I. Introduction

1. The Assemblies of the Member States of WIPO and the Unions administered by WIPO, at their thirty-second series of meetings, held in Geneva from March 25 to 27, 1998, approved the Program and Budget for the 1998-99 biennium (document A/32/2–WO/BC/18/2; approval reported in document A/32/7, paragraph 93), in which a proposal for the establishment of “Standing Committees” was included. The introductory portion of the Program and Budget (page viii) contains the following paragraph:

“The progressive development of international intellectual property law and international harmonization will be facilitated by the rationalization and amalgamation of the existing multiple Committees of Experts to form Standing Committees of Member States to examine questions of substantive law or harmonization in WIPO’s main fields of activity. As the Standing Committees will deal with clusters of interlocking issues rather than working in isolation on single issues, they will also give Member States a more effective mechanism for setting priorities and allocating resources, and ensure the coordination
2. Two standing committees were established in the context of Main Program 09, Development of Industrial Property Law, of the Program and Budget, in which the following paragraph can be found:

“As an initial step, Standing Committees, made up of all interested WIPO Member States (with, as observers, interested IGOs and NGOs) and taking up the functions previously served by various disparate Committees of Experts, will monitor all activities in the area of international industrial property law, decide priorities, and prepare studies and proposals for improvement. They will also consider the most appropriate mechanism for implementation of such proposals once deliberations have reached the point where the overall contents of an emerging solution have become manifest.”

3. The Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (herein referred to as the “SCT”), established in the context of Sub-program 09.2, Law of Trademarks, Industrial Designs and Geographical Indications, will serve as a forum to discuss issues, facilitate coordination and provide guidance concerning the progressive international development of the law of trademarks, industrial designs and geographical indications, including the harmonization of national laws and procedures. The SCT will submit its recommendations and policies to the WIPO General Assembly for approval.

4. The present document proposes further details on organizational and procedural matters for consideration by the SCT, as well as an overview of the specific issues that could be addressed by the SCT in setting its work program.

II. Organizational and Procedural Matters

5. Rules of Procedure. With a view to streamlining procedures and avoiding a proliferation of differing approaches for the various Standing Committees, it has been proposed not to establish separate organizational rules for each Standing Committee, with the consequence that the general rules of procedure adopted for WIPO bodies, namely the WIPO General Rules of Procedure (publication No. 399 Rev.3) would apply. The SCT has the option to adopt special rules of procedure containing specific departures from the General Rules of Procedure of WIPO. It is proposed that the SCT adopt one special rule of procedure at this time, namely that membership in the SCT also be extended to Member States of the Paris Union that are not
Member States of WIPO, and that observer status be extended to Member States of the United Nations that are not Member States of WIPO or the Paris Union.

6. **Membership and observers.** Pursuant to Rules 7 and 8 of the General Rules of Procedure, and to the paragraph of Main Item 09 of the Program and Budget cited in paragraph 2, above, and with reference to the proposal stated in paragraph 5, above, the Director General has invited to the first meeting of the Standing Committee, as members, all Member States of WIPO and/or the Paris Union, and as observers, Member States of the United Nations that are not members of WIPO or the Paris Union and intergovernmental organizations and non-governmental organizations that had previously been invited to the sessions of the Committee of Experts on Well-Known Marks and the Committee of Experts on Trademark Licenses, which include all interested international non-governmental organizations accredited with observer status with WIPO. It is within the power of the Standing Committee to modify the status of ad hoc invitees (that is, non-governmental organizations that are not accredited with observer status with WIPO), and to extend invitations to other organizations, if it wishes. The Director General may, on his own initiative or at the request of the SCT, invite representatives of other organizations to participate as observers at the sessions of the SCT.

7. **Languages.** Simultaneous interpretation in the current session of the SCT will be provided from and into English, French, Russian and Spanish, and from Arabic and Chinese. The working documents for the current session of the SCT have been prepared in English, French and Spanish. These arrangements, which were also followed for the first session of the Standing Committee on the Law of Patents, have been applied, pending consideration by the WIPO General Assembly of the question of languages in meetings of WIPO bodies.

8. **Sessions.** In conformance with the budgetary allocation in Sub-program 09.2 of the Program and Budget, it is proposed that the SCT hold four sessions in the 1998-99 biennium. At the conclusion of each session of the SCT, the Chair would provide a summary of the conclusions of the SCT. Following the session, the Secretariat would prepare a draft report reflecting the discussions and circulate that draft report to all delegations and observers for comment. A finalized report would be presented for adoption at the subsequent session of the SCT.

9. **Funding of participation of government officials.** In conformance with the budgetary allocation in Sub-program 09.2 of the Program and Budget, WIPO has facilitated for the present session, and will continue to facilitate for future sessions, the participation of representatives of developing countries, and of certain countries in Europe and Asia.

10. **Working Groups.** The SCT may, under the Program and Budget, set up a Working Group to assist it in its deliberations. It is contemplated that the Working Group could be convened between sessions of the Standing Committee, to discuss specific issues of particular technical complexity or difficulty that relate to the projects that are included in the work program of the Standing Committee. It is not intended that the Working Group should be assigned entire projects to undertake on its own. It should be noted that the budgetary allocations in the Program and Budget for interpretation, translation of documents and travel expenses for participation of officials in the SCT do not include such allocations for the Working Group.
III. Issues to be considered by the Standing Committee

12. The Program and Budget for the 1998-99 biennium, in document A/32/2–WO/BC/18/2, Sub-program 09.2, outlines the proposed issues for consideration by the SCT. As pointed out above, one purpose of the Standing Committees is to “give Member States a more effective mechanism for setting priorities and allocating resources, and ensure the coordination and continuity of interrelated on-going work.” The issues to be considered by the SCT are to be determined during its first meeting, based on the relevant program objectives, and will be reviewed in subsequent meetings. To these ends, it would be appropriate for the SCT to discuss the proposed issues set out in the Program and Budget, and any additional issues that it deems of importance, and determine which issues it will consider in its work.

13. To assist the SCT in this discussion, the following paragraphs contain a list of the issues set out in the Program and Budget, along with further details on the background of these issues, and the possible work that may be undertaken by the International Bureau and the SCT in relation to each.

Provisions on Well-Known Marks

14. With relation to the issue of well-known marks, the Program and Budget states the following:

“Well-Known Marks: Review and finalization of the provisions on the protection of well-known marks prepared before the biennium.”

“Expected Results: If it is found to be appropriate, the adoption of provisions on the protection of well-known marks.”

15. The WIPO Committee of Experts on Well-Known Marks has so far met in three sessions, namely from November 13 to 16, 1995 to consider the results of a study by the International Bureau on the protection of well-known marks and prospects for improvement of the existing situation (see document WKM/CE/I/2), from October 28 to 31, 1996 for discussing a number of draft provisions on the protection of well-known marks (see document WKM/CE/II/2) and from October 20 to 23, 1997 to discuss a revised version of those draft provisions (see document WKM/CE/III/2). While good progress has been made in the work concerning the substance of those provisions, the question in what form the provisions should be adopted has not been dealt with. Possible forms for the adoption of the provisions which have been mentioned so far, although they were never discussed in depth, are a recommendation of the WIPO General Assembly or the Assembly of the Paris Union, or a Protocol to the Trademark Law Treaty (TLT) (see document WKM/CE/II/2, paragraph 5, and document WKM/CE/III/2, paragraph 3).
16. As regards the various existing approaches to the progressive development of international intellectual property law, the program and budget for the 1998-99 biennium states (see document A/32/2-WO/BC/18/2, page vii):

“The pace of change in the intellectual property domain necessitates consideration of new options for accelerating the development of international harmonized common principles and rules on intellectual property law, so that the system is more responsive to the ever-changing demands placed upon it. The approach taken under the present program is to review all the options available for the progressive development of international intellectual property law, to ensure that Member States’ interests are served in a timely, flexible and effective manner. The treaty system provides the foundation of the international intellectual property system, and this fundamental reliance on international treaties is expected to continue in future development of law in this field. However, in order to implement a practical response to specific, urgent needs, States may in some instances elect to pursue a complementary approach. The standard, lengthy process has been for an expert committee to discuss a draft international treaty, which is then concluded and adopted by one or more diplomatic conferences, with entry into force only after a significant number of States ratify or accede to it. This delay is likely to lengthen as the number of adherences required to trigger entry into force increases. A treaty is difficult to revise or replace, as the whole process—diplomatic conference, ratification and accession—must be repeated, with the effect that different entities come to be bound by different versions of a treaty. The binding character of a treaty does, however, give its signatories the strongest guarantees as to the implementation of its subject matter.

“Countries which agree on specific principles or rules may wish to consider expressing their agreement by signing a Memorandum of Understanding or a similar instrument. This is not subject to the long ratification and accession process, is easier to modify or replace, and can be signed by an industrial property office or other government agency if its subject does not require parliamentary approval (for example, if it concerns not the law itself but implementing regulation). The WIPO General Assembly (or another Assembly) may also adopt a resolution recommending that Member States and interested intergovernmental organizations implement certain principles and rules: this creates no legal obligation for any country, but following such a recommendation would produce practical benefits. A further option is the publication, under the responsibility of the Secretariat, of model or illustrative principles and rules that would be available to any legislator or other authority seeking guidance on how to solve specific problems, similar to the Model Provisions on Protection Against Unfair Competition published in 1996.

“These various approaches would not necessarily exclude each other: the process could, for instance, start with the adoption of a resolution by the WIPO General Assembly and later move to considering the conclusion of a treaty. This gradual approach may be employed when the conclusion of a treaty seems to be the most desirable objective but its attainment is prevented by difficulties with no bearing on its substance (for example, by disagreement on procedural issues).”

17. It is submitted that the practical advantages arising out of an agreement which is less formalistic than an international treaty could outweigh the absence of formal guarantees provided by such a treaty. Concerning the provisions on well-known marks, a
recommendation adopted by the WIPO General Assembly could serve as a guideline for the interpretation of existing treaties as well as a model for national or regional legislation in that field.

18. As regards the text of those provisions, see documents SCT/1/3.

19. It is proposed that the SCT give highest priority at its first session to the issue of well-known marks.

    Trademark Licensing

20. With relation to the issue of trademark licensing, the Program and Budget states the following:

    “Trademark Licensing: Study of the desirability and feasibility of harmonizing rules concerning trademark licensing.”

    “Expected Results: Clearer practical understanding of the desirability and feasibility of harmonizing rules concerning trademark licensing.”

21. A memorandum dealing with the simplification and harmonization of formalities concerning the recordal of licenses for the use of marks and questions concerning the indication of licenses on products and their packaging or in connection with the providing of services or in advertising has been discussed at the session of the Committee of Experts on Trademark Licenses which met from February 17 to 20, 1997 (see documents TML/CE/I/2 and 3). This Committee of Experts also expressed its view on a number of draft Articles covering the subject matter as described in the said memorandum.

22. The draft Articles on Trademark Licenses are to a large extent inspired by the Trademark Law Treaty (TLT). They are reproduced in document SCT/1/4.

23. It is proposed that the SCT give second priority at its first session to the issue of trademark licensing.

    Trademarks and the Internet

24. With relation to the issue of Use of Trademarks on the Internet, Program and Budget states the following:

    “Use of Trademarks on the Internet: In coordination with activities under sub-program 09.3, study of the desirability and feasibility of harmonizing national rules concerning the circumstances in which use of a trademark on the Internet constitutes use of a trademark or trademark infringement.”

    “Expected Results: If it is found to be appropriate, the publication of provisions on the unauthorized use of trademarks on the Internet.”

25. In May and September of 1997, WIPO convened two sessions of a Consultative Meeting on Trademarks and Internet Domain Names (see documents of the series TDN/CM/I and
TDN/CM/II). In the course of those meetings representatives of the WIPO Member States as well as representatives of interested intergovernmental and non-governmental organizations discussed, *inter alia*, the possible issues to be considered in the context of harmonization of national and regional laws concerning trademarks and Internet domain names (document TDN/CM/II/2). In addition to issues specifically concerning trademarks and Internet domain names which could be included in future discussions, that document listed a number of questions that impact the general question of the use of trademarks on the Internet. These include the following (see document TDN/CM/II/2, paragraphs 3 to 6):

- Under which conditions could the use on the Internet of material other than a domain name constitute a trademark infringement?

- If the use on the Internet of material other than a domain name constitutes a trademark infringement, what remedies should be available?

- Where is an act constituting a trademark infringement on the Internet, whether based on the use of a domain name or not, to be considered to have taken place? (In the country from which the transmission is sent over the Internet? In any country in which the transmission is or can be received?)

- How should the following conflicts be resolved: use on the Internet, by the holder, of a trademark registered in one territory which is identical (or similar) to a trademark registered in another territory in the name of another holder which is not used on the Internet; or simultaneous use on the Internet, by their respective holders, of two identical (or similar) trademarks registered in different territories in the name of different holders?

- Are the existing principles of trademark law and their interpretation sufficient, or is there a need for improvement, for example, by establishing new principles or by adapting the interpretation of the existing principles to the Internet situation and internationally harmonizing such principles and their interpretation?

- Irrespective of the reply to the preceding question, is it desirable or necessary to establish new international private law rules in view of the problems stemming, on the one hand, from the territorial nature of intellectual property law under which the conditions and the scope of protection of intellectual property rights are governed by the law of each State (or regional intergovernmental organization) in which such a right is to be protected, and, on the other hand, the global nature of the Internet which results in a single act having effect in practically all the jurisdictions of the world simultaneously?

- To what extent should any rules concerning trademarks apply to forms of intellectual property other than trademarks, for example, trade names, unregistered marks or geographical indications?

- To what extent can the principles governing the repression of unfair competition offer appropriate remedies in connection with acts relating to the Internet?

26. A number of suggestions were made by the participants at the Consultative Meeting with respect to the appropriate issues to be considered in the context of harmonization of national and regional laws (see Chairman’s Summary, document TDN/CM/II/4, paragraph 2).
27. It is proposed that the SCT authorize the International Bureau to prepare a study, utilizing existing resources in the Program and Budget for 1998-99, on the desirability and feasibility of harmonizing national rules concerning the use of trademarks on the Internet. The study would be prepared with the help of one or several consultants and would be presented to the second session of the SCT. The study would focus at least on the questions set out in paragraph 24, above. It is further proposed that the SCT give priority, taking into account the status of work on well-known marks and trademark licensing, to this issue at its second session.

Geographical Indications

28. With relation to Geographical Indications, the Program and Budget states the following:

“Geographical Indications: Study of the desirability and feasibility of establishing guiding principles on topical issues concerning protection of geographical indications, covering the definition of the subject matter to be protected, whether protection should be based on registration and, if so, the desirable essential features of the registration procedure (including the extent to which applications for registration should be examined), as well as possible solutions for conflicts between trademarks and geographical indications.”

“Expected Results: Clearer practical understanding of the desirability and feasibility of establishing guiding principles on topical issues concerning geographical indications.”

29. Issues relating to the protection of geographical indications have gained increasing attention in recent years. However, due to the existing variety of concepts of protection, there still exists wide-spread uncertainty as to the form in which States should protect their own national geographical indications, and how they should comply with obligations flowing from bilateral and multilateral international treaties in that field. In that context, reference is made to the last of a series of symposia organized by WIPO in the field of Geographical Indications, which took place in Eger, Hungary, from October 24 to 25, 1997, and which dealt with the geographical indications in the worldwide context (see documents of the WIPO/GEO/EGR/97 series).

30. As regards work on the subject of geographical indications in other fora, attention is drawn to the activities of the Council for Trade Related Aspects of Intellectual Property Rights (Council for TRIPS) of the World Trade Organization (WTO). In particular, the Council for TRIPS has initiated work concerning the review of the application of the provisions of the section on geographical indications, and the implementation of Article 23.4 of the TRIPS Agreement (which refers to negotiations in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system).

31. It is proposed that WIPO prepare a study on the desirability and feasibility of establishing guiding principles on topical issues concerning the protection of geographical indications including

(i) the definition of the subject matter to be protected;
(ii) whether protection should be based on registration and, if so, the desirable essential features of the registration procedures (including the extent to which applications for registration should be examined); and

(iii) possible solutions for conflicts between geographical indications and trademarks.

32. The result of that study would be presented to a future session of the SCT, which would then decide on any possible further action. Possible actions could include, for example, the preparation of a new model law on geographical indications, taking into account the relevant provisions of the TRIPS Agreement. At the same time, the International Bureau would follow the work on geographical indications under way in the WTO, and would explore with the WTO Secretariat means of cooperation between both organizations in this field.

Trademarks and International Nonproprietary Names for Pharmaceutical Substances (INNs)

33. The World Health Organization (WHO) recently consulted with WIPO concerning the protection of International Nonproprietary Names for Pharmaceutical Substances (INNs) against their appropriation through registration as trademarks. While this issue was not included in the Program and Budget for 1998-99, it is proposed that it be added to the list of issues for consideration by the SCT.

34. WHO has the constitutional mandate to develop, establish and promote international standards with respect to biological, pharmaceutical and similar products. In accordance with WHA resolution 3.11 on Nonproprietary Names for Pharmaceutical Substances (adopted in May 1950 by the Third World Health Assembly), WHO collaborates closely with national nomenclature committees to select a single, nonproprietary name of worldwide acceptability for each active substance used in pharmaceutical preparations. Under the procedure for the selection of recommended INNs, proposals for recommended INNs are submitted to WHO and discussed by an expert panel (the WHO Expert Panel on the International Pharmacopoeia and Pharmaceutical Preparations) of which secretaries or representatives of all the major national nomenclature committees are members. If all members of that Panel agree to a given name, it is published as a proposed INN. In addition to the publication in the WHO Chronicle, lists with proposed INNs are sent to WHO member States and to national pharmacopoeia commissions or other bodies designated by member States. Within four months of the publications of a proposed INN, objections against a proposed name may be filed by any interested person. Where there is a formal objection, WHO may either reconsider the proposed name or use its good offices to attempt to obtain withdrawal of the objection. A name is not selected as a recommended INN while there exists a formal objection thereto which has not be withdrawn. Where no objection was made or all objections were withdrawn, the Director General of WHO gives notice that the name has been selected as a recommended INN. In forwarding a recommended INN to the WHO member States, the DG of the WHO requests that such name be recognized as the nonproprietary name for the substance and that member States take such steps as are necessary to prevent the acquisition of proprietary rights in the name, including prohibition of the name as a trademark or a trade name. In 1997, the list of recommended INNs contained more than 6000 names.
35. The underlying reason for ensuring that proprietary rights, including trademarks, cannot be claimed in INNs is to protect the safety of patients by allowing them to identify a specific pharmaceutical substance under one single, globally available name. In this context, WHO has approached WIPO to explore possible ways of cooperation between the two Organizations in order to ensure that INNs are not misused or appropriated through registration as trademarks.

36. It is proposed that WIPO conduct a survey among its Member States concerning trademark office practice as regards the examination of applications for trademark registrations as to conflicts with proposed or recommended INN(s). The result of that survey would be presented to a future session of the SCT, which would then decide on any possible further action.

37. The Standing Committee is invited to approve the list of issues for consideration, as outlined in paragraphs 14 to 36, above.

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