

WIPO General Assembly

Forty-Seventh (22nd Ordinary) Session
Geneva, October 5 to 14, 2015

**MATTERS CONCERNING THE WORK OF THE STANDING COMMITTEE ON THE
LAW OF TRADEMARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL
INDICATIONS (SCT): PROPOSAL OF THE UNITED STATES OF AMERICA TO THE
WIPO GENERAL ASSEMBLY**

Document prepared by the Secretariat

1. In a communication dated September 3, 2015, a copy of which is set out in the Annex, the Delegation of the United States of America requested, amongst other, that its submission entitled “Matters Concerning the Work of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT)” be made available as a working document for discussion at the Forty-Seventh (22nd Ordinary) Session of the WIPO General Assembly.

2. *The WIPO General Assembly is invited to consider the communication in the Annex to this document.*

[Annex follows]

Dr. Francis Gurry
Director General
World Intellectual Property Organization
34, chemin des Colombettes
1211 Geneva 20
Switzerland

September 3, 2015

Dear Dr. Gurry:

In accordance with Rule 5(4) of the General Rules of Procedure of WIPO contained in WIPO Publication 399 (FE) Rev.3, the United States requests that the following proposals (enclosed) be added to the agendas of the Fifty-Fifth Series of Meetings of the Assemblies of the Member States of WIPO (Geneva, October 5 to 14, 2015), as proposals to be considered under the relevant agenda items, or as new agenda items, as appropriate:

- PCT Union Assembly: Matters Concerning the Lisbon Union;
- Madrid Union Assembly: Matters Concerning the Madrid and Lisbon Unions;
- WIPO General Assembly: Matters Concerning the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT);
- WIPO General Assembly: Matters Concerning the Administration of the Geneva Act of the Lisbon Agreement; and
- WIPO General Assembly: Matters Concerning the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC).

The United States also requests that the draft agenda (document WO/55/1 Prov. 2) be re-ordered so that the "Global Intellectual Property Services" (agenda items 19-23), upon which WIPO's budget is predominantly dependent, appear before the "Program, Budget and Oversight Matters" (agenda items 10-11).

I would be grateful if you could please provide me with a copy of the revised version of the draft agenda including these items and re-ordered pursuant to this request.

Sincerely,



Deborah Lashley-Johnson
Intellectual Property Attaché
United States Mission to the World Trade Organization

Enclosures

Matters Concerning the Work of the Standing Committee on the Law of Trademarks, Industrial Designs, Geographical Indications (SCT)

Proposal of the United States of America to the WIPO General Assembly

The United States of America seeks a decision by the General Assembly that would direct the Standing Committee on Law of Trademarks, Industrial Designs, and Geographical Indications (SCT) to review the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (Geneva Act) and its Regulations and to consider the systems of protection for indications of source such as certification trademarks, collective trademarks and geographical indications, while protecting the principle of territoriality and the use of common names.

Because the terms of the Geneva Act exclude some *sui generis* GI registration systems as well as most trademark systems, particularly common law based systems, it does not represent the inclusive agreement that the Lisbon Union members stated they sought through the so-called “revision” process for the Lisbon Agreement. The United States has proposed work at the last several sessions of the SCT on a more inclusive dialogue on the diversity of approaches for the protection of geographic origin, which takes into account more fully the variety of equities and interests involved, but has been blocked from advancing work due to objections of some proponents of the Lisbon system.

During the negotiations leading to the Geneva Act, including the Diplomatic Conference held in May 2015, some Lisbon Union members pursued international norm setting with respect to GIs by departing from consensus decision making and depriving all WIPO members that are not Lisbon Agreement parties of meaningful participation rights. In contrast, under the auspices of the SCT, which is a consensus based body composed of all interested WIPO members, some Lisbon Union members have relied on the consensus decision making to block inclusive work on a geographical indications at the SCT.

The review should include:

Diverse National Systems: The SCT should take up an inclusive and holistic consideration of the systems of protection for indications of source such as certification trademarks, collective trademarks and geographical indications, while protecting the principle of territoriality and the use of common names. Such consideration should include the diverse systems of WIPO members, including those aspects of such systems that are not reflected in the Geneva Act, such as the following.

Identifying the Registrant: Systems of protection for source identifiers typically identify the party that has the right to prevent unauthorized use of the identifiers. However, pursuant to Article 5 of the Geneva Act, an international registration may identify the beneficiaries of the appellation of origin or geographical indication as well as the competent authority that notified the identifiers, but the registration may not necessarily identify the registrant, in whose name the right is held in the country of origin, if there is one. For purposes of enforcement in registration-based systems, including trademark systems, the registrant is the party with the legal standing to enforce the right against unauthorized

users. If no registrant is named in the international registration, the ability to enforce the right in contracting parties will be compromised. The SCT should consider the effect of Article 5 on those WIPO members that require a registrant for purposes of enforcement.

Eligible Contracting Parties: Systems of protection for source identifiers also typically do not discriminate between intergovernmental organizations. In contrast, the Geneva Act treats intergovernmental organizations differently. Pursuant to Article 28(1)(iii) of the Geneva Act, an intergovernmental organization may join the agreement only if “regional titles of protection can be obtained in respect of geographical indications.” The African Regional Intellectual Property Organization (ARIPO), for example, does not grant regional titles, and instead has a structure that allows each member state to make an independent decision. The same is true of other regional organizations. The SCT should consider how Article 28 excludes intergovernmental organizations that do not grant regional titles.

Renewal Fees: In many WIPO members, renewal or maintenance fees are a key feature of the financial sustainability of national systems of protection for source identifiers. However, the Geneva Act does not explicitly provide that such fees are permissible. Instead, Article 7(4) of the Geneva Act allows Contracting Parties to “notify the Director General that it requires an administrative fee relating to the use by the beneficiaries of the appellation of origin or the geographical indication in that Contracting Party.” This will allow countries or intergovernmental organizations that charge authorized user fees to continue collecting such a fee. The language is not clear, however, as to whether administrative fee for renewal or maintenance are permissible under the Geneva Act. This lack of clarity is further heightened by negotiations during the Diplomatic Conference, where explicit language regarding renewal fees was rejected by Lisbon Union delegations. The SCT should consider the impact of Article 7(4) that does not clearly allow for renewal or maintenance requirements at the national level, which are required by many sui generis GI registration systems as well as trademark systems.

Generic status: In many WIPO members, protected source identifiers can become “generic.” Article 12 of the Geneva Act, however, provides that registered appellations of origin and registered geographical indications cannot be considered to have become generic in a Contracting Party, and this provision would appear to exclude systems of protection that acknowledge that a term may in fact have become the common name of a product. The SCT should consider the impact of Article 12.

Scope of protection: WIPO members employ a variety of mechanisms for the protection of source identifiers that adopt diverse approaches with respect to the scope of protection they provide. The Geneva Act, however, substantially favors one such approach, and significantly exceeds the scope of protection provided under numerous WIPO national jurisdictions as well as other relevant international agreements. For example, Article 11 of the Geneva Act establishes a standard of protection that many WIPO members may find unjustified, and thus will be unable implement within their legal system. The SCT should consider whether article appeals to the wider membership.

The SCT should also consider problems related to registrations that are unnecessarily trade restrictive. An overly broad scope of protection can restrict trade in goods that use common names. The SCT

should explore ways of minimizing trade damage, *e.g.*, by studying guidelines for use by IP officials reviewing applications that specifically take into account the danger of negative trade impacts.

Due process: Due process should be a critical feature of any intellectual property rights system, including with respect to systems of protection for source identifiers. Such due process should include objection and cancellation procedures that are transparent and provide for meaningful engagement by interested stakeholders. Many parties to the current Lisbon Agreement, however, do not have such objection procedures in place to provide for this due process. Rule 4 of the Regulations provides that Contracting Parties shall notify its procedures for the “enforcement of rights in appellations of origin and geographical indications”, but the Geneva Act does not provide for any requirement to notify the procedures by which an interested party can request refusal of an appellation of origin or geographical indication as provided for in Article 15(3) of the Geneva Act or how they can defend themselves should their use of a term be challenged. The Geneva Act is likewise silent with respect to affirmative disciplines on cancellation procedures for receiving Contracting Parties. The SCT should consider how to increase the transparency of all of the relevant procedures and guidelines for objection and cancellation procedures to assist those contracting parties that do not yet have any in place.

Financial sustainability: WIPO registration treaties should rely on fees and contributions from their parties to ensure financial sustainability. Pursuant to Article 24 of the Geneva Act, if the income from the Lisbon System is not sufficient to cover the costs of the system (and it has not been for many years), contracting parties will make up the difference. Paragraph (4) of Article 24 provides that intergovernmental organizations will pay the same contribution. For example, the European Union and OAPI will pay the same amount. Moreover, the Geneva Act does not provide for a renewal or maintenance fee for an international registration, which could have provided a reliable and ongoing income source to fund the operations of the system. The SCT should consider whether a GI filing system should provide for a more reliable income stream as well as a fairer method of allocating financial responsibility amongst the contracting parties.

The General Assembly is invited to direct the Standing Committee on Trademarks, Geographical Indications, and Industrial Designs (SCT) to review the work of the Lisbon Union’s most recent Diplomatic Conference and to consider systems of protection for the identification of source, such as certification trademarks, collective trademarks and geographical indications, while protecting the principle of territoriality and the use of common names.

[End of Annex and of document]