI. Although Article 15.5 provides for a right of objection to registration of a trademark, no provision in Part II of the TRIPS Agreement provides for objections to the registration of a GI.

Therefore, the Panel rejects the United States' arguments in support of this claim insofar as they relate to objections to GI registration, including objections by trademark owners.

There are provisions on the acquisition and maintenance of intellectual property rights, including GIs, in Article 62. These specifically refer to related *inter partes* procedures such as opposition, revocation and cancellation, in paragraph 4, which is cross-referenced in paragraph 5, where a Member's law provides for such procedures.

⁷ Panel Report, *EC – Trademarks and Geographical Indications (US)*, paras. 7.742-7.743.

⁸ Panel Report in *EC – Trademarks and Geographical Indications (US)*, para. 7.170. See also Panel Report in *EC – Trademarks and Geographical Indications (Australia)*, para. 7.203.

The opportunity or right to object forms part of an opposition procedure. However, Article 62 lies outside the Panel's terms of reference."⁹

1.3.3 Article 22.2(b)

1.3.3.1 "an act of unfair competition"

9. The Panel in *Australia – Tobacco Plain Packaging* recalled that paragraph 2 of Article 10bis of the Paris Convention (1967) defines an act of unfair competition as "[a]ny act of competition contrary to honest practices in industrial or commercial matters". It added that the wording of this definition is sufficiently broad to encompass dishonest practices in industrial and commercial matters that relate to geographical indications. As regards the types of uses in respect of geographical indications that may constitute an act of unfair competition, the Panel referred to its general interpretative analysis of Article 10bis of the Paris Convention (1967), as incorporated through Article 2.1 of the TRIPS Agreement.¹⁰

10. The same Panel, in considering whether the term "an act of unfair competition" includes laws and other instruments that a Member adopts to regulate the market, referred to its analysis and findings under Article 10bis of the Paris Convention (1967), as incorporated through Article 2.1 of the TRIPS Agreement. The Panel concluded that:

"Consistent with that finding, we also find that the phrase 'an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967)' in Article 22.2(b) of the TRIPS Agreement does not include laws and other instruments that a Member adopts to regulate the market, or the overall regulatory environment within which the market operates."¹¹

1.3.3.2 "legal means for interested parties to prevent" in the *chapeau* of paragraph 2 read together with sub-paragraph (b)"

11. The Panel in *Australia – Tobacco Plain Packaging* recalled that, while Article 10bis of the Paris Convention (1967) requires Members to assure effective protection against unfair competition, it is silent on the specific legal means Members may choose to assure such effective protection, except for requiring the prohibition of the particular acts of unfair competition identified in its paragraph 3. Read also in the context of Article 1.1 of the TRIPS Agreement, this leaves it to each Member to choose the appropriate methods within its own legal system and practice to repress any such dishonest practices. As regards the obligation under Article 22.2(b), the Panel added:

"The *chapeau* of Article 22.2 of the TRIPS Agreement, read together with its sub-paragraph (b), however, requires Members specifically to provide, in respect of GIs, 'the legal means for interested parties to prevent' any use which constitutes an act of unfair competition within the meaning of Article 10bis. As the Dominican Republic points out, Article 10bis, itself, does not specifically require a Member, when implementing its provisions, to provide such private right of action for interested parties under its domestic law. In addition, the terms 'any use' clarify that the obligation relates specifically to the prevention of certain *uses* of GIs, namely all those that would constitute an act of unfair competition."¹²

1.3.3.3 The term "prevent" in the *chapeau* of paragraph 2 read together with sub-paragraph (b)"

12. In *Australia – Tobacco Plain Packaging*, the Panel agreed with the parties that Article 22.2(b) obliges Members to provide, in respect of geographical indications, the legal means for interested

⁹ Panel Report, *EC – Trademarks and Geographical Indications (US)*, paras. 7.754-7.756.

¹⁰ Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2847-7.2848. See the summary under Article 2.1 of the TRIPS Agreement concerning Article 10bis of the Paris Convention (1967).

¹¹ Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2858. See the summary under Article 2.1 of the TRIPS Agreement concerning Article 10bis of the Paris Convention (1967).

¹² Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2849. See the summary under Article 2.1 of the TRIPS Agreement concerning Article 10bis of the Paris Convention (1967).

parties to prevent uses by third parties that constitute acts of unfair competition. Having considered the ordinary meaning of the verb "prevent" used in the chapeau of Article 22.2, the Panel concluded that:

"Members are, consequently, obliged to provide, pursuant to Article 22.2(b), legal means for interested parties to 'prevent', i.e. stop or hinder, in respect of GIs, any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967). Therefore, Article 22.2(b) does not confer on interested parties a positive right or entitlement to use GIs."¹³

1.4 Article 22.3

13. In *EC – Trademarks and Geographical Indications*, the Panel found that Article 22.3 can resolve conflicts between GIs and later trademarks, but not prior trademarks:

"The Panel agrees that Articles 22.3 and 23.2 can resolve conflicts with *later* trademarks but they do not resolve conflicts with prior trademarks that meet the conditions set out in Article 24.5."¹⁴

1.5 Relationship with other provisions of the TRIPS Agreement

1.5.1 Relationship with Article 16.1

14. In *EC – Trademarks and Geographical Indications*, the Panel recognized that the rights provided for in Article 22.2 and 16.1 could lead to a conflict between private parties but considered that the treaty provisions themselves did not conflict:

"Both the United States and the European Communities agree that the simultaneous exercise of two negative rights to prevent uses provided for in Articles 16.1 and 22.2 (and 23.1) can lead to a conflict between different private parties who wish to use an individual sign as a trademark and as a GI. The European Communities sees this potential for conflict as a matter which should be avoided in the interpretation of the TRIPS Agreement. The United States distinguishes this from a conflict between Members' obligations under the Agreement, and argues that the need for a harmonious interpretation of the Agreement does not require the treaty interpreter to resolve potential conflicts between private parties.

The Panel notes that the parties do not dispute that *Members* may comply simultaneously with both obligations in the TRIPS Agreement. They do not allege that there are conflicting provisions in the treaty itself. The general rule of treaty interpretation requires us to interpret the treaty in accordance with the ordinary meaning to be given to its terms in their context in the light of its object and purpose. The Panel has had recourse to supplementary means of interpretation, in particular a draft text, in order to confirm the meaning resulting from the application of the general rule of treaty interpretation, which has not left the meaning ambiguous or obscure or led to a result which is manifestly absurd or unreasonable. We would not adopt an approach in treaty interpretation that produced a result that might, on one view, further the object and purpose of the Agreement, but which is not supported by the ordinary meaning to be given to its terms in their context."¹⁵

¹³ Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2860.

¹⁴ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, para. 7.622; *EC – Trademarks and Geographical Indications (Australia)*, para. 7.622.

¹⁵ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, paras. 7.623-7.624; *EC – Trademarks and Geographical Indications (Australia)*, paras. 7.623-7.624.

1.5.2 Relationship with Article 24.5

15. In *EC – Trademarks and Geographical Indications*, the Panel discussed the relationship between Article 22.2, 22.3 and Article 24.5.¹⁶

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¹⁶ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, paras. 7.614-7.615, and 7.625; *EC – Trademarks and Geographical Indications (Australia)*, paras. 7.614-7.615, and 7.625.