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1 ARTICLE 24

1.1 Text of Article 24

Article 24

International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

2. The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.

4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.

5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

- (a) before the date of application of these provisions in that Member as defined in Part VI; or
- (b) before the geographical indication is protected in its country of origin;

measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.

7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.

8. The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.

9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

1.2 Article 24.3

1.2.1 "In implementing this Section"

1. In *EC – Trademarks and Geographical Indications*, the Panel found that the scope of Article 24.3 was limited to the implementation of Section 3 of Part II on GIs, and did not apply to the implementation of Section 2 of Part II on trademarks:

"Article 24.3 appears in Section 3 of Part II of the TRIPS Agreement. The reference to 'this Section' is therefore a reference to Section 3, which sets out standards for the protection of GIs. ...

The scope of Article 24.3 is limited by the introductory phrase '[i]n implementing this Section'. It does not apply to measures adopted to implement provisions outside Section 3. Trademark owners' rights, which Members must make available in the implementation of Article 16.1, are found in Section 2. Therefore, Article 24.3 is inapplicable."¹

2. In *Australia – Tobacco Plain Packaging*, the Panel found that the scope of Article 24.3 is not limited only to those measures that implement the obligation to "provide the legal means for interested parties to prevent" the use of a geographical indication within the meaning of Article 22.2:

"Article 24.3 appears in Section 3 of Part II of the TRIPS Agreement, entitled 'Geographical Indications', which comprises Articles 22-24. By its express terms, the obligation in Article 24.3 relates to the implementation of 'this Section'. This reference is therefore not limited to measures that implement the specific obligation to 'provide the legal means for interested parties to prevent' the use of a GI within the meaning of Article 22.2. Rather, it relates to the implementation of the provisions of Section 3 of Part II as a whole, namely Articles 22 to 24.

¹ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, paras. 7.631-7.632.

...

In light of the above, we find that the obligation in Article 24.3 applies to a measure that implements any of the provisions of Section 3 of Part II of the TRIPS Agreement. Accordingly, its application is not limited to measures that implement the obligation to provide the legal means for interested parties to prevent the use of a GI within the meaning of Article 22.2."²

1.2.2 "the protection of geographical indications that existed in that Member"

3. In *EC – Trademarks and Geographical Indications* the Panel rejected an argument that the phrase "the protection of geographical indications that existed in that Member" referred to the legal framework or system of protection of GIs in a Member, interpreting it instead in terms of the protection of individual GIs:

"[T]he Panel interprets the phrase 'the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement' to mean the state of protection of GIs immediately prior to 1 January 1995, in terms of the individual GIs which were protected at that point in time. In the present dispute, the parties agree that no GIs were registered under the Regulation prior to 1 January 1995. Therefore, Article 24.3 is inapplicable."³

1.2.3 "the date of entry into force of the WTO Agreement"

4. In *EC – Trademarks and Geographical Indications* the Panel noted this date as follows:

"The 'date of entry into force of the WTO Agreement' was 1 January 1995."⁴

1.3 Article 24.5

1.3.1 "the eligibility for or the validity of the registration of a trademark" and "the right to use a trademark"

5. In *EC – Trademarks and Geographical Indications*, the Panel interpreted Article 24.5 as an exception to GI protection, and rejected arguments that it impliedly limited trademark rights or impliedly preserved any trademark rights that it does not specifically mention:

"The objects of the principal verb in Article 24.5 are 'the eligibility for or the validity of the registration of a trademark' and 'the right to use a trademark'. The context indicates the relevance of these rights in Article 24.5. The choice of words 'the eligibility for or the validity of the registration of a trademark' reflects the fact that these are the aspects of trademark protection which might otherwise be prejudiced by the obligations to 'refuse or invalidate the registration of a trademark' and that 'registration of a trademark ... shall be refused or invalidated' in Articles 22.3 and 23.2. In the same way, the choice of the words 'the right to use a trademark' reflects the fact that this is the aspect of trademark protection which would otherwise be prejudiced by the obligations to provide the legal means to prevent certain uses in Articles 22.2 and 23.1.

The order of these two exceptions in Article 24.5 reverses the order of the types of protection in relation to *uses* and in relation to *registration of a trademark* in Article 22.2 and 22.3 and in Article 23.1 and 23.2. However, it can be observed that the exceptions followed the same order as the corresponding rights in paragraphs 1 and 2 of the GI exceptions provision in the Brussels Draft, which were the predecessors of Article 24.4 and 24.5 in the final version. Draft paragraph 1 referred

² Panel Reports, *Australia – Tobacco Plain Packaging*, paras. 7.2924 and 7.2926. See also *ibid.* para. 7.2925.

³ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, para. 7.636, and *(Australia)*, para. 7.636. See also Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2936.

⁴ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, para. 7.631, and *(Australia)*, para. 7.631.

to a GI that had been 'used', 'including use as a trademark', and draft paragraph 2 only referred to 'action to refuse or invalidate registration of a trademark': see document MTN.TNC/W/35/Rev.1 dated 3 December 1990 entitled 'Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations – Revision', the so-called 'Brussels Draft'. The phrase 'including use as a trademark' was later deleted from paragraph 1, and prior trademark issues, including the right to use a trademark, were dealt with in Article 24.5 in the final version, in that order.

...

Therefore, according to their ordinary meaning read in context, the terms 'shall not prejudice', 'the eligibility for or the validity of the registration of a trademark' and 'the right to use a trademark', as used in paragraph 5 of Article 24, indicate the creation of exceptions to the obligations to provide two types of GI protection in Section 3. Both these types of protection could otherwise affect the rights identified in paragraph 5. Indeed, the refusal or invalidation of the registration of a trademark has no other function but to extinguish the eligibility for or the validity of the registration of a trademark. Paragraph 5 ensures that each of these types of protection shall not affect those rights."⁵

6. On this basis, the Panel in *EC – Trademarks and Geographical Indications* concluded:

"Accordingly, the Panel considers that Article 24.5 creates an exception to GI protection - as reflected in the title of Article 24.

...

Therefore, the Panel concludes that, under Article 16.1 of the TRIPS Agreement, Members are required to make available to trademark owners a right against certain uses, including uses as a GI. The Regulation limits the availability of that right for the owners of trademarks which are subject to Article 14(2). Article 24.5 of the TRIPS Agreement is inapplicable and does not provide authority to limit that right."⁶

1.3.2 "this Section"

7. In *EC – Trademarks and Geographical Indications*, the Panel interpreted the term "this Section" as a reference to Section 3 of Part II of the TRIPS Agreement: "Article 24.5 appears in Section 3 of Part II of the TRIPS Agreement. Therefore, the reference to 'this Section' is a reference to Section 3."⁷

1.4 Relationship with other provisions of the TRIPS Agreement

8. The Panel in *Australia – Tobacco Plain Packaging* considered whether, in the light of footnote 3 of the TRIPS Agreement, the term "protection" in Article 24.3 should be read as including the ability to use distinctive marks in order to achieve GI status. The Panel noted that:

"[B]y its own terms, footnote 3 defines the term 'protection' for the purposes of the national and MFN treatment obligations under Articles 3 and 4 of the TRIPS Agreement. In our view, this definition, which is relevant for the purpose of interpreting the scope of the international obligations under the TRIPS Agreement, does not provide guidance on the factual assessment of the state of Australia's domestic law as it existed prior to the entry into force of the WTO Agreement. It, therefore, does not support construing an ability to use a GI in the Australian market as a legally protected right under Australian law."⁸

⁵ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, para. 7.609 and fn 555 and para. 7.614.

⁶ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, paras. 7.615 and 7.625.

⁷ Panel Reports, *EC – Trademarks and Geographical Indications (US)*, para. 7.606, and *(Australia)*, para. 7.606.

⁸ Panel Reports, *Australia – Tobacco Plain Packaging*, para. 7.2953.

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