

MAIN COMMITTEE I OF THE DIPLOMATIC CONFERENCE FOR THE
ADOPTION OF A NEW ACT OF THE LISBON AGREEMENT FOR THE PROTECTION OF
APPELLATIONS OF ORIGIN AND THEIR INTERNATIONAL REGISTRATION

Chair: Mr. Mihály Zoltán Ficsor (Hungary)

Secretary: Mr. Marcus Höpferger (WIPO)

First Meeting
Tuesday, May 12, 2015
Morning

1. The CHAIR opened the first session of Main Committee I and thanked the Delegations for their support and confidence, stating that he counted on their constructive spirit. He said that he considered it his duty to ensure that the discussions would be conducted in an open, fair, transparent and inclusive manner, seeking consensus on as many issues as possible. Recalling that the Director General of WIPO had underlined in his opening statement that the Conference was both an opportunity and a challenge, he said that, in order to seize the opportunity and cope with the challenge, it was necessary to exercise courage and caution. Courage would be necessary to overcome some of the fixed positions and to find compromise solutions, which should be acceptable to the broadest spectrum of participants to significantly expand the membership of the Lisbon System. Caution would be necessary for preserving the principles and values of the current Lisbon Agreement.

2. The Chair explained the mandate of Main Committee I, as defined in Rule 12(1) of the Rules of Procedure, and indicated that Articles 1 to 20 of the Draft New Act, along with the footnotes pertaining to them, fell within the competence of Main Committee I, with the exception of subparagraphs (xvii) to (xxii) of Article 1. He also considered Main Committee I to be competent to deal with all the Rules in the Draft Regulations under the Draft New Act, with the exception of Rule 24. He pointed out that the explanatory notes contained in documents LI/DC/5 and 6 were an important source of information, but were not part of the Basic Proposal and were not intended to be adopted by the Diplomatic Conference. He explained that, in respect of certain provisions, the Basic Proposal contained alternatives designated with the letters A, B, C and so on, which had equal status and would therefore be discussed and considered simultaneously. He also explained that the Basic Proposal contained words within square brackets, which were not regarded as part of the Basic Proposal and required the submission of a proposal for amendment in order to be considered.

3. The Chair drew the attention of the Committee to document LI/DC/7, recalling that the Preparatory Committee had set the deadline of February 1, 2015 for all WIPO Member States to submit proposals for amendments to the Basic Proposal on issues that were identified as pending by the Working Group on the Development of the Lisbon System ("the Working Group"). He noted that ten WIPO Member States had submitted proposals, which had been compiled by the Secretariat and forwarded to the Diplomatic Conference in document LI/DC/7, for information only. Therefore, he said that the content of that document could not be treated in the Diplomatic Conference as formal proposals for amendments to the Basic Proposal, irrespective of whether the proposals had been submitted by Member

Delegations or by Observer Delegations. Noting that document LI/DC/7 did not feature on the Agenda, he said that, when considering the Basic Proposal, Main Committee I would use it as an important and highly valuable source of information and Delegations that had submitted proposals would be free to refer to it in the course of the discussions.

4. Recalling that the Working Group had established, at its tenth session, a list of pending issues, the Chair suggested concentrating on those issues. In order to deal with them in the most efficient way, he proposed to group them by their subject matter in four different clusters, as follows:

A. Issues concerning applications and international registration procedures

- (i) implementation aspects of Article 1(xiv);
- (ii) the content of Article 2(2) and Article 5(4) concerning trans-border geographical areas of origin;
- (iii) the entitlement to file an application under Article 5(2);
- (xiv) whether Rule 5(3) should be optional or mandatory;
- (xv) the inclusion of Rule 5(4) permitting a Contracting Party to require a declaration of intention to use in respect of a registered appellation of origin or a registered geographical indication;
- (xvi) promoting transparency under Rule 5(5);

B. Issues concerning provisions related to the scope of protection

- (vii) the various options in respect of Article 11(1)(a) and Article 11(3);
- (viii) the Draft Agreed Statement contained in footnote 1 to Article 11 and provisions relating to the same issue;
- (ix) the content of Article 12 concerning protection against becoming generic;
- (x) the content of Article 13(1) concerning safeguards in respect of prior trademark rights;

C. Issues concerning other provisions related to the legal effect of international registrations

- (xi) the content of Article 16(2) concerning negotiations following a refusal;
- (xii) the content of Article 17 concerning the necessity of a phasing out period;
- (xiii) whether Article 19(1) should establish an exhaustive or a non-exhaustive list of grounds for invalidation;

D. Issues concerning fees and the financing of the Lisbon System

- (iv) Article 7(3), Article 8(3), Article 24(3)(vi) and related provisions concerning the possible introduction of maintenance fees;

- (v) the possible re-introduction of the provisions of the current Lisbon Agreement dealing with contributions by members of the Lisbon Union;
- (vi) Article 7(5) and related provisions concerning the possible introduction of individual fees;
- (xvii) the amount of fees in Rule 8(1).

5. With respect to item (v), namely the possible reintroduction of the provisions of the current Lisbon Agreement dealing with contributions by members of the Lisbon Union, the Chair suggested that Main Committee I should consider the possibility to deal only with the principle of reintroducing such provisions in the text of the New Act and leave to Main Committee II the details of such provisions. In that context, he recalled that there was a need to align such provisions with the decisions taken by the Lisbon Union Assembly in 2003.

6. After drawing the attention of Main Committee I to document LI/DC/INF/4, setting out the tentative timetable of the discussions for the Conference, he invited Delegations to make comments on his suggestions concerning the working method and the rules to be applied to it, the structure of the discussions and the timetable.

7. The Chair, noting that Main Committee I had agreed with his suggestions, opened the discussion on Cluster A and invited the Secretariat to introduce the provisions relating to it.

CLUSTER A: ISSUES CONCERNING APPLICATIONS AND INTERNATIONAL REGISTRATION PROCEDURES

Item (i): Implementation of Article 1(xiv)

8. The CHAIR observed that, although Article 1(xiv) appeared as clean text in the Basic Proposal, the item had been identified as a pending issue at the last session of the Working Group. Therefore, he wished to check with Main Committee I whether this was still a pending issue and whether there was any reservation about the text in Article 1(xiv).

9. Mme CHARIKHI (Algérie) s'interroge sur la mise en œuvre de l'article 1.(xiv) et estime que la relation de cette disposition avec les clauses administratives du traité relevant de la Commission Principale II devrait être clarifiée.

10. The CHAIR pointed out that the implementation of this provision touched on the entitlement to file applications and on the Competent Authority of intergovernmental organizations, which fell within the competence of Main Committee I. He noted that other implementation aspects, concerning primarily the administrative provisions of the New Act, would be dealt with by Main Committee II.

Item (ii): The content of Article 2(2) and Article 5(4) concerning trans-border geographical areas of origin

11. Mr. HÖPPERGER (WIPO) introduced Articles 2(2) and 5(4).

12. Mr. POLINER (Israel) indicated that his Delegation had submitted a document on February 1, 2015, proposing to amend the Basic Proposal and to state explicitly that applications for trans-border areas could be filed jointly or individually, as it was expressly set forth in explanatory note 5.04 of document LI/DC/5. Requesting that the written submission of Israel of February 1 be deemed as a written submission for amendment of the text in Main

Committee I, he explained that the suggestion was to retain the language in brackets in Article 2(2) and to add the words “or a part thereof” after the words “geographical area”. Furthermore, in Article 5(4) the bracketed text should be retained and the words “may act individually with respect to the part of the trans-border geographical area situated in their territory or” should be added immediately after the words “the adjacent Contracting Parties”.

13. The CHAIR, requesting the Delegation of Israel to submit its proposal in writing, said that it would be considered as a formal proposal for amending the provision in question.

14. Ms. CHARIKHI (Algeria) confirmed that her Delegation maintained its position to remove any reference to trans-border geographical areas in Articles 2 (2) and 5(4). She explained that this position stemmed from the ambiguity of these provisions, because it was unclear how they would be applied in practice. Considering the principle that the geographical indications system is territorial and that it is created and established on a national territory, she considered that the extension of geographical indications would raise procedural and jurisdictional issues that are not covered in the Treaty. She wondered how, in practice, an application relating to a product from trans-border geographical areas would be established. Recalling that her Delegation had always expressed reservations about the implementation of these provisions, she reiterated the Delegation’s wish for these references to be deleted.

15. Mr. GONDA (Hungary) said that his Delegation attached great importance to the possibility of submitting joint applications in the case of trans-border geographical areas under Article 2(2) and Article 5(4). He explained that it was crucial to distinguish between homonymous geographical names and names of cross-border areas. In the case of homonyms, there were two or more words coming from different geographical areas, which were spelled or pronounced alike but had different meanings. The situation was different in the case of geographical names that referred to the same geographical unit, such as the same river, mountain, or region, situated in two or even more countries. He explained that, under Article 5(4) of the Basic Proposal, Contracting Parties had two options. The first was that each of them could file an application separately, concerning those goods originating in the part of the trans-border area situated in its own territory. The other option would allow them to act as a single Contracting Party through a designated Competent Authority. He wished to emphasize that the provisions covering applications in the case of a trans-border area were optional and would allow the countries concerned to consider the possibility of submitting joint applications. However, Article 5(4) would in no way exclude the option of filing separate applications by two or more countries in the case of geographical indications or appellations of origin from a trans-border area. For his Delegation, it was of vital importance to introduce these flexible provisions, as they could contribute significantly to make the Lisbon System more attractive and user-friendly. He concluded by saying that his Delegation wished to delete the square brackets in the last sentence of Article 2(2) and in Article 5(4).

16. Mr. YOSSIFOV (Bulgaria) said that his Delegation supported the position expressed by the Delegation of Hungary.

17. The CHAIR acknowledged that the proposal put forward by the Delegation of Hungary was seconded by the Delegation of Bulgaria.

18. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) suggested to delete the third line of Article 5(4), which read “Contracting Parties may agree to act as a single Contracting Party of origin by filing an application jointly” and to add instead the words “to file an application jointly”.

19. The CHAIR noted the proposal made by the Delegation of Iran (Islamic Republic of) and said that it would be useful to have it in writing in order to distribute it to the members of the Committee.

20. Ms. VIEIRA LOPES (Portugal) said that her Delegation believed that the provisions on trans-border geographical areas in Articles 2(2) and 5(4) would bring greater flexibility to the Agreement. These were optional provisions, which would give the freedom to Member States to file joint applications through a common authority, or individual applications. Considering that this enhanced flexibility would make the system more user-friendly, her Delegation supported the text within square brackets in Articles 2 and 5.

21. Mr. LONDOÑO FERNANDEZ (Colombia) repeated the comments made in February on Article 2(2) and the Article 5(4) that although he found the regulation on the possibility of joint applications by parties that share a trans-border area to be very appropriate, it remained unclear whether there was a possibility for such application to be filed by associations of beneficiaries or legal entities based in the trans-border areas. The same comment applied to cases where some beneficiaries belonged to a contracting country and others did not. The delegate wondered how the trans-border area would be delimited in that case, considering the arguments presented by the Delegation of Hungary to differentiate between names of trans-border areas and homonymous appellations of origin. In summary, he was raising this concern and the possibility for this situation to also be resolved under Rule 15 in terms of modification of the geographical area, in the event that beneficiaries of a non-contracting party subsequently became beneficiaries of a contracting party.

22. The CHAIR said that the comments made by the Delegation of Colombia would be treated as a formal proposal for amending the Basic Proposal, subject, however, to a Member Delegation taking up the suggestion and making it its own. Otherwise, the proposal would be considered as a suggestion from an Observer Delegation and would not be treated formally as a proposal for amendment.

23. Ms. COTTON (United States of America) said that her Delegation was disappointed to hear that the February 1 submissions were to be regarded as mere information and not as proposals, which in turn meant that the detailed and substantive submissions made by the Delegation of the United States of America and by other non-Lisbon members would have to be re-proposed by a Lisbon member. She understood, in other words, that the proposals of her Delegation would only be heard at the Conference by the indulgence of the Chair, which demonstrated once again that her country was not a full participant, since her Delegation's observations would merely be regarded as information that the Chair and the Lisbon Union could completely ignore. She indicated, however, that such status had not diminished her country's participation in the Working Group sessions and would not diminish its participation at the present Diplomatic Conference. With regard to trans-border issues, she said that, since the United States of America did not have a significant amount of experience in that area, she had questions on how those trans-border issues, in particular the joint applications or the individual applications, might affect the partial refusal practice reflected in Rules 9 and 11. Her Delegation was trying to understand partial refusals and how they would operate in that context. Recalling that in the Madrid context a partial refusal meant that some of the goods or services would not be operative in an extension of protection, she said that in the present context it seemed to mean something entirely different. In particular, a partial refusal in the case of a homonymous geographical indication or of a joint application for a trans-border area would not make sense to her, and she was of the view that a partial grant would be preferable. She therefore requested clarification on how the International Bureau would handle such partial refusals in the case of homonymous or trans-border cases and how Member States would have to reflect those partial refusals. She pointed out that it appeared from the International Register that such partial refusals were presented as total

refusals, which might raise concerns for trans-border areas that had not yet applied for protection.

24. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) requested for clarification on the notion of trans-border geographical area.

25. Ms. JOHNSTON (MARQUES), indicating that trans-border geographical indications were an issue of concern in the ASEAN communities, suggested that Articles 2(2) and 5(4) be retained if the purpose of the proposed revision was to attract new Member States. She pointed out that MARQUES considered that the word “adjacent” might be redundant and limiting in the case of an application by non-contiguous States, and supported the intervention of the Delegation of Israel with respect to the addition of the words “act individually”. She concluded by saying that the Delegation of the United States of America had raised a valid issue with respect to partial refusals.

26. Mr. HÖPPERGER (WIPO) explained that a trans-border area of origin covered the situation where the geographical area of origin, from which the geographical indication or the appellation of origin derived its reputation or its specific qualities, happened to be located in two different States, probably for historical reasons. For example, the Austrian Empire used to comprise many regions and countries, which today had become independent States, which in turn could explain that there were now certain geographical areas with a common name located in different States. In that regard, he referred to the example of the Tokaj area, located in Hungary and in Slovakia. In that example, there was one geographical area in which products were being made and to which geographical indications or appellations of origin were being applied. In such case, there could be an understanding between the authorities of both countries that such geographical area of origin should be dealt with as one; a joint appellation of origin or geographical indication would therefore be created on that ground and international protection for that joint geographical indication or joint appellation of origin would be sought. He said that, although this was a very rare case, there were examples of joint geographical areas of origin. He explained that the situation he had just referred to was different from a situation in which there were areas of production in different countries, which would happen to have the same name. In the latter case, the situation was one of homonymous geographical locations, where the geographical area would not be the same, but would concern two different geographical areas in two different countries. Reiterating that trans-border geographical areas and homonymous geographical indications were two different things that would have to be dealt with differently, he referred to the intervention made by the Delegation of Hungary to clarify that Articles 2(2) and 5(4) dealt with the situation of trans-border areas of geographical origin. He explained that those provisions had been introduced in order to accommodate a situation where neighboring countries would get together, would recognize the existence of ideal conditions for having a joint geographical indication, and would actually create a joint geographical indication that would be jointly registered under the Lisbon System. In such case, there would be a trans-border geographical area of origin and a single Competent Authority that would be responsible for the administrative dealings with the Lisbon Registry and the International Bureau.

27. Referring to the question raised by the Delegation of the United States of America on how that situation would be dealt with at the level of the International Bureau, in particular in the context of a possible refusal by a Contracting Party, Mr. Höpperger recalled that the International Bureau would be dealing with one international registration derived from two areas of origin extending to two countries, but presented by a single authority. The geographical indication or appellation of origin would be registered as any other geographical indication or appellation of origin and subsequently notified to the Contracting Parties, which would then be in position to refuse the new registration just as any other internationally

registered appellation of origin or geographical indication originating from exclusively one Contracting Party. He concluded by recalling that the establishment of such joint geographical indications or appellations of origin would remain entirely optional and the fact that it was foreseen in the New Act did not mean that a given Contracting Party would have to enter into negotiations with neighboring countries simply because the trans-border situation existed.

28. The CHAIR reiterated that the provisions under consideration would be entirely optional and that no Contracting Party would be obliged to agree with another Contracting Party on the establishment of a trans-border geographical area or to act jointly through a commonly designated Competent Authority. He pointed out that the question whether a geographical area was a trans-border geographical area or not was a matter of fact and not a point of law because, although borders were usually fixed through legal means, geography remained a matter of fact.

29. The Chair explained that the New Act was not supposed to interfere with the sovereign decisions of Contracting Parties. He said that, although the provision referred to the fact that Contracting Parties could agree to act jointly, the proposed text was silent about the legal form of such an agreement. As regards the reference to a “commonly designated Competent Authority”, he clarified that it could be the Competent Authority of one of the Contracting Parties concerned, if both Contracting Parties agreed to act through that single Competent Authority, and there would be no requirement to establish a separate, commonly designated authority to that effect.

30. With respect to the concern expressed by the Delegation of Algeria, the Chair said that he understood such concern as relating to the fact that the optional application of that provision would require decisions by the Contracting Parties themselves, which would take the form of an inter-State agreement. He understood that Algeria would like to maintain some kind of State control over the filing of a joint application for a trans-border area. In that regard, he asked whether the concern expressed by the Delegation of Algeria might be accommodated by the deletion of subparagraph (b) of Article 5(4), thereby leaving the option of a joint application covering trans-border areas open only to Contracting Parties and not to the beneficiaries themselves.

31. Turning to the proposal from the Delegation of Israel, the Chair said that, since the provision in question was optional, Contracting Parties would be free to file applications for appellations of origin or geographical indications concerning trans-border geographical areas individually. He acknowledged, however, that the suggestion made by the Delegation of Israel might bring some useful clarification to the issue by making it clear that each of those Contracting Parties would be allowed to file applications individually only in respect of the part of the geographical area fully within their territory.

32. Finally, the Chair asked the Delegation of Iran (Islamic Republic of) whether the explanations given had provided greater clarity. He understood that the Delegation of Iran (Islamic Republic of) would like to simplify those provisions by deleting the reference to the fact that the concerned Contracting Parties would act as a single Contracting Party of origin, as well as reference to the common Competent Authority. In that regard, the Chair expressed the view that, for the time being, those were indispensable elements of the provision.

33. Mr. KLINKA (Slovakia) said that his Delegation wished to associate itself with the comments and explanations provided by the Delegation of Hungary, seconded by the Delegations of Bulgaria and Portugal.

34. Ms. CHARIKHI (Algeria) thanked the Delegations and the Secretariat for their explanations which clarified the issues. She confirmed that her Delegation's proposal targeted Article 5(4) but pointed out that this provision was related to Article 2(2) which established the principle that the purpose of the treaty may relate to a trans-border geographical area. Article 5, meanwhile, contained details of a joint application. She specified that her Delegation's concerns revolved around two points. The first related to the principle of accepting that a geographical indication could relate to a product from several territories. Her Delegation expressed some reservations about recognition of this principle because it believed that the system of geographical indications was territorial. The second concern related to implementation of this principle. She wondered what would be the details of agreements signed by neighboring States, who would pay the fees, who would establish the terms of reference or again who would act on behalf of the beneficiaries. She also wondered how the authorities of her State would treat an application for international registration of a product from trans-border geographical areas, since this concept is not recognized in national law. Lastly, the delegate wondered whether her State authorities should refuse such an application or amend national laws to accommodate it.

35. Mr. Thévenod MOTTET (Switzerland) requested clarification from the Secretariat on a geographical indication or an appellation of origin whose trans-border area spanned two countries, of which only one was a member of the Lisbon system. He wondered about the possibilities for beneficiaries from both countries to enforce their rights in relation to the international registration. The delegate also wondered about the consequences of subsequent accession by the country that was not a member of the system at the time of international registration of the geographical indication or appellation of origin.

36. The CHAIR noted that the questions raised by the Delegation of Algeria largely concerned the practical aspects of applying the proposed provisions on joint applications in the case of trans-border geographical areas. He clarified that it would be up to the Contracting Parties concerned to decide who would pay the fees under their underlying agreement and that the commonly designated Competent Authority would act on behalf of the beneficiaries. Regarding the question of how to deal with applications filed jointly by two Contracting Parties through a commonly designated Competent Authority, he indicated that the national Competent Authority in Algeria should deal with such applications as if they had been filed by a single Contracting Party through a single Competent Authority, just like any other international registration based on a simple application. Regarding the comment that geographical indications were territorial by nature, he explained that Algeria would not be obliged to make use of the option of filing a joint application if it was of the view that protection of geographical indications and appellations of origin was linked to the territory of a State.

37. Referring to the question raised by the Delegation of Switzerland as to whether a Contracting Party of Origin could file an application covering not only its own territory in respect of a trans-border area but also the territory of a non-Contracting State, thus allowing the beneficiaries or the producers active in the territory of a non-Contracting Party to benefit from the protection granted under the New Act, the Chair said that such a scenario would not be possible because the proposed wording made it clear that only Contracting Parties would be able to make use of that provision. As regards the question of what would happen in the case of a trans-border area in which one of the States would initially be a non-Contracting Party but would later accede to the New Act, he was of the view that the suggestion put forth by the Delegation of Colombia would be worth looking into. He added that in such a case, there could be a possibility for the old Contracting Party and the new one to reach an agreement to transform the international registration, which originally only covered the territory of the old Contracting Party, into an international registration covering a trans-border area, so that the new Contracting Party would also benefit from that optional provision. He

pointed out, however, that the issue was not specifically dealt with in the Basic Proposal and that consideration could be given to including a provision to that effect in the text.

38. Ms. MUJIRI (Georgia) expressed her full support to the proposal made by the Delegation of Hungary according to which the provisions under discussion would be optional.

39. The CHAIR noted that there was a broad - but not unanimous - support for the principle of including optional provisions on the possibility to file a joint application for trans-border geographical areas. However, a number of Delegations had expressed concerns of a principle or practical nature, which, in his view, had to be addressed by the Committee, by adjusting the wording of the provisions appropriately. Recalling that he was not in a position to formally propose amendments to the Basic Proposal, he suggested combining elements from the amendments which had been proposed, so as to try to find a compromise. He believed that the amendments proposed by the Delegation of Israel could be taken on board relatively easily, as they would bring useful clarifications. As to the concern expressed by the Delegation of Iran (Islamic Republic of) related to the terms "act as a single Contracting Party of Origin" in Article 5(4)(a), he observed that the text could work without that reference. He also believed that deleting subparagraph (b) could accommodate the concern of the Delegation of Algeria. He suggested keeping Article 2(2) with the amendment put forward by the Delegation of Israel, so that the second sentence of Article 2(2) would read: "This does not exclude the application of this Act in respect of a geographical area of origin, as described in paragraph (1), consisting of a trans-border geographical area or a part thereof, subject to Article 5(4)". As to Article 5(4)(a), the Chair suggested the following text: "In case of a geographical area of origin consisting of a trans-border geographical area, the adjacent Contracting Parties may agree to file an application jointly, through a commonly designated Competent Authority". He added that subparagraph (b) of Article 5(4) could be deleted in order to accommodate the concern raised by the Delegation of Algeria and that, if the changes were accepted, there would be consequential changes to paragraph (3) of Article 5.

40. Referring to the observations made by several Observer Delegations, the Chair underlined the fact that there should be a provision governing the accession of a State or an intergovernmental organization to the New Act where there was a trans-border geographical area falling within the territory of the newly acceding State or intergovernmental organization and an existing Contracting Party. In such case, Contracting Parties should agree to modify the international registration accordingly. The Chair proposed to circulate a President Non-Paper reflecting the exact wording of all the suggestions.

41. Ms. CHARIKHI (Algeria) accepted the Chair's proposal that a President Non-Paper be circulated.

42. Mr. Thévenod - MOTTET (Switzerland) wondered whether, to address the request made by some countries, the non-paper announced by Chair could also consider the possibility of maintaining sub-paragraph (b) of Article 5(4) by introducing under subparagraph (b) of Article 5(3) the possibility that the declaration of a Contracting Party permitting beneficiaries located in its territory to file an international application for registration shall exclude a joint application for international registration.

43. The CHAIR, thanking the Delegation of Switzerland for the suggestion, said that he would attempt to include alternative language to that effect.

44. The Chair, observing that there were no more comments on this item, moved on to the next pending issues in Cluster A.

Item (iii): The entitlement to file an application under Article 5(2):

Item (xv): The inclusion of Rule 5(4) permitting a Contracting Party to require a declaration of intention to use in respect of a registered appellation of origin or a registered geographical indication

45. The CHAIR turned to Article 5(2), pointing out that, although it did not contain square brackets or alternatives, it had been listed as a pending issue in Non-Paper No. 1 because, during the sessions of the Working Group, some Delegations had raised concerns about the provision's legal and practical implications. He added that Rule 5(4), dealing with the signature of the owner as a formal requirement, should be considered in conjunction with Article 5(2). The Chair then invited the Secretariat to introduce items (iii) and (xv) of Cluster A to Main Committee I.

46. Mr. HÖPPERGER (WIPO) introduced Article 5(2).

47. The CHAIR, pointing out that document LI/DC/7 contained comments, suggestions and proposals with respect to Article 5(2) and Rule 5(4), opened the floor for comments on these issues.

48. Ms. FOUKS (France) said that, at this point, Article 5(2) required no amendment. She added that her Delegation requested the deletion of Rule 5 (4), which provides for the signature of the owner of the appellation of origin or a declaration of intention to use, because it was inconsistent with the desire to harmonize the application process.

49. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) believed that the explanations regarding Article 5(2)(ii) created some difficulties and ambiguities for the authorities of every State. Taking into account the different rules and procedures applying in every State, his Delegation suggested replacing the terms of the provision after "a legal entity which has legal standing" these terms by "a legal entity which has legal standing in accordance with national law".

50. The CHAIR explained that the words "legal standing" should be followed by a verb. Therefore, he suggested keeping the text of Article 5(2)(ii) and leaving out the terms of the provision after "such as". Moreover, as the applicable law of the Contracting Party of Origin defined whether a legal entity had legal standing or not, he wondered whether an explicit confirmation was needed. In any event, it should be possible to find a proper wording for expressing this idea.

51. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) said that his Delegation agreed with the suggestion of the Chair.

52. Ms. KOPECKÁ (Czech Republic) said that her Delegation wished to keep Article 5(2) as it was. Concerning Rule 5(4), her Delegation shared the position of the Delegation of France and did not support the introduction of the text in square brackets into the Basic Proposal for the Regulations.

53. Mr. POLINER (Israel), referring to Rule 5(4), said that his Delegation, although it understood the utility of harmonization, as expressed by the Delegations of France and the Czech Republic, wished to emphasize the utility of flexibility and making wider appeal. Insofar as the paragraph was optional and would enable some countries to join the Lisbon System, his Delegation lent its support to the inclusion of the text in square brackets in Rule 5(4).

54. Ms. CHARIKHI (Algeria) said that her Delegation wished to amend Article 5(2) in based on the explanations provided by the Chair and by the Delegation of Iran (Islamic Republic of).

She considered that the powers of the competent entity differed from one country to another and that *ultimately* it was up to each national legislation to determine the powers of that entity, as well as the beneficiaries and persons authorized to act on their behalf. She stated that to simplify the text, her Delegation would like to add a reference to national legislation in Article 5(2). Moreover, considering that it was not useful to give examples in a treaty, the delegate proposed that they be deleted in Article 5(2)(ii).

55. The CHAIR suggested that the text refer to the law of the Contracting Party - instead of the national law - since intergovernmental organizations could become parties to the New Act. Article 5(2)(ii) would then read as follows: “a legal entity which has legal standing under the law of the Contracting Party of Origin to assert the rights of the beneficiaries or other rights in the appellation of origin or the geographical indication”.

56. Mr. SCHMIDLIN (Italy) stated that his Delegation had no problem with the inclusion of the phrase “under the law of the Contracting Party”, but needed time to reflect on the proposed deletion of the examples mentioned in Article 5(2)(ii). He informed the Committee that he would revert to this question at a later stage.

57. Ms. COTTON (United States of America) said that she had noted during the discussions held the previous day that, for many Delegations, the issue was to accommodate trademark systems, as they considered that the Basic Proposal already accommodated geographical indication systems. However, in her Delegation’s view, the issue was not that simple. She pointed out that Article 5(2) raised concerns for geographical indication registration systems as well as for trademark systems. Registrations were issued to a holder, who was given legal standing to bring an enforcement action or to record its registration with customs for border enforcement. If no holder was named in the international registration, there would be no holder in the receiving Contracting Parties. Therefore, refusing to identify the holder meant refusing to accommodate geographical indication registration systems as well as trademark systems. In her Delegation’s opinion, by accommodating only appellation of origin systems, the Basic Proposal did not seem to be very inclusive. For this reason, her Delegation suggested that Article 5(2) identify a holder as the entity named in the protection instrument in the country of origin, as naming a holder was imperative to ensure that the appellation of origin and geographical indication owners got appropriate protection in receiving Contracting Parties.

58. The Delegate also expressed her appreciation for the information provided on Article 1(xvii) by the Delegation of Colombia in its February 1, 2015 submission, according to which beneficiaries should mean natural persons or legal entities having the exclusive right over an appellation of origin or a geographical indication. Considering that this was *in lieu* of identifying the persons entitled to use the appellation of origin or the geographical indication, she said that she understood the suggestion by the Delegation of Colombia to be in line with the one made by her Delegation with respect to Article 5(2).

59. The Delegate said that she noted with disappointment that Rule 5(4), as elaborated by the Working Group, would not be considered, as its text did not form part of the Basic Proposal. She also expressed disappointment about the inability of her Delegation to rely on the assurances given by the Working Group that its needs would be accommodated, although she appreciated the support of the Delegation of Israel for the flexibility that her Delegation was asking for.

60. The Delegate recalled that her Delegation had offered language in its February 1, 2015 submission, as reflected in document LI/DC/7, concerning two different declarations, namely a declaration of intention to use and a declaration with regard to the entitlement to file and renunciation. She underlined that these two features of the United States trademark system and other trademark systems were designed to combat bad faith applications. If a receiving

Contracting Party seriously took the declaration of intention to use as a mechanism to prevent bad faith applications, and to ensure Constitutional authority to regulate speech, it must also have the ability to enforce that declaration when the use requirement was not respected. She added that this also justified inclusion of the renunciation part in the text as well. She concluded by underlying that these two provisions in Rule 5(4) were essential for providing flexibility for Contracting Parties whose constitutional regulatory authority depended on them. Her Delegation, therefore, hoped that the Committee would consider them.

61. The CHAIR said that, from a procedural point of view, he wished to clarify that the fact that text within square brackets did not form part of the Basic Proposal did not prevent Main Committee I from considering such text in a serious and meaningful manner. He observed that the Committee was considering Rule 5(4), which was included in the President Non-Paper No. 1 identifying pending issues. He assured the Delegation of the United States of America that the Committee did listen to it. Recalling that, as Chair, he was in the hands of the Committee, he reiterated that, if support was expressed for suggestions made by the Delegation of the United States of America, those suggestions would be taken up and duly handled in the course of the discussions.

62. Ms. Salah (Morocco) specified that her Delegation supported maintaining the text of Article 5(2) as such and had no objection to the inclusion of Rule 5(4), so long as it would allow other countries to join the Lisbon system.

63. Ms. MOORE (Australia) raised concerns about Article 5(2), indicating that, in her view, it was important that the provision made clear that the Competent Authority was acting as an intermediary in the filing process for an appropriate legal entity. She also echoed the comments made by the Delegation of Israel on the flexibility provided by Rule 5(4) and expressed the support of her Delegation for its retention and amendment, as suggested by the Delegation of the United States of America.

64. Mr. LONDOÑO FERNÁNDEZ (Colombia) referred to Colombia's proposal on the definition of beneficiaries and indicated that, in his opinion, beneficiaries could be both the holder of a right derived from an appellation of origin, who can exclude those who use it improperly; and persons duly authorized to use the appellation of origin, such as (in the case of certain agricultural products) marketers of already-processed products who are not in the geographical area, do not participate in processing or production, but who, by authorization from the legal entity, the beneficiaries, or the State may affix the appellation of origin or seal on the packaging and, at the same time, be users of the appellation of origin. Therefore, the correct definition, in his opinion, would be "of those who are holders" (and not beneficiaries) of the right derived from an appellation of origin, regardless of whether they are authorized to use it or not.

65. The CHAIR adjourned the meeting.

Second Meeting Tuesday, May 12, 2015 Afternoon
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Article 5(2) and Rule 5(4) (cont'd)

66. The CHAIR resumed the work of Main Committee I on the entitlement to file an application under Article 5(2) and, in conjunction with that Article, the inclusion of Rule 5(4), which would introduce a declaration-based requirement for the owner to sign the application.

67. Mr. SCHMIDLIN (Italy) sought clarification from the Delegation of the United States of America as to the legal implications of signing a declaration of intention to use. He wished to understand the rationale behind the proposal and what such a declaration implied, how it worked and what was required from a company that had filed an application through the Competent Authority, but had not yet entered into the market of a country that had such a requirement. The Delegate pointed out that consideration should be given to the attractiveness of the system, not only for States, but also for users.

68. The CHAIR, indicating that the concern raised by the Delegation of Italy was not related to the subject under discussion, proposed to revert to it later.

69. Ms. FOUKS (France) wished to revisit the issue of signature of the international application and the statement made about it by the Delegation of the USA during the morning session. The delegate recalled that the Delegation of the United States of America had observed that it was important to be able to identify the owner in order to also identify the person empowered to initiate protection actions. To address this issue, the delegate wondered whether it would not be possible to include an expression in the application form that identifies, not an owner, but a kind of signatory. In this regard, the delegate recalled, firstly, that the aim was also to attract all the systems that exist in the field of protection of geographical indications and also that some States had no owners since the State itself was owner. She wondered, therefore, whether it was not possible to find an expression in the application form itself, and not in a specific application, which would imply filing and managing as many applications as there are countries in which protection is requested.

70. The CHAIR pointed out that, in order to include such an element in the application form, a provision to that effect was needed in the Rules. In his view, if the possibility of introducing such a formal requirement was envisaged, consideration should also be given to the definitions of the holder of the international registration and of the beneficiaries. He observed that the definition of "beneficiaries" in the Basic Proposal did not refer to the legal standing to assert the rights in an appellation of origin or a geographical indication, or to the entitlement to enforce those rights in civil law proceedings or border measures, while Article 5(2)(ii) provided for a legal entity which had legal standing to assert the rights in the appellation of origin or geographical indication. In his view, the reference to the owner could be interpreted as a reference to someone who had legal standing to assert the rights, while the reference to the person entitled to use the appellation of origin or geographical indication was covered by beneficiaries. Indicating that the formal requirement of signature of the application by either the owner or the person entitled to use the appellation of origin or geographical indication could be covered in both cases by Article 5(2), the Chair said that he did not see the need to amend Article 5(2).

71. In reply to a request for clarification from Mr. AZAMI SARDOUEI (Iran, Islamic Republic of), the CHAIR clarified that his previous intervention was an attempt to reconcile the text

within brackets of Rule 5(4) with Article 5(2) of the Basic Proposal. The Chair noted that the proposal from the Delegation of the United States of America in document LI/DC/7 was slightly different.

72. Ms. FOUKS (France) clarified that the Delegation of France was not in favor of a signature by the owner or beneficiary of the application. It simply requested that the status of owner or beneficiary be indicated on the application form. The Chair's statements that a legal entity could be owner in some countries seemed to agree with her position.

73. Ms. COTTON (United States of America) said that, as regards Rule 5(4), her Delegation had proposed a declaration-based requirement for the benefit of those countries that required that the application be signed by the owner, such as the United States of America where, if the application was not signed by the owner, the application was void and considered as if it had never happened. With regard to Article 5(2), she said that, generally speaking, identifying the owner of the exclusive right was necessary in registration systems where only the owner had legal standing to assert those rights in a civil action. The declaration option in Rule 5(4) would not necessarily satisfy what her Delegation had asked for in Article 5(2). Her Delegation was not of the view that the signature by the owner would suffice for identifying the owner for the purposes of an enforcement action and disagreed that Rule 5(4) could replace or influence Article 5(2), as the two provisions were dealing with separate things.

74. The CHAIR, expressing the view that Article 5(2) should be neutral and flexible, so as to accommodate the legal systems of all current and future members, said that the approach proposed by the Delegation of United States of America would accommodate the needs of only some of them and might not be an acceptable solution to the current membership.

75. Mr. LONDOÑO FERNANDEZ (Colombia) said that a clear distinction had to be made between the right to file an application established in Article 5(2), and the requirements that must be presented in the application form. Thus, he noted that Article 5(2) was well written, since it defines who can be an applicant for international registration. However, he felt that there was need to reword paragraph (4) of Rule 5 in square brackets and make a distinction between the requirements of the application and the right to file the application.

76. Ms. COTTON (United States of America), recalling that the Lisbon Union had decided to add the subject matter of geographical indications to the agreement and observing that geographical indications were defined in the TRIPS Agreement as private rights, emphasized that private rights had an owner. Her Delegation's suggestion concerned the identification of the owner of the private right because that made enforcement action possible. The Chair had indicated that the current membership might consider this unacceptable because it would change the system. Yet, adding geographical indications had changed the system quite drastically. She wondered whether geographical indications should be added as subject matter if there was no agreement that the owner of a geographical indication as a private right should be identified.

77. Mr. VITTORI (oriGIn) noted that two conflicting visions were clashing, namely that of jurisdictions that did not provide for the institution of ownership in the field of geographical indications, and of jurisdictions that did. He pointed out that the compromise wording of Article 5(2) tried to reconcile those differences by providing both for the filing of an application by a Competent Authority, without mentioning the beneficiaries of the rights, and for direct filing by the owner. The same pragmatic approach should be taken with regard to Rule 5(4), which should be drafted so as to accommodate jurisdictions which required the identification of the owner and jurisdictions that did not provide for ownership over geographical indications. With regard to the enforcement of rights, he believed that it was

important to identify the entity, no matter how it was called, that would be responsible for the enforcement. He urged the participants to find a drafting solution to Rule 5(4), through a process of consensus which would carefully balance the interests of all countries, without imposing a signature of the owner.

78. Mr. HÖPPERGER (WIPO) pointed out that, as the system broadened and opened up, there might be additional requirements needed in the Contracting Parties. He wondered whether a possible way forward for Article 5(2) would be to provide that the international application had to be filed by the Competent Authority and indicate the beneficiaries, as defined in Article 1(xvii) and, in addition, that it could identify the natural or legal person that had legal standing to assert the rights of the beneficiaries. For practical purposes, the provision could accommodate the requirements of Contracting Parties for which it was important to have an indication, not only of who had the right to use the protected appellation of origin or the protected geographical indication, but also of who had the right to assert rights in such an appellation of origin or geographical indication; in other words, who had the right to enforce it. He said that rendering Article 5(2) more neutral would create a bridge to Rule 5(4), which was of an optional nature.

79. The CHAIR proposed to reflect on the suggestion by the Secretariat and urged Delegations to find a solution flexible enough to allow current members of the Lisbon Union to continue to follow their legal traditions while accommodating the specificities and the special needs of jurisdictions where another approach was followed. He believed that this was feasible, as these approaches were not mutually exclusive.

80. Mr. AZAMI SARDOUEI (Iran, Islamic Republic of), thanking the Secretariat for the suggestion, said that in Iran (Islamic Republic of) those rights were, in many cases, not private rights, but belonged to local communities or to the nation. Pointing out that the definition of beneficiaries could differ from one country to another, he proposed to leave the regulation of these issues to the national law of the Contracting Parties.

81. The CHAIR concluded that there was growing support for certain changes to be introduced in the text of Article 5(2), especially in item (ii). He noted that the following suggestions had been made: to delete the examples after the words “such as”; to include a reference to the law of the Contracting Party of Origin to the effect of determining whether a person had legal standing to assert the rights of the beneficiaries or other rights in an appellation of origin or geographical indication, and to replace the reference to “legal entity which has legal standing to assert the rights” by a reference to “natural or legal person which has legal standing to assert the rights”. He noted, however, that some Observer Delegations had expressed the view that these changes were not sufficient to meet their specific concerns. With regard to Rule 5(4) and the requirement that the application be signed by the owner or the one entitled to use the appellation of origin or the geographical indication, he pointed out that conflicting views had been expressed on whether the requirement of signature should be replaced by an indication of the owner or of the person entitled to use the appellation of origin or the geographical indication. However, he noted a growing amount of flexibility in that regard and a willingness to find a solution.

Item (xiv): whether Rule 5(3) should be optional or mandatory

82. The CHAIR opened the discussion on whether Rule 5(3) should be optional or mandatory.

83. Mr. HÖPPERGER (WIPO) introduced Rule 5(3).

84. The CHAIR said that, in his view, Alternative B closely followed the current approach of the Lisbon System. Alternative C would allow Contracting Parties that attached particular

importance to the link between the goods and their geographical area of origin to impose this requirement in respect of their own territories, while other Contracting Parties could accept the legal effects of an international registration without requiring information on the link between the goods and their geographical area of origin.

85. Mr. LONDOÑO FERNANDEZ (Colombia) referred to Colombia's comments and proposals of February 2015, which requested that information unrelated to the claim for protection and pertaining to certain specified elements, as well as information on the link should be mandatory, since this entails recording in the international public register the reasons given by each of the countries of origin for protecting the geographical indication and for determining the scope of protection of the geographical indication in its country of origin. Besides, he recalled his Delegation's satisfaction with item (iii) in Alternative B, which states that the application should contain "a copy in the original language of the registration, the legislative or administrative act, or the judicial or administrative decision, by virtue of which protection is granted" since the idea is to ensure that third parties in other countries are aware of the scope of the protection defined for the geographical indication in its country of origin.

86. Ms. OBANDO (Costa Rica) felt that it would be more convenient to request for the information but not make it mandatory.

87. Mr. KLING (Israel), expressing his Delegation's support for Alternative A, said that such a requirement would give the system more clarity and more value to the right. However, in the spirit of flexibility and for the sake of consensus, he declared that Alternative C would also be acceptable.

88. Ms. SÁNCHEZ TORRES (Cuba) supported Alternative C.

89. Ms. FOUKS (France) said that the Delegation of France supported Alternative A, for reasons of clarity of information. She added that Alternative C seemed delicate to implement because it would lead to the preparation of registration forms that are tailored to the request of each country and consequently content that differs from country to country. Hence, Alternative C would not facilitate the registration process and would run counter to the simplification sought by the system.

90. Mr. GONDA (Hungary), expressing his Delegation's preference for Alternative C, was of the view that this alternative would increase the level of flexibility of the system and would also attract new members, as it accommodated their needs.

91. Mr. YOSSIFOV (Bulgaria), aligning himself with the Delegation of Israel, expressed his support for Alternative A, as first option, and Alternative C, as a compromise solution. The Delegate believed that Alternative C would create a two-level system, where some members might require the indication of particulars concerning the quality, reputation or characteristics, while others might not. He concurred with the view expressed by the Delegation of France that more information on registrations would benefit the system.

92. Ms. VIEIRA LOPES (Portugal), considering that the information about the quality, reputation or characteristics of the goods was an essential feature of the system, expressed her preference for Alternative A. She noted, however, that her Delegation could consider Alternative C as a compromise solution.

93. Mr. KLINKA (Slovakia) expressed his Delegation's preference for Alternative A, but agreed that, in a spirit of flexibility, Alternative C would be acceptable.

94. Mr. SCHMIDLIN (Italy) said that his Delegation opted for Alternative A, but was ready to consider Alternative C, if needed.
95. Mr. RENDÓN ALGARA (Mexico) said that his Delegation considered Alternative C acceptable.
96. Ms. DIAZ MORENO (Nicaragua) said that his Delegation was in favor of Alternative C since having more information on an application facilitated its examination and was useful for the purposes of presenting a challenge.
97. Mr. Gaouaoui (Algeria) expressed Algeria's preference for Alternative C as it gave more flexibility and latitude to contracting parties who would be free to request or not request additional information or data through an application for registration.
98. The CHAIR noted that Alternative B, which reflected the current approach of the Lisbon System, did not have support. Indicating that there was no big practical difference between Alternatives A and C, he said that, if Alternative C were to be chosen, quite a few Contracting Parties would make the declaration under that provision. The practical effect would be that applicants seeking wide geographical coverage for the protection of their appellations of origin or geographical indications would have to provide that information in the application. Otherwise, they would not obtain protection in those countries as a consequence of the by non-compliance with the requirement, as specified in subparagraph (c) of Alternative C.
99. Ms. Salah (Morocco) expressed her Delegation's preference for Alternative C, which gave more flexibility, was more inclusive, and could encourage countries to join this new Act.
100. Ms. MOORE (Australia) said that, in her Delegation's view, Alternative C would provide a mechanism by which the countries requiring information about the link could alert producers seeking international protection to comply with that requirement in order to obtain protection in their territories. Alternative C would benefit users of the system in that it would not burden applicants with the requirement to provide information where it was not necessary to obtain the protection.
101. Ms. KIRIY (Russian Federation), expressing her Delegation's preference for Alternative A, said that it corresponded to Russian legislation and was in line with the essence of appellations of origin and geographical indications. At the same time, Alternative C seemed to be flexible and accommodate all national legislations.
102. Ms. MORARU (Romania) indicated that her Delegation preferred Alternative A, but that for reasons of flexibility, it was also ready to go along with Alternative C.
103. Mr. Thévenod-MOTTET (Switzerland) wondered why the content of the application for registration had to be mandatory henceforth, whereas under the principles of the current Lisbon Agreement it is optional. He shared the Chair's understanding of the similarity of the *de facto* consequences of Alternatives A and C and wondered about the validity of Alternative C being a real alternative to Alternative A. He also shared the analysis presented by the Delegation of France on the reasons for refusing Alternative C. On the merits, his Delegation supported Alternative B and supported the analysis presented by the Delegation of Costa Rica. It highlighted one important element namely the burden of translating these elements, which would be mandatory in one way or another, into the working languages of a significant number of countries. He feared that making it somehow mandatory to provide these elements might lead to competition among the applicants, in terms of the variety and exhaustiveness of the information presented to convince the various contracting parties of the validity of such information. This could affect the legitimacy of granting protection to the geographical indication or appellation of origin concerned on their territories. In conclusion,

the Swiss Delegation preferred Alternative B and the optional nature of the content of the application.

104. Mr. VITTORI (oriGIn) said that the link of the quality, reputation or other characteristic of the goods was at the core of geographical indications and appellations of origin. OriGIn concurred with the views of the Chair on Alternatives A and C, but invited the participants to look at that requirement not as an obligation, but rather as an opportunity to get recognition in a foreign jurisdiction. Indicating the aforementioned particulars would increase the chances of obtaining recognition and protection in the other Member states of the Union.

105. Ms. GÜNZEL (MARQUES) aligned herself with the Delegations that had expressed their support for Alternative A. The specification was an essential feature of geographical indications, without which the scope of the geographical indication would be unclear. Therefore, for the sake of legal certainty, the particulars should be mandatory. However, for flexibility reasons, Alternative C could also be considered, particularly since the practical differences between the two alternatives were not so big.

106. The CHAIR said that two views had emerged from the discussion. The first was that the purpose of the requirement was to enhance the chances of obtaining protection in Contracting Parties other than the Contracting Party of Origin by increasing the convincing power of the application through including information on the link between the geographical area and the product. The second view was linked to the fundamental reasons justifying the protection of geographical indications and appellations of origin, including the argument that the public should be informed of the elements that proved that there was a link between the geographical area and the product. The Chair noted that many Delegations had expressed their preference for Alternative A, but were ready to consider Alternative C as a compromise solution.

107. Ms. FOUKS (France) said that her Delegation wished to reiterate its rejection of Alternative C.

108. The CHAIR noted that one Delegation reserved its position on this issue and opposed Alternative C.

109. Mr. CURCHOD (CEIPI) acknowledged that he could not understand the analysis of the Delegations of France and Switzerland on the complexity that would result from the practical application of Alternative C. He construed this alternative as giving the applicant the choice between two options, namely: to provide or not provide all the information referred to in subparagraph (a). However, as he understood it, the applicant did not need to provide data that changed with the country where he is seeking protection. He indicated that although CEIPI preferred Alternative A, he could not understand why Alternative C would not be acceptable in principle.

110. The CHAIR said that he concurred with the reading of Alternative C, as presented by the Representative of CEIPI.

Item (xvi): the Inclusion of Rule 5(4) permitting a Contracting Party to require a declaration of intention to use in respect of a registered appellation of origin or a registered geographical indication

111. The CHAIR opened the discussion on Rule 5(4).

112. Mr. HÖPPERGER (WIPO) introduced Rule 5(4).

113. Ms. COTTON (United States of America), in reply to the question raised previously by the Delegation of Italy concerning the declaration of intention to use, said that the United States Constitution gave authority to the Federal Government to issue patents and recognize copyright, but did not give explicitly authority to register trademarks at the federal level. Therefore, in order to issue federal registrations that covered all 50 states, the Federal Government relied on the interstate commerce clause of the U.S. Constitution. She explained that it had been held by the U.S. Supreme Court that, for a registration to be valid, a trademark had to be used in commerce. She also explained that, in light of her country's treaty obligations, the trademark system had moved to an "intention to use" system, where an application for a trademark filed through the Paris Convention or the Madrid System had to be accompanied by an intention to use declaration, claiming that the applicant had a *bona fide* intention to use the mark in commerce. Thus, between the fifth and the sixth year of the registration, the applicant had to use the trademark in commerce and every tenth year, he/she had to show use in commerce. She concluded that intention to use declarations were already required for applicants filing through the Madrid System and the Paris Convention. Such declarations had to include a statement that the person making it believed itself to be entitled to use the mark in commerce, as regards trademarks, or, as regards collective and certification marks, that the person making it was entitled to exercise legitimate control over the use in commerce, and that to the best of his or her knowledge and belief, no other person, firm, corporation, or association had the right to use the mark in commerce, either in the identical form thereof or in such near resemblance to it as to be likely, when used on, or in connection with, the goods or services of another person, to cause confusion or to cause mistake or to deceive. The declaration had to be signed by either a person with legal authority to bind the applicant, or a person with first-hand knowledge of the facts, and actual or implied authority to act on behalf of the applicant, or an attorney authorized to practice before the United States Patent and Trademark Office who had written or verbal power of attorney or implied power of attorney from the applicant. She stressed that the declaration of intention to use allowed the United States Patent and Trademark Office to issue a federal trademark registration, even though the mark had not yet been in use in commerce. Rule 5(4)(b) gave the option to applicants not to pursue an application in the United States of America or another country that required use, by not submitting the declaration of intention to use, thereby renouncing protection in their territory.

114. Mr. SCHMIDLIN (Italy) asked if the United States law provided for exceptions to trademark use requirements, in particular where a foreign company could not use the trademark for reasons not depending on its owner.

115. Ms. COTTON (United States of America) referred to Article 19.1 of the TRIPS Agreement, which reads as follows: "Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other government requirements for goods or services protected by the trademark, shall be recognized as valid reasons for non-use". She said that, in the United States of America, that was called "excusable non-use", and applied to a certification mark, a collective mark and a trademark. Generally, if the non-use was due to a government restriction under the terms of Article 19 of the TRIPS Agreement, that would be accepted as excusable non-use. She concluded by stressing that a declaration of *bona fide* intention to use the mark meant that there were business plans under way to use the mark in commerce in the United States of America; and not just a desire to do so at some point.

116. The CHAIR pointed out that government restrictions were just an example of an excusable non-use and that all sorts of circumstances arising independently of the will of the trademark owner could be recognized as valid reasons for non-use. He also expressed the view that the text of Rule 5(4) proposed in the submission of February 1 by the Delegation of the United States of America seemed to be more flexible than the one in the Basic Proposal.

Item (xvi): promoting transparency under Rule 5(5)

117. Mr. HÖPPERGER (WIPO) introduced Rule 5(5).
118. Ms. SANCHEZ TORRES (Cuba) said that her Delegation supported Alternative A of Rule 5(5) because it offered greater transparency and legal certainty to the system.
119. Mr. MELENDEZ GARCIA (Costa Rica) considered that Alternative A offered greater transparency and helped to make the instrument more attractive. It also provided better information to consumers and prevented problems in national procedures, where it is sometimes difficult to clearly establish the scope of protection.
120. Mr. YOSSFIOV (Bulgaria) expressed his Delegation's support for Alternative A.
121. Mr. SCHMIDLIN (Italy), considering that the formulation of Alternative A was rigid, expressed his Delegation's preference for Alternative B.
122. Mr. KLING (Israel) expressed his Delegation's support for Alternative A.
123. Ms. VIEIRA LOPES (Portugal), aligning herself with the statement made by the Delegation of Italy, expressed her Delegation's support for Alternative B.
124. Ms. KOPECKÁ (Czech Republic), aligning herself with the statements made by the Delegations of Italy and Portugal, expressed her Delegation's support for Alternative B.
125. Ms. FOUKS (France) indicated her Delegation's preference for Alternative B.
126. Mr. KLINKA (Slovakia) said that his Delegation preferred Alternative B.
127. Mr. Gaouaoui (Algeria) said that his Delegation shared the positions that supported Alternative B for reasons of flexibility.
128. Ms. DIAZ MORENO (Nicaragua) said that her Delegation supported Alternative A.
129. Mr. LONDOÑO FERNANDEZ (Colombia) underscored the importance of defining the scope of protection for all appellations of origin and geographical indications composed of two terms and called for reflection on the need to approve Alternative A for both Rule 5(5) and Rule 5(3).
130. Ms. COTTON (United States of America) aligned herself with the statements made by the Delegations of Colombia, Costa Rica, Cuba, Israel and Nicaragua in support of Alternative A. Pointing out that many countries did not provide for the protection of generic elements of a compound geographical indication, she said that many appellations of origin and geographical indications coming through the system contained multiple terms, most of which were unfamiliar to foreign examiners and foreign courts. It was, thus, difficult to know what was being claimed and what was not being claimed. Her Delegation was, therefore, of the view that, if there was a statement in the instrument of protection in the country of origin that specifically identified a generic term in a compound geographical indication as not enjoying exclusive rights apart from the geographical indication as a whole, that information should be conveyed in the international application, so that the Contracting Parties would have more information to evaluate the incoming notification. This was necessary to avoid the situation where an appellation of origin or a geographical indication notified through the system would enjoy more protection in the receiving Contracting Parties than it actually had in its country of origin.

131. Ms. Salah (Morocco) aligned herself with the Delegations that spoke in favor of Alternative A because it was more transparent.

132. Mr. Thévenod-MOTTET (Switzerland) expressed his preference for Alternative A for the same reasons outlined by the Delegations that spoke in favor of this option. He specified that Alternative A was better formulated than Alternative B, since it referred to an element of protection instrument itself, which in one way or another is noteworthy. In this context, he did not understand the possible relevance of concealing, as in Alternative B, information contained in the instrument protecting the geographical indication or appellation of origin. As other Delegations had pointed out, and in the interest of greater transparency, it was difficult to understand that any prejudice would arise from the obligation to indicate a factual element, determined by the country of origin in its instrument recognizing the geographical indication or appellation of origin. As regards Alternative B, he noted that its wording made no reference to the protection instrument specifying or failing to specify that protection is not granted to certain elements of the appellation of origin or geographical indication, whereas it is indicated in the application for international registration that protection would not cover some items. In this context, he wondered how the Alternative B could be implemented.

133. Ms. MORARU (Romania) declared that her Delegation supported previous speakers who were in favor of Alternative A for the above-mentioned reasons of transparency.

134. Ms. SCHULTE (INTA), expressing INTA's support for Alternative A as an element of transparency and legal certainty, said that this alternative would help to determine the appropriate scope of protection for the registered terms and to avoid undue limitations to the freedom to use descriptive terms.

135. Mr. THORN (CCFN), expressing CCFN's strong support for Alternative A, said that this option would increase the legal clarity and ensure that geographical indication registrations were not unnecessarily trade distorting. He added that, for decades, producers represented by CCFN had produced and marketed foods using common food names, which were often components of registered geographical indications.

136. Mr. MEDINA (MARQUES), aligning MARQUES with the statements made by the previous Delegations that had expressed their support for Alternative A, believed that that option was the best in terms of legal certainty, consumer protection and free competition. He considered that the lack of information on non-protected elements of appellations of origin and geographical indications could lead to the protection of those elements in other Contracting Parties, which ultimately could distort the system.

137. The CHAIR, recalling that Alternative B would correspond to the current approach in the Regulations under the Lisbon Agreement, concluded that some Member Delegations and many Observer Delegations had opted for Alternative A. He noted that some Delegations had expressed their concern on the current drafting of Alternative A, while other Delegations had expressed their concern on the functioning in practice of that alternative. He said that, in his view, Alternative A could function in practice by means of a box to be ticked in the application form when there were elements for which protection was not being claimed, followed by the indication of those elements. He proposed to revert to this provision at a later stage.

138. The CHAIR adjourned the meeting.

Third Meeting
Wednesday, May 13, 2015
Morning

139. The CHAIR summarized the discussions that had taken place the day before and informed that, in an attempt to reach compromise solutions, he had produced President Non-Paper No. 2, on trans-border geographical areas of origin, and President Non-Paper No. 3, on the entitlement to file an application under Article 5(2) and the relevant part of Rule 5(4). He also said that a formal proposal for amendment concerning trans-border geographical areas of origin had been tabled by the Delegation of Iran (Islamic Republic of). This proposal was available for consideration by the Committee as document LI/DC/11.

140. Mr. WU (China), referring to Rule 5(3), expressed his Delegation's preference for Alternative C. He also expressed his Delegation's agreement with the current text of Rule 5(4) and its preference for Alternative A of Rule 5(5). Finally, his Delegation could not agree with a reference to "natural persons" in Article 5, because its national law did not foresee this possibility.

141. Ms. CHARIKHI (Algeria) asked whether Main Committee I would revisit Chair Non-Papers Nos. 2 and 3.

142. The CHAIR reiterated his intention to go through the entire list of pending issues identified in President Non-Paper No. 1. He said that, after having heard the positions of Delegations, the Committee would revert to the pending issues, basing its discussion either on the Non-Papers presented by the Chair or on any proposals for amendment presented by Member Delegations.

CLUSTER B: ISSUES CONCERNING PROVISIONS RELATED TO THE SCOPE OF PROTECTION

Item (vii): the various options in respect of Article 11(1)(a) and Article 11(3)

143. The CHAIR opened the discussion on Article 11(1)(a) and Article 11(3).

144. Mr. HÖPPERGER (WIPO) introduced Article 11(1)(a), which contained two alternatives, and Article 11(3), which contained four alternatives.

145. The CHAIR pointed out that, if Alternative B prevailed for Article 11(1)(a)(ii), there would be no need for Article 11(3), except for Alternative D.

146. Ms. FOUKS (France) noted that Main Committee I had entered the heart of the debate. Protection was a major issue. She recalled that the objective was to modernize the Lisbon Agreement and improve the rules of protection. In this context, the Agreement was not very clear on the treatment of certain situations involving appellations of origin and geographical indications in cases counterfeit or usurpation. She indicated that her Delegation supported Alternative A of Article 11(1)(a) which made it possible to cover more situations involving protection.

147. Mr. SCHMIDLIN (Italy) expressed his Delegation's support for Alternative A in Article 11(1)(a).

148. Ms. KOPECKÁ (Czech Republic) said that her Delegation preferred Alternative A in Article 11(1)(a), because it was closer to the traditional concept of the content of protection, as well as Alternative A in Article 11(3).

149. Ms. VIEIRA LOPES (Portugal) stated that her Delegation preferred Alternative A for Article 11(1)(a).

150. Ms. Charikhi (Algérie) said that her Delegation joined the Delegations of France, Italy, Czech Republic and Portugal in preferring Alternative A. Her Delegation held the view that this alternative offered the most significant protection to products benefitting from an appellation of origin or geographical indication.

151. Mr. POLINER (Israel) said that his Delegation could go along with Alternative A in Article 11(1)(a), but preferred Alternative B because it reflected a TRIPS standard, even though in the TRIPS Agreement this standard only applied in respect of well-known trademarks. Moreover, Alternative B gave greater flexibility for potential Contracting Parties, on the understanding that individual Contracting Parties could set higher standards in their national laws if they so desired. He added that his Delegation supported footnote 2, which was part of Article 11(1)(a). With regard to Article 11(3), he expressed the support of his Delegation for Alternative D, so as to make the New Act more flexible and amenable to a wide number of countries.

152. Mr. MAYAUTE VARGAS (Peru) said that, with regard to Article 11(1)(a), his Delegation also found that Alternative A gave the most comprehensive protection to appellations of origin and geographical indications. Accordingly, it preferred Alternative A of Article 11(1)(a) and Article 11(3).

153. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) said that his Delegation supported Alternative A of Article 11(1)(a) and Alternative C of Article 11(3).

154. Ms. FOUKS (France) considered that Article 11(3) is related to Article 11(1), which was flexible and allowed for consideration of the observations of some States that could not cope with very restrictive protection, especially for non-comparable products. She observed that Article 11(3) had significantly evolved in the course of the discussions to the point of becoming an article of total reservation on the protection conferred by the agreement. The delegate particularly targeted Alternative D that she found dangerous because it challenged protection mechanisms. While reiterating her Delegation's support for Alternative A, she indicated that the discussions would make it possible to hear all Delegations on this article and, if necessary, to reflect on its wording.

155. Mr. OKIO (Congo) was in favor of Alternative A of Article 11(1) which, according to his Delegation, best addressed the objective of modernizing the Agreement, as well as Alternative A of Article 11(3).

156. Mr. KLINKA (Slovakia), indicating that his Delegation considered Article 11 as the core provision of the New Act, expressed his Delegation's preference for Alternatives A in both Article 11(1)(a) and Article 11(3).

157. Ms. CHARIKHI (Algeria) declared that her Delegation was in favor of Alternative C of Article 11(3) which she found to be more exhaustive. However, she proposed the deletion of item (iii) of Alternative C which her Delegation considered redundant. In the alternative, she requested the Secretariat or Delegations to provide explanations that could justify maintenance of point (iii).

158. Mr. SCHMIDLIN (Italy) stated that his Delegation shared the position taken by the Delegation of France regarding Alternative D of Article 11(3).

159. Ms. VIEIRA LOPES (Portugal) stated that her Delegation preferred Alternative A in Article 11(3), although it could perhaps take other alternatives into account.

160. Mr. LONDOÑO FERNANDEZ (Colombia) indicated that the expressions “improper use” in Article 11(1) corresponded to what is described as an improper action in Article 11(1)(i). Furthermore, he indicated that the only two ways of incorrectly using a geographical indication or appellation of origin for the same type of products is when the origin of the product is false or when it fails to meet the requirements of the appellation or trademark standards, in the case of a certification mark. He clarified that this comment applied to the use of appellations of origin, because if it had been about the use of something similar, imitation is already included in Article 11(1)(ii). If sub-paragraph (iii) were included in Alternative A, proof would have to be given that the appellation of origin or certification mark enjoys a reputation before a favorable decision can be rendered. This did not square with the type of protection given to a certification mark or an appellation of origin when dealing with products of the same type. In his view, it sufficed for the appellation of origin or certification mark to have been used incorrectly or to have been mentioned or used in a manner that misled the consumer to believe that he was dealing with the same product protected by the appellation of origin or certification mark. He recalled that, at the last session, the Delegation of Colombia had proposed a clear distinction of conduct between imitation or use of appellations of origin or certification marks for the same type of products and imitation or use for different types of products. Hence the first suggestion of Colombia was that there should be a single article that includes sub-paragraph (i), as well as imitation, and sub-paragraph (iii) should be deleted since it would be redundant. He also said that in the case of products of a different type, the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks could be applied, described in Alternative C, could be applied, such that it would be applicable to both well-known marks and appellations of origin, to the extent that the terms “well-known” and “reputation” are understood to be synonymous. Thus, his Delegation was proposing a careful review of the proposed wording to ensure that Article 11 protects geographical indications and appellations of origin against usage or imitation for the same products and against usage or imitation for products that are not of the same type.

161. Mr. WU (China) expressed the view that Article 11(1) exceeded the protection of appellations of origin and geographical indications under the TRIPS Agreement, as it followed Article 3 of the Lisbon Agreement and Article 23 of the TRIPs Agreement. Therefore, his Delegation could not agree with its formulation. Indicating that his Delegation did not agree with any of the proposed alternatives in Article 11(3), he suggested adding another alternative, which would read as follows: “Any country or intergovernmental organization can declare at the time of its ratification or accession that Article 11(1)(a) does not apply if the relevant legislation with regard to appellations of origin and geographical indications provides that the beneficiaries shall have the legal means to prohibit products that are not originating from the geographical area or using the geographical indication in a way that misleads the public.”

162. Ms. MORARU (Romania) said that her Delegation supported Alternative A of Article 11(1) and Alternative A of Article 11(3) which they found to be more consistent with the objectives of the new Act.

163. Ms. COTTON (United States of America) said that her Delegation supported Alternative B in Article 11(1)(a) because of the infringement standard that would allow national courts to take into account local consumer protection. She expressed the concerns of her Delegation about Article 11(1)(a)(i) and the legal presumption therein represented for

use on the same goods, which was not acceptable without the requirement of reputation in the receiving country as a condition for protection of the geographical indication. She explained that a legal presumption was an evidentiary shortcut where it was presumed that a fact would be true, so that proof of that fact was unnecessary. If there was no local reputation or even local use of a geographical indication, there was no deception and there should not be an obligation to establish a false presumption under national law. For these reasons, she said that her Delegation had submitted in February a proposal for applying Alternative B also to goods of the same kind. However, in the interest of flexibility and having listened to the other Delegations, her Delegation now supported Alternative B as it stood. Indicating that her Delegation supported a uniform standard of protection, she did not support declaration options as presented in Article 11(3).

164. Mr. FUSHIMI (Japan) said that his Delegation preferred Alternative B for Article 11(1)(a). As regards Article 11(3), his Delegation preferred Alternative D, because the scope and level of protection under Article 11 went far beyond the protection under the TRIPS Agreement. Under Article 11, the registration of a trademark, the use of which would amount to evocation of a geographical indication, would be refused, while there was no such provision in the TRIPS Agreement. Since Alternatives B and D of Article 11(3) were similar to Article 16.3 of the TRIPS Agreement, their impact would be low on trademark users and WIPO Member States. Based on this, his Delegation preferred Alternative B or D.

165. Ms. Salah (Morocco) expressed her Delegation's preference for Alternative A of Article 11(1), which is consistent with its national law, and Alternative C of Article 11(3), which she deemed to be more exhaustive since it explicitly determined the scope of protection.

166. Ms. MOORE (Australia) recalled that her Delegation had previously stated that a more inclusive system would be more likely to encourage increased membership, which could produce significant and beneficial results for stakeholders around the world. She also recalled that her Delegation had proposed Alternative B at the ninth session of the Working Group, so as to provide an inclusive, universal standard consistent with existing international standards and in line with the protection sought by Lisbon members. Stressing the importance of the scope of protection, she reiterated that, for her Delegation, it was preferable to create a general universal standard, well established, well understood and widely acceptable, instead of a standard unfamiliar in many legal systems. She appreciated, however, that there could be adjustments to the text in Alternative B which would achieve the same outcome. Appreciating the importance of the provision accounting also for goods that were not of the same kind, the Delegate noted that there could be an amendment to Alternative B, to apply in respect of both goods that were similar to, and goods that were different from, those to which the appellations of origin or geographical indications applied, if, because of the reputation of the appellation of origin or geographical indication in that Contracting Party, such use would indicate or suggest a connection between the goods and the beneficiaries and was likely to damage the interest of the beneficiary. With respect to Article 11(3), which provided an alternative to the protection under Article 11(1)(a), she said that her Delegation preferred not to require this provision because the language of Article 11(1)(a) supported an inclusive standard acceptable to all. She added, however, that her Delegation could also accept Alternative D of Article 11(3).

167. Mr. KIM (Republic of Korea), recalling that his Delegation had previously raised concerns about the level of protection of geographical indications that exceeded the level of protection provided by other international treaties, stated that his Delegation did not support Article 11 and concurred with the views expressed by the Delegation of China. If an identical level of protection applied to different geographical indications, conflicts could arise between foreign geographical indications registered through the Lisbon Agreement and local geographical indications registered by the Member States. Consequently, his Delegation did

not support any of the alternatives. However, if he was required to opt for one alternative, he expressed his Delegation's preference for Alternative B of Article 11(1) and Alternative D of Article 11(3).

168. Ms. Koubitobo Nnoko (Cameroon) indicated that her Delegation preferred Alternative A of Article 11(1) which provided sufficient protection to geographical indications, but was nevertheless ready to review the terms of Alternative B which was more consistent with its national laws. She added that her Delegation favored Alternative C of Article 11(3) because it clearly defined the scope of protection.

169. Mr. FERREIRA (Chile) said that opting for a level of protection that is higher than the one provided under the TRIPS Agreement would undermine the goal of inclusiveness, because that would imply adopting a protection standard that new members would find hard to accept. Hence, with regard to Article 11(1)(a), his Delegation supported Alternative B, but as regard Article 11(3), it supported Alternative D, because it considered that they would be the only provisions able to offer some consistency with the level of protection provided by the TRIPS Agreement.

170. Ms. SÁNCHEZ TORRES (Cuba) said that her Delegation supported Alternative B of Article 11(1) and Alternative D of Article 11(3) for being more compatible with its national law.

171. Mr. Thévenod MOTTET (Switzerland), indicating that his Delegation had not yet adopted a final position, stated that he favored the positions expressed by the Delegations of the United States of America and Australia for a uniform and acceptable level of protection for the largest number of countries interested in joining the Lisbon system. He added that, to the extent possible, waivers, such as those reflected in the four alternatives of Article 11(3) should be avoided. He also invited Delegations, particularly those of the Member States of the Lisbon Union, to consider the issues raised by the Delegation of Colombia and recalled by other Delegations about the relevance of Alternative C of Article 11(3), which could serve as a basis for compromise to achieve uniform protection.

172. Ms. KIRIY (Russian Federation), considering that there was a lack of clarity in Alternative A in Article 11(1)(a), expressed her Delegation's support for Alternative B in Article 11(1) and Alternative D in Article 11(3).

173. Ms. DIAZ MORENO (Nicaragua) said that her Delegation supported Alternative B of Article 11(1)(a), because it appeared to be most appropriate to reinforcing the protection of geographical indications and appellations of origin, as well as Alternative D of Article 11(3).

174. Mr. MELÉNDEZ GARCÍA (Costa Rica) said that, with regard to Article 11(1), his Delegation supported Alternative B and in the case of Article 11(3), it supported Alternative D.

175. Mr. LONDOÑO FERNÁNDEZ (Colombia) said that his Delegation would have no problem giving geographical indications under the new treaty a higher level of protection than the one established under the TRIPS Agreement, since this is an agreement that establishes a minimum level of protection. After all, in the case of the other intellectual property rights, such as copyrights and patents, there are levels of protection higher than those established under TRIPS, both under national laws and in other multilateral treaties.

176. Ms. Scherb (HEP) indicated that HEP supported Alternative A of Article 11(1) to improve the protection rules. She wished that all the concerns of aboriginal groups in African countries should be taken into consideration and regretted that Cameroon and other African countries were not yet members of the Lisbon system and that only four OAPI Member

States were already members. She noted that traditional knowledge and traditional cultural expressions were pirated and that geographical indications could be used for the development of African countries.

177. Mr. VITTORI (oriGIn), indicating that Article 11 was a pillar for a treaty aiming at protecting geographical indications and appellations of origin, said that he concurred with the views of Delegations having stated that, for the sake of transparency, legal certainty and predictability, it was crucial to find a standard for protection and to limit the possibility for Contracting Parties to depart from that level of protection. For this reason, he felt uncomfortable with respect to Article 11(3), as the declarations would allow Contracting Parties to depart from that standard. Turning to Article 11(1)(a), he expressed oriGIn's preference for Alternative A, as there were infringement practices of geographical indications or appellations of origin that did not use exactly the same name, but evoked or imitated the appellation of origin or geographical indication. However, he regretted that Alternative A had to be considered as an alternative to Alternative B as, in practice, geographical indications and appellations of origin were also infringed with respect of goods not of the same kind. He requested clarification from the Secretariat on what would be the obligation for Contracting Parties in case of misappropriation of appellations of origin or geographical indications with respect to goods not of the same kind, if Alternative A was chosen. He concluded by expressing his support for the points raised by the Delegation of Colombia.

178. Ms. SCHULTE (INTA) raised concerns about the breadth of the scope of protection proposed in Article 11(1), in particular in Alternative A, and the vagueness of several of the concepts contained therein, adding that INTA had also concerns about the language in Article 11(1)(a)(i) and its separation from the other subsections. In her view, as drafted, this provision could be read as an absolute protection in respect of goods of the same kind for any use, although this was not the case under the current Lisbon Agreement. She said that INTA considered that Article 11(1)(a)(i) was too broadly drafted, as it included terms not affecting the legitimate interests of the holders. Consequently, adding other requirements to the conditions for infringement in respect of goods of the same kind would be useful. Although Alternative B would allow for greater inclusiveness than the standard suggested in Alternative A, she wondered whether the proposed standard of protection, reflecting the standards of protection for well-known marks under Article 16.3 of the TRIPS Agreement, was appropriate for all geographical indications, as this would imply applying the same scope of protection to world famous indications as to those known only in a limited sector. She concluded by saying that INTA welcomed Article 11(3), as it could allow for greater inclusiveness of the system, but raised concerns about the precise wording of Alternative D, which were similar to those related to Alternative B of Article 11(1).

179. Mr. SIRONI (AIPPI) said that Alternative A to Article 11(1) would be more in line with AIPPI's position in favor of the protection of geographical indications against any act of misappropriation of the reputation. As regards Article 11(3), he said that, although AIPPI was in favor of Alternative A, Alternative C would also be acceptable.

180. The CHAIR observed that, although there seemed to be a divide between Delegations concerning the two alternatives under Article 11(1)(a), that divide was not necessarily between Member Delegations and Observer Delegations. He also noted that the positions expressed contained some new elements, such as the wish to lay down a uniform standard instead of including a declaration-based provision in paragraph (3). Concerning the questions about the interpretation of Alternative A and its application to goods not of the same kind, he drew the attention of the Committee to item (i), which contained a reference to goods of the same kind. Under Alternative A, items (ii) and (iii) did not contain that kind of language, which could lead to an "*a contrario*" conclusion that the latter provisions would apply to goods not of the same kind. He invited the Delegations who were in favor of that alternative to shed further light on this question. Finally, he said that some Delegations had

expressed the wish to further work on Article 11 so as to refine its drafting, while other Delegations had suggested working on a compromise proposal instead of sticking to one of the proposed alternatives.

181. Mr. Curchod (CEIPI) requested for clarifications on the interpretation of Alternative A of Article 11(1). He wondered if items (ii) and (iii) of that alternative should be interpreted as applicable to products which are not the same type, considering that these two points do not repeat the expression “in respect of goods of the same kind”. In his view, items (ii) and (iii) of Alternative A applied to both products of the same kind and those that were not of the same kind. In any event, he considered that the text of Article 11(1)(a) was complicated. In his view, a solution would be to rewrite Alternatives A and B of Article 11(1)(a) in order to facilitate discussions.

182. The CHAIR said that, in his view, the fact that items (ii) and (iii) did not include the terms “goods of the same kind” should imply that these two provisions would apply to all kinds of goods. In practice, however, they would be applied only to goods not of the same kind. He further concurred with the view expressed by the representative of INTA that, even if Alternative A was chosen as a basis, its drafting could be improved.

183. Ms. CHARIKHI (Algeria) said that her Delegation had wondered about the usefulness of item (iii) in Alternative C of Article 11(3).

184. Mr. HÖPPERGER (WIPO) recalled that Article 11(3) allowed a Contracting Party to declare that, instead of the protection standard provided in Article 11(1), it would apply another protection standard as reflected in Alternatives A to D. Those four alternatives took into consideration various standards under Article 11(1), which did not necessarily mutually match. Recognizing that the drafting contained some ambiguities, due to the number of alternatives, he acknowledged the need for further work.

185. Ms. COTTON (United States of America) expressed the concerns of her Delegation as to the applicability of Alternative A to dissimilar goods, on the one hand, and as to how the last section of Article 11(1)(a) applied to the other sections of Article 11(1)(a), on the other hand. Indicating that, in her Delegation’s view, it would not make sense that the last section of Article 11(1)(a) applied to dissimilar goods, she announced that, before taking position on Article 11, her Delegation wished to see how these ambiguities would be resolved in the drafting process and how her concerns would be addressed.

186. The CHAIR sought comments regarding footnote 2 of Article 11.

187. Mr. POLINER (Israel) reiterated his Delegation’s support for maintaining the footnote in the text, as it would be important not to give protection to the generic elements of a composite geographical indication.

188. The CHAIR said that he regarded the position expressed by the Delegation of Israel as a proposal to include the text without the square brackets in footnote 2.

189. Ms. COTTON (United States of America) said that her Delegation supported the proposal of Israel regarding footnote 2 of Article 11, in particular as regards the second sentence of the footnote, to provide greater clarity on the matter when a generic term was included in a compound geographical indication. The infringement standard under Article 11 could potentially be so broad as to make it possible to rehabilitate generic terms. In that regard, she wanted to make it clear that a geographical indication would not be found to be infringed, evoked or imitated by use of a single component of a geographical indication that actually had generic character.

190. Ms. MOORE (Australia) said that her Delegation wished to add its support to the Delegation of Israel in terms of the retention of footnote 2 to Article 11, to assist in interpretation and application of Article 11 and to help ensure that generic names would not be inappropriately monopolized simply because they would be included in compound geographical indications.

191. Mr. LONDOÑO FERNANDEZ (Colombia) underscored the great similarity between the discussion on the footnote in Article 11 on page 2 and the discussion on Rule 5(5) pertaining to the mandatory requirement of indicating or not indicating generic or non-generic items in the application.

192. Mr. SCHMIDLIN (Italy) asked whether the a Delegation's acceptance of footnote 2 in Article 11 would have the consequence that it would be also be considered to support the mandatory version of Rule 5(5), while noting that, if that were the case, his Delegation would reserve its position on that footnote.

193. The CHAIR confirmed that there was a connection between footnote 2 to Article 11 and Rule 5(5), although the footnote as contained in the draft New Act was broader, as it concerned limitations to the protection in respect of elements that had a generic character. In other words, the footnote could apply even in the absence of a formal mandatory requirement to the effect that applications for international registration should indicate whether or not the application related to a geographical indication or to an appellation of origin containing generic elements. However, Alternative A under Rule 5(5) would facilitate the application of the substantive provision in footnote 2. Although acceptance of footnote 2 did not necessitate the adoption of Alternative A under Rule 5(5), it made the case for that alternative stronger.

194. Ms. SCHULTE (INTA) said that INTA welcomed the second sentence in footnote 2 of Article 11, as it contributed to greater legal certainty. The actual scope of protection should not extend to generic elements, even in the Contracting Party of Origin. Therefore, she suggested that the first sentence of the footnote should clearly state that protection did not extend, in the Contracting Party of Origin or in the other Contracting Parties, to an element that had generic character in the Contracting Party of Origin.

195. The CHAIR, noting that there was a wish to find a compromise solution based on a refined drafting of the provisions in question, suggested leaving the various options to Articles 11(1)(a) and (3) pending for the time being, and invited proposals for further drafting.

Item (viii): The Draft Agreed Statement contained in footnote 1 to Article 11 and provisions relating to the same issue

196. The CHAIR opened the discussion on the Draft Agreed Statement in footnote 1 to Article 11 and invited the Secretariat to introduce the issue.

197. Mr. HÖPPERGER (WIPO) introduced the Draft Agreed Statement in footnote 1 to Article 11.

198. The CHAIR indicated that footnote 1 contained a Draft Agreed Statement by the Diplomatic Conference, which would be formalized as an Agreed Statement adopted by the Diplomatic Conference if it was taken on board. The text was intended to reflect an existing practice of the International Bureau and to serve as a confirmation that such practice would be continued also under the New Act of the Lisbon Agreement. He also indicated that the existence of Rule 9(2)(v) would depend on the outcome of the discussions on footnote 1 to Article 11.

199. Mr. POLINER (Israel) said that his Delegation supported the inclusion of the Draft Agreed Statement, as it believed that reference to homonymous geographical indications and appellations of origin was important and consistent with the TRIPS Agreement.

200. Mr. MELÉNDEZ GARCÍA (Costa Rica) indicated that, in order to give greater clarity and certainty to the Lisbon Agreement, it was appropriate to include the footnote found in Article 11 on page 1, since that provision left open the possibility of recognizing homonymous geographical indications within the framework of the arrangement, subject to the provisions of national law. Thus, the contracting parties would not be assuming any particular commitment to amend their respective national laws but the possibility would be open for them to do that under their national laws where feasible, such recognition being consistent with the commitments of the Agreement. Furthermore, the footnote does no more than confirm international practice.

201. The CHAIR indicated that, thus, a proposal had been put forward by the Delegation of Israel for including the text of footnote 1, which was currently in square brackets, in the Draft New Act, and that this proposal had been seconded by the Delegation of Costa Rica.

202. Mr. MAYAUTE VARGAS (Peru) said that, for his Delegation, Article 11 was a fundamental provision of the agreement, and explained that, when Peru ratified the Agreement, it committed to the exclusive protection granted to appellations of origin and the stringent measures that would be taken to protect them in the other Contracting Parties. His Delegation held the view that, introducing an element such as homonymy in the Article 11 footnote on page 1 would affect the legal certainty that can reasonably be expected in that regard and it was for this reason that his Delegation was reiterating its request that the text in the footnote on page 1 should not be included in the new Agreement, either in its current format as a footnote or in any other part of the agreement text.

203. Mr. FERREIRA (Chile) recalled that his Delegation had already stated the importance that it attached to the subject matter broached in the agreed statement and felt that the inclusion of a standard that referred to the practice of homonymy in the Agreement was one way of securing an agreement that is coherent and consistent with international reality. The inclusion of such a standard would help to solve practical problems currently faced by members of the Agreement who recognize homonymous appellations of origin and geographical indications and who lack clear guidelines to follow on this issue under the Agreement. He recalled that this provision was originally treated as an integral part of the articles of the text and that his Delegation had always supported its inclusion. However, due to a lack of consensus among members of the Agreement, the subject was treated as an agreed statement, as from the seventh session of the Working Group. His Delegation considered that at least an agreed statement should be included in the revised version since its absence would mean a total lack of an express reference to the recognition of appellations of origin and geographical indications in the Agreement. In the Delegation's view, that would imply a lack of certitude and legal certainty for both contracting parties and beneficiaries. He underscored the fact that the concept of homonymy had been in existence for over 20 years since approval of the TRIPS Agreement and that it had been recognized in multiple international treaties, meaning that it was consistent with the relevant international law. Lastly, he recalled that the agreed statement proposed did not require the admission of homonymy, but was simply limited to giving clarity to the Contracting Parties that used it, and to interested third parties.

204. Mr. WU (China) said that his Delegation supported the inclusion of footnote 1, containing the Draft Agreed Statement, in the revised text.

205. Mr. SCHMIDLIN (Italy) said that his Delegation's understanding was that, even without a specific reference in a Draft Agreed Statement, the practice would exist, as was the case under the current Lisbon Agreement. In an attempt to de-dramatize the issue, he said that his Delegation was of the view that an express mention in a footnote would not be strictly necessary. His Delegation reserved its position on the matter pending the result of the more general discussion on Article 11.

206. Mr. VITTORI (origIn) was of the view that a Draft Agreed Statement would not be necessary, since the practice was already well established.

207. The CHAIR noted that there was no consensus on footnote 1. He observed that, with the exception of Rule 9(2)(5), the legal situation and the current or previous practice of the International Bureau would not change, whether the Agreed Statement was adopted or not. Therefore, this issue was highly symbolic. Pointing out that the text of the Draft Agreed Statement did not even use the term "homonymous", he expressed the view that the Draft Agreed Statement only stated the obvious and was not intended to change the international legal framework or the current practice under the Lisbon Agreement. The only thing that the Draft Agreed Statement would achieve was to confirm that such practice would be continued also under the New Act.

208. The CHAIR adjourned the meeting.

Fourth Meeting
Wednesday, May 13, 2015
Afternoon

Item (ix): the content of Article 12 concerning protection against becoming generic

209. The CHAIR opened the discussion on Article 12.

210. Mr. HÖPPERGER (WIPO) introduced Article 12.

211. Ms. KOPECKÁ (Czech Republic), indicating that her Delegation was flexible as regards the text in the first square brackets of Article 12, expressed dissatisfaction with the final text in square brackets, which her Delegation proposed not to introduce in the Article. She also said that her Delegation was in favor of redrafting footnote 3 to Article 12.

212. Mr. ESFAHANI NEJADI (Iran, Islamic Republic of) said that his Delegation wished to delete all square bracketed text, except the text contained within the final pair of square brackets.

213. Mr. SCHMIDLIN (Italy) said that the position of his Delegation was similar to the one expressed by the Delegation of the Czech Republic.

214. Mr. KLING (Israel) said that his Delegation supported the retention of all the bracketed words in Article 12 and maintaining the content of footnote 3 to Article 12. He further underlined that his Delegation was willing to waive its position with regard to the first three pairs of square brackets, but felt that the last sentence in square brackets should remain as phrased. In view of previous discussions on the word “use”, he believed that some rephrasing was possible, as long as the requirements of “maintenance and renewal” remained as such.

215. The CHAIR, while noting that some Delegations would like to see refinements to the text of footnote 3, pointed out that footnote 3 was not bracketed.

216. Ms. Charikhi (Algeria) said that her Delegation wished to delete the words in square brackets at the beginning of article 12, but keep the last part of the sentence in square brackets because it brought more clarity to Article 12 and the manner in which it will be implemented.

217. Ms. MOORE (Australia) said that she strongly encouraged the deletion of Article 12. Requiring that a geographical indication could never become generic once protected unless declared generic in the country of origin could exclude from membership those countries which protected geographical indications under the trademark system. Silence on this issue would not affect the existing national laws and practices of Lisbon members, nor would it impede further policy flexibility in current or aspiring Lisbon members, but would have the effect of better enabling countries which protected geographical indications under the trademark system to join the revised treaty. She added that, once the geographical indication was protected in a Contracting Party, whether it would be considered to have become generic was a matter for the national law and circumstances of that member and should not depend on what happened in the country of origin. However, if deletion of Article 12 could not be agreed, her Delegation sought the retention of the bracketed text at

the end of the provision, reading “and national or regional law requirements in the Contracting Party concerned regarding use, maintenance and renewal are met”.

218. Ms. Salah (Morocco) indicated that her Delegation was in favor of deleting the terms in square brackets.

219. Mr. WU (China) said that, whether registered appellations of origin or geographical indications had become generic or not should be judged by the competent authorities in accordance with the realities of their market. If, due to inappropriate use by the right holder, the product had become generic and lost its role to distinguish the origin, it was inappropriate to maintain the monopoly of the right holder on the denomination. Where a registered trademark had become a generic denomination for its authorized goods, any institution or individual could apply for its revocation. Consequently, his Delegation recommended retaining the text in the final pairs of square brackets in Article 12 and further suggested to add a provision which would read as follows: "However, if national and regional laws of the Contracting Parties concerned provide that a registered appellation of origin or geographical indication can be revoked when becoming generic, then anyone may, in accordance with the provision, apply to revoke the appellation of origin or geographical indication concerned."

220. Mr. FERREIRA (Chile) said that his Delegation supported maintenance of the phrase in square brackets at the end of Article 12. He explained that it seemed relevant to maintain protection against the generic character of geographical indications and appellations of origin registered internationally, not only when geographical indications and appellations of origin were protected in the Contracting Party of origin, but rather when they satisfied all the demands of national law.

221. Ms. COTTON (United States of America) expressed her support for the intervention made by the Delegation of Australia suggesting that Article 12 be deleted entirely. She said, however, that in order to be flexible, her Delegation had offered text that now appeared in brackets in this provision, with a view to maintaining Article 12 for those who wanted it, but also allowing the flexibility required by those countries that had use and maintenance requirements, like the United States of America. As had been explained by her Delegation, use requirements were critical for U.S. federal regulatory authority over trademark and geographical indication registrations. In the United States of America, use and enforcement action were both required by the owner to rebut a claim from a third party that the geographical indication or the trademark had been abandoned, which would then allow others to use the term. If a term was shielded against becoming generic, which would result normally in the geographical indication right being found to be abandoned and therefore canceled, there was no deterrent preventing non-use by the owner. The bracketed text included in Article 12 would provide Contracting Parties with the possibility to require that any use, maintenance and renewal requirements in the receiving country be met. Such text was necessary for compatibility with the United States of America trademark system, in particular because it reflected the Constitutional requirements for federal regulatory authority over trademarks. She noted that the inclusion of the bracketed text, or even the deletion of Article 12 in its entirety, would not change the ability of Contracting Parties to provide this shield against genericism, if they so wished.

222. Ms. VIEIRA LOPES (Portugal) expressed her preference for deleting the text contained within the last pair of square brackets.

223. Ms. Scherb (HEP), noting the importance of Article 12, stated HEP's view that the terms in square brackets should be maintained to allow the possibility for States wishing to accede to the Treaty to adjust their legislation if it was not consistent with the Treaty. She recalled that of the 17 OAPI Member States, only four were present, and over 52 countries

on the continent were absent from the discussions. She expressed the wish for greater openness on the subject.

224. Ms. Fouks (France) said that her Delegation did not wish for the phrases in square brackets to be retained. Moreover, she drew the attention of the Delegations to the footnote which helps clarify the fact that Member States had complete freedom, during the period of examination of the application for registration of the appellation of origin or geographical indication, to refuse protection if they considered that a name or indication was generic. She added that the discussion should not be distorted and that the case of underwater geographical indications, which was mentioned, was not applicable here, since States had a year to refuse protection, as appropriate, if there was a problem of genericity.

225. The CHAIR said that he wished to clarify a number of technical aspects of Article 12 without taking any position on the substance itself. Firstly, the initial part of the provision, which was a significant one, referred to the possibility for Contracting Parties to refuse applications on the ground that the appellation of origin or the geographical indication, for which protection was sought, was generic within their jurisdiction. As the Delegation of France had rightly pointed out, under the current system, there was one year for Contracting Parties to consider such a refusal. Article 12 only kicked in when there was no such refusal, and the concern of a number of Delegations was that the protection could become permanent in their territories, irrespective of anything that happened after the expiry of the one-year time limit for issuing refusals and irrespective of any circumstances that might occur after that time. The Chair mentioned the possibility of invalidation, but said that he preferred not to preempt the discussions on the grounds for invalidation.

226. Secondly, the Chair said that the words “be considered to have” in the text of the first set of square brackets, like those found in the current text of the Lisbon Agreement, enshrined a legal fiction to the effect that, whatever happened in a Contracting Party, the appellation of origin or the geographical indication could not be considered or deemed to have become generic. Whether a geographical indication or appellation of origin had become generic was a question of fact. What happened in reality was not something that the law could change. If the words within the square brackets were not included, then the law might state something which was in conflict with reality. The text in the first set of square brackets followed, in a slightly different form, the language of Article 6 of the current Lisbon Agreement, which read that “an appellation [...] cannot [...] be deemed to have become generic”.

227. Concerning the second and third sets of square brackets, the Chair expressed the view that there was no sufficient support for keeping these words in the text. As regards the final set of square brackets, he suggested replacing the reference to “to national, regional law requirements in the Contracting Party concerned” by “requirements under the law of the Contracting Party concerned”, in order to use consistent terminology. He further indicated that he had difficulty understanding the difference between maintenance and renewal, and asked Delegations for an explanation. He also proposed to replace “...requirements in the Contracting Party concerned regarding use, maintenance and renewal are met” by “requirements under the law of the Contracting Party concerned regarding maintenance of protection are met”. Maintenance of protection could be interpreted as referring to either use requirements or renewal requirements, or both, depending on the law of the Contracting Party concerned.

228. Finally, the Chair stated that, although he had heard no fierce opposition to footnote 3, a number of Delegations had hinted at the need to improve its language. He called upon Delegations to express their concerns more specifically about the wording of this footnote or to propose changes to the text in an attempt to improve the drafting of this provision.

229. Ms. COTTON (United States of America) said that her Delegation supported the text within the first pair of square brackets, reading “be considered to have become generic”. She reiterated its support for maintaining the text contained within the second and third pairs of square brackets, pointing out that, whether or not a denomination or an indication was a geographical indication, was a question of national law and a factual situation in a Contracting Party. The denominations were not protected appellations of origin or geographical indications until the signs met the requirements of the law of the Contracting Party allowing them to be considered a protectable private property right in its territory. With regard to the difference between “use”, “maintenance” and “renewal” in the last set of brackets, she indicated that, for her Delegation, maintenance was a reference to the requirement to take enforcement action. In other words, the right was maintained by policing the right and taking action against unauthorized uses. Since “maintenance” could be considered to cover “renewal”, she proposed to drop the reference to renewal in the text, and just have the terms “use and maintenance”.

230. Mr. KLING (Israel) said that, in view of the interventions of the Chair and the Delegation of the United States of America, “use” might be construed as to be included in “maintenance” for the purposes of this Agreement and “renewal” was included in “maintenance”.

231. The CHAIR clarified that his previous suggestion was to add in Article 12 “maintenance of protection” and thus, the text would read “...requirements in the Contracting Party concerned regarding maintenance of protection”. As regards the intervention of the Delegation of the United States of America’s, concerning the second and third sets of square brackets, the Chair proposed the following text, which would be the same as the original language of the Lisbon Agreement: “Subject to the provisions of this Act, a registered appellation of origin or a registered geographical indication cannot be considered to have become generic as long as it is protected in the Contracting Party of Origin as an appellation of origin or as a geographical indication and requirements under the law of the Contracting Party concerned regarding maintenance of protection are met”.

232. Ms. Fouks (France) thanked the Chair and understood his proposal, although she felt that it was rather a matter of semantics. She added that the proposal was worth considering, while recalling that the wording of the article, which corresponded to the earlier wording of the Lisbon Agreement, had created ambiguity in people’s minds, which was also reflected in the title given to the article. Regarding the second part of the Chair’s proposal which was to add: “as long as it is protected in the Contracting Party of Origin as an appellation of origin or as a geographical indication”, the delegate wondered about the link that could be made between this addition and Article 8 which already organizes a dependency between international registration and maintenance of protection in the Contracting Party of origin. In conclusion, she asked whether the end of the sentence that the Chair proposed “and requirements under the law of the Contracting Party concerned regarding maintenance of protection are met” should be regarded as being in square brackets or forming an integral part of the Chair Non-Paper.

233. The CHAIR proposed to submit his proposal in writing in a Chair Non-Paper No. 4.

234. Mr. ESFAHANI NEJADI (Iran, Islamic Republic of), aligning himself with the statement made by the Delegation of France as regards the ambiguities of Article 12, requested the Chair to provide a written version of his proposal.

235. Ms. Charikhi (Algeria) thanked the Chair for the nuances given to certain terms and encouraged him to submit his proposal in writing.

236. Mr. KLINKA (Slovakia) said that his Delegation could preliminarily agree to the Chair’s proposal.

237. Mr. LONDOÑO FERNÁNDEZ (Colombia) thanked the Chair for clarifying the legal fiction raised by Article 12. His Delegation considered that the establishment of maintenance fees was also pandering to a fiction legal. The delegate observed that the original text of the Lisbon Agreement referred solely to appellations of origin and Article 12 of the Basic Proposal of the new Act of the Lisbon Agreement referred to appellations of origin and geographical indications. Therefore, consideration could be given to the possibility of dividing Article 12, such that the original text is maintained for appellations of origin and another provision is proposed on the system of genericity for geographical indications depending on the system applied in the recipient country of destination, to the extent that there are differences in the wording used for appellations of origin and geographical indications.

238. The CHAIR, thanking the Delegation of Colombia for this suggestion, said that this proposal would go back in time, as, for a couple of years now, one of the main aims of the Working Group had been to provide the same level of protection for appellations of origin and geographical indications. As regards the question raised about the relationship between Article 12 and Article 8, the Chair recalled that Article 12 dealt with the content of protection and Article 8 with the issue for how long there was a requirement to protect a geographical indication or an appellation of origin in the Contracting Parties. He said that the fact that, in both provisions, there was a reference to the status of protection in the Contracting Party of Origin might be misleading. On the one hand, Article 8, which closely mirrored Article 24.9 of the TRIPS Agreement, provided that there was no longer a requirement to give protection in respect of a registered appellation of origin or a geographical indication if that appellation of origin or geographical indication was no longer protected in the Contracting Party of Origin. On the other hand, the question in Article 12 was what kind of protection was to be provided to an appellation of origin or a geographical indication in a Contracting Party, as long as it was protected in the Contracting Party of Origin. The Chair requested the Secretariat to give its view.

239. Mr. HÖPPERGER (WIPO), recalling that Article 12 was inspired by Article 6 of the Lisbon Agreement, said that as long as a registered appellation of origin or a registered geographical indication was protected in the Contracting Party of Origin, it could not be considered to have become generic in the country of protection. In other words, Article 12 established a bar against assuming that such an appellation of origin or geographical indication had become generic and that bar existed as long as the appellation of origin or geographical indication concerned was protected in the Contracting Party of Origin. He added that Article 8 spoke about the validity of the international registration and should be understood as meaning that, once protection ceased in the Contracting Party of Origin, then the international registration would also cease. As the Chair had explained, Article 8 mirrored Article 24.9 of the TRIPS Agreement, which stated that there was no obligation for WTO members to protect geographical indications if they were not protected or if they had ceased to be protected in their country of origin.

240. The CHAIR said that Article 8(1) expressed the idea that protection was dependent on the protection in the Contracting Party of Origin; if there was no longer protection in the Contracting Party of Origin, there was no substantive obligation on the part of other Contracting Parties to provide protection for that appellation of origin or geographical indication in their own jurisdictions. Such a provision did not exist in the current Lisbon Agreement. Article 8(1) would be applicable irrespective of whether the international registration was cancelled or not. If protection against becoming generic under Article 12 was part of the protection to be provided in respect of a registered appellation of origin or a geographical indication, and if, under Article 8(1), there was no longer a requirement to provide this kind of protection because the appellation of origin or the geographical indication was no longer protected in the Contracting Party of Origin, the reference to the protection in

the Contracting Party of Origin in Article 12 might be redundant. Observing that the text could be further simplified, the Chair indicated that a President Non-Paper would be submitted to the Committee for discussion.

Item (x): the content of Article 13 concerning safeguards in respect of prior trademark rights

241. The CHAIR invited the Secretariat to introduce Article 13(1).

242. Mr. HÖPPERGER (WIPO) introduced Article 13(1).

243. Ms. Fouks (France) recalled that Article 13 was one of the modernizing elements of the Lisbon Agreement because hitherto the issue of relations with other rights had been treated only within the context of the implementing regulations which had been amended accordingly. Her Delegation felt that one of the major advances of this revision was also the need to consider that geographical indications and appellations of origin exist in a world where there are other rights. The existence of such prior rights may lead to a refusal but there may also be some grounds for invalidation, subject to future provisions on invalidation. It was important to remember that this protection was not automatic; rather it could give rise to prior refusals by States. Regarding the two Alternatives proposed in Article 13, the delegate indicated that her Delegation supported Alternative A because it had emerged during the discussions as being the most balanced in taking account of the interests of the various parties, be they trademark owners or beneficiaries of the appellation of origin or geographical indication. While underscoring the importance of this balance, the delegate recalled that it was a co-existence organized in the mutual interest of the parties, including the consumer who is the final recipient of products.

244. Ms. CERENZA (Italy) said that her Delegation supported Alternative A, which she considered as a balanced compromise between appellations of origin, geographical indication and trademark interests.

245. Mr. YOSSFIOV (Bulgaria) expressed his Delegation's support for Alternative A, for the same reasons put forward by the Delegation of France.

246. Ms. VIEIRA LOPES (Portugal) said that her Delegation also supported Alternative A.

247. Mr. AZAMI SARDOUEI (Iran, Islamic Republic of) lent his Delegation's support to Alternative A, which was built on Articles 17 and 24.5 of the TRIPS Agreement, was more comprehensive and promoted legal certainty.

248. Mr. Hamdi (Tunisia) expressed his preference for Alternative A because it was consistent with the national laws of his country. Furthermore, he added that the coexistence between geographical indications, appellation of origins and trademarks was predicated on the fact that the public should not be misled.

249. Mr. GONDA (Hungary), aligning himself with the statement made by the Delegation of France, declared that his Delegation was in favor of Alternative A.

250. Ms. SÁNCHEZ TORRES (Cuba) said that her Delegation supported Alternative A.

251. Ms. DIAZ MORENO (Nicaragua) said that his Delegation supported Alternative A which contains elements of Articles 17 and 24(5) of the TRIPS Agreement and which is consistent with the national legislation of Nicaragua.

252. Ms. MORARU (Romania) supported Alternative A for the same reasons presented by the Delegation of France.

253. Mr. WU (China) said that allowing coexistence between prior trademarks registered in good faith or acquired through use and subsequent geographical indications could be confusing to consumers, making it difficult for them to tell the origin of a good or service. For this reason, his Delegation disagreed with Alternative A. In order to avoid confusion for consumers, he proposed to clarify Alternative B to the effect that, as long as a prior trademark was still valid, a subsequent application for a geographical indication could not be registered.

254. Ms. BILEN KATIĆ (Serbia) expressed her Delegation's support for the statements made by the Delegations of Italy, Bulgaria, Portugal, and Hungary in support of Alternative A.

255. Mr. HÖPPERGER (WIPO) said that, in light of the intervention by the Delegation of China, it would be useful to highlight the "*chapeau*" of Article 13(1), which provided that Contracting Parties were not obliged to accept the effects of an internationally registered appellation of origin or geographical indication. Refusals could be based on any ground, including a prior trademark in the country concerned. Thus, Alternatives A and B only kicked in where the effects had not been refused, setting out some safeguards for prior trademarks.

256. Ms. MOORE (Australia) said that her Delegation was deeply concerned about the implementation risks of Alternative A. She said that a later claimed right that was first obtained in a country of origin, under that country's laws and circumstances, should not coexist by default with an earlier trademark in a destination Contracting Party. Such a default system of coexistence, where a later right could automatically erode a prior right would undermine business confidence in using the trademark system in Contracting Parties which accepted it. Consequently, the Delegate strongly supported Alternative B, as in her view, earlier trademark rights acquired legitimately under national laws of the Contracting Party concerned should be respected and subject only to the limited exceptions allowed under TRIPS Article 17, consistent with the World Trade Organization dispute outcomes on the relationship between later geographical indications and earlier trademarks.

257. Mr. WU (China) thanked the Secretariat for the explanation and declared that his Delegation could consider withdrawing its proposal, on the condition that there was no possibility of coexistence under Alternatives A or B.

258. Ms. COTTON (United States of America) strongly supported Alternative B, which made the protection of the appellation of origin or geographical indication subject to prior trademark rights under domestic law, and strongly opposed Alternative A, which appeared to enshrine the concept of coexistence of two conflicting identifiers. Pointing out that trademark owners were granted exclusive rights under TRIPS Article 16, she said that coexistence was not possible in the United States of America. Pre-existing trademark rights had priority and exclusivity over later comers, including geographical indications. There were, however, some governments that wished to evaluate, under the terms of TRIPS Article 17, whether prior trademark exclusive rights should give way, in some instances, to later filed geographical indications, and under what conditions the later right and the prior right should exist, in a way that best promoted fairness and minimized consumer confusion. This was within the national law's prerogative. Alternative B gave the ability to Contracting Parties to apply coexistence under the terms of TRIPS Article 17 or no coexistence under TRIPS Article 16, as was the case in the United States of America. The Delegate stressed that her Delegation was very concerned with the formulation in Alternative A, which appeared to take two different Articles of the TRIPS Agreement, mashing them together in a way that made it very difficult to understand the standards to be applied. There were phrases that were pulled from Article 24.5 of the TRIPS Agreement, which did not regulate the relationship between prior trademark rights and later-in-time geographical indications, and there were provisions from Article 17 of the TRIPS Agreement, which did regulate the relationship, along with

Article 16, between prior trademarks and later-in-time geographical indications. The Delegate, observing that Alternative A combined two different provisions that were doing two different things in the TRIPS Agreement, expressed her grave concerns about how this would be interpreted. Therefore, she aligned herself with the interventions made by the Delegations of Australia and China in support of Alternative B.

259. Ms. Salah (Morocco) supported Alternative A, which her Delegation considered to be consistent with the provisions of the TRIPS Agreement.

260. Ms. LEE (Republic of Korea) said that her Delegation supported Alternative B, as it was in line with the TRIPS Agreement.

261. Mr. SATO (Japan) said that his Delegation was in favor of Alternative B, as it was likely to have a low impact on trademark right holders and on WIPO Member States.

262. Mr. LONDOÑO FERNANDEZ (Colombia) said that his Delegation found no problem with a system of coexistence between appellations of origin and trademarks. Furthermore, there was no violation of the TRIPS Agreement since this Agreement established in its Article 2 that provisions on trademarks and all the provisions of chapters 2, 3 and 4 should essentially be understood within the meaning of the Paris Convention, which defines in its Article 6 the grounds for non-filing of a trademark. Hence, there can be no earlier rights presented in generic or descriptive terms. Therefore, his Delegation believed that Alternative A was the best option.

263. Ms. OBANDO (Costa Rica) said that her Delegation supported Alternative B, which was consistent with the provisions of the TRIPS Agreement and adequately reflected the principle of first come, first served, enshrined in the national laws of Costa Rica. Additionally, this option made it clear that coexistence was not mandatory.

264. Ms. KIRIY (The Russian Federation), pointing out that Alternative A was understandable, stated that such Alternative reflected more accurately the situation in a number of different legislations with regard to the coexistence of rights. In the Russian Federation, it was possible to take into account the interests of prior trademark owners and to allow those owners to give their approval to the granting of protection of a later right.

265. Ms. SCHULTE (INTA) welcomed the inclusion of a clause providing for safeguards in respect of trademark rights, but expressed INTA's concerns about the wording suggested in Alternative A. Such language could be understood to impose undue limitations on the continued right of existence of prior trademarks and therefore raised concerns under Article 16 of the TRIPS Agreement and the fundamental rights and guarantees for the protection of private property under International Human Rights Standards. The way in which the legitimate interests were referenced in Alternative A could suggest that there could be situations in which the weighing of interests could lead to the conclusion that continued use and permanence of a trademark registration was no longer allowed, even if that right had been acquired prior to the geographical indication. While INTA understood that the language in question was included bearing in mind Article 17 of the TRIPS Agreement, the context of that Article was quite different, since it dealt with limited exceptions to the rights conferred by trademarks, such as fair use of descriptive terms. The language in Alternative A went beyond establishing limited exceptions and appeared to put in question the very right to the continued existence of a prior trademark. Finally, she raised concerns about the way the requirement "that the public is not misled" at the end of Alternative A, was drafted. She explained that, where a trademark in itself misled the public in a specific jurisdiction, its cancellation should be possible, whereas the language in Alternative A did not make it clear that this limitation could only apply if the trademark in itself was misleading in the jurisdiction concerned. It was therefore open to interpretation that, where coexistence would lead to

confusion, the right for the trademark to continue to exist could be put in doubt, even if the trademark had priority in time and was not misleading as such, and should therefore prevail. Reiterating INTA's position that conflicts between trademarks and geographical indications were to be resolved on the basis of the principle of "first in time, first in right" and the principles of exclusivity and territoriality, Alternative B was more appropriate to ensure respect for prior trademark rights, in compliance with existing obligations under the TRIPS Agreement.

266. Mr. VITTORI (oriGIn), recalling that under the Lisbon Agreement there was a possibility to refuse the protection of appellations of origin based on a previously registered trademark, said that the point of view of countries that strictly applied the "first in time, first in right" approach was fully reflected in the system as it was, and that Alternative A reflected the position of countries that applied coexistence, in full respect of WTO jurisprudence and rules.

267. Mr. SIRONI (AIPPI), stating that AIPPI's position was that the guiding principle in conflicts between geographical indications and trademarks was the principle of "first in time, first in right", expressed his support for Alternative B, which was in line with this position.

268. Mr. Batanga (OAPI) expressed the support of this Delegation for Alternative A, which was closest to the community legislation of OAPI.

269. Mr. KUMER (United Kingdom), indicating that his Delegation would like to reserve the right to express its position on this provision at a later stage, requested clarification as to whether the words "that the public is not misled" meant "misled by the introduction of the new geographical indication into the Contracting Party's system".

270. Ms. Scherb (HEP) felt that the existing differences on this point were regrettable and therefore considered that it would be interesting to broaden the debate by introducing lawyers, economists, and other organizations in the field of intellectual property. Such openness would be desirable for non-governmental organizations so that they can better understand this complex topic and train other non-governmental organizations that do not have the opportunity to travel, or even the possibility of having internet access. Noting that only 28 of the 180 countries were members of the Lisbon Agreement, HEP considered that it would have been appropriate if the discussion had been opened to other countries wishing to join the Agreement. She added that both alternatives could be adjusted to cover everyone's concerns.

271. The CHAIR invited the Secretariat to respond to the question raised by the Delegation of the United Kingdom.

272. Mr. HÖPPERGER (WIPO), pointing out the difficulty of giving an interpretation of a text that was the result of years of negotiation, said that the public could be misled by the use of the later geographical indication, but could also be misled by the earlier trademark, depending on the extent to which the signs were known by the public. Hence, the response could not be straightforward, as it depended on the circumstances. For example, the Council Regulation (European Union) on quality schemes for agricultural products and foodstuffs contained a provision with a similar proviso, referring to well-known marks. Under that provision, where the earlier trademark was well known, the later geographical indication could not coexist with it because the public could be misled. The more the earlier trademark was known, the more there was a possibility that the public could be misled by the later geographical indication. This could also work the other way: the better the later geographical indication was known, the more there was a probability that the public would be misled if the earlier trademark had, for example, been used in very limited circumstances.

273. Ms. COTTON (United States of America) said that the answer by the Secretariat to the Delegation of the United Kingdom raised two questions for her Delegation. The first question concerned a suggestion in the Secretariat's explanation that there might be cases of coexistence between a prior trademark and a later-in-time geographical indication, under Alternative A, where the trademark that preexisted was of high renown. She recalled that, in WTO dispute settlement precedent, the cases where coexistence could be seen as consistent with Article 17 of the TRIPS Agreement were limited to those where the trademark would cause a low likelihood of confusion with the later geographical indication. In her understanding, under the case law precedent, coexistence would not be allowed where the prior trademark was of high renown and there would therefore be a high likelihood of confusion with the later-in-time geographical indication. However, she had heard from the Secretariat that Alternative A appeared to be a case where any prior trademark, no matter whether there was a low likelihood of confusion or a high likelihood of confusion with the subsequent geographical indication, would have to coexist. That seemed to her Delegation to be inconsistent with what it understood to be the limited exception provided in Article 17 of the TRIPS Agreement. Under these circumstances, Alternative B was the only WTO-consistent alternative and Alternative A raised serious concerns with WTO consistency in general. The second question was that, under the terms of Alternative A, it was possible to prejudice a prior valid trademark by virtue of establishing a later geographical indication because the public might become over time misled by the use of that prior valid trademark. Thus, the trademark could become invalid because it was misleading or deceptive by virtue of the later geographical indication. This suggested that trademark rights could be prejudiced even though Alternative A indicated that they were not supposed to be prejudiced. The Delegate found that inconsistency alarming and reiterated her concerns about Alternative A.

274. The CHAIR said that the Secretariat had not mentioned anything to the effect implied by the first question of the Delegate of the United States of America. On the contrary, the issue raised by the Delegation of the United States of America of how trademarks having a renown or reputation should be dealt with under Alternative A fully corresponded with what the Secretariat had just stated.

275. The CHAIR concluded that the views were split at this stage. He observed that questions had been raised as to the proper interpretation of Alternative A, which might indicate that further work was required to refine its wording, especially if such refinements might elevate the concerns of those Delegations that currently supported Alternative B. He further noted that there was at least one Member Delegation supporting Alternative B. The Chair proposed to suspend the discussion on Article 13(1).

CLUSTER C: ISSUES CONCERNING OTHER PROVISIONS RELATED TO THE LEGAL EFFECT OF INTERNATIONAL REGISTRATIONS

Item (xi): the content of Article 16(2) concerning negotiations following a refusal

276. The CHAIR opened the discussion on Article 16(2).

277. Mr. HÖPPERGER (WIPO) introduced Article 16(2).

278. Mr. SCHMIDLIN (Italy) declared that his Delegation was in favor of retaining paragraph (2), as it was in line with Article 24.1 of the TRIPS Agreement.

279. Mr. YOSSIFOV (Bulgaria) seconded the proposal made by the Delegation of Italy, as his Delegation considered that this paragraph was an enabling provision which did not oblige

anybody, but rather gave the opportunity, if necessary, to negotiate the possible removal of a refusal.

280. Ms. KOPECKÁ (Czech Republic) associated her Delegation with the Delegation of Bulgaria in supporting the statement made the Delegation of Italy.

281. Ms. OBANDO (Costa Rica) said that her Delegation did not deem it appropriate to have such a provision because it left open the possibility of questioning the reasons why a national authority denies a registration, when there are other legitimate means provided for in the legislation of the Contracting Party, referred to article 15, for addressing this problem. The delegate further noted that questions were emerging, relating to the Contracting Party with whom to negotiate, who will carry out the defense and the terms on which the negotiations should be held.

282. Ms. VIEIRA LOPES (PORTUGAL) said that her Delegation was of the view that paragraph (2) provided further flexibility and should therefore be retained.

283. Mr. KLING (Israel), seconding the position expressed by the Delegation of Costa Rica, said that this issue was a matter of private property rights and was dealt with in Article 15(5).

284. Ms. Fouks (France) said that her Delegation supported the introduction of this provision in light of the reasons given by the Delegation of Italy.

285. Mr. AZAMI SARDOUEI (Iran, Islamic Republic of) expressed his Delegation's support for removing the brackets of paragraph 2 and keeping the text in Article 16.

286. Ms. Charikhi (Algeria) said that her Delegation endorsed the positions of the countries which favored maintenance of Article 16 as it is.

287. Mr. RENDÓN ALGARA (Mexico) welcomed the arguments of the Delegation of Costa Rica and said that his Delegation deemed it relevant to delete Article 16(2) in order to make the treaty simpler.

288. Mr. KLINKA (Slovakia) associated his Delegation with the statements made by the Delegations of France, Iran (Islamic Republic of) and Portugal.

289. Ms. NOVAKOVIĆ (Serbia) stated that her Delegation was in favor of paragraph (2) in Article 16.

290. Mr. GONDA (Hungary) expressed his preference for deleting the square brackets and retaining the text, noting that, even without such provision, nothing would prevent Contracting Parties from opening negotiations. Therefore, he could also consider the possibility of deleting paragraph (2).

291. Mr. Hamdi (Tunisia) said that his Delegation was in favor of removing the square brackets from this text, given its optional nature.

292. Ms. VIGNJEVIĆ (Bosnia and Herzegovina) said that her Delegation concurred with the views expressed by the Delegations of the Czech Republic and Serbia.

293. Ms. COTTON (United States of America) said that her Delegation supported the deletion of the text in Article 16(2), because it identified a Contracting Party of Origin, which was not itself the owner of a registered appellation of origin or geographical indication, as an interested party for the purposes of negotiating a withdrawal of a refusal. This was

inconsistent with domestic legal principles and caused significant problems for those countries that limited the types of interested parties that could be party to a dispute. If there was to be a conversation surrounding the appropriateness of a refusal by a Contracting Party's national office, that conversation was between the applicant and the national Office in an ex parte process. She had a concern that this provision confused the difference between trade negotiations, which were handled by governments, and national geographical indication decisions over property rights made under national law. The New Act of the Lisbon Agreement was supposed to be a geographical indication filing system, not a trade agreement, and the text should remain silent on who was allowed to be a party to an appeal on a refusal to register a geographical indication at the national level. She further stated that Article 19(2) of the Basic Proposal acknowledged that beneficiaries and the legal entity representing the rights of the beneficiaries had a legitimate interest, so that they should be given the ability to contest an invalidation action at the national level. The Competent Authority or the Contracting Party of Origin itself was not acknowledged as having the same interest under Article 19(2) because the text recognized that national laws did not give legal standing to the Contracting Party of Origin to become a party to an invalidation proceeding in a receiving Contracting Party. It seemed contradictory to bestow upon a Contracting Party of Origin the legal standing to intervene in what should be an ex parte application process for geographical indication recognition under Article 16(2) or an *inter partes* opposition or cancellation proceeding between two private parties.

294. Ms. Moraru (Romania) said that his Delegation was in favor of maintaining the text of Article 16(2) and supported the statements of the Delegations that requested for removal of the square brackets.

295. Mr. WU (China), stating that his Delegation disagreed with Article 16(2), proposed to delete it, as Article 15(5) provided judicial and administrative remedies to the applicant affected by a refusal and that it was not necessary to establish an intergovernmental negotiation procedure for the withdrawal of a refusal.

296. Ms. Salah (Morocco) said that her Delegation preferred that Article 16(2) be deleted, in order to avoid interference between the bilateral negotiations that may take place and the principle of most-favored-nation treatment established by the TRIPS Agreement. She added that Article 15(5) of the new Act offered the possibility of resorting to the relevant remedies available under national law to seek withdrawal of the refusal. Furthermore, the other international systems, such as the Madrid, Hague and PCT system, do not include such a provision.

297. Ms. GÜVEN (Turkey) said that her Delegation was of the view that this provision might create problems in the future and that there was no reason to have a similar provision to the one provided by the United Nations Charter on dispute settlement. If the intent was to have a provision on dispute settlement or negotiations, it had to be regulated in detail.

298. Ms. MOORE (Australia) said that her Delegation supported the deletion of Article 16(2), as this provision risked creating the impression that standing would not be necessary in relation to national law requirements for review, whether in front of the national IP office, a tribunal or a court. Additional risks were that such a provision could be interpreted as capable of influencing decisions made under national law. As Article 16(2) was not mandatory, its deletion would not impact existing practices. Finally, she disagreed with some Delegations' reliance on TRIPS Article 24.1 to support retaining Article 16(2), as there did not appear to be any connection between those two provisions.

299. Mr. FERREIRA (Chile) said that his Delegation was in favor of deleting Article 16(2) and that he was concerned that the inclusion of this standard could mean an opening for questioning the decisions taken by national authorities.

300. Ms. BOKYUNG (Republic of Korea) said that her Delegation concurred with the views expressed by the Delegations of Australia, China, Turkey and the United States of America.

301. Ms. SÁNCHEZ TORRES (Cuba) said that her Delegation supported the deletion of paragraph (2).

302. Mr. Batanga (OAPI) indicated that sub-paragraph (2) posed a problem for OAPI because not only were rights holders not participating personally in the negotiation, but the negotiation capacity of the parties would predispose them to random results. Consequently, OAPI was of the view that a legal solution was the best.

303. The CHAIR noted a split on this issue and adjourned the meeting.

Fifth Meeting Wednesday, May 13, 2015 Evening

Item (xi): The content of Article 16(2) concerning negotiations following a refusal (cont'd)

304. Ms. Koubitobo Nnoko (Cameroon) supported the statement made by the Delegation of OAPI. She indicated that, under the laws of her country, leaving the option open to negotiations could give an opportunity to the competent authorities but would not address the interests of owners of geographical indications and the State. Accordingly, her Delegation was in favor of deleting Article 16(2).

305. Mr. Curchod (CEIPI) supported the point made by the Delegation of Hungary. The omission of Article 16(2) would not stop the contracting party of origin from proposing negotiations to another contracting party. He added that neither inclusion nor the omission of this provision would prevent the other Contracting Party from refusing to enter into negotiations with the Contracting Party of origin, especially for the reasons given by the Delegation of the United States of America. He concluded that it would be preferable to exclude Article 16(2) from the new Act.

306. Ms. SCHULTE (INTA) supported the deletion of Article 16(2), sharing the concerns voiced by a number of Delegations. For INTA, such provision was not needed since States were generally entitled, under public international law, to enter into negotiations. INTA was also concerned about the fact that this provision suggested that such negotiations were an appropriate tool in the context of a refusal. However, INTA was of the view that Competent Authorities would notify refusals as required by their national law, i.e., not on the basis of diplomatic observations. Negotiations between the Contracting Party of Origin and the country of protection would be inappropriate where private rights of nationals of third countries were involved.

307. Mr. THORN (CCFN) supported the deletion of Article 16.2, reporting that CCFN was aware of recent cases where a party had used leverages of bilateral trade agreements to pressure trading partners to bypass their normal procedures and to discontinue the use of common and generic names in their domestic market. CCFN was concerned that Article 16(2) would be used in a similar manner.

308. Mr. VITTORI (oriGIn) expressed a preference for maintaining Article 16(2), drawing the attention of the Committee to the fact that geographical indications were private rights in some States and public rights in other States. Therefore, where the State was the owner of the geographical indication or the appellation of origin, such negotiations could be relevant and appropriate. Moreover, negotiations did not necessarily imply a political bargain. Practices showed that the objective of negotiations could be to better implement the law, as some refusals could be issued because of emotional reasons rather than the application of the law. Therefore, the Committee should not consider such negotiations only from a political perspective.

309. While underscoring the importance of Article 16, Ms. Scherb (HEP) wondered who would have the ability to negotiate and therefore suggested that the provision be clarified in this respect..

310. Mr. SATO (Japan) indicated that his Delegation was in favor of the deletion of Article 16(2). Pointing out that the Madrid and Hague systems did not provide for

negotiations, he stated that negotiations between Contracting Parties were not suitable for any registration system of intellectual property rights, including geographical indications.

311. The CHAIR, noting that the Committee was divided, invited Delegations to express their views on a possible deletion of Article 16(2). In his view, such deletion would not prohibit Contracting Parties to propose negotiations and would be more favorable to those supporting Article 16(2), as there would be no condition for proposing negotiations.

312. Mr. Vassilakis (European Union) said that his Delegation supported the analysis made by the Chair. Referring to Article 16(1), he pointed out that it contained neither conditions nor reservations, thus offering a margin of discretion for a withdrawal. He believed that negotiations could be one way of achieving such a withdrawal, as had been pointed out by the Delegation of Hungary, and that this was a matter of discretion and sovereignty for each Contracting Party. In his view, the other Contracting Party remained free to accept or refuse such negotiations. His Delegation understood that Article 16(2) guided these negotiations at three levels: first of all, the initiative for negotiations must emanate from the Contracting Party of origin; secondly, this faculty would apply only if deemed appropriate, which will require analysis on a case by case basis depending on the circumstances of each individual case; and thirdly, this could not in any way deviate from the principles and the legal system of each Contracting Party, once reference is made to Article 15(5).

313. Ms. VIEIRA LOPES (Portugal) indicated that her Delegation could consider deleting Article 16(2), as nothing would prevent Contracting Parties from entering into negotiations.

314. Mr. KLINKA (Slovakia) announced that his Delegation could also agree to the deletion of Article 16(2).

315. The CHAIR, recalling that statements on Article 16(2) would be part of the records of the Diplomatic Conference, declared that he assumed that Main Committee I accepted to delete Article 16(2).

Item (xii): the content of Article 17 concerning the necessity of a phasing out period

316. The CHAIR opened the discussion on Article 17.

317. Mr. HÖPPERGER (WIPO) introduced Article 17.

318. Mr. SCHMIDLIN (Italy) indicated that his Delegation did not see any danger in keeping Article 17(1). Article 17(1) confirmed that, in case of prior use, the protection could be refused and, if not refused or if the refusal was withdrawn, the prior user had the possibility of a phasing out period.

319. The CHAIR underlined that, for prior users, the inclusion of this provision was beneficial.

320. Ms. LAUMONIER (France) shared the view expressed by the Delegation of the Italy. Considering that Article 17(1) offered flexibility to earlier users, she said that her Delegation welcomed the introduction of this provision into the basic text.

321. The CHAIR said that, thus, the proposal for amendment from the Delegation of Italy was seconded by the Delegation of France.

322. Ms. KOPECKÁ (Czech Republic) said that her Delegation supported the proposal made by the Delegation of Italy.

323. Ms. VIEIRA LOPES (Portugal) stated that her Delegation supported the statements made by the Delegations of the Czech Republic, France and Italy.

324. Mr. KLING (Israel) indicated that his Delegation aligned itself with the comments of countries supporting the inclusion of Article 17(1). However, the provision should not adversely affect the safeguards for prior rights.

325. Mr. GONDA (Hungary) said that his Delegation associated itself with the proposal put forward by the Delegation of Italy regarding the inclusion of this provision into the text.

326. Mr. RENDÓN ALGARA (Mexico) said that the Delegation of Mexico aligned itself with the statements made by the previous Delegations and supported the inclusion of the text.

327. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) expressed the support of his Delegation for the inclusion of Article 17(1) in the text of the Basic Proposal.

328. Mr. KLINKA (Slovakia) expressed the support of his Delegation for the inclusion of Article 17(1) in the text of the Basic Proposal.

329. Mr. MELÉNDEZ GARCÍA (Costa Rica) said that his Delegation also supported the inclusion of the text in its entirety for the reasons expressed above.

330. Mr. OKIO (Congo) indicated that his Delegation supported the Delegations that asked for the retention of Article 17(1).

331. Ms. CHARIKHI (Algeria) indicated that her Delegation also supported the Delegations that asked for the retention of Article 17(1).

332. Mr. WU (China) said that his Delegation suggested deleting Article 17(1) and leaving Contracting Parties free to decide what to do in the case of prior uses interfering with a foreign appellation of origin or geographical indication. Phasing out would inevitably cause damage to prior users, which was not fair. He added that, in the interest of consumers, Contracting Parties could require prior users to add appropriate distinctive elements.

333. Ms. MORARU (Romania) said that her Delegation also supported the proposal made by the Delegation of Italy and supported by other Delegations, that Article 17(1) be maintained.

334. Ms. COTTON (United States of America) sought further clarifications with respect to the relations between Article 17(1) and Articles 13 and 15. She stated that the first concern of her Delegation was whether prior trademark rights were safeguarded. The second concern related to generic uses. Her Delegation understood that Contracting Parties had the ability to refuse a registered appellation of origin or geographical indication if the denomination or indication was considered generic in their territory. She referred to situations of a commonly used term that phased out without due process to contest this. Such situations were unacceptable. She pointed out that her Delegation had been reassured in the past that Article 17(1) was a permissive provision. However, it was now said that without this provision Contracting Parties could not phase out prior uses. She underlined that this provision seemed to be an intrusion into national laws and determinations on how to handle prior generic uses, prior uses that were not generic, trademark rights and how to balance consumer interests. Therefore, she declared that her Delegation supported the deletion of this provision.

335. Ms. SALAH (Morocco) said that her Delegation favored maintenance of Article 17(1) insofar as it had no impact on its national law and that she also considered that this provision would allow the Treaty to be inclusive of other legislations.

336. Ms. MOORE (Australia) expressed the support of her Delegation for the deletion of Article 17(1). She said that a fundamental precept of an intellectual property system was the balance between public and private rights with safeguards related to the subject matter considered to be in the public domain. For this reason, geographical indication regimes often prohibited the protection as such of terms which were generic for the relevant goods. In contradiction to this, Article 17(1) envisaged that a Contracting Party might allow the monopolization of the term that was already generic in its territory and then phase out its legitimate use. She concluded by saying that, since Article 17(1) was not mandatory, its deletion would have no impact on existing and future laws and practices, but could encourage greater membership of the Lisbon System.

337. Mr. LONDOÑO FERNANDEZ (Colombia) said that item (a) provided the possibility of coexistence between a geographical indication or appellation of origin and an earlier trademark, while item (b) seemed to refer to earlier use of an expression that is not a trademark. In his view, it would be worthwhile to provide a clarification that clearly determines whether prior rights exist or not, to the extent that if item (b) referred to prior use of an expression that is not a trademark, there would be no prior rights.

338. Ms. LEE (Republic of Korea) concurred with the opinion expressed by the Delegations of Australia and the United States of America on the deletion of Article 17.

339. Mr. THORN (CCFN), stating that CCFN strongly opposed the inclusion of Article 17(1), explained that, in the context of recent international negotiations involving geographical indications, a number of countries had come under pressure to discontinue the use of common and generic terms. He said that this provision carried with it the implication that prior uses should be phased out, which matched the negotiating position of geographical indication proponents in the said international negotiations.

340. Mr. VITTORI (oriGIn) stressed the fundamental difference between simple prior use of a geographical indication or appellation of origin and names that had become generic. Simple prior use did not mean that genericity had been reached. From this perspective, Article 17(1) seemed to be a logical consequence of Article 11 on the scope of protection. Contracting Parties would be in a position to judge if a name had become generic in their jurisdiction, and if so, the protection would be refused. Otherwise, if use had not reached genericity, such use had to be terminated as a logical consequence of Article 11. He added that oriGIn had some reservations on the reference to Article 15, which might be inappropriate.

341. The CHAIR, indicating that Article 17(1) might need some drafting refinements, said that this provision was not applicable to prior trademarks, as conflicts between prior trademarks and geographical indications and appellations of origin were dealt with under Article 13. He also clarified that generic names could not be monopolized and that, once they had become generic, Contracting Parties should draw the consequences of this and refuse the legal effects of the international registration. He also recalled that, as underlined by ORIGIN, this provision did not concern only generic names or prior use of generic denominations. As regards remedies available for prior users in respect of a decision to grant a phasing out period, he referred to Article 15(3), which established the obligation for Contracting Parties to provide an opportunity for interested parties to request the Competent Authority to notify a refusal. Thus, interested parties could draw the attention of the Competent Authority to prior use. Finally, he pointed out that Article 17(1) could not be read

as an obligation for Contracting Parties to grant phasing out periods for prior users, but simply as an option.

342. Mr. VASSILAKIS (European Union), expressing the view that the text of Article 17 should remain as it stood, pointed out that, if in the territory of a Contracting Party a name was deemed generic, it would not be possible to register that name as an appellation of origin or geographical indication in that territory. Therefore, his Delegation was of the view that there would be no issue relating to phasing out. However, if a name was not generic and there were no other grounds for the refusal of the registration in a Contracting Party, a grandfathering of prior uses would be allowed by Article 13 under certain conditions. That provision applied to trademarks, personal names in business and plant varieties or animal breeds. If a prior user had not been able to establish that a name was generic and to prevent the registration, he might have an interest in a phasing out period. Indicating that this possibility had been provided for at the European Union level since the first Regulation on designations of origin and geographical indications, he explained that the phasing out period was usually five years, but could sometimes be one year, if the problems faced by the operators were not that dramatic, or, in exceptional cases, due to historical reasons, 15 years. To conclude, he expressed his surprise by the proposal to delete this provision, as it offered a valuable possibility for operators, who would not be obliged to stop straightaway the marketing of their products.

343. Mr. WU (China), explaining that in China geographical indications were registered as certification marks or collective marks, said that, when the prior use of a trademark concerned a geographical indication, there was always a link between the geographical indication and the trademark.

344. Mr. BATANGA (OAPI) said that OAPI supported maintenance of Article 17(1).

345. Ms. COTTON (United States of America) said that her Delegation appreciated the Chair's explanation and reference to Article 15. However, noting that subparagraph (b) of Article 17(1) referred to a roadmap for Contracting Parties on how to phase out after a refusal, she sought clarification on the references to uses in subparagraphs a) and b).

346. The CHAIR invited the Secretariat to shed light on how Article 17(1) should be understood.

347. Mr. HÖPPERGER (WIPO), noting the concern expressed by Delegations about the effect of an international registration and how that would affect prior use as a generic, as a trademark, or in any other form, pointed out that Article 17 was not dealing with that issue at all. The question as to whether or not something was protected or covered by a grandfather clause was dealt with under Article 13. Article 17(1) would, consequently, not be operational with regard to, for example, prior trademark rights. The same applied in respect of refusals under Article 15. The purpose of Article 17(1) was to determine whether or not the effect of an internationally registered appellation of origin or geographical indication in a Contracting Party would kick in immediately or only after a phasing out period. The confusion expressed concerning the issue under discussion was also one of the main misunderstandings concerning Article 5(6) of the Lisbon Agreement of 1958, as it was often erroneously understood that, under that provision, Contracting Parties had to phase out prior use. However, they were actually not required to phase out anything at all, if protection was refused. Article 17 would become operational only in the absence of a refusal or if a refusal was withdrawn. As regards the concern expressed by the Delegation of the United States of America, he suggested that Article 17(1)(b) might be re-drafted, so as to read "on the ground of a prior use that has not been safeguarded under Article 13", rather than "on the ground of prior use as referred to in subparagraph (a)".

348. The CHAIR noted that there was sufficient support for the inclusion of Article 17(1) in the text and considered that the concerns expressed could be overcome by further clarifying the provision in question through a refinement of the wording, in an attempt to reach a compromise.

Item (xiii): whether Article 19(1) should establish an exhaustive or a non-exhaustive list of grounds for invalidation

349. The CHAIR opened the discussion on Article 19(1).

350. Mr. HÖPPERGER (WIPO) introduced the two alternatives proposed in Article 19(1), pointing out that neither of them suggested an exhaustive list of grounds because both referred back to the chapeau of the provision, which stated that 'the grounds on the basis of which a Contracting Party may pronounce invalidation, in part or in whole, of the effects of an international registration in its territory shall include'.

351. Mr. POLINER (Israel) said that, while he agreed with the Secretariat that both alternatives could be interpreted as including an open-ended list of invalidation causes, he preferred Alternative A, as it stated the open-ended nature of the list in a more definitive way than Alternative B. He expressed his preference for an open-ended list of causes of action for invalidation, in particular after hearing the conversation on Article 17(1) in the sense that, if a generic right or other right would have been missed during the examination period, the defendant would at least have a defense in that regard.

352. Ms. FOUKS (France), specifying that this provision was new relative to the current Lisbon Agreement, felt that the implementation of provisions clarifying the invalidation procedure was important because such a procedure seemed necessary in some cases. Her Delegation stressed the importance of having strictly defined grounds for invalidation in order to preserve the legal certainty of operators applying for registration, and considered that the period of one year left for the competent authorities to check that the appellation of origin or geographical indication is duly registered and has no grounds for refusal, is sufficient. Recalling that the grounds for invalidation should be limited, the delegate recognized two exceptions to the sustainability of the appellation of origin or geographical indication, namely the existence of a prior right and the case where the definition of the appellation of origin or the geographical indication is no longer protected in the Contracting Party of origin.

353. Mr. KRATOCHVÍL (Czech Republic) said that his Delegation also preferred Alternative B, because it provided a higher degree of legal certainty than Alternative A.

354. Ms. CHARIKHI (Algeria) expressed the preference of her Delegation for Alternative B, which provided more details on the grounds for invalidation, unlike Alternative A, which she considered too broad. Referring to item (ii) of Alternative B, the delegate wondered who ruled on conformity with the definition of an appellation of origin or a geographical indication.

355. Mr. AZAMI SARDOUEI (Iran, Islamic Republic of) said that his Delegation supported Alternative B, for the sake of greater legal certainty.

356. Ms. VIEIRA LOPES (Portugal) said that her Delegation also preferred Alternative B, which provided greater legal certainty.

357. Mrs. MORARU (Romania) said that her Delegation preferred alternative B, because it considered that the grounds for invalidation should be limited and that this alternative offers more legal certainty.

358. Ms. COTTON (United States of America), indicating support for the intervention made by the Delegation of Israel, said that her Delegation had a preference for Alternative A, as the grounds for invalidation should not be limited and that invalidation options had to be left for national law decisions. Regarding the proposed item (ii) of Alternative B, she sought clarification as to whether the situation to which it referred was not already contemplated in Article 8, which provided that, if the appellation of origin or geographical indication was no longer protected in the Contracting Party of Origin, the international registration would no longer be valid and could be canceled. Without item (ii), Alternative B would look a lot like Alternative A.

359. The CHAIR said that, in his view, item (ii) of Alternative B would apply when compliance with the definition would not be ensured anymore in the Contracting Party of Origin, even if the appellation of origin or geographical indication was still protected there. In other words, if the Contracting Party of Origin failed to draw the consequences of a lack of compliance with the definition, invalidation of the effects of the international registration could be pronounced in other Contracting Parties.

360. Ms. RODRÍGUEZ CAMEJO (Cuba) said that her Delegation supported Alternative A.

361. Ms. CERENZA (Italy) expressed the preference of her Delegation for Alternative B, for the same reasons put forward by the other Delegations that had supported that option.

362. Mr. KLINKA (Slovakia) expressed the preference of his Delegation for Alternative B.

363. Ms. MOORE (Australia) said that her Delegation supported Alternative A. Limiting the grounds for invalidation to those proposed in Alternative B could be considered excessively cautious and could exclude from membership those countries which protected geographical indications under the trademark system. She pointed out that there were additional grounds on which invalidation could be warranted, including that the application would have been made in bad faith, that the rules governing the use of the certification mark would be detrimental to the public, or that the registered owner or an approved user would have failed to comply with the provisions under the rules governing the use of the certification mark. In addition, an administrative decision to protect the geographical indication could have been made in error, for example in the absence of all the information required to determine whether or not the application was made in bad faith. Therefore, it would be necessary to have a mechanism to correct such errors, the nature of which could not always be predicted. An appropriate range of robust and meaningful review mechanisms would be an important feature of a system that would operate transparently and in the public interest.

364. Mr. WU (China) said that his Delegation could not support any of the two alternatives, as they both had limitations with which he did not agree. Instead, he was of the view that the grounds for invalidation had to be determined by the relevant authorities according to their national laws and regulations.

365. Ms. SALAH (Morocco) expressed the preference of her Delegation for Alternative A because it was broader and did not limit the grounds for invalidation.

366. Mr. BATANGA (OAPI) said that OAPI proposed a referral to the national law of the Contracting Party which would provide for invalidation criteria. Otherwise, OAPI preferred Alternative A because of the non-limiting nature of the grounds for invalidation.

367. Ms. KOUBITOBO NNOKO (Cameroon) supported the proposal made by the Delegation of China that the grounds be determined according to national law. For her Delegation, Alternatives A and B were both limiting because laws may provide other grounds for invalidation.

368. Ms. SCHULTE (INTA) welcomed the fact that Alternatives A and B both specifically referred to prior rights as a possible basis for invalidation, but was also concerned about the suggestion made that there should be limitations to the grounds for invalidation brought forward in connection with Alternative B, which listed only two scenarios. INTA was of the view that, in line with the current Lisbon System, no limitation had to be imposed on the grounds for invalidation. That was particularly important in view of the proposed broad scope of protection for geographical indications under Article 11, which made it difficult for potentially affected parties to predict the circumstances in which a conflict could arise. As with every intellectual property right, INTA was of the view that a geographical indication should only enjoy continued protection if it actually met the protection requirements in the specific territory and if the free availability of terms for use by traders was limited by terms that should never have been protected. In that regard, it would be excessive and contrary to constitutional law requirements in many countries to draw an administrative silence from a failure to notify a refusal and to provide a permanent protection, even where the protection requirements had not been fulfilled. She concurred with the statement made by the Delegation of Australia, indicating that the Competent Authority might not have had the necessary information or resources to correctly assess within the one-year period whether or not the protection should have been granted. She concluded that there should be a possibility for errors to be corrected, just as it was possible under the Madrid System to invalidate the territorial extension of an international trademark registration, in spite of no refusal having been notified within the applicable time limit.

369. The CHAIR, noting that the views were divided between the two alternatives, pointed out that a third view had been expressed, namely that the revised text should not even deal with the issue. Such view was based on the current Lisbon Agreement, where neither the grounds for refusal nor the grounds for invalidation were listed. He wondered whether a possible way out would be to use language similar to that contained in Article 5(6) of the Madrid Protocol, leaving the matter to the national legislation of the Contracting Parties. He added that, even though he understood the concerns of some Delegations, he did not think that the inclusion of an exhaustive list would be consistent with the fact that the revised text did not include a list of possible grounds for refusal. Finally, he was of the view that a non-exhaustive list would be an element that would help attract a wider membership.

370. The CHAIR adjourned the meeting.

Sixth Meeting
Thursday, May 14, 2015
Morning

CLUSTER D: ISSUES CONCERNING FEES AND THE FINANCING OF THE LISBON SYSTEM

371. The CHAIR identified two sub-clusters within Cluster D. The first was the possible introduction of individual fees, which he suggested to address separately. The second grouped the remaining three items within Cluster D and concerned the financing of the Lisbon System. He suggested discussing the introduction of individual fees first.

Item (vi): Article 7(5) and related provisions concerning the possible introduction of individual fees

372. The CHAIR opened the discussion on Article 7(5).

373. Mr. HÖPPERGER (WIPO) introduced Article 7(5) and the two alternatives contained in the Basic Proposal.

374. Mr. RENDÓN ALGARA (Mexico) recalled that during the past five years of work by the Working Group, his Delegation had participated constructively, arguing that improvement of the system included not only the work to be done by WIPO but also the work of national offices. He added that the modernization and improvement of the Lisbon system would entail major changes in the work format of national offices, which need to have sufficient resources. Consequently, Mexico had supported the idea that each contracting party should determine the amount of national individual fees such that each country would have an efficient system for the benefit of holders of appellations of origin geographical indications, as well as the benefit of consumers themselves. In his view, such fees were not meant to generate surplus for the offices. Rather, each country can provide the elements necessary for the smooth operation of the system and cost recovery. In this regard, his Delegation was in favor of Alternative A.

375. Ms. VIEIRA LOPES (Portugal), indicating that the financing and budgeting-related aspects were essential to the operation of the Lisbon System, said that there was a need to find an integrated way of tackling those issues, bearing in mind the mandate to make the Lisbon System more attractive, so that other countries would be in a position to accede to it.

376. Ms. SANCHEZ TORRES (Cuba) said that her Delegation supported Alternative A deeming it to be one way for National Offices to cover costs.

377. Mr. SCHMIDLIN (Italy) stated that his Delegation adhered to the idea of individual fees that would help Offices to recover the costs of the processing of new applications. This was regarded as a means to increase the attractiveness of the Lisbon System and help countries to join the system. However, the burden on applicants should not increase too much because, otherwise, the system would not be attractive for them. As regards Alternative A, his Delegation failed to understand what the last sentence of sub-paragraph (a) would add to the beginning of sub-paragraph (a) and the clarification contained in sub-paragraph (b).

378. Mr. KLING (Israel) expressed the support of his Delegation for Alternative A, for the reasons already indicated by other Member States, underlining the fact that the main parameter would be the cost recovery for those Competent Authorities dealing with the processing of new applications. In that regard, he pointed out that those Competent Authorities would most likely be Intellectual Property Offices, which often operated on a trading-fund basis that had to be cost effective. Individual fees would encourage Member States to join the system and support the increased use of the system.

379. Mr. MAYAUTE VARGAS (Peru) said that his Delegation supported Alternative A because it enabled the IP Offices of Member States to apply an individual fee to cover the cost of substantive examination of registration and provide more efficient services to users. However, his Delegation deemed it important to set a limited fee which did not exceed the current registration fee of 500 Swiss francs.

380. Mr. GONDA (Hungary) indicated that his Delegation associated itself with the principle that the Lisbon System should be self-sustaining and, therefore, did not exclude the idea of reviewing the fee structure. In his Delegation's view, the budgetary balance of the system depended on certain factors, which required a careful analysis of the background of the current budget before deciding on a fundamental change in the fee structure. He further recalled that, as regards the workload of the Lisbon Registry, the main expenses of the Lisbon System in the past few years had resulted from the revision process, including the costs of the Working Group meetings, and from the automation of the Lisbon Registry. The Delegate pointed out that those expenses were occasional and not of a periodical or permanent nature. Therefore, it would be misleading to draw far-reaching conclusions from the budgetary status in recent years as justifying dramatic changes in the fee structure. As regards the costs of Competent Authorities of Contracting Parties attributable to the examination of international registrations, there might be a need to introduce a new element in the fee structure, especially in the case of self-financing Offices that covered their expenses from the fees they collected. This applied to the national authorities of Member States and newly acceding Contracting Parties alike, in particular as accession would entail a significant workload due to the re-examination of the international registrations effected prior to accession. In order to reward those efforts and to take account of the specificities of self-financing national authorities, his Delegation was ready to consider the possible introduction of individual fees. However, it was not ready to combine it with a Madrid-type designation system or the introduction of fees for the maintenance or renewal of the international registration. He concluded by expressing the preference of his Delegation for Alternative B.

381. Mr. MELENDEZ GARCIA (Costa Rica) agreed with the Delegations of Cuba, Israel, Mexico and Peru on the importance of establishing individual fees with the intention of covering costs generated by the internal examination of international registrations and, consequently, supported Alternative A.

382. Ms. LAUMONIER (France) recalled that two objectives underpinned financing of the international protection of geographical indications, namely: to make the Lisbon system attractive to future new Member States and assist intellectual property offices in financing the examination of applications; and, to avoid making the system too expensive for operators. Her Delegation preferred Alternative B, which offered the possibility of individual fees to finance the costs of the examination of the international registrations, and like the Delegation of the Italy, wondered about the relevance of the last sentence of subparagraph (a) in Alternative A.

383. Ms. KOPECKÁ (Czech Republic) stated that her Delegation was not opposed to the idea of introducing individual fees, because such fees would help national Competent Authorities to recover the costs related to the administration of the protection. Nevertheless, since individual fees would constitute an entirely new element in the Lisbon System, her Delegation supported Alternative B, which left more time to Contracting Parties to examine, discuss and consider all the aspects of such an important change.

384. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) expressed the support of his Delegation for Alternative A.

385. Ms. CHARIKHI (Algeria) considered that any intellectual property office may introduce a fee, provided that this did not undermine the interest of the treaty itself. She indicated that her Delegation accepted the principle of individual fees, and was in favor of alternative A, but stated nevertheless that subparagraph (a) of that alternative was too detailed. Her Delegation agreed with the Delegation of Italy on the last sentence of this subparagraph and proposed the deletion of the last two sentences.

386. Mr. YOSSIFOV (Bulgaria) said that his Delegation supported Alternative B for the same reasons expressed by the Delegation of the Czech Republic. While his Delegation realized that the Lisbon System needed a proper financing and that Offices handling the examination of international applications needed to be self-financed, more time was needed to fully grasp the advantages and disadvantages of the proposed approach.

387. Mr. WU (China), indicating that his Delegation supported the introduction of individual fees, expressed his preference for Alternative A, as it not only allowed the recovery of registration costs, but also referred to renewal costs.

388. Ms. MORARU (Romania) said that her Delegation accepted the possibility of introducing individual fees, since one of the objectives of the new Act was to make the Lisbon System more attractive. Consequently, it was in favor of Alternative B.

389. Ms. KIRIY (Russian Federation) recalled that her Delegation had indicated on several occasions that Contracting Parties should have the right to charge individual fees for the filing of an application and also subsequently. She was of the view that individual fees would be necessary, not only to cover the costs incurred by Offices when carrying out substantive examination, but also because, in her country, there was a liability under criminal law for violations of appellations of origin and geographical indications. It would be unfair that the corresponding financial burden be borne by the taxpayers of a country that would not receive any income from the protection of appellations of origin and geographical indications. Moreover, she did not consider it necessary to keep sub-paragraph (b) in either of the Alternatives. In addition, since keeping the appellation of origin or geographical indication in the Registry did not involve any cost, her Delegation was of the view that the non-payment of the individual fee should not result in a removal of the appellation of origin or geographical indication from the Registry. Pointing out that the advantages resulting from the legal protection of geographical indications and appellations of origin were enjoyed by individual right holders, namely by the producers who had received the right to use the appellation of origin or geographical indication, her Delegation was of the view that those right holders should contribute to the maintenance of the system. She indicated that, under the Russian national system, the non-payment of the fee for maintaining the right had the consequences of depriving the right holder of the right to use the geographical indication or appellation of origin. However, the geographical indication or appellation of origin remained recorded in the State Registry, so that any right holder who, in the future, might wish to obtain the right to use it would be able to submit an application to the Patent Office, subject to the payment of all the applicable fees. She believed that the Russian national system was balanced and that some of its elements could be usefully employed under the Lisbon System. The

Delegate, expressing her support for Alternative A without subparagraph (b), also said that her Delegation considered Alternative B as unacceptable, as it could be interpreted in different ways. For example, it could be interpreted as meaning that the Assembly could take a decision concerning the possibility for Contracting Parties to adopt individual fees. However, the proposed text did not specify whether or not the Assembly could take such a decision on an individual basis, with respect to one Contracting Party. Furthermore, the text itself stipulated that the Assembly could take a decision about individual fees only in respect of “Contracting Parties”, which meant that those countries that would not yet have acceded to the Lisbon System would not be able to count on the fact that such individual fees would also be established for them.

390. Ms. GÜVEN (Turkey), stating that her Delegation supported the introduction of individual fees, expressed her preference for Alternative A.

391. Ms. MOORE (Australia) said that her Delegation supported Alternative A, as it was of the view that the revised Lisbon Agreement should include a clear mechanism enabling Contracting Parties to charge individual fees. She considered that omitting the possibility of individual fees in the new Agreement would discourage and prevent some WIPO members from becoming members of the Lisbon System. In her view, an inclusive international filing system should enable the Offices of the Contracting Parties to collect individual fees, so that the national Competent Authorities would be able to recover the costs of processing an examination. The introduction of the possibility of individual fees in the Madrid System had facilitated an increase in its membership and, therefore, its usefulness to users who could, as a result, access a streamlined method for obtaining protection over a wider geographic area. Finally, her Delegation shared the concerns expressed by the Delegation of the Russian Federation on the operation of Alternative B.

392. Ms. SALAH (Morocco) said that her Delegation supported the introduction of individual fees to make the Lisbon system more attractive; this was consistent with one of the main objectives of the new Act. Her Delegation was in favor of Alternative A, which gave the contracting parties the option to require, or not, an individual fee for substantive examination purposes. In her view, this was not the case with Alternative B which left this option to the discretion of the Lisbon Union Assembly.

393. Ms. COTTON (United States of America) said that the ability to collect an individual fee was a fundamental issue for many prospective Contracting Parties. The possibility for requiring such a fee had to be available before accession could even be contemplated. For that reason, her Delegation opposed Alternative B, concurring with the Delegation of the Russian Federation and other Delegations that it would not be acceptable to leave the issue of whether there should be an option for prospective Contracting Parties to charge an individual fee to the Lisbon Union Assembly. Alternative A was the only viable option for prospective Contracting Parties employing a cost recovery system. Moreover, in many cases, cost recovery systems amortized the costs of processing the registration and maintaining the registration over the life of the trademark, so that a lower application fee was charged, with maintenance fees charged over the life of the trademark in order to spread the costs of operations over a longer period. Maintenance of the protection in the United States of America, and presumably in other systems, required maintaining the trademark right, the certification mark right or the collective mark right through use and maintenance fees; otherwise, the right would go abandoned. Her Delegation was, therefore, of the view that the last sentence of sub-paragraph (a) was critical for those systems to be able to charge maintenance and renewal fees at the national level. In addition, her Delegation believed that subparagraph (b) of Alternative A was important for the sake of clarity. However, in hearing the comments of the Delegation of the Russian Federation, her Delegation wondered whether that concern could possibly be addressed by a drafting change that would include a

reference to “protection renounced as to the beneficiaries identified in the international registration”.

394. Mr. THÉVENOD-MOTTET (Switzerland) said that his Delegation understood the financing constraints experienced by a certain number of countries in which the authority in charge of appellations of origin and geographical indications was financially independent. Consequently, his Delegation supported introduction into the new Act, of the option for contracting parties to require an individual fee to cover the cost of examination and processing of applications for international registration. However, Alternative A was not acceptable to his Delegation because of the last sentence in sub-paragraph (a) which raises two major problems. On the one hand, it refers to maintenance requirements whereas this issue is covered in other provisions discussed by Main Committee I, but has not yet been resolved. The delegate concluded that his Delegation could not currently comment on a reference to an unresolved issue. On the other hand, it refers to a possible requirement to pay renewal fees. The delegate recalled that the current Lisbon Agreement provided for an unlimited protection period and considered that this principle should not be challenged. He then wondered how the principle of a renewal fee and, more precisely the assumption of its non-payment, could be consistent with maintaining the protection of the appellation of origin or the geographical indication for an unlimited period. He observed that the renewal procedure and the attendant fees were adapted to trademarks. However, on account of differences between trademarks and geographical indications, the concept of renewal could not apply in the same way to appellations of origin and geographical indications. He specified that in Switzerland, those two categories of rights were protected by a *sui generis* instrument for an unlimited period. He concluded that his Delegation was in favor of Alternative A, without the last sentence of sub-paragraph (a).

395. Mr. LONDOÑO FERNÁNDEZ (Colombia) said that the effectiveness and validity of an appellation of origin should not be contingent on the payment of a fee as such, but on the fact that the protection conditions are maintained. In his view, the fees were a legal fiction with two objectives: the first was to ensure that the system was maintained, and so he thought that the correct term should be "maintenance" and not "renewal", and that each country should determine its own maintenance scope as is the case in other treaties such as the Madrid System; the second objective is to adapt to national systems and, in that regard, his Delegation would be inclined to support Alternative A, since Alternative B would undermine sovereignty in each of the countries. Moreover, his Delegation understood the concern of the Delegation of Switzerland that the last phrase of Alternative A is closely related to the theme discussed a day earlier on Article 19.

396. Mr. WU (China) indicated that Article 8(1) of the Basic Proposal for the New Act, whereby the international registration should be valid indefinitely, was essential for his Delegation and considered as a basic principle. However, there was a contradiction with respect to systems based on trademarks, which provided that a trademark would be cancelled if not renewed in due time and would lapse if not used for a consecutive period of three or five years. For this reason, his Delegation suggested adding language in Article 8(1) to satisfy the use and renewal requirements of some Contracting Parties.

397. Mr. BATANGA (OAPI), recalling that the objective of the revision was to make the Lisbon system more attractive and that fees were an element of attraction, stated that OAPI welcomed the principle of individual fees. Alternative A should therefore be maintained. However, the last sentence of in Sub-paragraph (a) of this alternative was problematic because it related to the term of protection of the geographical indication which is, in principle, unlimited. Accordingly, he believed that maintaining this last sentence would put an abrupt end to the protection of a geographical indication in case of non-payment of the maintenance fees or renewal fees.

398. Ms. LEE (Republic of Korea), pointing out that individual fees could cover the cost of examination in receiving countries, was of the view that this question should not be left to the Lisbon Union Assembly and should be regulated in the text of the Agreement.

399. Ms. COTTON (United States of America) said that the last sentence of subparagraph (a) in Alternative A was a declaration option for countries which needed to provide for maintenance of the right at the national level. Indicating that trademark systems had maintenance requirements at the national level, she pointed out that the non-inclusion of the last sentence of subparagraph (a) in Alternative A in the New Act would exclude countries with a trademark system from joining the new instrument.

400. Ms. KIRIY (Russian Federation) said that, while her Delegation had previously contemplated, as a compromise position, the deletion of subparagraph (b) of Alternative A, it endorsed the statement made by the Delegation of the United States of America and was therefore now ready to support the maintenance of that subparagraph with a new drafting mentioning the beneficiary, along the lines suggested by the Delegation of the United States of America. Addressing the concern raised by the Delegations of France and Italy with regard to the last sentence of Alternative A, she stressed the importance of maintenance fees for her Delegation, adding that these fees were less expensive than examination fees and would not be an additional burden for producers exporting their products. She concluded by inviting Delegations to consider the objective of making the Agreement more attractive, i.e., of allowing accession by new members.

401. Mr. KLING (Israel) stated that, in line with the purpose of the revision of the Lisbon Agreement to attract additional members, his Delegation was of the view that the last sentence of subparagraph (a) of Alternative A should be maintained, as it reflected the principle of flexibility previously evoked by Delegations. This flexibility would enable conformity with local laws, whether trademark laws or other laws, applying in various Contracting Parties.

402. Ms. FOUKS (France), indicating that this provision dealt with financing of the examination of applications for international registration, specified that such examination would not be followed to the granting of a registration or a national instrument, as is the case under the Madrid System. Moreover, she pointed out that the system of collective or certification marks was not so prevalent around the world, as her Delegation had noted that such a system did not exist in the legislations of some States. She pointed out that the United States of America and other countries protecting their own geographical indications through a certification marks system would be free to apply renewal and maintenance fees for their own geographical indications. Hence, a certification mark filed in the United States of America would be subject to national rules.- If the United States of America joined the Lisbon System, non-payment of the national renewal fees would result in cancellation of the international registration. She concluded by emphasizing the fact that the discussed provision was not intended to deal with national mechanisms for recognizing and protecting national geographical indications. Rather, it concerned geographical indications presented for registration by other countries under the Lisbon Agreement.

403. The CHAIR, indicating that the terms "individual fees" had been taken from the Madrid System, where Contracting Parties could require individual fees as an alternative to a share of the revenue produced by supplementary and complementary fees, pointed out that, in the Lisbon System, no such share was envisaged for Contracting Parties. Recalling that the purpose of individual fees in the Lisbon System would be to cover the costs of the Competent Authorities of the Contracting Parties linked to the examination of the international registration, he noted that, according to some Delegations, the costs in conjunction with the maintenance or renewal would also be covered. He also noted that,

while the idea to accommodate the situation of Contracting Parties where the Competent Authority was a self-financed institution seemed generally accepted, the modalities for ensuring cost coverage for those Competent Authorities still needed to be considered. He wondered how the proposals for establishing maintenance fees at the international level related to the last sentence of subparagraph (a) of Alternative A. He recalled that, in the Madrid System, renewal took place at the international level and that a Contracting Party which had opted for an individual fee would receive such an individual fee at the time of the renewal of the international registration at the International Bureau. He wondered whether the Committee intended to provide for a double requirement in the Lisbon System, by establishing a renewal requirement at the international level and a separate renewal requirement at the national level in Contracting Parties opting for an individual fee. He also wondered whether the draft Act was the appropriate place to address the issue of national requirements concerning the maintenance, renewal or use of appellations of origin and geographical indications, applicable under the law of a given Contracting Party. Considering that individual fees would pave the way for accession by new Member States or intergovernmental organizations, as they would make the system more attractive for Contracting Parties and their Competent Authorities, he believed that users would be in a better position to obtain protection in the newly acceding Contracting Parties that would charge individual fees, and at a lower cost than through the national route. Finally, he sought clarification from the Delegations that had expressed concerns about subparagraph (b) of Alternative A, as he considered that their problem was not clear.

404. Mr. SCHMIDLIN (Italy) said that his Delegation's preference for the deletion of the last sentence of subparagraph (a) of Alternative A was not meant to exclude trademark systems from joining the Lisbon System.

405. Mr. VITTORI (oriGIn) said that ORIGIN was in favor of exploring the option of individual fees, so as to have an international registry attractive for a variety of countries. Referring to the limited financial resources of producers in developing countries, he stressed the importance of limiting the amounts of the fees provided for in Alternative A and invited Delegations to consider this issue from a pragmatic perspective.

406. Mr. CURCHOD (CEIPI) indicated that CEIPI supported the introduction of individual fees into the Lisbon System. It was of the view that Alternative B did not offer sufficient guarantees to States that were not members of the Lisbon Union and could discourage Member States of the Union from ratifying the new Act. Alternative A was therefore preferable. He pointed out that the penultimate sentence in sub-paragraph (a) of this alternative ensured that contracting parties do not set the individual fee at an excessively high amount. He also felt that the wording of the last sentence in sub-paragraph (a) of this alternative should be reviewed, if it is maintained, based on discussions on Articles 7(3), 8 and 12. He concluded that it would be regrettable for the solutions to these issues to exclude the accession of countries protecting appellations of origin and geographical indications through the trademark system.

407. Ms. SCHERB (HEP), indicating that HEP wished for the individual fee to be maintained because it was fair for the Offices to cover their costs, stated that a maximum amount should, however, be set.

408. Ms. SAGBO (Togo) noted that producers in the OAPI Member countries, which are developing countries, did not usually have sufficient financial means to register their geographical indications. However, her Delegation acknowledged that the Lisbon system needed to be maintained and was therefore not opposed to the introduction of fees. She concluded by supporting the statement made by the representative of HEP that the amounts be reviewed for developing countries.

409. The CHAIR observed that the issue of maintaining or renewing protection of registered appellations of origin and geographical indications still had to be clarified. This issue was of major importance and a solution should be found that would not exclude trademark law countries, but that could, at the same time, be reconciled with the principles for the protection of appellations of origin and geographical indications. In light of the discussion, he concluded that Alternative A would be taken as the basis for further work by the Committee, while acknowledging that its text required certain amendments.

Item (iv): Article 7(3), Article 8(3), Article 24(3) and related provisions concerning the possible introduction of maintenance fees

Item (v): The possible re-introduction of the provisions of the current Lisbon Agreement dealing with contributions by members of the Lisbon Union

Item (xvii): The amount of fees in Rule 8(1)

410. The CHAIR requested the Secretariat to introduce the remaining issues under Cluster D.

411. Mr. HÖPPERGER (WIPO) introduced Articles 8(3) and 7(3), as well as Rule 8(1). He then introduced Article 24(3)(vi), indicating that there was an overlap between the work of Main Committee I and Main Committee II concerning this provision. He recalled that, in 1994, a common contribution system had been adopted by the WIPO General Assembly, which had decided to make the necessary institutional changes so as to align the financing provisions of all WIPO unions. In 2003, a series of decisions had been taken horizontally by the relevant WIPO union Assemblies in order to introduce the common contribution system into the constitutional structure of the Organization. Article 24(3)(vi) of the Basic Proposal, which was bracketed and concerned the issue of whether a provision for contributions of Contracting Parties should be reintroduced, did not take into consideration the 2003 decision. He informed the Committee that the Secretariat was preparing a text for the consideration of Main Committee II that would reflect the 2003 decision of the Lisbon Union Assembly amending Article 11 of the Lisbon Agreement. Although that amendment had not yet entered into force, he pointed out that deleting item (vi) of Article 24(3) would constitute a departure from the decision that the Lisbon Union Assembly had taken in 2003.

412. The CHAIR opened the discussion on these issues.

413. Mr. GONDA (Hungary) said that the Committee should look into the reasons of the current budgetary situation, before taking a decision that might fundamentally change the fee structure. His Delegation was of the opinion that introducing maintenance or renewal fees would be contrary to the principles of the protection of geographical indications and appellations of origin, because it would undermine one of the basic features of the system, namely that protection was not limited in time. Consequently, his Delegation was not in the position to accept the introduction of maintenance or renewal fees in any form, and could therefore only support Alternative C of Article 7(3), which contained no provision on maintenance fees.

414. Mr. SCHMIDLIN (Italy) said that his Delegation considered that maintenance fees were related to the financial situation and the cost effectiveness of the Lisbon Union. He concurred with the Delegation of Hungary in that proper consideration of the financial situation of the Lisbon Union was needed before altering the structure of the fees. In his view, it was necessary to know the fixed costs and to consider other factors, such as the impact of the automation project or the amount of savings. Acknowledging that the Secretariat had provided some information at the last meeting of the Working Group and

during the Lisbon Union Assembly, he noted, however, that this information was not enough. Thus, his Delegation considered that it was crucial to have a cost-benefit analysis for the introduction of a new fee, as well as an estimation of the likely increase in applications and its impact on the costs. Stressing the view that the system should be attractive for new countries, but also for applicants, his Delegation considered that the burden on applicants should not be increased too much, especially in view of the fact that the new system would also apply to developing countries and their businesses. If the system would establish a tax that would be too expensive for applicants, nobody would apply and the financial situation would not improve. His Delegation was ready to have a frank discussion, but could not accept, at this stage, to pave the way for maintenance fees and, therefore, preferred Alternative C of Article 7(3).

415. Mr. KLING (Israel) said that his Delegation considered the Lisbon Agreement as a service-providing Agreement, which should attempt to be self-sustainable, in conformity with other WIPO-administered registration services. He believed that cross-subsidies should be averted as far as possible. Therefore, his Delegation considered it logical to establish a concrete arrangement for a maintenance fee. Although his Delegation concurred with the observations of the Delegation of Italy on the various questions that needed to be addressed, he believed that those issues could be considered by Main Committee II, as they were not related to the substantive question of whether or not a maintenance fee should be established. Therefore, his Delegation supported Alternative A, whereby the Assembly must establish a fee. As a fallback, his Delegation could also support Alternative B, whereby the Assembly could establish a fee and more time would be available for deliberations on the exact amount of the fees. Moreover, the language of both Alternatives A and B required amendment, so as to prevent an *ad hoc* fee setting. The fee should be set at a fixed level and not be changed every time that the expenses would change. He explained that the latter part of Alternative A of Article 7(3) referred to a level determined by the extent to which receipts indicated in Article 24(3)(i) and (iii) would not suffice to cover the expenses of the Special Union. This would require a constant review of the matter, which was undesirable. In addition, his Delegation supported the inclusion of the language within brackets in Article 8(3) on the consequences of not paying the fees. Finally, his Delegation did not agree with the position of the Delegation of Italy, which considered that the Committee was dealing with a tax. The Committee was rather dealing with fees and cost recovery for WIPO. As to Article 24(3)(vi), he suggested that, if such an arrangement was revisited, it should be considered on a pro-rated basis, in accordance with the amount of usage of the system by Contracting Parties.

416. Mr. AZAMI SARDOUEI (Iran, Islamic Republic of) stated that, regarding Article 7(3), his Delegation associated itself with the position expressed by the Delegations of Hungary and Italy. Due to the differences in nature between geographical indications and appellations of origin, on the one hand, and trademarks, on the other hand, his Delegation could not support the introduction of a maintenance fee and, therefore, preferred Alternative C.

417. Ms. KOPECKÁ (Czech Republic) said that her Delegation associated itself with the statements made by the Delegations of Hungary and Italy in support of Alternative C.

418. Ms. VIEIRA LOPES (Portugal) supported Alternative C and concurred with the views set forth by the Delegations of Hungary and Italy.

419. Ms. FOUKS (France) indicated that her Delegation aligned itself with the Delegations that supported Alternative C of Article 7(3) and also agreed with the opinions expressed on the nature of appellations of origin and geographical indications.

420. Mr. YOSSIFOV (Bulgaria) said that his Delegation also supported Alternative C and associated itself with the statements made by the Delegations of the Czech Republic,

France, Hungary, Iran (Islamic Republic of), Italy and Portugal. He added that his Delegation agreed with the questions raised by the Delegation of Italy in respect of the financing of the Lisbon System and endorsed the view that a financial cost and benefit analysis was needed, in order to allow Member States to determine whether the best way was to finance through fees or through contributions by Member States. His Delegation would expect the Secretariat to initiate such a discussion at the next Lisbon Union Assembly.

421. Ms. CHARIKHI (Algeria) said that her Delegation was in favor of Alternative C of Article 7(3), not wishing for the establishment of new fees that would increase the burden on producers. She believed that a maintenance fee would render the Lisbon System less attractive to developing countries, considering that existing fees and the financial burden on developing country producers were relatively heavy.

422. Ms. KOUMBY MISSAMBO (Gabon), supporting the arguments of the Delegations of Algeria and Italy, expressed the preference of her Delegation for Alternative C of Article 7(3).

423. Ms. ROGAČ (Montenegro) said that her Delegation was of the view that the introduction of maintenance fees would be contrary to the system of protection of geographical indications and appellations of origin, as embedded in the current Lisbon Agreement. Furthermore, the requirement to pay a maintenance fee on an *ad hoc* basis would lead to legal uncertainty. Therefore, her Delegation supported Alternative C.

424. Ms. SAGBO (Togo) indicated that her Delegation aligned itself with the Delegations which supported Alternative C.

425. Ms. DIAZ MORENO (Nicaragua) said that the maintenance fees would be a burden on owners in developing countries. Therefore, his Delegation supported Alternative C.

426. Mr. KLINKA (Slovakia) expressed the support of his Delegation for Alternative C.

427. Mr. MELENDEZ GARCIA (Costa Rica) said that the Delegation of Costa Rica supported Alternative C.

428. Ms. BILEN KATIĆ (Serbia) endorsed the arguments presented by the Delegations of Hungary and Italy and supported Alternative C.

429. Ms. MORARU (Romania) said that her Delegation was in favor of Alternative C because it could not accept the introduction of a maintenance fee that is at variance with the Lisbon Agreement principle that protection is unlimited.

430. Ms. COTTON (United States of America) stated that her Delegation supported Alternative A of Article 7(3), as well as retaining the text in Article 8(3) concerning the effect of non-payment of the maintenance fee, and the text in Article 24(3)(vi) regarding contributions. Her Delegation aligned itself with the intervention of the Delegation of Israel and appreciated the idea of a proportionality requirement related to the number of registrations that a particular Contracting Party had in the system. Her Delegation was also in favor of the proposed idea that the Lisbon Assembly should have a detailed report regarding the cost of the system. However, her Delegation considered that this did not preclude the Committee from defining principles in the text regarding financial sustainability for the Lisbon System, as the system could not legitimately continue to rely on other WIPO members and other more widely adopted registration systems to subsidize the acquisition of geographical indications, which were private property rights. Her Delegation considered that holders who benefited from using the Lisbon System, or their governments, were the ones who should pay for the costs of obtaining protection. Although the Lisbon Union members

considered that new accessions would contribute to an increase in revenue, her Delegation was not convinced that the text would create enough flexibility for new Contracting Parties to increase the number of applications that would theoretically fund the operations of the system. Making the maintenance fee mandatory would ensure a reliable income stream that would sustain the system over the longer term. A one-time application fee did not create a sustainable revenue source to cover administration of the system, including information technology and related costs. An *ad hoc* maintenance fee, to be paid by holders of international registrations when fee collections were down and did not cover the expenses as required in Article 24(4), raised difficult notice concerns as well as budgeting concerns for holders, and would likely result in unintended cancellations of international registrations. Moreover, the costs of administering an *ad hoc* system would likely be higher than the cost of a regularized maintenance fee requirement. Considering this, her Delegation had started looking at contributions as a possible funding source for purposes of flexibility and finding the right balance between the level of international registration and maintenance fees as well as proportional contributions. The contributions referred to in Article 24(3)(vi) should probably remain in the text as a funding source, because they existed as a funding source in the original Agreement, as well as in the Act of 1967. If contributions were not contained in the New Act as a funding source, any deficit would have to be addressed by contributions of the original Lisbon members. For that reason, her Delegation believed that keeping contributions in the New Act would be fairer.

431. Ms. KOUTIBOBO NNOKO (Cameroon) said that her Delegation understood the concern of greater financial autonomy for the Lisbon system. However, it believed that such autonomy depended on the number of members who join the system. She shared the opinion of the Delegations of Gabon and Togo that a maintenance fee would create legal uncertainty for their systems and be off-putting to their producers and their States. She therefore expressed her Delegation's support for Alternative C.

432. Mr. KUMER (United Kingdom) said that it was important to strive for a financially sustainable Lisbon System. Therefore, his Delegation was willing to discuss any potential new mechanism that would achieve this goal. After hearing the views of delegates on this subject, his Delegation was of the view that it might be worth exploring options that dealt with payment of fees and with the indefinite nature of geographical indications. In addition, his Delegation hoped that Lisbon members were still working towards the objectives set by the 2003 Assembly decision. Therefore, his Delegation supported removing the brackets and retaining the text in Article 24(3)(vi).

433. Mr. WIBOWO (Indonesia) expressed the preference of his Delegation for Alternative C of Article 7(3), seconding the interventions made in this respect by the Delegations of Algeria, Bulgaria, the Czech Republic, France, Gabon, Hungary, Iran (Islamic Republic of), Italy, Portugal and other countries. Considering that this norm-setting process should comply with the Development Agenda Recommendations, in particular with paragraph 15 of Cluster B, he indicated that his Delegation supported the statement made by the Delegation of Italy concerning a balance between costs and benefits. In his view, cost elements should not be a burden for developing countries and LDCs, in order for them to join the revised Lisbon System.

434. Mr. FUSHIMI (Japan) said that the costs required to support the Lisbon Union should be covered by its members, which was currently not the case. For this reason, his Delegation supported the introduction of a maintenance fee, which was expected to help achieving financial sustainability, as well as the removal of the brackets in Article 24(3)(vi).

435. Ms. SALAH (Morocco), aligning herself with the Delegations that supported Alternative C of Article 7(3), shared their arguments on the nature of appellations of origin and

geographical indications. Her Delegation also supported the principle of reduced fees, particularly for developing countries, as provided for in Article 7(4).

436. Ms. KIRIY (Russian Federation), referring to Article 7(3), said that her Delegation was also concerned about the loss of attractiveness of the Lisbon System, which was linked to its advantages for users and new members of the system. She underlined that the system allowed for important savings for applicants, who would no longer have to pay fees to lawyers and other intermediaries to ensure protection of their rights abroad. Therefore, her Delegation preferred Alternative B of Article 7(3). As regards Article 24(3), her Delegation considered that the Union should ensure that the burden fell upon those who received benefits from the Lisbon System. Therefore, her Delegation was in favor of establishing contributions as a preferable alternative to maintenance fees.

437. The CHAIR adjourned the meeting.

Seventh Meeting Thursday, May 14, 2015 Afternoon
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Item (iv): Article 7(3), Article 8(3), Article 24(3) and related provisions concerning the possible introduction of maintenance fees (cont'd)

Item (v): The possible re-introduction of the provisions of the current Lisbon Agreement dealing with contributions by members of the Lisbon Union (cont'd)

Item (xvii): The amount of fees in Rule 8(1) (cont'd)

438. The CHAIR resumed the work of Main Committee I on the pending issues of Cluster D.

439. Mr. RENDON ALGARA (Mexico) said that, given the deficit that had dogged the Lisbon System over the past six years, his Delegation considered that the international registration system had to be adapted to the current needs of the system and, accordingly, had examined the proposals for dealing with the budget deficit, contained in the draft new Act. As regards the proposal in Article 7(3)(a) and (b) on maintenance fees, there was no clarity as to what would be done in the first instance if the financing of the Union mentioned in Article 24(3)(i) and (iii) to (v) were not enough to cover the expenses of the Union. Once this point had been clarified, her Delegation believed that it was necessary to provide for balanced measures that prevent a deficit within the Lisbon system, but takes into account the interests of rights holders to promote rather than discourage international registration. With regard to the proposal in Article 24(3)(vi), his Delegation deemed it appropriate to maintain the current language, although this provision had not been effective in the past, so that it would be up to the Assembly of the Union to analyze this possibility as a solution for aiding the Lisbon system when its revenue is not enough to cover costs. As concerns the maintenance fees in Article 7(3), his Delegation considered that such a measure should be analyzed more thoroughly to avoid creating legal uncertainty for rights holders, bearing in mind that various national systems do not require the payment of a maintenance fee. Consequently, the Delegation was not in a position to take a decision on the maintenance fees proposed in Article 7(3) and was in favor of Alternative C. In conclusion, his Delegation supported maintaining the proposal in Article 24(3)(vi), with the intention of maintaining an outlet for saving the sustainability of the System.

440. Mr. BATANGA (OAPI) declared that the introduction of maintenance fees was likely to create legal uncertainty and therefore supported Alternative C. Noting that each international registration system ought to be self-financing, the delegate, however, recalled that owners of geographical indications, who come from rural communities, could not be compared with holders of trademarks or patents who are companies with a firm foundation. Hence, underscoring OAPI's wish to promote rural development through the protection of geographical indications, the delegate considered that it was necessary to take account of the specificity of geographical indications and be more flexible in applying the principle of self-financing of the system.

441. Mr. Thévenod-MOTTET (Switzerland) said that his Delegation supported measures aimed at ensuring that the system is financially self-sufficient, including measures that would increase revenue, as well as any measures that generate savings and, where possible, measures to improve efficiency, especially through synergies. In this regard, he felt that it would be relevant to consider this issue based on two criteria. First of all, the criterion of compliance with the essential principles of the Lisbon system which give it its value-added

and therefore its attractiveness to beneficiaries of appellations of origin and geographical indications; such attractiveness was itself a crucial condition for ensuring the financial sustainability of the system. The unlimited duration of protection appeared to be the most important of these principles. In this regard, the possible consequences of non-payment of a fee to maintain the international registration was highly problematic and had led his Delegation to reject the idea of introducing such a fee. Furthermore, he considered that the administrative burden of managing such a fee, both for the International Bureau and for Contracting Parties whose administrative costs would also be increased, were highly likely to undermine its relevance. Ultimately, such a fee could be useful primarily to finance its own collection costs. Consequently, with regard to Article 7(3), his Delegation was in favor of Alternative C. The delegate added that the other criterion to take into account was that of an opportune moment to define and quantify the measures to be adopted, considering that the status of the system's costs and revenue, after the revision becomes effective, is not yet known or reasonably ascertainable. Consequently, there was need to be cautious at this stage when making changes to the financing of the system, and especially to avoid changing existing legal principles, as this might turn out to be useless in the medium-term. In conclusion, he deemed it important to find an immediate solution involving funding of the system by beneficiaries and contracting parties, a solution that remained adaptable to actual financial needs, and did not undermine the legal principles of the Lisbon Agreement, including the unlimited term of protection. Recognizing the special nature of appellations of origin and geographical indications, his Delegation believed that it was necessary to be innovative in order to develop a financing system that was adaptive, fair and sustainable.

442. Mr. WU (China) said that, if there was no interdependency between the period of validity of a registration and the maintenance fee, his Delegation would support the principle of introducing the maintenance fee.

443. Mr. KIM (Republic of Korea) said that, with regard to Article 7(3), his Delegation aligned itself with the statements made by the Delegations of Australia, Israel, Japan and the United States of America and supported Alternative A. Alternative A would not create any negative effect on the system, since it would be up to the Lisbon Union Assembly to decide the amount of the fees, depending on the financial situation of the Lisbon System.

444. Mr. CURCHOD (CEIPI) observed that several Delegations had insisted on the fact that it was difficult to predict what would be the financial situation of the Lisbon Union when the new Act would come into force, and for that reason these Delegations had supported Alternative C. The Representative noted, however, that the consequence of excluding maintenance fees from the new Act would be that it may not be possible to introduce such fees in future if the need arose or if the arguments pertaining to philosophical aspects or the tradition of the Lisbon system took a different turn. Therefore, it was important to realize that, if Alternative C were adopted, it would become impossible to introduce the possibility of charging maintenance fees, without a new revision of the Lisbon Agreement which would require the convening of a diplomatic conference. In this regard, while leaving this issue to the discretion of Governments, he noted that Alternative B offered great flexibility, since it neither required nor excluded the possibility of establishing maintenance fees.

445. Ms. SCHERB (HEP) noted that owners of geographical indications from the rural world, could not be placed on the same level as trademark owners or patent holders. For that reason, HEP was in favor of Alternative C and, consequently, of a flexible, fair and sustainable system.

446. Mr. KLING (Israel) said that Alternatives A and B of Article 7(3) provided for more flexibility than Alternative C. Nothing in Article 7 required the actual beneficiary to bear the brunt of the fees, and a Contracting Party could elect to pay all fees, depending on whether it

had a private or public system. He recalled that in many cases the Contracting Party itself was the owner of the right.

447. The CHAIR, pointing out that it was the responsibility of the members of the Lisbon Union to guarantee the financial sustainability of the Lisbon System, noted the willingness of these members to act in and through the Assembly and take measures to remedy any financial imbalance of the system. Although there were quite a few Delegations supporting the introduction of maintenance fees, i.e., Alternatives A or B of Article 7(3), there was also opposition, as expressed by a large number of Member and Observer Delegations to a provision introducing explicitly maintenance fees or a provision providing for that possibility. He also noted a growing support for including Article 24(3)(vi) in the Basic Proposal, pointing out that there might be little difference between maintenance fees paid by the Contracting Party concerned in the name or on behalf of the beneficiaries and the contributions to be paid by Contracting Parties, especially if those contributions were proportional to the number of international registrations filed by that Contracting Party. He, thus, proposed to ask Main Committee II to look into the modalities of such a contribution system, and invited the Secretariat to inform Main Committee I on the current financial situation of the Lisbon Union.

448. Mr. HÖPPERGER (WIPO) drew the attention of Main Committee I to the fact that audited annual financial reports and financial statements were being published on the WIPO website on a regular yearly basis. Those financial reports and financial statements contained, in particular, information on the revenue, the expenses and the reserves by segment, with reference to the various contribution unions of the Organization. They also gave a precise overview on how the income had been derived and where the expenditures had gone, as well as general information of the overall situation, in particular, whether or not a specific union was in deficit and if so, since when. In addition, he drew the attention of the Committee to Document LI/A/31/2, published for the 2014 session of the Lisbon Union Assembly, containing a proposal to update the Fee Schedule under Rule 23 of the Regulations under the Lisbon Agreement.

Item (ii): The content of Article 2(2) and Article 5(4) concerning trans-border geographical areas of origin (cont'd)

Article 5(3): Application Filed Directly

Rule 15(2): Modifications

449. The CHAIR introduced the proposals to amend Articles 2(2), 5(3) and (4) and Rule 15, as contained in Non-Paper No. 2. He explained that the amendment of Rule 15 was proposed to cover the case where a joint application in respect of a trans-border geographical area concerned an existing international registration made previously by one of the adjacent Contracting Parties, which did not cover the entire trans-border geographical area.

450. Mr. KLINKA (Slovakia) endorsed all the proposals contained in Non-Paper No. 2.

451. Ms. CHARIKHI (Algeria) said that Article 2, as currently drafted, did not pose any problem to her Delegation. However, regarding Article 5, she still had some difficulties discerning the connection between an application filed directly by the beneficiaries or a legal entity and the fact that this is without prejudice in case of a trans-border application. Hence, she requested some explanations in order to react to the amendment proposed by the Chair. Concerning Article 5(4), she pointed out that the principle in itself remained the same in the proposed text and therefore expressed the wish that a clear reference be made to the agreement that must be established between the contracting parties concerned. To that end, she proposed the introduction of the terms "by mutual agreement" in Article 5(4), which would then read as follows: "In case of a geographical area of origin consisting of a trans-

border geographical area, the adjacent contracting parties may, by mutual agreement, file an application jointly, through a commonly designated Competent Authority”.

452. Mr. FERNANDEZ LONDONO (Colombia) wondered whether, in relation to Rule 15(2)(b), it was not necessary to also indicate that beneficiaries or the legal entity referred to in Article 5(2) could file the amendment in the case of Article 5(3).

453. Mr. GONDA (Hungary) said that his Delegation endorsed the proposals contained in Non-Paper No. 2, considering that the new text clarified the matter.

454. Mr. HALL ALLEN (European Union) said that his Delegation was of the view that the proposal from the Delegation of Algeria deserved to be considered.

455. The CHAIR, with respect to the concern raised by the Delegation of Algeria, proposed to amend the text of Article 5(4), to the effect that it would indicate that Contracting Parties may agree to file an application jointly through a commonly designated Competent Authority, under the terms and conditions agreed by them or in accordance with the terms and conditions contained in their agreement. With respect to the question raised by the Delegation of Colombia on Rule 15(2)(b), he said that, in the case of applications for trans-border appellations of origin or geographical indications, could not be filed by the beneficiaries or natural or legal persons having legal standing to assert the rights. Insofar as changes could also occur in the list of beneficiaries, he said that it was worth to consider amending Rule 15(1)(ii) and, as a consequence, Rule 15(2)(b).

456. Mr. LONDOÑO FERNÁNDEZ (Colombia) presented the example of an international registration in the name of an association or legal entity in a trans-border area, but with protection only for that part of the geographical area of the country which is party to the Act. Subsequently, the other country adheres to the Act, and also authorizes the Association or legal entity to file the amendment. In his judgment and considering how the proposal is worded, it would seem as if, although the registration is in the name of the association, only the parties, meaning the States, and not the beneficiaries or natural person or legal entity referred to in Article 5(3), would be able to file the amendment.

457. The CHAIR reiterated that Article 5(4) as contained in Non-Paper No. 2 excluded the possibility of filing joint applications directly by beneficiaries or natural or legal persons having legal standing to assert the rights and that Rule 15 also followed that approach.

458. Mr. CURCHOD (CEIPI) pointed out that it was necessary to harmonize the terms “a natural person or legal entity” in Article 5(3) and rule 15(2) and align the terminology in Non-Paper No. 2 with that of Non-Paper No. 3. As regards the English text of Chair Non-Paper No. 3, he indicated that the terms “*a natural or legal person*” were usually not those used in WIPO treaties, which rather refer to “*natural person or legal entity*”. He recalled that it had been considered necessary, in the context of the Madrid system, to give a very broad definition of the concept of legal entity to take account of the particularities of certain national legislations, including German and Swiss laws which provide for entities that do not have a legal personality but are nevertheless able to acquire rights, bear obligations and institute judicial proceedings. Thus, given the interest of Switzerland and Germany in joining the new Act, he felt that it would be necessary to adopt a definition within the meaning of Article 1, that would take into account the legal specificities of the Swiss and German systems.

459. The CHAIR noted that the final formulation of Article 5(2)(ii) would be used in a consistent manner throughout the text.

460. Ms. CHARIKHI (Algeria), referring to the proposal made by the Chair, said that his Delegation's concerns were to clarify that the requirements and conditions of a joint application should be established in an agreement between the contracting parties. Indicating the need to be flexible as to the terminology used in the text to refer to a clear agreement between the two parties, she requested the Chairman to submit a written proposal.

461. Mr. POLINER (Israel) recalled that Explanatory Note 5.04 in Document LI/DC/5 clarified that, with regard to a trans-border geographical area, an application could be filed individually or jointly. He sought clarification on whether the addition of the words "or a part thereof" in Article 2(2) was intended to clarify that a country adjacent to a trans-border area could file individually with respect to its portion of the trans-border area, with no prejudice to a possible application by the other side of the trans-border area for the other portion of the area, and whether the words "subject to Article 5(4)" after the comma were not contradictory to that understanding.

462. Mr. MAYAUTE VARGAS (Peru) said that his Delegation agreed with the proposals made and supported the contribution of the Delegation of Algeria on Article 5(4).

463. The CHAIR, taking into account the comment made by the Delegation of Israel and the suggestion made by the Delegation of Algeria, proposed a new drafting of Article 5(4), as follows: "In case of a geographical area of origin consisting of a trans-border geographical area, the adjacent Contracting Parties may act individually with respect to the part of the trans-border geographical area situated in their territory or may, in accordance with their agreement, file an application jointly through a commonly designated Competent Authority."

464. Ms. CHARIKHI (Algeria) was of the view that Article 5(1), which clearly showed that each country had the right to file an application, must remain separate from article 5(4) which concerns a trans-border area where it is possible to file a joint application subject to a contract.

465. The CHAIR proposed to delete the last words in Article 2(2), "subject to Article 5(4)", in order to meet the concerns of the Delegation of Israel.

466. Mr. POLINER (Israel) confirmed that the Chair's proposal would solve his Delegation's concern.

467. The CHAIR concluded that the following changes would be introduced in the text contained in Non-Paper No. 2: the terminology with respect to natural or legal persons or entities would be aligned throughout the different provisions; the words "subject to Article 5(4)" in Article 2(2) would be deleted; and a reference to an agreement between the Contracting Parties would be added in Article 5(4). Rule 15 would also be adapted, so as to ensure that the terminology was used in a consistent manner.

468. Mr. MAYAUTE VARGAS (Peru) reiterated his Delegation's support for the suggestions made by the Chair.

469. Mr. KLINKA (Slovakia) requested clarification concerning the form of the agreement referred to in Article 5(4).

470. The CHAIR said that the agreement could take any form decided by the States concerned.

Item (iii): the entitlement to file an application under Article 5(2) (contn'd)
Rule 5(2) and (4)

471. The CHAIR introduced the proposals for Article 5(2), Rule 5(2) and Rule 5(4), as contained in Non-Paper No. 3.

472. Ms. COTTON (United States of America), noting that the proposals submitted by the Delegation of the United States of America on February 1, 2015 had not been reflected in the proposed texts, said that the problem remained in Article 5(2), as the applicants listed in that provision might not be the owners or holders of the exclusive right. This posed difficulties in those countries that required the owner to be clearly identified in any national registration certificate or title bestowed through an examination process. Without such identification, border measures or enforcement actions could not be initiated. Expressing the same concern with respect to Rule 5(4)(a) and (b), she proposed to replace the reference to “natural or legal person in whose name the application is filed under Article 5.2(ii)” in those two paragraphs by a reference to the “owner”. She further proposed to delete the words “under its trademark law” in Rule 5(4)(a) and the words “subject to Rule 6” in Rule 5(4)(b), as the irregularity procedure might not work in that instance. Stressing the fact that those changes were necessary to ensure that geographical indication holders would be able to legally enforce their rights without having their standing questioned by national courts, she concluded that the provision under discussion was extremely important to the United States of America and other countries that had registration-based systems at the national level.

473. Ms. FOUKS (France) said that the Chair’s proposal on Article 5(2) was perfectly acceptable to her Delegation. Concerning sub-paragraph (4), she expressed her perplexity over the position adopted by the Delegation of the United States of America because, given the way it was formulated, it would entail extending to all the countries the requirement of a signature by an owner or holder of the appellation of origin or geographical indication, considering that there was only one international application. Thus, the system would go beyond what had been envisaged initially. Indicating that French law did not recognize the concept of owner of a geographical indication or an appellation of origin, she said it would be difficult for France to meet such an obligation.

474. Mr. WU (China), indicating that, according to his country’s national legislation, only a legal entity could seek protection for an appellation of origin, expressed his Delegation’s concern over the replacement of the term “legal entity” by “natural person” in Article 5(2).

475. Ms. SCHERB (HEP) suggested that the text should stop after the words “competent authority”, thus giving the authorities free choice to act on behalf of the applicants.

476. Mr. VITTORI (oriGIn) expressed the view that the proposed language of Article 5(2) was a reasonable compromise. With respect to the signature by the owner, he said that many geographical indications groups had sought certification marks in the United States of America and had probably signed their applications, although according to their national laws they were not owners, but beneficiaries. He, therefore, assumed that the problem could be overcome in practice in an international system, as it had been overcome in national systems.

477. Ms. CHARIKHI (Algeria) said that the text of Article 5.2, as proposed in Non-Paper No. 3, was acceptable to her Delegation. On Rule 5(4), she said she wanted more time to assimilate the concepts identified in this paragraph, while indicating that her Delegation might support a wording focused on the fact that a geographical indication is a collective right.

478. The Chair proposed to revert to Article 5(2) and Rule 5(2) and (4) later.

Item (ix) : the content of Article 12 concerning protection against becoming generic (cont’d)

479. The CHAIR proposed to turn to Non-Paper No. 4, concerning the content of Article 12. He recalled that extensive discussion had taken place on that provision, which should be read in conjunction with Article 8(1) establishing the principle that an international registration should be valid indefinitely, on the understanding that the protection of a registered geographical indication or appellation of origin should no longer be required, if the indication or appellation in question was no longer protected in the Contracting Party of Origin.

480. Ms. CHARIKHI (Algeria) wondered whether the acquisition of generic character was conditional on the fact that the appellation of origin or the geographical indication becomes generic first of all in the Contracting Party of origin. Her Delegation was of the view that this article must be clarified, stating that so long as the appellation of origin or the geographical indication is not considered as having become generic in the Contracting Party of origin, it cannot become generic in other contracting parties. She would therefore like to introduce the words "of the Contracting Party of origin" after the words "as long as ... law requirements".

481. Ms. FOUKS (France) stated that the proposed text had simplifications and improvements in its wording. She indicated that, after reflection, the expression "cannot be considered to have become generic" could be accepted by her Delegation. She stressed however that her Delegation was still considering the final addition which refers to an unidentified law, but added that the clarification proposed by the Delegation of Algeria on reference to the law of the Contracting Party of origin was relevant and a positive point for her Delegation.

482. The CHAIR recalled that, under the current version of Article 6 of the Lisbon Agreement, the protection against becoming generic was subject to the requirement that the appellation of origin should be protected in the country of origin. In the New Act, that requirement had been mirrored in Article 8(1) of the Basic Proposal. The text of Article 12 as contained in Non-Paper No. 4 started with the words "Subject to the provisions of this Act", which also meant compliance with Article 8(1). Therefore, the requirement had been maintained and there was protection against becoming generic as long as the indication or the denomination was protected in the Contracting Party of Origin. With regard to the proposal by the Delegation of Algeria, the Chair wondered whether the inclusion of the text proposed would not be redundant, as Article 8(1) already referred to the protection in the Contracting Party of Origin. The Chair noted that the last part of the provision, referring to the law of a Contracting Party, was intended to cover the law of Contracting Parties other than the Contracting Party of Origin. Therefore, the protection against becoming generic would be subject to two conditions. The first was that the geographical indication or the appellation of origin should be protected, the protection being dependent on the protection in the Contracting Party of Origin under Article 8(1). The second was that the requirements regarding maintenance of protection under the law of the Contracting Party concerned (other than the Contracting Party of Origin) should be met.

483. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) expressed his support for the text of Article 12, as contained in Non-Paper No. 4.

484. Mr. SCHMIDLIN (Italy), noting that new elements had appeared in the formulation of Article 12, said that his Delegation needed more time to consider this provision and its impact, and therefore reserved its position on the subject.

485. Mr. YOSSIFOV (Bulgaria) wondered if the provision intended to say that, if the requirements under the law of the Contracting Party where the appellation of origin had been registered were not met, the appellation could become generic, even though it had not become generic in the Contracting Party of Origin. If so, he preferred a statement that an appellation of origin could not become generic as long as it was protected and was not generic in the Contracting Party of Origin.

486. The CHAIR confirmed that the last part of the sentence, starting with the words “in a Contracting Party”, was new and admitted the possibility of an appellation of origin or geographical indication to become generic in a Contracting Party in spite of the fact that it was protected and was not generic in the Contracting Party of Origin. He observed that, if the aim was to provide for protection of an indication against becoming generic in any Contracting Party as long as it was protected in the Contracting Party of Origin, the last part of the sentence should be deleted.

487. Mr. KLING (Israel) welcomed the text of Article 12 presented in Non-Paper No. 4, considering that the suggested language reflected the spirit of inclusiveness and merged the gaps between the various legislations.

488. Mr. RAMALHEIRA (Portugal), aligning himself with the statements made by the Delegations of Bulgaria and Italy, expressed his Delegation’s reservation with regard to the text and his doubts as to the consistency of the proposed language with Article 8(1).

489. Mr. RENDÓN ALGARA (Mexico) said that his Delegation supported the Chair’s proposal.

490. Mr. VASSILAKIS (European Union) did not wish to speak on the reformulation of the text but wished, however, to make a few legal clarifications and insist on the fundamental problem of genericity. He said that genericity was closely related to the principle of territoriality since an appellation may be generic in a given territory without necessarily being so in another territory. Depending on the specific circumstances of each territory there were potential differences. Hence, when a Contracting Party to the Lisbon Agreement sends an application for protection, all the other contracting parties have one year to examine it. During that one-year period, each Contracting Party verifies, among other parameters, whether the name is generic within the territory over which it has sovereignty. If the contracting party that examines the application concludes that the name is generic, it will not accept the protection on its territory. However, if it considers that there is no possibility for the name to be generic on its territory, and that the other requirements of the Lisbon Agreement are met, it will then formally accept the protection. If the appellation is protected, it must be effectively protected, which is why the Delegations during the conference discussed on the need for effective protection by all contracting parties; in other words, protection against any usurpation, imitation, evocation or unfair practice aimed at taking advantage of the reputation of the appellation. If the contracting party effectively protects the appellation, then, in principle, there is no risk that it would become generic on its territory. However, there may be circumstances where it is found that a term is perceived as generic within the population either due to aggressive advertising through social networks, or because there is an absence of control bodies. In that case, this would be at variance with the commitments of the Contracting Party. Hence, in this regard, it is specified in the first part of Article 12 that registered appellations of origin or registered geographical indications cannot be considered as having become generic. Thus, the philosophy of the Chair Non-Paper was that, as long as there is a commitment from a Member State to protect a given appellation, that appellation cannot be considered generic because there is a legal presumption of non-genericity. If one day, for any reason whatsoever, it is found that the appellation has been canceled or invalidated, it would not automatically become generic simply because the protection has ceased to exist. A review of the appellations currently protected under the Lisbon Agreement would reveal that there are some which have very limited production or marketing, but this does not constitute a reason to consider them as generic.

491. Ms. KOPECKÁ (Czech Republic), aligning herself with the statements made by the Delegations of Bulgaria, Italy and Portugal, expressed her Delegation's reservation with regard to the text of Article 12.

492. Ms. MOORE (Australia) pointed out that, if the suggested language in Non-Paper No. 4 were to be amended to include the words "in the Contracting Party of Origin", that would render the provision incompatible with trademark systems.

493. The Chair noted that some Delegations had indicated that they needed more time to consider Non-Paper No. 4 and proposed to revert to it later.

Item (xiii): whether Article 19(1) should establish an exhaustive or a non-exhaustive list of grounds for invalidation (cont'd)

494. The Chair introduced Non-Paper No. 5, in which he was proposing a new draft for Article 19 on invalidation that did not provide for a list of grounds for invalidation.

495. Mr. POLINER (Israel) said that his Delegation considered the new text as a bridging language and as a way to move forward.

496. The CHAIR noted that there were no other comments and adjourned the meeting.

Eighth Meeting
Tuesday, May 19, 2015
Evening

Articles 1 to 20 of the draft New Act (Non-Paper No. 12)
Draft Regulations under the New Act (Non-Paper No. 13)

497. The CHAIR invited Main Committee I to consider Non-Paper No. 12, containing a consolidated version of Articles 1 to 20 of the draft New Act, and Non-Paper No. 13, containing a consolidated version of the draft Regulations. He explained that the consolidated texts incorporated the latest versions of the Non-Papers by the Chair, reflected the outcome of the informal and formal consultations on Articles 11 and 12, and included some consequential changes to certain related provisions. He invited the participants to discuss the remaining pending issues, namely those concerning Articles 11, 12 and, if necessary, Articles 13 and 17.

498. Mr. HALL ALLEN (European Union) said that his Delegation could go along with the proposed texts concerning Articles 11, 12, 13 and 17.

499. Ms. OBANDO (Costa Rica) said that, with regard to Article 11, her Delegation wished to have a proper balance that is consistent with national legislation. Her Delegation had problems with Article 11(1)(a)(ii) and Article 11(2), concerning the reference to "imitation", as it is considered to be an indeterminate legal concept that is not reflected in national laws.

500. Ms. COTTON (United States of America) said that, in addition to other concerns with the Basic Proposal as it stood, her Delegation considered that the text in Non-Paper No. 12 did not reflect the views expressed by her Delegation on the four issues identified by the Chair, although they had been extensively explained during the discussion in informal sessions.

501. Mr. SCHMIDLIN (Italy) concurred with the Chair's assessment of the situation and lent his support to the proposals made on Articles 11, 12 and 13.

502. Ms. VIEIRA LOPES (Portugal) endorsed the Chair's assessment of the outcome of the discussion, considering that it faithfully reflected the situation at that stage. She further expressed her Delegation's appreciation for Non-Papers No. 12 and 13, which showed the effort made in finding flexible and balanced solutions, and aligned herself with the statement made by the Delegation of the European Union with regard to Articles 11, 12 and 13.

503. Ms. FOUKS (France), thanking the Chair for his attention and the effectiveness with which he led the discussions, recalled that although the discussions had taken place in an informal session, they had also been open to all observers, and much had been done to give consideration to the practices of each and everyone. She indicated that during these discussions her Delegation had had many concerns, including those pertaining to signature, intention to use and relations with the earlier marks, but that it had made efforts to arrive at this proposal. Consequently, she thought that it was not fair to say that observers had not been heard. Finally, she indicated that her Delegation agreed with the proposals on articles 11, 12 and 13.

504. Ms. CHARIKHI (Algeria) indicated that she agreed with articles 11, 12 and 13 presented in the Non-Paper.
505. Ms. KOPECKÁ (Czech Republic), expressing her appreciation for the Chair's efforts in conducting the discussion, lent her Delegation's support for the proposals concerning Articles 11, 12, 13 and 17.
506. Mr. GONDA (Hungary) said that his Delegation could go along with the statements made by the Delegations which had expressed their support for the proposals on Articles 11, 12, 13 and 17, as contained in the document.
507. Mr. OKIO (Congo) congratulated the Chair for taking into account all proposals and lent the support of his Delegation to the text that was presented.
508. Mr. KLINKA (Slovakia), expressing his appreciation for the efforts made by the participants during the negotiation and thanking the Chair for the consolidated text, said that his Delegation supported the text as proposed.
509. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) said that, although it had some difficulties in relation to certain provisions, his Delegation endorsed the texts prepared by the Chair, in a spirit of flexibility.
510. Ms. PEROVIĆ (Montenegro), expressing her appreciation for the work of the Chair during the negotiations and on consolidating the texts, associated her Delegation with the statements made by those Delegations that had supported the proposals on Articles 11, 12, 13 and 17.
511. Mr. MOLDOVAN (Republic of Moldova) said that his Delegation welcomed Non-Paper No. 12 and endorsed the proposals on Articles 11, 12, 13 and 17.
512. Ms. MOORE (Australia) concurred with the Chair's assessment of the items that remained pending and those that had been resolved, and considered that certain issues remained to be discussed on Articles 11, 12, 13 and 17. Endorsing the view expressed by the Delegation of Costa Rica about the need to achieve the right balance, she stressed the importance of reaching an outcome consistent with national law and accommodating both trademark and *sui generis* systems, which, in her view, was not achieved by the text proposed for Articles 11, 12, 13 and 17. Finally, she expressed concern with regard to Articles 11(2) and 12 and indicated that, in her Delegation's view, the current draft of Article 12 seemed to backtrack on the progress.
513. Mr. SATO (Japan), while expressing his Delegation's concerns with regard to Non-Paper No. 12, agreed with the Chair's assessment that Articles 11, 12, 13 and 17 remained pending issues. He was of the view that Article 11(2) might cause legal uncertainty due to the use of ambiguous words, such as "imitation", and that it expanded the scope of protection to an extent which went beyond the level of protection generally adopted by WIPO Member States.
514. Mr. SCHAEELI (Switzerland) noted with satisfaction the outcome of the negotiations and congratulated the Chair on the way in which he had guided the work of Main Committee I. His Delegation believed that the cooperative and constructive spirit, along with a sense of flexibility, had allowed good progress in the discussion, and that a compromise result was reflected in Non-Paper No. 12. Expressing his appreciation for the spirit of openness and inclusiveness of the process, he acknowledged that Switzerland, in its capacity of observer, had actively participated in the intensive process of formal and informal negotiations. Noting

that his Delegation's views had been taken into account and were reflected in the text, he lent his support to the proposals for Articles 11, 12, 13 and 17.

515. Mr. KIM (Republic of Korea), recognizing the work of the Chair in trying to reach a compromise between Member States and Observer Delegations, said that, following the expansion of the scope of the New Act to geographical indications, his national legislation had to be carefully considered. Furthermore, he expressed his concern with regard to Articles 11, 12 and 13, in respect of which he believed that work was still needed.

516. Mr. GERVAIS (ADALPI), indicating that ADALPI was a forum to promote the benefits of balanced intellectual property protection, said that his association recognized geographical indications as a form of intellectual property that both producers and consumers could benefit from. Producers got recognition from their adherence to tradition and consumers got the seal of a higher quality which they perceived to derive from the origin of a product. Expressing his concern about the split among countries which protected geographical indications through trademarks and those which protected geographical indications through *sui generis* systems, he pointed out that, if the Lisbon System were to become a worldwide system, both groups needed to find ways to regulate the interface between those two types of symbols. The TRIPS Agreement contained fairly clear rules on the subject and it seemed preferable to harmonize the New Act with those rules. The more the New Act departed from the TRIPS provisions, for example in proposed Articles 11 and 12 as reflected in Non-Paper No. 12, the more difficult it would be for countries that did not have a *sui generis* regime to join. In addition, the proposed New Act did not solve the issue of the registration and notification system to be set up under the TRIPS Agreement. He stressed that this might be the last opportunity for decades to make the Lisbon System work across different legal systems. On the issue of genericness, there was tension because the first producer to use a name or other identifier of a region or locality might want to claim worldwide rights, but migrations and other factors could make that difficult. By contrast, the common law tradition recognized the first good-faith user in a given territory as having priority. That tension served as a backdrop for the discussion of many provisions that remained open. Recalling that, at the time of registration, a Lisbon member could refuse a geographical indication if considered generic in its territory, he said that the New Act should not prevent courts in a territory from taking account of the behavior of the beneficiaries or their representatives. He wondered what would happen if the registrant did nothing for years after registration while a third party used the geographical indication with the beneficiary's knowledge. He further wondered whether a beneficiary who informally condoned the use by a third party could then claim geographical indication rights against that user. Recalling that there was no obligation for Lisbon members to enforce geographical indications *ex officio*, he said that the relevance of the behavior of the right holder was a well-accepted principle in all intellectual property laws, under both the Paris Convention and the TRIPS Agreement. In conclusion, he expressed his readiness to provide text, if needed, and urged the Delegations to consider those issues, if the Lisbon System were to work across different legal systems.

517. Mr. CURCHOD (CEIPI) felt that solutions acceptable to all participants had not yet been reached on the provisions relating to the content of protection. He ardently wished that the final necessary compromises would be reached in the remaining hours. Furthermore, he requested clarification from the Secretariat on the status of footnotes. He observed that the footnotes found in the TRIPS Agreement are an integral part of the agreement, whereas the practice in treaties concluded under the aegis of WIPO is to rely on agreed statements and not on footnotes. Lastly, he called on the Secretariat to correct the expression "*natural or legal persons*" in the English version of Article 1 (xvii) by replacing those words with "*natural persons or legal entities*", as was done in the rest of the Chair Non-Papers, No. 12 and No. 13.

518. Mr. VITTORI (origIn) welcomed with satisfaction the consolidated draft text, expressing his support in particular to Article 11, which was the pillar of the new system. He believed that said provision was a successful outcome of the reform of the Lisbon Agreement, since it could serve the interests of geographical indication groups that needed to obtain international protection of their geographical indications and enforce their rights at controlled cost. Recalling the importance of flexibilities in the system with a view to attracting a larger membership, he welcomed such flexibilities as the possibility of introducing individual fees, the possibility of requiring the signature of the beneficiary or of the owner of the geographical indication in the application, the possibility for the beneficiaries to directly file an international application if the national law so allowed, and the declaration of intention to use. He also believed that the revised formulation of Article 13 was compatible with WTO jurisprudence. In conclusion, he expressed the view that the text contained in Non-Paper No. 12 was flexible and would allow countries with different legal regimes to join the Lisbon System.

519. Mr. MACHADO (INTA), expressing his appreciation for the work of the Committee and his gratitude to the Delegations for showing flexibility, noted that, if not entirely alleviated, a number of the concerns expressed by INTA at the beginning of the Conference had been addressed. He recalled that INTA had actively participated in the revision process of the Lisbon Agreement guided, in particular, by the aim to build an international registration system accessible to all members of WIPO. Pointing out that the Conference had made considerable progress to reach that objective, he noted, however, that certain issues remained to be addressed and shared the same concerns as some Observer Delegations, in particular with regard to Articles 11, 12 and 13.

520. Ms. COTTON (United States of America) said that she had listened carefully to the views expressed by the Observers and agreed that Non-Paper No. 12 reflected considerable compromise and that a number of provisions reflected consensus. She expressed her Delegation's gratitude to all Delegations, which had worked very closely in order to find a consensus on many articles. However, the Chair had noted four pending articles where consensus had not been achieved and compromise had not fully occurred. Pointing out that her Delegation had offered texts and explanations on critical and fundamental points, but did not see those reflected in the text of the provisions, she declared that her Delegation was looking for consensus.

521. The CHAIR, noting the comments of a drafting nature made on the text of the consolidated versions of the Non-Papers, proposed a number of editorial changes to Non-Papers N° 12 and 13. Moreover, referring to the last sentence of Rule 16(4), reading "Rules 9 to 12 shall apply *mutatis mutandis*", he expressed the view that the *mutatis mutandis* application should lead to another date of protection for the international registration in the Contracting Party concerned.

522. The Chair suspended the meeting.

[Suspension]

523. The CHAIR, resuming the meeting, noted that the discussion of Non-Papers No. 12 and No. 13 had resulted in a clear support for the texts and his assessment of the state of play in the negotiations. He then invited Main Committee I to discuss Articles 11 and 12, as proposed in Non-Paper No. 12.

524. Mr. POLINER (Israel) concurred with the Chair's statement and said that, for the sake of inclusiveness and of a successful outcome that would enable to build a truly global system, members would need to find ways to accommodate other countries, whether by the addition of reservations, or by endorsing some of the suggestions made by ADALPI.

525. Ms. MOORE (Australia), recalling that concerns with regard to Articles 11 and 12 had been previously expressed by her Delegation, wished to elaborate further on what those concerns were and to propose how to address them. Article 11, in particular its paragraph (2), caused difficulties, as it did not rely on the suggestion of a connection. The best way to address that problem would be to delete paragraph (2). With regard to Article 12, she proposed to return to the language previously used in the Chair's Non-Paper No. 4, which allowed for a permissive system and accommodated both trademark and *sui generis* systems.

526. Ms. COTTON (United States of America) expressed her confusion, as she was under the impression that a consensus had been found on Article 11 that accommodated many of the issues identified in paragraph (2) of Article 11 within the text of paragraph (1). She agreed with the statement made by the Delegation of Australia that paragraph (2) went beyond the TRIPS Agreement and beyond what trademark systems could do with regard to geographical indications. She also supported the other comments made by the Delegation of Australia with regard to Articles 11 and 12. She wondered whether the language that had been deleted at the end of Article 12 was not precise enough. She said that, following her explanations of the concept of acquiescence in an informal session on Article 12, concerns had been raised with reference to the maintenance procedures and *ex officio* cancellation after a period of time on the grounds of genericness. She wished to reiterate that the doctrine of acquiescence did not refer to that. She expressed her sentiment that the text as it appeared in the Non-Paper precluded countries protecting geographical indications through their trademark system from joining and that all the work done over the last two weeks to accommodate trademark systems and *sui generis* systems would be in vain, if Article 12 would be retained as it stood in the Non-Paper. As she regretted that situation, she proposed a second paragraph for that Article, as a possible solution to the problem, which would read as follows: “*Article 12 is without prejudice to the ability of national authorities of Contracting Parties to decide the effects of an international registration to be unenforceable due to acquiescence or abandonment.*”

527. Mr. KIM (Republic of Korea), recalling that the Republic of Korea protected geographical indications through the trademark system, shared the same concerns with regard to Articles 11 and 12 as those expressed by the Delegations of Australia and the United States of America. In respect of Article 11(2), he said that it should be possible for Contracting Parties to make reservations on its application. In respect of Article 12, he preferred the text proposed in Non-Paper No. 4 Rev. or the proposal made by the Delegation of the United States of America.

528. Mr. WU (China), expressing his reservation with regard to Articles 11 and 12, said that further discussion would be appropriate to explore alternatives to the present wording, taking into account all the concerns indicated by other Delegations.

529. Ms. OBANDO (Costa Rica) noted that she had expressed reservations with respect to Article 11(1)(a)(ii) which she considered to be inconsistent with the laws of Costa Rica. She explained that Costa Rica had made significant efforts in the past decade to adapt its national laws to the best international standards on the protection of geographical indications and trademarks, and that it had managed to strike an appropriate balance between the two frameworks. It was difficult for her Delegation to go beyond this framework that required a major effort at the national level and much work in convincing civil society stakeholders and productive sectors. Her Delegation considered Article 11(1)(a)(ii) to be inconsistent with the legal framework and therefore could not support the article as drafted.

530. The CHAIR asked whether the Delegate of Costa Rica had a proposal to address that problem.

531. Ms. OBANDO (Costa Rica) said that her Delegation was trying to explore the language of maximum protection employed at the national level to see whether they could strike a balance. She added that her Delegation had not worked on a proposal on this subject because item (i) of paragraph 4, included in revised Non-Paper No. 7, provided a balance which made it possible to support Article 11(1)(a)(ii). However, on discovering that item (i) of paragraph (4) does not feature in Non-Paper No 12, her Delegation found it difficult to determine how they could be constructive on this subject matter.

532. The CHAIR confirmed that the New Act would set a uniform standard for protecting appellations of origin and geographical indications, without giving Contracting Parties the ability to opt out on the basis of declarations or reservations.

533. Mr. POLINER (Israel) said that, if the aim of the revision process was to expand the membership of the Lisbon Union, consideration should be given to introducing the ability to make declarations or reservations, which would accommodate many countries, such as Australia, Costa Rica, the Republic of Korea and the United States of America. He further expressed his support for introducing an agreed statement or a second paragraph in Article 12, in the spirit of the proposal put forward by the Delegation of the United States of America.

534. Mr. SCHMIDLIN (Italy) supported the text of Article 11(2) as it stood. With regard to Article 12, he wondered whether, in the United States of America, circumstances arising independently of the will of the beneficiaries, such as import or export restrictions, were recognized as valid arguments in defense of abandonment or acquiescence.

535. Mr. VANERIO (Uruguay) said that they were facing a unique opportunity to have a treaty that included all the views and different approaches to protecting appellations of origin and geographical indications and it was worth the trouble to consider all proposals and efforts if they wished to end the Conference with a treaty that included the 188 Member States of WIPO.

536. Ms. MOORE (Australia) expressed her support for the proposal put forward by the Delegation of the United States of America.

537. Ms. COTTON (United States of America), noting that the doctrine of abandonment could be found in many national trademark systems around the world, wished to explain the test applied in the United States of America. There were two ways that trademark owners could lose their rights. The first way was non-use. For abandonment purposes, non-use was not enough. For loss of rights due to non-use, there would be a *prima facie* case after three years of non-use. In addition, there also had to be intent not to resume use. She wished to point out, however, that that was not the situation covered by Article 12. The situation covered by Article 12 was abandonment of a different kind. Article 12 concerned cases where the trademark lost its ability to distinguish goods and services, not through non-use, but due to acts of omission or commission by the owner that led to the loss of the significance of the identifier. "Acts of omission or commission" referred to failure to prevent confusing uses, so that over time those unauthorized uses led to the end result, in the eyes of the consumer, that the trademark or the geographical indication no longer identified the source. When the trademark or geographical indication no longer identified the source due to lack of enforcement action, it had become a generic identifier, and the rights of the owner had been abandoned.

538. The CHAIR wondered whether that kind of omission to enforce the rights could be justified in view of circumstances arising independently of the will of the trademark owner that had prevented him from taking legal action against unauthorized uses.

539. Ms. COTTON (United States of America) said that a case of an excusable non-use would depend on the reason of non-use and on whether that would suffice. It would be a question of fact to be determined under the United States of America case law, but non-use alone would not be enough. When faced in court with a counterclaim based on non-use, the owner would have to demonstrate intent to resume use. Thus, non-use for three years was a *prima facie* case of abandonment, which could be rebutted by the owner demonstrating intent to resume use.

540. Ms. FOUKS (France), expressed her concern about the difficulties which the Commission faces, especially on the issue of generics, recalled that there was always the possibility of refusing the registration of a geographical indication. She regretted that the debate had been shifted to the lack of protection and worried that the definition of generic would fall into oblivion. She also said that she failed to perceive the meaning of the expression “after a period of time” used by the Delegation of the United States of America. Furthermore, the delegate recalled the definition of the generic as provided in a footnote on page 2 of the agreement. She wished to make two comments on the definition. The first related to the principle of territoriality, which is dear to some Delegations, namely the Delegation of France, since genericity is appreciated from the standpoint of territoriality. The second comment related to the fact that they were discussing about a common noun in everyday language. It raised the question of whether it was reasonably possible to assert that the lack of protection for three years, or even 10 years, was enough for an appellation to become a common noun in everyday language. She acknowledged her perplexity at the developing discrepancy between a problem of brand protection and acquiescence, on the one hand, and genericity on the other hand.

541. Mr. GERVAIS (ADALPI), referring to the question of non-use due to external circumstances, recalled that Article 19.1, second sentence of the TRIPS Agreement clearly provided that circumstances arising independently of the will of the owner of the trademark which constituted an obstacle to the use of the trademark, such as import restrictions or other government requirements for goods or services protected by the trademark, should be recognized as a valid reason for non-use. In respect of Article 12, he proposed the following language for a possible second paragraph or an agreed statement: “Nothing in this Act prevents a court or Competent Authority in a Contracting Party from refusing to enforce rights in a registered appellation of origin or geographical indication if, after due process, such court or Competent Authority finds that behavior by the beneficiaries or their representative has led to the loss by the appellation of origin or geographical indication of its ability to designate a good as originating in the geographical area identified by the appellation or indication.”

542. Mr. VITTORI (oriGIn), reiterating his strong support for Article 11 as it stood, noted, with respect to Article 11(2), that more and more jurisdictions offered that kind of protection in respect of geographical indications and appellations of origin, whether through a bilateral agreement or not. This led him to believe that that was the trend towards the protection of geographical indications in the world. He noted that protection in respect of goods that were not of the same kind as those to which appellations of origin and geographical indications applied was important from a practical point of view, especially for some commodities, such as coffee, where famous geographical indications for coffee had been used for services.

543. The Chair suspended the meeting.

[Suspension]

544. The CHAIR, resuming the meeting, announced that informal discussions had taken place on Article 11 and Article 12, where various options had been considered. While some Delegations had expressed support for including a provision in Article 12, other Delegations

had indicated their preference for an agreed statement. A few Delegations had wondered whether the issue should be addressed in the context of Article 14, as it might be regarded as an enforcement issue.

545. Mr. GONDA (Hungary), noting that the informal consultation had been very useful in order to have a better understanding of the concerns expressed by certain Delegations, said that most of those concerns related to enforcement procedures and could be covered by Article 14. In order to preserve the result of the informal consultation, he expressed his Delegation's preference for an agreed statement in the context of that Article, along the lines of the text suggested by ADALPI.

546. The CHAIR, referring to Article 7(5) said that, in the course of the discussions, he had already concluded that subparagraph (a) would be kept as proposed in the Basic Proposal. However, subsequently, concerns had been expressed as to the exact language of the provision and a proposal had been made by the Delegation of France in Main Committee II for a slightly reworded version of the last sentence of the subparagraph. The Chair invited the Delegation of France to introduce its proposal to Main Committee I.

547. Ms. FOUKS (France) indicated that it was perhaps necessary to consider a statement on Article 14. She also wished to speak again on Article 7(5) because she did not recall that the issue of individual fees was formally resolved during the informal discussions. Her understanding from the discussions was that some Delegations had difficulties with the idea of applying fees for the protection of appellations of origin or geographical indications after registration, but not about renewal or maintenance of protection. Hence, the proposal of France was that, in Article 7(5)(a), reference should be made not to renewal or maintenance fees, but to the fact that there may be administrative costs related to protection of the appellation of origin or the geographical indication in that Contracting Party.

548. The CHAIR, noting that the Delegation of France was willing to consider an agreed statement to Article 14, proposed to add such a footnote in the consolidated version of Article 14. Furthermore, the Chair wondered whether the Committee could agree with the proposal to reword the last sentence of Article 7(5)(a).

549. Mr. POLINER (Israel) sought clarification from the Delegation of France about its proposal, as two different versions of it had been presented in the course of the discussion, while indicating that Article 7(5)(a) as it stood seemed to reflect what was needed.

550. Mr. THEVENOD-MOTTET (Switzerland) supported the question posed by the Delegation of France as to when a position request was made on Article 7.5), considering that his Delegation had repeatedly taken a stand against the last part of the previous version of Article 12, and that it is this same provision that appears in the last sentence of Article 7(5)(a). He declared that he was still in favor of deleting the principle of renewal or maintenance included in that last sentence of Article 7(5)(a), as it was contrary to the principle of unlimited duration of protection and the level of protection applicable to all contracting parties. Having heard that alternative proposals from the Delegation of the France could address the needs of some Delegations, he said that his Delegation wished to examine them before taking a stand on this issue.

551. Ms. KIRIY (Russian Federation), expressing her support for the proposal put forward by the Delegation of France, said that it met the expectations of her Delegation. She also proposed to determine in paragraph (b) the consequences of the non-payment of the administrative fees, to the effect that if those were not paid, the rights of the beneficiaries should be terminated.

552. Ms. FERRITER (United States of America) expressed her Delegation's support for the statement made by the Delegation of Israel and wondered whether it was possible to see in writing the two versions of the proposal made by the Delegation of France. In her Delegation's view, the first version seemed to address the Russian Federation's question about authorized user fees and the ability to collect them. She expressed her Delegation's disappointment that the proposal seemed once again to be picking between systems instead of proposing an amendment that could bridge both systems and encompass both sets of needs. She believed that the proposal deleted what trademark systems needed and replaced it with another system. Her Delegation wished the proposal to be more encompassing, so as to appeal to a broader range of WIPO members and to allow both systems to be integrated in the New Act and not exclude one.

553. Ms. KOPECKÁ (Czech Republic) seconded the proposal made by the Delegation of France.

554. Mr. GONDA (Hungary) said that his Delegation was flexible concerning the proposal put forward by the Delegation of France, and believed that the wording proposed could accommodate different needs, including the concerns of non-Lisbon Union members.

555. Mr. SCHMIDLIN (Italy) concurred with the view that the proposal by the Delegation of France relating to Article 7(5) seemed to accommodate different needs, and looked forward to having a text and hearing the debates. He further expressed his Delegation's readiness to consider an agreed statement on Article 14.

556. Mr. KIM (Republic of Korea), endorsing the statements made by the Delegations of Israel and the United States of America, expressed his Delegation's preference for Article 7(5)(a) as it stood.

557. The CHAIR proposed to keep the text of Article 7(5) as contained in the Basic Proposal under Alternative A. He invited the Delegation of France to submit its proposal to the Secretariat, so that it could prepare, for the next meeting of Main Committee I, a text presenting two alternatives for Article 7(5)(a), last sentence.

558. Ms. VIEIRA LOPES (Portugal) expressed her Delegation's support for the proposal made by the Chair on Article 7(5) and her willingness to explore the solution mentioned for Article 14.

559. Mr. AZAMI SARDOUEI (Iran, Islamic Republic of) welcomed the proposal put forward by the Delegation of France on Article 7(5)(a).

560. Mr. CURCHOD (CEIPI) indicated that he wished to support the agreed statement proposed by ADALPI.

561. The CHAIR adjourned the meeting.

Ninth Meeting
Wednesday, May 20, 2015
Morning

562. The CHAIR said that the present session of Main Committee I had been convened to consider whether Articles 1 to 20 of the draft New Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications and the draft Regulations under the draft New Act, as contained in documents LI/DC/14 and LI/DC/15, respectively, could be recommended for adoption by the Plenary. He recalled that there were still issues pending, namely, in relation to Article 7(4), i.e., the renumbered Article 7(5) of the Basic Proposal, and in relation to Article 14. As regards Article 7(4), his understanding was, on the basis of the informal discussions with Delegations that he had conducted prior to the present session, that there was clear support for Alternative B. He, therefore, invited the Committee to recommend Alternative B of Article 7(4) to the Plenary for adoption. With respect to Article 14, he recalled that a draft agreed Statement had been included in the latest version of the draft New Act, as a result of the discussions the previous day. However, following the informal discussions he had conducted with Delegations, he had come to the conclusion that there was not sufficient support for including the draft agreed Statement in the draft New Act. Instead, it had become apparent from the informal consultations that most Delegations were of the view that the New Act should not address the issue and that it should be left open for Contracting Parties to deal with the matter addressed in the draft agreed Statement in accordance with their own legal system and practice. As regards the two footnotes contained in the text, he suggested that they be treated and reproduced as "Agreed Statements" in the draft New Act, as he understood that the standard practice in WIPO was to have "Agreed Statements" instead of footnotes. Lastly, with respect to the title of the draft New Act, he suggested calling the New Act "The Geneva Act of the Lisbon Agreement". The Chair concluded by asking whether Main Committee I was in a position, on this basis, to recommend that Articles 1 to 20 of the draft New Act, as contained in Document LI/DC/14, and the draft Regulations, as contained in Document LI/DC/15, be submitted to the Plenary for adoption.

563. Ms. OBANDO (Costa Rica) said that her Delegation still had some reservations about the second sentence of Article 11(1)(a)(ii), but that it was still holding consultations and trying to find solutions in order to be constructive. For that reason, her Delegation wished to have a clear meaning of the phrase "*or where applicable*" since, in some cases, when reference is made to the national laws in the document, it is expressly stated that a given procedure or given obligations would be contracted or applied in accordance with the laws of each party. Her Delegation understood that this was the meaning intended for the phrase "*where applicable*". However, since Article 11(1)(ii) does not explicitly refer to national laws, the Delegation remained in doubt as to whether that phrase also included situations of law that must be understood and applied in accordance with national laws.

564. The CHAIR confirmed that the term "where applicable" in Article 11(1)(a)(ii) referred to both the legal and the factual situation prevailing in a given Contracting Party.

565. Ms. OBANDO (Costa Rica) said that, given the clarification made by the Chair, her Delegation would have no objection to Article 11.

566. Ms. COTTON (United States of America) stated that her Delegation did not support the proposal to recommend the adoption by the Plenary of documents LI/DC/14 and LI/DC/15, because consensus had not been reached on these texts among WIPO members. Her

Delegation had serious reservations about the texts and had provided extensive comments, explanations, alternative texts and drafting suggestions, in the course of the meetings of the Working Group, as well as in its February 1, 2015 submission and during the Diplomatic Conference, in order to try to achieve consensus. In her Delegation's view, however, consensus was still elusive with regard to some key provisions, namely Articles 7, 11, 12, 13, 14 and 17. With regard to Article 7, she recalled that her Delegation supported Alternative A, which provided an opportunity for Contracting Parties with trademark systems to require individual fees also for maintenance or renewal. Her Delegation did not agree with the current text contained in Alternative B. Without the ability to collect individual fees for maintenance, countries with trademark systems to protect geographical indications could not accede to this New Act. With regard to Article 11, she recalled that her Delegation had indicated that the required protection was too broad, particularly in paragraph (2), and could not be applied in trademark systems. Therefore, this made it impossible for countries with trademark systems to protect geographical indications to accede to this New Act. With regard to Article 12, her Delegation had offered, at least, four proposals that had not been accepted during the informal sessions. Article 12 excluded the accession of countries with common law trademark systems such as the United States of America. Article 13 continued to raise questions with regard to international trademark obligations for her Delegation. As regards Article 14, her Delegation and others had agreed on the text of a footnote on this provision, which would leave the issue related to Article 12 to national laws. However, the footnote had been deleted. Lastly, with regard to Article 17, she expressed the concerns of her Delegation with regard to the transition period, whose scope was too broad. She noted that the amendment offered by her Delegation during the informal sessions had not been discussed nor reflected in the text. She reiterated that her Delegation had serious reservations about this text and noted that there was no clear consensus on it.

567. Ms. MOORE (Australia) concurred with the statements made by the Delegation of the United States of America and expressed her Delegation's disappointment about the outcome of the discussions on the text of the proposed agreement. She indicated that her Delegation had specific concerns about Articles 11 and 12. She pointed out that, irrespective of the claim on countries being free to choose the type of legislation for protection, some of the articles of the proposed New Act determined the inability of countries relying on a trademark system to use this Act.

568. Mr. OTABE (Japan), reiterating the assessment made by previous speakers on the fact that not all WIPO members had reached a consensus on some key elements included in the current text, stated that his Delegation had a specific concern about Article 11(2).

569. Mr. KIM (Republic of Korea) expressed the reservation of his Delegation about the text to be recommended to the Plenary, for the reasons set out in the statements made by the Delegations of Australia, Japan and the United States of America. He declared that his country, as a member of the WIPO Convention protecting geographical indications under the trademark system, had concerns about Articles 7, 11(2) and 12.

570. The CHAIR, noting that four Observer Delegations had expressed their reservations about recommending the draft New Act and the draft Regulations to the Plenary for adoption, while all Member Delegations were in favor of such a recommendation, requested confirmation from Member Delegations that they were in favor of recommending Articles 1 to 20 of the draft New Act, as well as the draft Regulations, to the Plenary for adoption.

571. Mr. SCHMIDLIN (Italy) said that his Delegation was in favor of recommending the referred text to the Plenary.

572. Mr. RAMALHEIRA (Portugal) indicated the support of his Delegation for the submission of the text to the Plenary.
573. Mr. ESFAHANI NEJAD (Iran, Islamic Republic of) said that his Delegation was in favor of recommending the text to the Plenary.
574. Ms. KOPECKÁ (Czech Republic) expressed the support of her Delegation for the submission of the text to the Plenary.
575. Ms. FOUKS (France) said that her Delegation was in favor of transmitting the texts to the diplomatic conference meeting in plenary.
576. Ms. Charikhi (Algeria) said that her Delegation agreed to the submission of the abovementioned texts to the diplomatic conference meeting in plenary.
577. Ms. YOUSFI (Tunisia) said that her Delegation was in favor of recommending the texts in question to the Diplomatic Conference meeting in plenary for adoption.
578. Mr. MOLDOVAN (Republic of Moldova) stated that his Delegation was in favor of submitting the texts to the Plenary for adoption.
579. Ms. ROGAČ (Montenegro) indicated that her Delegation was in favor of recommending the texts for adoption by the Plenary.
580. Ms. VIGNJEVIĆ (Bosnia and Herzegovina) said that her Delegation agreed to submit the proposed documents to the Plenary.
581. Ms. DÍAZ MORENO (Nicaragua) said that her Delegation agreed that the text be presented to the Plenary.
582. Mr. OHOUKOH (Togo) said that his delegation was equally favorable to the transmission of texts to the Diplomatic Conference meeting in plenary.
583. Ms. RODRIGUEZ CAMEJO (Cuba) said that her Delegation agreed that the text be recommended to the Plenary.
584. Mr. EMRULI (The Former Yugoslav Republic of Macedonia) said that his Delegation expressed its favor for submitting the text to the Plenary.
585. Ms. KOUNBY MISSAMBO (Gabon) joined other Delegations to recommend these texts to the Diplomatic Conference, meeting in plenary.
586. Mr. MAYAUTE VARGAS (Peru) said that his Delegation also agreed with the recommendation of adopt both texts during the Plenary.
587. Mr. GONDA (Hungary) said that his Delegation also supported the submission of both texts to the Plenary for adoption.
588. Mr. SO (Democratic People's Republic of Korea) declared that his Delegation joined the other Members of the Lisbon Union in their support for submitting the texts to the Plenary.
589. Ms. ARGIROVA (Bulgaria) declared that her Delegation supported the submission of the texts to the Plenary.

590. Ms. ILBOUDO (Burkina Faso) said that her Delegation was also in favor of transmitting the texts to the Diplomatic Conference meeting in plenary.

591. Mr. POLINER (Israel) said that his Delegation went along with the other Delegations that supported the transfer of these texts to the Plenary. However, his Delegation had hoped that there would be more explicitly inclusive language in the New Act and was disappointed that it could not be so. His Delegation accepted the explanations given by the Chair about the possibility for Contracting Parties to interpret certain elements, that could have been changed at the last minute, in a manner consistent with some of the ideas which had been put forward on paper.

592. Ms. HERNÁNDEZ NARVÁEZ (Mexico) said that her Delegation joined the others in accepting that the documents be submitted to the Plenary.

593. Mr. MELÉNDEZ GARCÍA (Costa Rica) said that his Delegation supported the recommendation that both texts be submitted to the Plenary.

594. Mr. KLINKA (Slovakia) declared that his Delegation also agreed with submitting the texts to the Plenary for adoption.

595. Mr. OKIO (Congo) said that his Delegation was also in favor of transmitting the texts to the Diplomatic Conference, meeting in plenary.

596. Mr. JOSAPHAT (Haïti) said that his Delegation was in favor of transmitting the two texts to the Diplomatic Conference, meeting in plenary.

597. Mr. GOGILIDZE (Georgia) declared that his Delegation supported the submission of the texts to the Plenary.

598. Mr. HOLLY (Australia), recalling that his Delegation had expressed the view that it could not support the transmission of these texts to the Plenary, sought clarification as to whether the decision should be adopted by the Conference or by the Members of the Lisbon Union.

599. The CHAIR said that the decision at issue was the decision by Main Committee I to recommend the documents in question to the Plenary for adoption. It was his duty to announce that all the Member Delegations having taken the floor were in favor of recommending the said texts to the Plenary for adoption.

600. The CHAIR declared that the decision to recommend the texts to the Plenary for adoption had been taken. He then invited Delegations wishing to make statements to do so.

601. Mr. VANERIO (Uruguay) said that the Delegation of Uruguay was not in a position to support the proposed decision.

602. Ms. PERLMUTTER (United States of America) said that her Delegation sought additional procedural clarification. Regarding the reference made by the Chair to a consensus of the Member Delegations having taken the floor, her Delegation understood that this referred to the Lisbon Union members and not to the entire Conference, i.e., not all WIPO members who were participating. As a result, in her Delegation's view, the recommendation that had been gavelled was a recommendation to the Plenary only by Lisbon Union members, not by the rest of the Delegations who were participating in the Conference.

603. The CHAIR invited the Secretariat to clarify the procedural nature of this issue.

604. Mr. KWAKWA (WIPO) said that it was his understanding that decisions were taken under Rule 34, which concerned decisions being taken as far as possible by consensus. He understood that the Chair had tried to take a decision by consensus. However, there was no consensus so that the Chair had to ascertain the exact views of the members of the Lisbon Union, as required under Article 34. The members of the Lisbon Union had recommended that the texts be sent to the Plenary for adoption. He concluded by confirming that the decision had been taken by the members of the Lisbon Union.

605. Mr. MACHADO (INTA) drew the attention of the Committee to a discrepancy regarding the translation of the terms “shall not prejudice” in the French version of Article 13(1), (2), (3) and (4). The terms “*sont sans préjudice*” in the French version convey the opposite of what is meant in the English text. In his view, “*ne peuvent pas porter atteinte*” would be the correct translation.

606. The CHAIR said that the French version would be aligned with the English one in case of inconsistency between the two.

607. The Chair thanked all the participants, Member Delegations, Observer Delegations and Observers for their huge efforts, the constructive spirit in which the negotiations had been conducted and the flexibility shown in respect of a number of issues. He also thanked the Secretariat, the Director General and his team, for their continuous support and assistance and for the high quality of their work. Finally, he thanked the interpreters for their valuable work, without which Main Committee I would not have been able to achieve that result.

608. The CHAIR closed the meeting.