

Working Group on the Development of the Lisbon System (Appellations of Origin)

Fifth Session
Geneva, June 11 to 15, 2012

NOTES ON THE DRAFT NEW INSTRUMENT

Document prepared by the Secretariat

1. The Annex of the present document contains Notes on the Draft New Instrument on the International Registration of Geographical Indications and Appellations of Origin, as contained in document LI/WG/DEV/5/2. Where a provision appears not to require explanation, no note has been provided.

[Annex follows]

NOTES ON THE DRAFT NEW INSTRUMENT ON THE INTERNATIONAL REGISTRATION OF GEOGRAPHICAL INDICATIONS AND APPELLATIONS OF ORIGIN

TABLE OF CONTENTS

List of Articles

Chapter I: Introductory and General Provisions

Notes on Article 1:	Special Union
Notes on Article 2:	Abbreviated Expressions
Notes on Article 3:	Competent Authority
Notes on Article 4:	International Register
Notes on Article 5:	Protection of registered Geographical Indications and Appellations of Origin
Notes on Article 6:	Protection by virtue of other Texts

Chapter II: Application and International Registration

Notes on Article 7:	Application
Notes on Article 8:	International Registration
Notes on Article 9:	Fees

Chapter III: Effects of International Registration

Notes on Article 10:	Protection accorded by International Registration
Notes on Article 11:	Shield against Becoming a [Generic Indication] [Customary Term or Name]
Notes on Article 12:	Duration of Protection
Notes on Article 13:	Prior Rights
Notes on Article 14:	[Legal Proceedings] [Legal Remedies]

Chapter IV: Refusal and other Actions in respect of International Registration

Notes on Article 15:	Refusal
Notes on Article 16:	Withdrawal of Refusal
Notes on Article 17:	Prior Use
Notes on Article 18:	Notification of Grant of Protection
Notes on Article 19:	Invalidation
Notes on Article 20:	Modifications and other Entries in the International Register

Chapter V: Administrative Provisions

Notes on Article 21: Assembly of the Special Union
Notes on Article 22: International Bureau
Notes on Article 23: Regulations
Notes on Article 24: Finances

Chapter VI: Revision and Amendment

Notes on Article 25: Revision
Notes on Article 26: Amendment of certain Articles by the Assembly

Chapter VII: Final Provisions

Notes on Article 27: Becoming Party to the Agreement
Notes on Article 28: Effective Date of Ratifications and Accessions
Notes on Article 29: Prohibition of Reservations
Notes on Article 30: Application of the Lisbon Agreement
Notes on Article 31: Denunciation of the Agreement
Notes on Article 32: Languages of the Agreement; Signature
Notes on Article 33: Depositary

NOTES ON ARTICLE 1: SPECIAL UNION

1.01 The text of this provision depends on the choice to be made in respect of the form that the new instrument would take, as reflected in Article 2(i). Consequently, (i) if it would be decided that the proposed new instrument should take the form of a new treaty, the Contracting Parties to the new instrument would constitute a new Special Union, and (ii) if the proposed new instrument would become a revised version of the Lisbon Agreement, the Contracting Parties would be members of the same Special Union as the States party to the Lisbon Agreement. See further Note 2.02.

1.02 Along the lines of the provisions contained in Article 15 of the Singapore Treaty on the Law of Trademarks, an obligation to comply with the Paris Convention has been inserted in paragraph (2) in view of comments made at the third session of the Working Group. As a result, under the new instrument, Contracting Parties would be required, even if not bound by the Paris Convention, to comply with the provisions of the Paris Convention in respect of the subject matter covered by the new instrument.

NOTES ON ARTICLE 2: ABBREVIATED EXPRESSIONS

2.01 Following the example of the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (hereinafter referred to as “the Geneva Act”), Article 2 explains a certain number of abbreviated expressions and defines several terms used throughout the draft new instrument. While several abbreviated expressions and definitions contained in Article 2 are similar to those contained in the Regulations under the Lisbon Agreement, others have been added whenever it appeared necessary as in the case of the provisions below.

2.02 The rules applying to the adoption procedure of the new instrument differ according to whether the instrument will be a revised Act of the Lisbon Agreement or a new treaty. If the solution chosen is revision of the Lisbon Agreement, States party to that Agreement will have the right to call a revision conference – see Article 13(2) of the Lisbon Agreement – and only those States will have a right to vote at such a conference. If, on the other hand, the solution chosen is the establishment of a new treaty, the right to call a diplomatic conference, and the right to vote at such a conference, will belong to all member States of WIPO.

2.03 In respect of item (ii), reference is made to the Notes on Article 5.

2.04 Item (v): the term “Competent Authority” also applies to the authority jointly designated by two or more Contracting Parties in each of which parts of a geographical area of origin are situated – see Article 7(5)(ii) –, if such Contracting Parties have established a geographical indication or appellation of origin jointly under common legislation, as referred to in Article 5(3)(c).

2.05 Item (vi) defines the term “Contracting Party”, which is used instead of the term “countries” in the Lisbon Agreement, as the new instrument is aimed to be open for accession by States as well as intergovernmental organizations.

2.06 Item (vii) defines the term “Contracting Party of Origin”. The notion of “Contracting Party of Origin” is used to determine which is the Contracting Party that is eligible to register a given geographical indication or appellation of origin. The determining factor in this respect is not only the geographical area of origin of the product – as referred to both in the definition of geographical indication and the definition of appellation of origin –, but also the legislation under

which the geographical indication or appellation of origin is protected in the territory of the Contracting Party where the geographical area of origin is situated. The latter factor is important for determining which Contracting Party should be regarded as the Contracting Party of Origin in the case of a Contracting Party that is a Member State of an intergovernmental organization. In respect of geographical indications and appellations of origin referring to a trans-border geographical area of origin, reference is made to Article 7(5)(ii).

2.07 Item (xii): as the new instrument would be open both to States and to certain types of intergovernmental organizations, the accession criteria for intergovernmental organizations have been set out in Article 27(1)(ii).

2.08 Item (xxi): as regards the possible registration of a geographical indication or appellation of origin in respect of a product from a geographical area of origin situated in more than one Contracting Party, reference is made to Article 7(5) and Article 5(3)(c).

NOTES ON ARTICLE 3: COMPETENT AUTHORITY

3.01 As the competence for granting or registering rights in geographical indications and appellations of origin varies among national and regional systems for their protection, it is important for the new instrument to require each Contracting Party to designate an entity responsible for the administration of the Agreement in its territory and for communications with the International Bureau under the procedures of the new instrument and its regulations. Rule 4 of the Draft Regulations would require each Contracting Party to notify the name and contact details of the designated entity upon accession to the new instrument.

NOTES ON ARTICLE 4: INTERNATIONAL REGISTER

4.01 Article 4 would make it clear that the International Register of the new instrument, to be kept by the International Bureau, would contain two parts, one for geographical indications and one for appellations of origin. In view of the existence of the International Register of the Lisbon Agreement, it is proposed that the part of the International Register of the new instrument concerning appellations of origin be combined with the International Register of the Lisbon Agreement.

NOTES ON ARTICLE 5: PROTECTION OF REGISTERED GEOGRAPHICAL INDICATIONS AND APPELLATIONS OF ORIGIN

5.01 Article 5 contains key provisions in view of the mandate of the Working Group to review the Lisbon Agreement for the purpose of making its international registration system more attractive for users and prospective new members, while preserving its principles and objectives. In this regard, it is recalled that the following guiding principles emerged from the deliberations at the previous sessions of the Working Group concerning the issues addressed in Article 5:

- (i) establishment of an international registration system for geographical indications, in addition to appellations of origin;
- (ii) the international registration system should be constructed taking into account that, among the existing national and regional systems, many do not provide protection for appellations of origin separately from geographical indications, but allow for their protection as geographical indications;
- (ii) the new instrument should define geographical indications along the lines of Article 22.1 of the TRIPS Agreement and appellations of origin – as a special category of

geographical indications – along the lines of Article 2 of the Lisbon Agreement, i.e., Article 2(1) plus the notion of “reputation” as contained in Article 2(2);

(iii) international registration should also be possible for geographical indications and appellations of origin which contain or consist of words that are not in themselves geographical, but which have obtained a geographical connotation;

(iv) the concept of “country of origin” should be extended, so as to include also intergovernmental organizations;

(v) if a geographical indication or appellation of origin refers to a trans-border geographical area, the Contracting Parties concerned should have the option of registering such a geographical indication or appellation of origin jointly;

(vi) the new instrument should be constructed in recognition of the variety in existing national and regional systems, whether based on *sui generis* legislation or, for example, trademark legislation.

5.02 It is a matter of fact that the distinction between geographical indications and appellations of origin is not embedded in all legislations around the world, as many are based on only one definition, i.e. a definition for geographical indications. Consequently, the draft new instrument needs to address how this distinction is to be dealt with, in particular by specifying, on the one hand, how an internationally registered appellation of origin from a Contracting Party with legislation based on two definitions should be protected in a Contracting Party with legislation based only on a definition for geographical indications; and, on the other hand, how an internationally registered geographical indication from a Contracting Party with legislation based only on a definition for geographical indications can be protected in a Contracting Party with legislation based on two definitions. The latter situation is addressed in Article 7(1)(a)(ii). For the reverse situation, Article 5(2) provides two Options. Option A would allow such Contracting Parties to make a declaration which would have the effect that they will protect appellations of origin only if these are registered under the new instrument as geographical indications. This could be achieved by filing, in respect of an appellation of origin, both an application for the registration of an appellation of origin in Part B of the International Register and an application for the registration of a geographical indication in Part A of the International Register. In case a Contracting Party does not make a declaration – or withdraws the declaration later on in time in accordance with paragraph (2)(d) under Option A –, it would be obliged to protect appellations of origin registered under the new instrument as appellations of origin. Option B would not require a Contracting Party to make a declaration, as proposed under Option A, and would neither require separate filings for registration in both Part A and Part B of the International Register. Protection of appellations of origin as geographical indications in the Contracting Parties concerned would be automatic. However, such protection would be protection as a geographical indication and not as an appellation of origin.

5.03 Paragraphs (3) and (4) of Article 5 define the objects of protection under the new instrument, namely geographical indications and appellations of origin. The provisions are based on the definitions of Article 22.1 of the TRIPS Agreement and Article 2 of the Lisbon Agreement, respectively and specify that appellations of origin form a special category of geographical indications. In accordance with paragraph 92 of the Draft Report of the fourth session of the Working Group, square brackets reflect the differences of view as regards the cumulative or alternative character of “natural and human factors”. The element of “reputation” as contained in Article 2(2) of the Lisbon Agreement has been reflected more explicitly in the revised appellation of origin definition. As reflected in paragraphs 98 to 101 of the Draft Report, paragraph (3)(b) aims to make it clear that international protection as a geographical indication or an appellation of origin is also available for indications that are strictly speaking not geographical, but which have obtained a geographical connotation. Such possibility also exists under the Lisbon Agreement, as confirmed by the Lisbon Union Council in 1970 (see the document entitled “Problems Arising from the Practical Application of the Lisbon Agreement” (AO/V/5 of July 1970) and the Report of the fifth session of the Lisbon Union Council

(document AO/V/8 of September 1970)). Paragraph (3)(c) specifies that geographical indications and appellations of origin for products originating in trans-border areas could also be the subject of international registrations under the new instrument, without requiring Contracting Parties concerned, however, to establish such geographical indications or appellations of origin jointly. In this regard, see further Note 7.06.

5.04 Protection under paragraphs (1) and (2) is subject to the provisions of paragraph (5) which leaves Contracting Parties free as regards the form of legal protection under which they provide protection in respect of geographical indications or appellations of origin. In addition to the form of protection, Contracting Parties would also remain free to determine the name of the title of protection granted under their own legal system – for example, the English term under EU law for “*appellation d’origine*” is not “appellation of origin”, but “designation of origin”. In trademark systems, geographical indications are usually protected as collective marks or certification marks.

NOTES ON ARTICLE 6: PROTECTION BY VIRTUE OF OTHER TEXTS

6.01 The provisions of Article 6 confirm that the new instrument, which would set up a centralized procedure for obtaining in each Contracting Party the protection which that party affords to appellations of origin or geographical indications, would not itself be an obstacle to the possibility for Contracting Parties to establish more extensive protection than required under the new instrument. Obviously, such other protection should not diminish or interfere with the enjoyment of the rights afforded by the new instrument. Moreover, international registration would not prejudice any other protection that the geographical indication or appellation of origin in question may benefit from in a Contracting Party. Reference is also made to Article 15(1)(c) in this regard.

NOTES ON ARTICLE 7: APPLICATION

7.01 Article 7(1) specifies the type of applications that may be filed with the International Bureau depending on the type of protection granted in the Contracting Party of Origin.

7.02 Whenever an international application seeks protection for an appellation of origin which, in the Contracting Party of Origin, is protected as a geographical indication – as the Contracting Party in question may have legislation based on only one definition, i.e. a geographical indication definition corresponding to the definition of Article 5(3) – the international application would need to specify certain additional elements, as specified in item Article 7(1)(a)(ii). In this regard, reference is also made to Article 8(5) as well as the square-bracketed Options for Rule 5(2)(vii) and Rule 5(3)(vi) of the Draft Regulations.

7.03 Article 7(1)(c) further specifies the different means that may be used to grant protection in respect of a given geographical indication or appellation of origin. The provision is based on Rule 5(2)(a)(vi) of the Regulations under the Lisbon Agreement.

7.04 Article 7(2) and Article 7(3) determine that international applications are to be presented to the International Bureau and are filed in the name of the beneficiaries of the geographical indication or appellation of origin in question. As regards the entitlement to present an international application, reference is made to Note 2.06. The text of Article 7(3)(ii) is a simplified version of the text that emerged from the discussions at the fourth session of the

Working Group on the draft that was contained in Article 5(2) of document LI/WG/DEV/4/2¹. The all-embracing notion of “legal entity” has been introduced to make it clear that the Competent Authority may present an international application not only in the name of holders of the right to use a geographical indication or appellation of origin (natural persons), but also in the name of holders of certification marks or collective marks and other legal entities having legal standing to assert rights in a geographical indication or appellation of origin, such as federations and associations representing holders of a right to use a geographical indication or appellation of origin.

7.05 Article 7(4) is an optional provision. It allows Contracting Parties who so desire to permit international applications to be presented directly to the International Bureau by natural persons or legal entities, as referred to in Article 7(3), as an alternative to submission by the Competent Authority. This option was included in view of the conclusion of the Chair of the Working Group, as reflected in of paragraph 176, final sentence, of the Report of the second session of the Working Group (document LI/WG/DEV/2/5) concerning a suggestion made in response to the Survey on the Lisbon System. In light of the various comments made, at the third and fourth sessions of the Working Group, as regards the requirement of proof of protection in the Contracting Party of Origin, it is now proposed that such direct international applications also simply be subject to the provisions in the Regulations concerning mandatory and optional particulars.

7.06 As mentioned in Note 5.03, geographical indications and appellations of origin for products originating in trans-border areas could also be the subject of international registrations under the new instrument, without the Contracting Parties concerned being required to establish such geographical indications or appellations of origin jointly. Article 7(5) lists the three possibilities for applications in respect of such geographical indications and appellations of origin. Article 5(3(c)) would require them to establish the geographical indication or appellation of origin and delimit the geographical area of origin through common legislation. Article 7(5)(ii) would require them to designate a common Competent Authority for the geographical indication or appellation of origin concerned.

7.07 Articles 7(5) and 7(6) refer to the Regulations under the draft new instrument for the mandatory and optional particulars in respect of international applications.

NOTES ON ARTICLE 8: INTERNATIONAL REGISTRATION

8.01 The provisions presented in Article 8 are based on the premise that an internationally registered geographical indication or appellation of origin, in order to be protectable in all Contracting Parties, should, at least, meet the definition requirements of Article 5(3) or Article 5(4).

8.02 It is recalled that some Contracting Parties may only provide protection in respect of geographical indications, while others may provide protection in respect of geographical indications and appellations of origin. Moreover, some Contracting Parties may provide more extensive protection to appellations of origin than to other geographical indications. In this

¹ See, in particular, document LI/WG/DEV/4/7 Prov., paragraphs 255 and following.

regard, reference is made to paragraph 20 of the Summary by the Chair of the second session of the Working Group, as contained in document LI/WG/DEV/2/4, as well as to document LI/WG/DEV/3/2, Annex II, Draft Provisions D and E, as discussed by the Working Group at its third session².

8.03 Article 8(5) would allow international registration on the basis of another definition than stipulated in the draft new instrument for geographical indications or appellations of origin, but would require the application for such an international registration to specify, as an obligation, the particulars on the basis of which protection had been granted in the Contracting Party of Origin. In one of the Options reflected in Rules 5(2) and 5(3) of the Draft Regulations, the indication of such particulars is optional in respect of international applications concerning geographical indications and appellations of origin protected in the Contracting Party of Origin on the basis of a definition along the lines of Article 5(3) or Article 5(4). If a Contracting Party has granted protection on the basis of a definition along the lines of either Article 5(3) or Article 5(4), a presumption can be applied that the definitional requirements are met.

8.04 Whenever an international application seeks protection for an appellation of origin which, in the Contracting Party of Origin, is protected as a geographical indication – as the Contracting Party in question may have legislation based on only one definition, i.e. a geographical indication definition corresponding to the definition of Article 5(3) – the international application would need to specify certain additional elements, as specified in paragraph (3). In this regard, reference is also made to Note 7.02.

NOTES ON ARTICLE 9: FEES

9.01 The Articles of the draft new instrument have been divided over seven different Chapters, for ease of reference. For the sake of consistency and to make the proposed Chapter II concerning the international application and the international registration as complete as possible, a stand-alone article concerning the registration fee and other fees to be paid has been included in Article 9. As far as the nature and the amount of such fees are concerned, reference is made to the Regulations under the draft new instrument.

NOTES ON ARTICLE 10: PROTECTION ACCORDED BY INTERNATIONAL REGISTRATION

10.01 In view of the discussions at the fourth session of the Working Group, paragraph (1) is now presented with two Options as to what the draft new instrument might require in terms of the scope of protection in respect of internationally registered geographical indications. The first Option reflects the approach of the Madrid and Hague systems and basically confirms the application of national treatment. The second Option is based on the view that internationally registered geographical indications and appellations of origin should be protected alike. For an explanation of the seemingly irreconcilable positions expressed in this regard, reference is made to paragraph 136 of the Draft Report of the fourth session of the Working Group, as contained in document LI/WG/DEV/4/7 Prov. Reference is also made to the Report of the Third Session of the Working Group, in particular the question from the Chair reflected in paragraph 135 as to what purpose two definitions have if the distinction between the two does not have any legal consequences; and the response to that question reflected in paragraph 146, that the distinction serves the purpose of appropriately informing consumers.

² See document LI/WG/DEV/3, paragraphs 121 to 150.

10.02 Paragraph (2) specifies a minimum level of protection to be granted in respect of appellations of origin registered under the new instrument; the square-bracketed phrase “[geographical indications and]” in subparagraphs (a) and (b) mirror the second Option in respect of paragraph (1). Further changes to these subparagraphs were made in light of the comments made during the fourth session of the Working Group on Article 9(2), as contained in the previous version of the draft new instrument (document LI/WG/DEV/4/2). The square-bracketed Options in subparagraphs (a)(i) and (a)(ii) are based on: (1) the various suggestions reflected in paragraphs 35 to 44 of the Results of the Survey on the Lisbon System, as contained in document LI/WG/DEV/2/2 and discussed at the Second Session of the Working Group; (2) the discussions at the third session of the Working Group on Draft Provisions E(1) and E(2), as contained in document LI/WG/DEV/3/2; and (3) the input from delegations at the fourth session of the Working Group with regard to Article 9(2)(a), as contained in the previous version of the draft new instrument (document LI/WG/DEV/4/2).

10.03 Paragraph (2)(b) of Article 10 is a redraft of Article 9(2)(b) of the previous version of the draft new instrument (document LI/WG/DEV/4/2). The main purpose of the provision is to prohibit the registration by third parties of trademarks that consist of or contain a geographical indication or appellation of origin. The previous draft represented an attempt to stipulate explicitly that the provision would not prevent such registrations by holders of the right to use the geographical indication or appellation of origin. In Contracting Parties that protect geographical indications and appellations of origin through trademark legislation, the geographical indication or appellation of origin will by definition be incorporated in a trademark. Moreover, holders of the right to use a geographical indication or appellation of origin may own a trademark that contains the geographical indication or appellation of origin as part of the trademark. However, in view of the discussion at the fourth session of the Working Group on this matter, paragraph (2)(b) of Article 10 simply refers to the relevant provisions of the TRIPS Agreement. In this regard, notably the following should be mentioned:

(i) Both Article 22.3 (any good) and Article 23.2 (wines and spirits only) of the TRIPS Agreement stipulate that the registration of a trademark which contains or consists of a geographical indication with respect to products not originating in the territory indicated shall be refused or invalidated (*ex officio* if the WTO Member’s legislation so permits or at the request of an interested party).

(ii) Article 22.3 of the TRIPS Agreement, further, adds as a condition that “use of the indication in the trademark for such goods in that WTO Member is of such a nature as to mislead the public as to the true place of origin”.

(iii) Article 24.5 of the TRIPS Agreement lays down the following exception: “Where a trademark has been applied for or registered in good faith, or where rights 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”.

(iv) Article 24.7 of the TRIPS Agreement lays down an acquiescence provision, allowing a WTO Member to provide that any request made 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 WTO Member or after the date of registration of the trademark in that WTO 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 WTO Member, provided that the geographical indication is not used or registered in bad faith.

(v) Article 17 of the TRIPS Agreement allows WTO Members to provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

10.04 Paragraph (3) leaves it to Contracting Parties how they wish to deal with unlawful use of a geographical indication or an appellation of origin by someone who is, in principle, entitled to use the geographical indication or appellation of origin.

10.05 Paragraph (4) establishes a presumption of unlawful use in case of use by persons not entitled or authorized to use the internationally registered geographical indication or appellation of origin. The provision limits the requirement for Contracting Parties to apply such a presumption in case of use in respect of products of the same kind. As the implementation of Article 10 of the draft new instrument is intended to be possible not only in the context of *sui generis* legislation, but also in the context of other legislation, such as trademark legislation, as indicated in Article 5(5), reference can be made to both Article 23.1 and Article 16.1, second sentence, of the TRIPS Agreement, which would appear to be based on a similar presumption.

10.06 Paragraph (5) clarifies that the issue of homonymous appellations of origin and geographical indications must be dealt with in the national or regional legislation of Contracting Parties through provisions as stipulated in the TRIPS Agreement, notably Articles 22.4 and 23.3 of that Agreement.

10.07 As regards the phrase “from the date of international registration”, attention is drawn to current Rule 8(3) of the Lisbon Regulations, which provides for protection from the date of international registration, subject to the right of a Lisbon member State to declare in a notification addressed to the Director General that, under its national legislation, a later date applies, as specified in the declaration, provided that that date is not later than the expiry date of the period within which a refusal can be validly submitted in respect of a given international registration. To date, no Lisbon member State has submitted such a notification.

10.08 Paragraph (6) is a redraft of the provision of Article 14 that was contained in the previous version of the draft new instrument (document LI/WG/DEV/4/2). The provision has been moved to Article 10, as it elaborates on the scope of protection under Article 10, by specifying that protection of a registered geographical indication or appellation of origin extends to its use as a [generic indication] [customary term or name]. Consequently, use as a [generic indication] [customary term or name] in a given Contracting Party prior to the date on which the geographical indication or appellation of origin will no longer be allowed after that date, unless that Contracting Party issues a refusal under Article 15 or grants a transitional period for terminating such use under Article 17.

NOTES ON ARTICLE 11: SHIELD AGAINST BECOMING A [GENERIC INDICATION] [CUSTOMARY TERM OR NAME]

11.01 Article 11 has been drafted along the lines of Article 6 of the Lisbon Agreement which states that “*An appellation which has been granted protection in one of the countries of the Special Union pursuant to the procedure under Article 5 cannot, in that country, be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin*”. As reflected in paragraph 32 of the Summary by the Chair of the Second Session of the Working Group in document LI/WG/DEV/2/4, delegations were of the view, although for different reasons, that an amendment of Article 6 of the Lisbon Agreement was not necessary. Discussions in the Working Group have shown that some delegations would consider such a provision to establish a rebuttable presumption, while others consider it to establish an absolute ban.

NOTES ON ARTICLE 12: DURATION OF PROTECTION

12.01 This provision corresponds to Article 7 of the Lisbon Agreement, which provides that the only fee to be paid for the international registration of an appellation of origin is the registration fee and that the validity of an international registration shall not be subject to renewal. The draft new instrument deals with fees in Article 9. Article 12 establishes that the validity of an international registration effected under the new instrument is dependent upon the protection of the geographical indication or appellation of origin concerned in its Contracting Party of Origin.

NOTES ON ARTICLE 13 PRIOR RIGHTS

13.01 Paragraphs (1) and (2) of this Article replace Articles 12 and 13 of the previous version of the draft new instrument (document LI/WG/DEV/4/2). In view of the discussion at the fourth session of the Working Group on Articles 12 and 13 of the previous version of the draft new instrument, paragraphs (1) and (2) of Article 13 of the present draft new instrument simply refer to the applicable provisions of the TRIPS Agreement in the case of prior trademark rights and other prior rights.

13.02 As regards the relevant provisions of the TRIPS Agreement in respect of prior trademark rights, reference is made to Note 10.03.

13.03 In addition, as regards the relevant provisions of the TRIPS Agreement in respect of other prior rights, notably the following provisions of the TRIPS Agreement should be mentioned:

(i) Under Article 24.4, WTO Members are not required to prevent continued and similar use of a particular geographical indication of another WTO 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.

(ii) Article 24.8 of the TRIPS Agreement: "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".

13.04 The fact that Article 13 no longer mentions the possibility, for right holders of prior trademarks and holders of the right to use an appellation of origin or a geographical indication, to negotiate the modalities of a possible termination of use under the prior trademark, as contained in Article 12 in the previous version of the draft new instrument (document LI/WG/DEV/4/2), does not mean to indicate that such possibility would not exist under Article 13 of the present draft. The sentence has been removed because of the comments made during the fourth session of the Working Group, that the existence of such a possibility is obvious and its specification in the draft new instrument, therefore, unnecessary.

13.05 Like Rule 9 of the current Lisbon Regulations, Article 13(2) does not specify all possible prior rights. Legitimate prior rights may include trade names, plant variety denominations, personality rights, etc.

NOTES ON ARTICLE 14: [LEGAL PROCEEDINGS] [LEGAL REMEDIES]

14.01 The first Option between brackets largely reproduces the provisions contained in Article 8 of the Lisbon Agreement.

14.02 The second Option between brackets would simply require national or regional legislation to specify the applicable legal procedures for the enforcement of internationally-registered geographical indications and appellations of origin.

NOTES ON ARTICLE 15: REFUSAL

15.01 Article 17 concerns the procedure for issuing refusals following the receipt of a notification of international registration and introduces, in particular, the obligation for Contracting Parties to establish procedures enabling interested parties to present possible grounds for refusal to the Competent Authority. The provision is based on Draft Provision G of document LI/WG/DEV/3/2, Annex II.

15.02 In respect of paragraph (4), the Working Group might wish to address the question as to whether the provision should also specify that interested parties affected by refusal would, alternatively, have the opportunity to resort to arbitration or mediation.

15.03 As suggested during the fourth session of the Working Group, time limits are now specified in the Regulations, so that modifications can be adopted by the Assembly of the Special Union and would not require a Diplomatic Conference, as would be the case if time limits were specified in the new instrument itself.

NOTES ON ARTICLE 16: WITHDRAWAL OF REFUSAL

16.01 The possibility to negotiate the withdrawal of a refusal is explicitly mentioned in paragraph (2). As mentioned in the Acts of the 1958 Diplomatic Conference where the Lisbon Agreement was concluded, "the procedure envisaged provides countries, which receive the notification of an appellation of origin via the International Bureau, with the possibility to oppose any situation that exists *de facto* or *de jure* that would prevent protection being granted on all or part of the territory of the restricted Union. The period of one year from the time the notification is received is easily sufficient to allow such opposition. A refusal must be accompanied by the grounds on which the country decides not to grant protection. These grounds constitute a possible basis for discussion for the purpose of reaching an understanding³".

16.02 A reference is also made to Article 24.1 of the TRIPS Agreement, which provides that WTO Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23 and that the exception provisions of Article 24.4 through 24.8 shall not be used by a WTO Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, WTO Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

³ Unofficial translation of the official French text.

NOTES ON ARTICLE 17: PRIOR USE

17.01 Unlike Article 5(6) of the Lisbon Agreement, Article 17 of the draft new instrument limits the provisions allowing Contracting Parties to provide for adaptation periods in connection with the termination of prior use to prior use of a registered geographical indication or appellation of origin as a [generic indication] [customary term or name]. The alternative formulation for generic indications is based on Article 24.6 of the TRIPS Agreement.

17.02 As suggested during the fourth session of the Working Group, time limits are now specified in the Regulations, so that modifications can be adopted by the Assembly of the Special Union and would not require a Diplomatic Conference, as would be the case if time limits were specified in the new instrument itself.

17.03 In view of the safeguards under Article 13 in respect of prior use under legitimate prior rights, the draft new instrument does not contain phasing out periods in respect of such uses, except to the extent that such trademarks incorporate a registered geographical indication or appellation of origin as a [generic indication] [customary term or name].

17.04 Paragraph (2) clarifies that the defined period for the termination of prior use referred to in paragraph (1) may also apply for terminating prior use as a [generic indication] [customary term or name] in case a refusal is withdrawn or in case a statement of grant of protection is notified following a refusal.

17.05 Paragraph (3) clarifies that withdrawal of a refusal that was based on use under a prior trademark or other prior right would not mean that Article 13 would no longer apply. At the same time, the provision clarifies that withdrawal of such a refusal because of the cancellation, revocation or invalidation of the prior trademark or other prior right makes Article 13 inapplicable. Consequently, a situation of coexistence would be established following the withdrawal of such a refusal, except when the withdrawal was the result of the cancellation, revocation or invalidation of the prior trademark or other prior right.

NOTES ON ARTICLE 18: NOTIFICATION OF GRANT OF PROTECTION

18.01 Article 20 concerns the notification of grant of protection to a registered geographical indication or appellation of origin, and its subsequent publication by the International Bureau. Such a notification can be presented within the one-year period after receipt of the notification of international registration – in case within that period it has become clear that no refusal will be issued – or following a refusal; if a decision has been taken to withdraw the refusal, a statement of grant of protection can be notified instead of a withdrawal of refusal. The procedures are specified in the Draft Regulations.

NOTES ON ARTICLE 19: INVALIDATION

19.01 Article 19 deals with invalidation of the effects of an international registration in a given Contracting Party. Invalidation, which occurs after effect has been given to an international registration (and may result, for example, from a court decision in invalidity or infringement proceedings), is to be distinguished from refusal of the effects of an international registration, as refusals prevent the entry into force of such effects.

19.02 Before an invalidation is pronounced, the natural persons and legal entities referred to in Article 7(3) of the draft new instrument must have been granted an opportunity to defend their rights, which in turn implies that they must first be informed that their registration is being challenged in a given Contracting Party.

NOTES ON ARTICLE 20: MODIFICATIONS AND OTHER ENTRIES IN THE INTERNATIONAL REGISTER

20.01 A specific provision addressing the issue of modifications of international registrations and other entries in the International Register has been incorporated in the draft new instrument.

NOTES ON ARTICLE 21: ASSEMBLY OF THE SPECIAL UNION

21.01 The Options between brackets in paragraphs (1) and (2) have been inserted to signal the existence of the following alternatives: (i) a new Assembly consisting of the Contracting Parties to the new instrument is established, or (ii) these Contracting Parties shall instead be members of the same Assembly as the States party to the Lisbon Agreement.

21.02 The provisions of Article 21 are based, to a great extent, on those contained in Article 9 of the Lisbon Agreement. However, whenever it appeared necessary, as in the case of the voting rights of intergovernmental organizations, such provisions have been supplemented by those contained in Article 21 of the Geneva Act.

NOTES ON ARTICLE 22: INTERNATIONAL BUREAU

22.01 The provisions of this article largely reproduce those contained in Article 10 of the Lisbon Agreement.

NOTES ON ARTICLE 23: REGULATIONS

23.01 This Article makes an express reference to the Regulations and defines the procedure for the amendment of certain provisions of the Regulations.

23.02 Paragraph (2) has been drafted along the lines of the corresponding provisions of the Singapore Treaty and the Patent Cooperation Treaty which require the same threshold of a three-fourths majority.

23.03 Paragraph (3) establishes the superiority of the provisions under the draft new instrument over those contained in the Regulations so that, in the event of conflict between the two sets of provisions, the provisions of the new instrument shall prevail.

NOTES ON ARTICLE 24: FINANCES

24.01 The provisions of this Article reproduce those contained in the Geneva Act.

NOTES ON ARTICLE 25: REVISION

25.01 This provision, which confirms the standard rule that a treaty may be revised by a conference of the Contracting Parties, has been drafted along the lines of the provisions contained in the Singapore Treaty and the Geneva Act.

NOTES ON ARTICLE 26: AMENDMENT OF CERTAIN ARTICLES BY THE ASSEMBLY

26.01 The provisions of this Article are largely derived from those contained in the Geneva Act.

NOTES ON ARTICLE 27: BECOMING PARTY TO THE AGREEMENT

27.01 The provisions of this article have been drafted along the lines of Article 27 of the Geneva Act, as adapted in order to reflect accession criteria for intergovernmental organizations that would appear to take account of the conclusions of the Working Group on the Study contained in document LI/WG/DEV/2/3 and discussed at the second session of the Working Group.

27.02 The last sentence of paragraph (3)(b) should be read in conjunction with Article 30 and would allow current Member States of the Lisbon Agreement that are also a Member State of an intergovernmental organization to apply the new instrument instead of the Lisbon Agreement before the intergovernmental organization accedes.

NOTES ON ARTICLE 28: EFFECTIVE DATE OF RATIFICATIONS AND ACCESSIONS

28.01 This provision has been drafted along the lines of Article 28 of the Geneva Act to reflect the fact that both States and intergovernmental organizations may accede to the new instrument.

28.02 The first sentence of paragraph (4), which deals with the effects of accession, has been drafted along the lines of Article 14(2)(b) and 14(2)(c) of the Lisbon Agreement. A possibility to extend the time periods referred to in Article 15(1) and Article 17 of the draft new instrument has been introduced in the last part of paragraph (4), in view of suggestions made in response to the Survey on the Lisbon system and the discussions at the second session of the Working Group.

NOTES ON ARTICLE 29: PROHIBITION OF RESERVATIONS

29.01 This Article, which excludes any reservation to the new instrument, has been drafted along the lines of Article 29 of the Geneva Act.

NOTES ON ARTICLE 30: APPLICATION OF THE LISBON AGREEMENT

30.01 Paragraph (1) deals with relations between States that are party both to the new instrument and the Lisbon Agreement. The principle set out is that the new instrument alone applies to the relations between those States. Thus, with respect to persons who derive their

right to file an international application from a State bound both by the new instrument and the Lisbon Agreement and who wish to obtain protection in other States party both to the new instrument and the Lisbon Agreement, only the provisions of the new instrument will be applicable.

30.02 Paragraph (2) deals with relations between States party both to the new instrument and to the Lisbon Agreement, on the one hand, and States party only to the Lisbon Agreement without being at the same time party to the new instrument, on the other.

30.03 Reference is also made to Note 27.02.

NOTES ON ARTICLE 31: DENUNCIATION OF THE AGREEMENT

31.01 This is a usual provision. To enable those who have organized their activities as a function of the accession of a Contracting Party to the new instrument to carry out the necessary adjustments in the event of that Contracting Party denouncing the Agreement, a minimum period of one year is provided in paragraph (2) for a denunciation to take effect. Additionally, paragraph (2) ensures that the new instrument will continue to apply to any international application that is pending and to any international registration that is in force with respect to the Contracting Party that has denounced the Agreement at the time the denunciation takes effect.

NOTES ON ARTICLE 32: LANGUAGES OF THE AGREEMENT; SIGNATURE

32.01 Article 32 provides, in particular, that the new instrument is to be signed in a single original in the six official languages of the United Nations and that all those texts will be equally authentic.

NOTES ON ARTICLE 33: DEPOSITARY

33.01 Article 33 states that the Director General is the depositary of the new instrument. The nature of the duties of the depositary of a treaty is defined, and a list of those duties is given, in Articles 76 and 77 of the Vienna Convention on the Law of Treaties. Those duties consist, in particular, in keeping the original text of the new instrument, in establishing certified copies of the original text and in receiving the instruments of ratification or accession that are deposited.

[End of Annex and of document]