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What outcome to expect on Geographical Indications in the TTIP free trade agreement negotiations with the United States?

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Paper prepared for the 145th EAAE Seminar “Intellectual Property Rights for Geographical Indications: What is at Stake in the TTIP?”

April 14-15, 2015

Parma, Italy



UNIVERSITA' DEGLI
STUDI DI PARMA

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What outcome to expect on Geographical Indications in the TTIP free trade agreement negotiations with the United States?

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Abstract

Protection of geographical indications (GIs) is one of the difficult dossiers in the talks between the EU and the US on a Transatlantic Trade and Investment Partnership (TTIP) because of the very different approaches both sides take to this protection. This paper outlines the EU's demands in the TTIP negotiations for greater protection for its GIs in the US and examines possible outcomes. In the absence of the formal negotiating texts as yet, it draws on an analysis of recent free trade agreements signed by both parties (Korea, Singapore and Canada for the EU, Korea and the Trans Pacific Partnership agreement for the US) to assess how GIs are protected in these agreements and what this might mean for TTIP. This analysis highlights how both parties have attempted to promote their respective perspectives on GI protection through these agreements. Various options for possible outcomes in TTIP are outlined, but it is concluded that negotiating a compromise agreement will not be easy.

Keywords: Geographical indications, trade agreements, Transatlantic Trade and Investment Partnership, intellectual property rights

JEL classification: F13, L66, Q17, Q18

Introduction¹

The EU and the US are negotiating a free trade agreement known as the Transatlantic Trade and Investment Partnership (TTIP). Negotiations were launched in 2013 and the hope was expressed that these could be completed rather quickly. Under the Treaty of Lisbon, the EU Commission (and specifically the Commissioner for Trade) negotiates on behalf of the European Union, subject to a mandate agreed by the EU Council of Ministers. This mandate was agreed in June 2013 although only made public at a later date. One of the issues addressed in the mandate is more extensive protection for Geographical Indications (GIs) in the agreement:

“The negotiations shall aim to provide for enhanced protection and recognition of EU Geographical Indications through the Agreement, in a manner that complements and builds upon the TRIPS, also addressing the relationship with their prior use on the US market with the aim of solving existing conflicts in a satisfactory manner.” (EU Council 2013)

A GI is an indication that is used on a good, and identifies that good as possessing a particular quality, reputation or some other characteristic due to its geographical origin. Many GIs consist of the name of the town, region or country where the goods originate from. An example of a GI is *Champagne*, denoting a wine that originates from the Champagne region in France.

Originally, GIs were based on the idea of *terroir*, meaning that the value of the product is derived from the physical attributes of the soil and/or water which are unique to a specific geographic location. As the valuable attributes are credence in nature, meaning that consumers cannot directly confirm the claim even after consumption, GIs have been provided with the protection of governments by giving them the status of intellectual property rights (IPR). Over time, the characteristics of products that can be given GI status has expanded to include other attributes such as localised human capital-based knowledge (for example, artisan cheese production or meat curing), which are also considered credence properties.

For the EU, GIs are a way of protecting and marketing particular foodstuffs, wines and spirits where part of their value to consumers arises both from their geographical origin and the guarantee that the product has been produced according to specific rules which are agreed when the name is registered. As of January 2016, some 1,259 EU agricultural and foodstuff PDO/PGI GIs, 1,750 EU wine GIs and 332 EU spirit GIs were registered in the EU (in addition, the register is also open to third countries).² Registered foodstuff names are mostly names of fruit, vegetables and cereals (almost 30%) and of cheeses (almost 20%). The other main categories of products concerned are meat and meat products (around 12.5% each) and oils, mostly olive oils (about 10%). More than 80% of GIs are registered in six member states: Italy, France, Spain, Greece, Portugal and Germany.

A 2012 study for the Commission estimated the value of GI products in 2010 at €54.3 billion, of which over half was due to wines (Chever et al. 2012). This corresponds to around 6% of the output of the EU food and drink industry. The value of agricultural and foodstuff GIs was €15.8 billion in that year. The study estimated that exports of GI products in 2010 were €11.5 billion, representing 15% of all extra-EU exports of food and beverages. Again, half of this represents wine and another 40% spirits, with exports of agricultural and food GIs

¹ I have benefited from discussions with Bernard O'Connor on this topic although any views expressed in this paper are my own.

² These numbers are derived from the three EU GI databases, the DOOR database for foodstuff GIs, E-Bacchus for wines and E-Spirit-Drinks for spirits.

accounted for the remaining 9%. The US was the single largest market for the EU's GI products, and GIs accounted for 30% of all US imports of food and beverages from the EU. The importance of this issue in trade negotiations is because the EU recognises it is unlikely to be competitive in the production of basic agricultural commodities but that its long culinary heritage has created a number of premium products which are valued by consumers in the marketplace. Although these product names are protected on the EU market, the EU also wants to have protection for these GIs on international markets.

The negotiating objectives of the US Trade Representative (USTR) do not specifically refer to GIs but pledge to advance and defend the interests of US farmers, among others, *“with respect to strong protection and effective enforcement of intellectual property rights, including their ability to compete in foreign markets”* (USTR 2014). This last can be seen as a specific rebuke to the EU whose attempt to gain protection for its GIs in third country markets is seen by US interests as damaging their export opportunities.

Recognition and protection of GIs is thus one of the areas of disagreement between the two parties in the TTIP negotiations.³ This disagreement is also evident in other fora (Josling 2006). For example, the US and the EU have taken different positions on extending protection for GIs in the WTO Doha Round multilateral trade negotiations and in negotiations on updating the Lisbon Agreement in the WIPO. Both parties have attempted to promote their differing conceptions of GI protection in their bilateral free trade agreements (FTAs) with third countries. When countries are negotiating bilateral FTAs with both the EU and the US, faced with competing demands, this can place these countries in an invidious position. In particular, the US has promoted its view on how GIs should be protected in its negotiations on the proposed Trans-Pacific Partnership with many of its Asian trading partners, some of whom either have already ratified an FTA with the EU with specific GI provisions (Mexico, Singapore, South Korea) or are negotiating an FTA (Vietnam, Japan).

The purpose of this paper is to examine the background to the different positions of the US and EU with respect to the protection of GIs and to evaluate the prospects for an agreed outcome on GI protection in the TTIP negotiations. The chapter focuses on foodstuff GIs, as the issues around GIs for wines and spirits are rather different (for a discussion, see Gaeta and Corsinovi, 2015). This objective is pursued through three complementary strands. The first is an examination of the basic positions of both parties with respect to how GIs should be protected with a view to highlighting the key points of difference. The second strand is to examine the protection for its GIs that the EU obtained in its recent bilateral FTAs. GI provisions in these agreements often fall short of the optimal level of protection that the EU would like to see, and they may suggest areas where the EU may be willing to compromise on its desired outcomes in TTIP. The third strand is to examine the protection for GIs in some recent trade agreements that the US has signed, with a view to identifying the approach it is likely taking in the TTIP negotiations as well. In the final section, possible outcomes for the GI negotiations are evaluated.

³ These differences, in turn, reflect differences in the positions of important industry groups in both countries. In the EU, the views of GI beneficiaries are represented by the Organization for an International Geographical Indications Network (oriGIn), a Geneva-based organisation representing some 350 associations of producers in some 40 countries. In the US, a prominent opponent of the EU's position on GIs is the US Dairy Export Council which is a member of the international Consortium for Common Food Names (CCFN). The views of both groups presented to the stakeholder meeting held alongside the eighth TTIP negotiating round in February 2015 can be found here <http://www.ip-watch.org/2015/02/12/stakeholders-give-opposing-views-on-gis-in-eu-us-trade-agreement/>, accessed 6 January 2016.

International rules on GI protection

Any provisions in a TTIP agreement would build on existing international rules for the protection of GIs. The main international agreement governing recognition and protection of GIs is the relevant articles of the WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement). GIs are defined in TRIPS Art. 22.1 as *"indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin"*.

Under the TRIPS Agreement, two levels of protection for GIs are provided. All GIs enjoy the level of protection afforded under TRIPS Art. 22, whereas wines and spirits GIs are afforded a higher level of protection, under a combination of TRIPS Art. 22 and 23.

TRIPS Art. 22 provides protection for GIs against, among other things, the use of the GI in the designation or presentation of a good that indicates or suggests that the good originates in a geographical area other than the true place of origin in a manner which misleads the public as to the true origin of the good. In that case there is a need to show evidence of consumer confusion to prevent the use of a GI term. As the Commission argues: *"This may be difficult when the true origin is indicated (for instance "Australian Feta"), when the GI term is accompanied by expressions such as "like", "kind", "style", etc. (for instance "Prosciutto Parma style"), or when the GI is used in translation. This level of protection is the one which applies for foodstuffs, and is seen as insufficient by the EU to protect its GI's properly around the world"* (DG AGRI 2012).

Art. 23 provides a higher or enhanced level of protection for GIs for wines and spirits: subject to a number of exceptions, they have to be protected regardless of deception and even if misuse would not cause the public to be misled for example if the true origin is indicated. Protection against use in translation is also automatic and objective, and use of expression such as "like", "kind", etc. is also prevented.

There are two other provisions of importance regarding GIs in the TRIPS Agreement. One concerns the relationship of trademarks and GIs where the provisions are different for foodstuffs and wines and spirits. For foodstuffs, a party is obliged to refuse or invalidate a trademark which contains or consists of a GI where the good does not originate in the territory indicated, *and* where use of the trademark is of such a nature as to mislead the public as to the true origin of the good. For wines and spirits, parties are obliged to refuse or invalidate a trademark which contains or consists of a wine or spirits GI with respect to wines and spirits not having this origin. However, measures adopted to protect GIs *"shall not prejudice eligibility for or the validity of the registration of a [prior] trademark, or the right to use a [prior] trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication"*. Taken together, these provisions in the TRIPS Agreement open the possibility of coexistence of GIs and trademarks.

This question of coexistence was debated in the WTO case brought by the US and Australia in 2003 against the first EU legislation on GIs Council Regulation No. 2081/92.⁴ The EU had claimed that the TRIPS agreement provided for mandatory co-existence meaning that a country could register a GI even where this name was already a registered trademark. The trademark owner's rights would be 'grandfathered', meaning that the owner could continue to use the mark but could not prevent the registration of the GI.

⁴ There is a summary of this case on the WTO website https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds174_e.htm.

The WTO panel found against the EU view on mandatory co-existence and concluded that a prior trademark owner enjoys exclusivity against any similar sign, including GIs. Thus, it upheld the principle that the prior use of a trademark could prevent the registration of a GI name. However, it also found that the TRIPS agreement allowed states in their national legislation to provide for limited exceptions to the exclusive right provided to trademark owners, specifically for the fair use of descriptive terms, provided that there was limited risk of confusion. On this basis, it upheld the provision in the EU legislation that allowed for the subsequent registration of a GI similar to a prior trademark except where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration of the name proposed as the designation of origin or geographical indication would be liable to mislead the consumer as to the true identity of the product. Differing interpretations of these provisions contribute to the tensions around GI protection in trade agreements.

The other provision of importance is that no WTO Member is required with respect to goods or services to recognise the GI of another Member where the indication has become a common name for such goods or services in that Member. An example would be *cheddar* for cheese. This type of cheese is named after a village in south-west England, but has lost its association with that place and become, in England and many other countries, the name for a type of cheese. GI protection is also not required if the indication is identical with the customary name of a grape variety existing in that member when the TRIPS Agreement entered into force.

Parallel with the WTO rules on the protection of GIs, appellations of origin and, more recently, geographical indications are also protected under the World Intellectual Property Organization, WIPO. WIPO is a UN body which administers a number of international treaties designed to protect intellectual property. Among these is the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration which was specifically concluded in response to the need for an international system (the Lisbon System) that would facilitate the protection of one type of geographical indication, namely appellations of origin, in countries other than the country of origin, by means of their registration with WIPO through a single procedure.⁵ Appellations of origin mean the geographical denomination of a country, region or locality which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors (Article 2). A registered appellation is protected against usurpation or imitation, even when used in translation or accompanied by words such as "kind", "type" or the like (Article 3), and may not be deemed to have become generic in a Contracting State as long as it continues to be protected in the country of origin (Article 6). Prior trademarks have to be phased out unless the other country has issued a refusal (Article 5). A country in the Lisbon System has the right to refuse to grant protection provided they respect the time requirement for notifying refusal,

⁵ "The basic difference between appellations of origin and geographical indications more generally is that the link with the place of origin is stronger in the case of an appellation of origin. The quality or characteristics of a product protected as an appellation of origin must result exclusively or essentially from its geographical origin. This generally means that the raw materials should be sourced in the place of origin and that the processing of the product should also happen there. In the case of geographical indications, a single criterion attributable to geographical origin is sufficient for the geographical indication to qualify as such, which may also be the specific reputation of the product. Moreover, the production of the raw materials and the development or processing of a geographical indication product do not necessarily have to take place entirely in the defined geographical area". Source: http://www.wipo.int/geo_indications/en/faq_geographicalindications.html.

for example, on the ground that, in their territory, the appellation of origin corresponds to a protected trademark or to a generic indication of a particular product (WIPO 2014).

The Lisbon Agreement provides a means to multilateralise protection of certain GI names but it is limited both in the range of GIs covered and, importantly, in the small number of Contracting Parties. In early 2016 28 countries were members. Other WIPO members declined to join over the potential to provide protection to what are considered by some parties to be generic names. In May 2015, the Geneva Act to the Agreement was adopted (but, as of January 2016, not yet in force), formally extending protection to geographical indications and changing the name: *Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications*. The stated aims of the revision were to modernise the Lisbon Agreement and to make it more attractive to new members, while preserving the principles of the current treaty. The major change is that there will now be an international register of GIs where previously this was only available for appellations of origin. Intergovernmental organisations are also enabled to become members of the new act. Another change allows a state to ratify the Lisbon agreement regardless of whether it has specific national laws for the protection of geographical indications, as long protection is provided by different means, such as the national trademark system. However, its signing was criticised by those WIPO countries that are not members of the Lisbon System, including the US, which complained that it would affect their economies, but they were not allowed to vote on it.⁶

The protection of GIs in the EU and the US

Both the EU and the US recognise and protect GIs on foodstuffs but they do so in different ways which reflect different perceptions of the role of GIs. The EU has adopted legislation which grants protection to GIs entered on a specific register. The US protects GIs through its trademark system. Whereas the trademark system sees GIs primarily as based on private property rights, the EU's *sui generis* system regards GI protection as a product quality system in which enforcement and controls are ensured by the public administration. There is no individual or group ownership and any producer fulfilling the specifications can benefit from the GI.

GI protection in the EU

EU legislation to protect GIs dates back to the initiation of the single market in 1992. Prior to that date there was no common legal framework and different member states had a diversity of national laws. Council Regulation 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs was the first legal instrument to cover all agricultural products (with the exception of wines and spirits). It was repealed in 2006 and replaced by Regulation 510/2006 following a WTO panel ruling which found certain aspects inconsistent with WTO rules. New rules came into force on 1 January 2013 following the passage of Regulation 1151/2012 on quality schemes for agricultural products and foodstuffs which repealed Regulation 510/2006.

The new EU legislation combines three EU-wide quality labelling schemes for which rules were set out in separate pieces of legislation into a single legal instrument:

⁶ See New, W. and Murphy, E., "WIPO's New Act For GIs: Not Much Ado About Place Names?", Intellectual Property Watch, 4 June 2015, <http://www.ip-watch.org/2015/06/04/wipos-new-act-for-gis-not-much-ado-about-place-names/>, accessed 6 January 2016. The United States position that the Geneva Act is 'illegitimate' is set out in this closing statement by the US at the WIPO 23rd Program and Budget Committee <https://geneva.usmission.gov/2015/07/17/u-s-closing-statement-at-wipo-23rd-program-and-budget-committee/>.

- **PDO (Protected Designation of Origin)** - covers agricultural products and foodstuffs whose quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors and where all the production steps take place within the geographical area.
- **PGI (Protected Geographical Indication)** - covers agricultural products and foodstuffs whose given quality, reputation or other characteristic is essentially attributable to its geographical origin and where at least one of the stages of production, processing or preparation take place in the area.
- **Traditional Specialties Guaranteed (TSG)** – covers foodstuffs whose specific character results from a traditional production or processing method or if it is composed of raw materials or ingredients used in traditional recipes. Unlike the PDO and PGI marks, the geographical origin of a product is irrelevant under the TSG scheme.

The legislation provides that applications for GI protection are sent to the Commission (from within the EU, following the national stage of procedure, or directly from third countries, provided they already qualify for protection in the country of origin) which then examines the application to see if it is justified and meets the conditions of the Regulation. Grounds for refusal include that the name is generic or is a prior, renowned and long-used trademark. For other trademarks, the GI name and the trademark can co-exist. The names for which protection is sought must be published, and any member state, third country or natural or legal person may object to the proposed registration within a defined time period. If no objections are made or the objections are deemed inadmissible, the name is registered and entered on the European Register of Protected Geographical indications and Designations of Origin. To use a registered name, a product's conformity with the PDO, PGI or TSG specifications must be validated by an accredited certification body.

Entry on to the GI register provides a high level of protection against use and misuse of the GI by those not entitled to use it. Direct or indirect use on a comparable product that does not comply with the specifications is prohibited, as is its use on any product in case of exploitation of reputation. So is imitation or evocation, even if the name is translated, the true origin is indicated, or the use is qualified with terms like 'type' or 'method'. Indeed, the use of any other false or misleading indication or other practice liable to mislead (such as imitating the shape of a GI, or the use of flags or symbols purporting to represent the true country of origin) is not permitted. The public authorities in the EU member states are responsible for enforcing GI protection.

GI protection in the US

The US recognises and protects GIs through its trademark system. Examples of GIs from the United States include *Florida* for oranges, *Idaho* for potatoes and *Washington State* for apples. The US Patent and Trademarks Office argues that by protecting GIs through the trademark system – usually as certification and collective marks – it can provide TRIPS-plus levels of protection to GIs, of either domestic or foreign origin (USPTO 2005). A “collective trademark” is a mark adopted by a “collective” (i.e. an association, union, cooperative, fraternal organization, or other organized group) for use only by its members. A “certification mark” differs both from a “collective trademark” and a regular trademark because its owner (usually a government body or a body operating with governmental authorisation) does not itself use the mark, but simply verifies that the entity using it meets the certifying standards. A certification mark does not indicate origin in a single commercial or proprietary source, rather it informs purchasers that the goods/services of the authorised user possess certain characteristics or meet certain qualifications or standards.

For example, the use of the name Roquefort is protected as a certification mark in the US to indicate that the cheese has been manufactured from sheep's milk and cured in the caves of the Community of Roquefort (France) in accordance with their long established methods and processes. Similarly, Cognac is recognised as a regional certification mark since purchasers in the US primarily understand the Cognac designation to refer to brandy originating in the Cognac region of France, and not to brandy produced elsewhere, and since the owners of the mark control and limit use of the designation which meets certain standards of regional origin. Because GIs are protected as a trademark, it is up to the trademark/GI owner to prevent the use of the mark by unauthorised parties when such use would likely cause consumer confusion, mistake or deception as to the source of the goods/services.

According to the USPTO, *"Protecting GIs as trademarks, collective or certification marks employs the existing trademark regime, a regime that is already familiar to businesses, both foreign and domestic Furthermore, the system easily accommodates geographical indications that are not merely place names, but signs such as words, slogans, designs, 3-Dimensional marks, colors or even sounds and scents"*.

EU's negotiating objectives on GIs

In its international trade negotiations both multilaterally and bilaterally, the EU seeks to ensure that its GI names are recognised and receive the same level of protection in third countries as on the EU market. It has been active multilaterally (for example, focusing on the establishment of a multilateral Register for GIs and the extension to all products of the level of protection currently granted to wines and spirits in the WTO Doha Round negotiations, and supporting the Geneva Act of the Lisbon Agreement within WIPO) and bilaterally (where it is negotiating GIs protection under two different frameworks: specific Stand Alone agreements on GIs (e.g. China) and broader free trade agreements (DG TRADE 2016).

Its main objectives in international negotiations are to assure protection of EU GIs; to reach extension of the level of protection for foodstuffs; to agree on co-existence with prior trademarks; and to guarantee administrative protection in addition to judicial action (DG AGRI 2012). Specifically, in its 'new generation' FTAs, the EU's objective is to add value compared to the TRIPS basic provisions. The EU has defined what it means by "TRIPS+" provisions as follows:

- To establish a list of EU names to be protected directly and indefinitely in the third country, from the entry into force of the agreement.
- To obtain the extension of GI protection provided by Article 23 to other products than wines and spirits.
- To allow co-existence with prior trademarks, if they were registered in good faith. The principle of co-existence implies that when there is a prior trade mark it should not preclude later registration and protection of a GI. However later registration of a GI would not be a ground for invalidation or cancellation of the prior trade mark.
- To phase out prior uses of EU names.
- To obtain administrative protection (so that EU exporters do not always have to go through the courts of the third country).
- To avoid that protection of EU geographical indications depends on individual applications.
- To ensure a right of use (opposed to trade mark license system).

- To create a co-operation mechanism / dialogue (DG AGRI 2012).

However, the EU recognises that it needs to adapt its request to the type of third country it is negotiating with (DG AGRI 2012). Thus, it accepts that it is not always possible to get protection for all EU GIs but only for a "short" list. The EU has identified three groups of countries according to their potential willingness to adopt the EU approach (DG AGRI 2012).

- Neighbouring countries or countries with an association agreement with the EU, where it is usually possible to reach a very high degree of integration of the respective complementary GI systems and registers.
- Agreements with non-neighbouring countries that already have established a GI system or have a domestic interest to create such a system of protection. The EU includes South Korea, Peru-Columbia, Central America India, China, Malaysia and other Asian countries in this group. Difficulties in establishing GI protection in these countries relates more to their lack of experience in managing GI protection which would pose a particular challenge were a full integration of the EU registers contemplated. Moreover, for some of these countries protection of GIs is ensured through trade mark systems, or the legislation is not yet fully implemented, or there is no GI legislation at all.
- Countries without a particular tradition of protecting GIs, such as Canada, Singapore, and Mercosur where co-existence with prior trademarks raises particularly difficult issues.

The US falls clearly into the third group of countries in this classification. While the EU negotiating text on GIs (as of January 2016) has not been published, the specific objectives for GIs in TTIP have been set out by the Commission as follows (DG Trade 2015):

- “Rules guaranteeing an appropriate level of protection for EU GIs;
- Administrative enforcement against the misuse of EU GIs;
 - Establishment of list(s) of GI names, to be protected directly through the agreement. This list could include both European and American GI names;
 - Specific arrangements for certain specific GI names;
 - Exclusive protection for the 17 EU wine names included in Annex II of the EU and the U.S. agreement concluded in 2006 on "trade in wine";
 - Protection for additional EU GI spirits names.”

In essence, the EU finds that the US trademark system falls down in giving protection to EU GIs in a number of ways. Defending a GI name through the US courts against misuse is both costly and time-consuming. Also, US courts tend to allow wide latitude to users of GI terms even where it is clear that the product does not originate in that geographical area. GI terms can be registered as trademarks even where the product has no relationship with that area. US trademark law follows the ‘first-in-time, first-is-right’ principle so a prior trademark can prevent the registration of a GI. In the US, to maintain the validity of a trademark registration it must be periodically renewed, and evidence showing the continued use of the mark must be provided for the registration to remain in force, in contrast to the EU view that a GI mark has unlimited validity. The US also claims that many EU GI terms have entered into common usage and become generic and thus cannot be protected. The upshot, according to the EU, is both that EU producers lose out because US and other producers can unfairly exploit the reputation associated with their products, while consumers lose out because the products they are buying are not necessarily what they think they are.

Comparative analysis of EU FTAs

In order to identify whether a compromise is possible between the EU and US approaches to GI protection in TTIP, this paper now turns to examine the outcomes on GI protection in recent bilateral free trade agreements signed by both the EU and the US. The EU has included GI protection in all of its recent ‘deep’ bilateral FTAs. As the survey by O’Connor and Richardson (2012) of the extent of GI protection in recent EU FTAs notes: “*Not only do there seem to be discrepancies in terms of the level or type of protection provided to GIs under the various FTAs recently concluded by the EU, it appears that there is also little uniformity and consistency with regard the specific GIs being granted protection under the agreements*” (see also Engelhardt, 2015). For illustrative purposes, we focus on the EU-South Korea (EUKOR) agreement (2011), EU-Singapore FTA (2013) and the EU-Canada (CETA) agreement (2014). All three countries had prior FTAs with the US, although the US FTA with South Korea (KORUS) did not come into force until after the negotiations with the EU were completed. Both South Korea and Canada aligned themselves with the US position on a multilateral register for wines and spirits in the Doha Round negotiations, while Singapore bases its GI protection on a trademark system similar to the US. These agreements provide some insights into how the EU might secure more satisfactory protection for its GIs in countries with a trademark system of protection. We focus particularly on (1) the method of protection; (2) the scope of protection; (3) the enforcement of protection; (4) the relationship with prior trademarks; and (5) the treatment of common names. Other differences between the agreements such as the precise definition of GIs are not considered here (Vivas-Eugui and Spennemann 2006; O’Connor and Richardson 2012; O’Connor 2014a; O’Connor 2014b; O’Connor 2015; Engelhardt 2015).

EU-South Korea FTA

The EU-South Korea FTA, which entered into force in July 2011, is an example of the new generation of FTAs launched by the EU in 2007 and which go further than previous agreements in lifting trade barriers.⁷ It includes provisions on issues ranging from services and investments, competition, government procurement, transparency in regulation, sustainable development as well as intellectual property rights, including GIs (on GIs, see also the discussion in O’Connor and Richardson, 2012).

Regarding the method of protection, Article 10.18 of the EUKOR Agreement sets out elements necessary for the registration and control of GIs, as follows:

- (a) a register listing geographical indications protected in their respective territories;
- (b) an administrative process verifying that geographical indications identify a good as originating in a territory, region or locality of either Party, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin;
- (c) a requirement that a registered name shall correspond to a specific product or products for which a product specification is laid down which may only be amended by due administrative process;
- (d) control provisions applying to production;

⁷ European Union, “Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part”, *Official Journal of the European Union*, L127/62, 14 May 2011, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2011:127:TOC>, viewed 18 March 2015.

(e) legal provisions laying down that a registered name may be used by any operator marketing the agricultural product or foodstuff conforming to the corresponding specification; and

(f) an objection procedure that allows the legitimate interests of prior users of names, whether those names are protected as a form of intellectual property or not, to be taken into account.

The EU accepted that the Korean Agricultural Products Quality Control Act, with its implementing rules, in so far as it relates to the registration, control and protection of geographical indications for agricultural products and foodstuffs in Korea, meets the elements laid down.

Article 10.21 on the scope of protection provides for both TRIPS Article 22.2 and 22.3 protection for GIs extending to the misuse, imitation and evocation of the registered names.⁸ The same article also provides for co-existence of a GI with a prior trademark using the ‘permissive’ language in TRIPS Article 24.5.⁹ Article 10.22 provides that the protection of GIs can be enforced by administrative action, that is, protection should be enforced by the authorities rather than requiring the individual GI beneficiary to seek protection through the courts. Article 10.23 provides for the refusal or invalidation of a trademark corresponding to a protected GI which has been registered after the date of granting GI protection. There is no specific text on the treatment for common names so presumably the TRIPS rules apply. Finally, Article 10.24 provides for the addition of GIs to the lists of GI appended to the agreement.

In the appended lists, there are 63 Korean foodstuff GIs given protection compared to just 60 GI names from the EU member states. These 60 EU GIs are a small sub-set of the total number of GI agriculture and foodstuff names registered in the EU, although they are presumably chosen for their importance to trade. The great majority of EU GIs submitted are compound names. That is, speck is not protected but *Tiroler Speck* is; camembert is not protected but *Camembert de Normandie* is. The single names that are protected are mostly cheeses (*Comté*, *Roquefort*, *Reblochon*, *Taleggio*, *Asiago*, *Fontina*, *Gorgonzola* and, notably, *feta*). The wines and spirits list includes many of the well-known wine regions of Europe, including *champagne*, *port*, *ouzo*, *cognac* as well as names such as *Irish whiskey* and *Scotch whiskey*.

⁸ Registered GIs are protected against (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good; (b) the use of a geographical indication identifying a good for a like good not originating in the place indicated by the geographical indication in question, even where the true origin of the good is indicated or the geographical indication is used in translation or transcription or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like; and (c) any other use which constitutes an act of unfair competition within the meaning of Article 10 bis of the Paris Convention.

⁹ Article 10.21 reads in part: “The protection of a geographical indication under this Article is without prejudice to the continued use of a trademark which has been applied for, registered or established by use, if that possibility is provided for by the legislation concerned, in the territory of a Party before the date of the application for protection or recognition of the geographical indication, provided that no grounds for the trademark’s invalidity or revocation exist in the legislation of the Party concerned.” The affirmative provision that “In such cases, the use of the protected designation of origin or protected geographical indication shall be permitted as well as use of the relevant trade marks” contained in the EU’s Regulation 1151/2012 Article 14(2) is not included.

EU-Singapore FTA

The EU and Singapore initialled the text of a comprehensive free trade agreement on 20 September 2013.¹⁰ The draft agreement needs now to be agreed upon by the European Commission and the Council of Ministers, before being ratified by the European Parliament. Unlike South Korea, Singapore used a trademark system to protect GIs but in the FTA agreed to establish a GI register, despite being quite hostile to the EU GI approach.

Thus, Article 11.17 requires Singapore to establish a system for the registration and protection of GIs consisting of:

- (a) a domestic register;
- (b) an administrative process to verify that the geographical indications entered, or to be entered, on the domestic register identify a good as originating in the territory of a Party, or a region or locality in that Party's territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin;
- (c) an objection procedure that allows the legitimate interests of third parties to be taken into account; and
- (d) legal means that permit the rectification and cancellation of entries on the domestic register, that take into account the legitimate interests of third parties and the right holders of the registered geographical indications in question.

Article 11.19 sets out the scope of protection and essentially provides TRIPS Articles 22.2 and 22.3 protection for agricultural products and foodstuffs as well as wines and spirits for the agreed list of products. On the enforcement of protection, the agreement provides that each Party "shall provide the legal means" for interested parties to prevent the misuse of a GI term to suggest that a product originates in a geographical area other than its true place or origin or any other use which constitutes an act of unfair competition. This does not commit Singapore to introduce an administrative system of enforcement.

Article 11.21 deals with the relationship with trademarks. It provides the standard provision that a trademark identical to a listed GI should be refused if registration is sought after the date of application for GI registration. On the question of prior trademarks, the parties agreed to disagree. The relevant paragraph reads: "... *the Parties acknowledge that the existence of a prior conflicting trademark in a Party would not completely preclude the registration of a subsequent geographical indication for like goods in that Party.*" However, a footnote to this sentence makes clear that In the case of Singapore, a GI which conflicts with a prior existing trademark is capable of being registered with the consent of the prior existing trademark rights holder (for which read, can *only* be registered with the consent of the prior rights holder). In the case of the Union, such consent is not a prerequisite to the registration of a geographical indication which conflicts with a prior existing trademark. However, the Parties have no obligation to protect a GI where, in the light of a reputed or well-known trademark, protection is liable to mislead consumers as to the true identity of the product.

Persons who have regularly used a protected GI prior to the agreement on the FTA can continue to do so, while GI protection shall not be mandated for common names.

¹⁰ The text is available here <http://trade.ec.europa.eu/doclib/press/index.cfm?id=961>. Annex 11-A contains the List of Names to be Applied for Protection as Geographical Indications in the Territory of the Parties.

In early 2014 Singapore issued a Consultation Paper to obtain views from domestic and foreign stakeholders as to whether any of the 196 GI names proposed by the EU for protection in Singapore are generic, or found within an existing trademark registered or well known in Singapore. O'Connor (2014b) states no other EU trading partner has previously taken this approach and he attributes it to the conflicting pressures on Singapore which is also negotiating the TPP with the US. However, the EU allowed an objection period before EUKOR was signed (Engelhardt, 2015) so it cannot be seen as unusual.

The EU-Canada CETA and GIs

A negotiated agreement on the EU-Canada Comprehensive Economic and Trade Agreement (CETA) was reached in October 2013 but must still be ratified by both parties.¹¹ Canada uses its trademark law to protect GIs, and is also a member of the North American Free Trade Agreement (NAFTA). Its commitments in CETA are of particular interest because of the close similarity between the Canadian and US positions. The provisions on GIs are set out in Article 7 of Chapter 22 on intellectual property.

The article defines GIs as only relevant to agricultural products or foodstuffs (Art 7.1) and only applies to GIs identifying products falling within particular product classes set out in the agreement. The scope of protection given to the listed GIs is set out in Article 4 and meets TRIPS Article 22.2 and 22.3 standards. However, there are some exceptions. Current Canadian users of the GI names *Asiago*, *feta*, *Fontina*, *Gorgonzola* and *Munster* will be able to use these names in Canada. Future users will be able to use the names only when accompanied by expressions such as “kind,” “type,” “style,” “imitation” or the like, in combination with a visible indication of the actual origin of the product. There is a limited exception for users of the GI name *Nürnberger Bratwürste*. The right of any person to use or register a series of specific names in Canada is maintained provided they do not attempt to mislead the public as to the true origin of the products: *Valencia oranges*, *Black Forest ham*, *Tiroler bacon*, *parmesan*, *Bavarian beer*, *Munich beer* and *St George cheese*.

On the enforcement of protection, Art. 7.4 provides that “Each Party shall provide for enforcement by administrative action, to the extent provided for by its domestic law, to prohibit a person from manufacturing, preparing, packaging, labelling, selling or importing or advertising a food commodity in a manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding its origin.” Consistent with this paragraph, “each Party will provide for administrative action in respect of complaints related to the labelling of products, including their presentation, in a manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding their origin.” However, in practice, it seems that enforcement of GIs in the Canadian market will remain a private matter to be argued before the courts (Government of Canada 2013).

On the relationship with prior trademarks, Art. 7.4 provides that the registration of a trademark which contains or consists of a registered GI shall be refused or invalidated, ex officio if a Party's legislation so permits or at the request of an interested party. However, this is qualified in Art. 7.6 which provides that prior trademarks can continue to be used, including in cases where additional GIs are granted protection under the agreement.

The list of GIs proposed by the EU contains 173 names of agriculture and food products (there are no wines and spirits as these are covered by the separate 2004 wine agreement

¹¹ The agreement is available on the DG Trade website http://trade.ec.europa.eu/doclib/docs/2014/september/tradoc_152806.pdf.

between the EU and Canada). Canada has not sought protection for any GI under the agreement. Provision is made to add to the list of EU GIs in the Canadian market, subject to certain reservations. No GI already on the list of EU GIs can in principle be added, no GI that is identical to a trademark in use in Canada can be added, and no common name can be added.

Overview GI protection in EU FTAs

It is clear that the EU achieved different outcomes with respect to protection for its GIs in each of these three FTAs. This confirms the observation in O'Connor and Richardson (2012) who examined GI provisions in a wider number of the EU's FTAs that *“While there were some significant constants like Scotch Whisky and Prosciutto di Parma in all the agreements there were significant differences in the listed names as between them. CETA adds to the differences. The only constant is that not all EU GIs are protected under the bilateral agreements examined.”*

For those EU GIs annexed to each agreement, the EU has succeeded in getting the higher level of protection mandated under TRIPS Article 23 also for its foodstuff names, although with some differences in wording and coverage in each agreement. Both Korea and Singapore will maintain a separate register of GI names although only Korea has promised to provide for administrative enforcement. Canada will continue to use its trademark system and enforcement will require private court proceedings, as seems also will be the case in Singapore. Only Korea fully accepted the EU position on conflicts with prior trademarks (though this may be qualified by the later ratification of KORUS, its FTA with the US, see below). Both parties agreed to disagree in the Singapore agreement, while Canada obtained various exceptions to the principle of co-existence, including all GIs terms not included in the original agreement. The number of EU GI terms which have gained protection varies from 60 in EUKOR to 173 in CETA and 196 in EU-Singapore. In each case, this number is only a small subset of the 1,259 EU GIs on the EU register in January 2016. However, each agreement also provides for the addition of GI names in the future, although the extent of this is severely restricted in CETA.

Comparative analysis of US FTAs

The US approach to negotiating recognition and protection of GIs is also best summarised by looking at the provisions it has sought in its recent bilateral FTAs. We focus here on the US-South Korea FTA (KORUS) and the recently-concluded negotiations on the TPP.¹² As for the EU, we pay specific attention to the definition of GIs, the scope of protection, the method of protection, the enforcement of protection, the treatment of common names, and co-existence with trademarks. There is considerable similarity in the relevant provisions in the two agreements, so they are discussed together in this section. However, it is worth noting that the GI provisions are included under Trademarks in the IPR chapter in KORUS (even though South Korea has a separate GI register) and are relatively brief, suggesting they were not a high priority for either side. In the case of the TPP, the discussion of GIs is more extensive and contained in a separate section of the IPR chapter.

¹² The KORUS text “Chapter Eighteen – Intellectual Property Rights”, US-Korea FTA, retrieved from: http://www.ustr.gov/sites/default/files/uploads/agreements/fta/korus/asset_upload_file273_12717.pdf. The TPP text is available on the USTR website <https://ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/tpp-full-text>, accessed 6 January 2016.

Definition of GIs

KORUS makes reference to Article 22 TRIPS in defining GIs, but then goes further in adding that “*‘Originating’ in this chapter does not have the same meaning ascribed to that term in Article 1.4 (Definitions).*” The US thus seems to seek to broaden the concept of “originating” to include a good protected by a GI which does not actually originate in the “territory of a Party”. As O’Connor remarks: “*Not only is this in direct conflict with EU GI theory and the provisions of EUKOR, but it also seems to go beyond the meaning of GIs within the TRIPS*” (O’Connor 2014b). The TPP text uses the same definition of a GI as in the WTO TRIPS agreement (Art 18.1).

Furthermore, the GI definitions in KORUS provide that “*a sign or combination of signs (such as words, including geographical and personal names, as well as letters, numerals, figurative elements, and colors including single colors), in any form whatsoever, shall be eligible to be a GI.*” A similar broad definition of what can be protected as a GI is included in TPP. Under TPP, signs protected as GIs do not have to be visually perceptible, and could consist of sounds or even scents (Art 18.18). A footnote to Art 18.19 notes that “*Consistent with the definition of a geographical indication in Article 18.1 (Definitions), any sign or combination of signs shall be eligible for protection under one or more of the legal means for protecting geographical indications, or a combination of such means.*” This broader definition of a GI contrasts with the EU definition that a GI is a name even if graphics or symbols referring to the country or region from which the product originates can accompany this name (Regulation 1151/2012), although in turn that definition appears more restrictive than the TRIPS definition that a GI is an ‘indication’.

Method of protection

KORUS provides that “[e]ach Party shall provide that trademarks shall include certification marks. Each Party shall also provide that geographical indications are eligible for protection as trademarks”. A TPP party can protect GIs either through a trademark or *sui generis* system or other legal means (Art 18.30) but it must provide that signs that may serve as GIs are capable of protection under its trademark system, and its trademark system must allow for both collective and certification marks (Art 18.19). While this language does not preclude a separate *sui generis* system of GI protection, it requires that the option of trademark protection must be made available.

Scope of protection

No specific provisions are included in either KORUS or TPP regarding the nature of protection to be granted GIs, so the two-tier provisions of the TRIPS Agreement apply. The treatment of common names in KORUS follows Article 24.6 TRIPS which exempts a party from providing GI protection to an indication which has become customary in common language as the common name for such goods or services in the territory of that Member. The TPP text goes further by providing guidelines for determining whether a term is customary or not in common language (Art 18.33). The key point is how consumers understand the term, as indicated by sources such as newspapers, dictionaries or websites, but parties are also encouraged to look at whether the term is used in relevant international standards, for example, whether a Codex standard for that term already exists. Further, protection given to a multi-component GI name should not give protection to an individual component of that name if that individual component is a term customary in the common language as the common name for the associated good (Art 18.34).

Enforcement of protection

In both KORUS and TPP, enforcement provisions refer to IPRs in general and GIs are not singled out. The basic obligation is that parties must make available to IPR holders civil judicial procedures concerning the enforcement of any intellectual property right.

Relationship with prior trademarks

Both KORUS (Article 18.2) and TPP (Art 18.20 and 18.21) use almost exactly the same language to describe the relationship between GIs and prior trademark holders. Trademark owners are given the right to prevent recognition of an identical or similar GI for identical or similar goods. Similarly, a GI registration can be refused or cancelled if it is likely to cause confusion with an already-existing trademark.

“Each Party shall provide that the owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs, including geographical indications, at least for goods or services that are identical or similar to those goods or services in respect of which the owner’s trademark is registered, where such use would result in a likelihood of confusion. In the case of the use of an identical sign, including a geographical indication, for identical goods or services, a likelihood of confusion shall be presumed.” (emphasis added)

“A Party may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that those exceptions take account of the legitimate interest of the owner of the trademark and of third parties.”

The wording of these paragraphs closely follows TRIPS Articles 16.1 and 17 (part of its section on trademarks) but with the addition of the phrase ‘including subsequent geographical indications’. The significance of this addition is further underlined in TPP by a footnote which reads:

For greater certainty, the exclusive right in this Article applies to cases of unauthorised use of geographical indications with goods for which the trademark is registered, in cases in which the use of that geographical indication in the course of trade would result in a likelihood of confusion as to the source of the goods.

It would seem that, whereas under the TRIPS exception it would be up to the trademark owner to show evidence of confusion to defend his exclusive right to the trademark against a proposed GI under the limited exception provision, under the TPP it would be up to the GI beneficiary to show that it was not causing confusion, thus reversing the burden of proof.

Obligations with respect to administering GI recognition and protection

A system of GI protection will usually involve some administrative procedures in order to be granted GI status which is then enforced by a government agency under a relevant law. The TPP text (but not KORUS) sets down some ‘good practices’ which should be followed in these administrative procedures (Art 18.31). One is the obligation to accept an application for GI status without requiring the intercession by a Party on behalf of its nationals. Another is that there should be procedures to oppose GIs that are the subject of applications and to cancel the protection and recognition afforded to an existing GI.

Possible grounds for opposition or cancellation include where the GI is likely to cause confusion with a prior trademark (as discussed above) or where the GI term has become generic (*“is a term customary in common language as the common name for the relevant good in the territory of the Party”*). This essentially repeats the exception for generic terms in

the TRIPS Agreement (the curious may note that the agreement here lapses back into the assumption that a GI consists of words despite the efforts noted above to expand the definition to symbols and even scents).

Treatment of GI protection in international agreements

There is clearly potential for confusion and conflict if a country signs FTAs with both the US and the EU where both make different demands for the protection of GIs. It is thus interesting that the TPP text contains a whole article (Art 18.36) setting out obligations if, when a TPP party signs an international agreement, it extends protection to GIs that it has not previously recognised through its own administrative procedures.

In this situation, a TPP party is required to make available, on the Internet, details of the terms it is proposing to recognise as GIs and to offer interested parties the possibility to oppose the extension of protection to these additional GIs, including on the grounds that it could cause confusion with a prior trademark or that the term has become generic. It must also inform other TPP parties of the opportunity to oppose no later than the commencement of the opposition period. These obligations also apply where a trade agreement allows additional GI terms to be added to the agreement at a later date. However, terms recognised in trade agreements concluded prior to the TPP are not covered by this article. This article is clearly directed against possible efforts by the EU in the future to obtain protection for its GI names in third countries that the US believes conflict with prior trademarks or generic terms in use in the US.

Are GIs a stumbling block to a TTIP agreement?

The US and the EU hold different positions on the nature of GI protection, with the US protecting GIs as trademarks under trademark legislation while the EU argues that GIs are a distinct form of intellectual property and should be protected under a *sui generis* system. Given these differences, three possible outcomes can be envisaged with respect to foodstuff GIs in a TTIP agreement. These are: (1) the EU pursues a maximalist outcome based on persuading the US to adopt the EU position on GIs; (2) the EU pursues a realpolitik strategy in which it gains US acceptance of some of its GI demands; or (3) there is no agreement.

Maximalist outcome

The maximalist position is that a TTIP agreement should recognise that trademarks and GIs are different forms of intellectual property which need separate systems to provide adequate protection. EU producers should be able to seek protection for their GIs not as trademarks in the context of US trademark law, but as GIs in the context of a separate system for the protection of GIs. The agreement should then provide that all GIs properly protected in one country be protected in the other. Where there are problematic names, then the coexistence provisions set out in TRIPS should apply. Where names are generic in one region but not in another, aspects of the rules already in place for trademarks can apply.¹³ This endpoint is most eloquently argued by O'Connor (2015) who argues that the debate has been

¹³ O'Connor (2015) notes: "Conflicts in relation to signs to be registered as Trade Marks are resolved on the basis of three principles: i) the principle of territoriality implying that identical signs for the same product can coexist as long as they are used in different geographical areas; ii) the principle of speciality allowing the coexistence of similar signs when used for different goods and there is no likelihood of confusion between the signs; iii) the "first in time, first in right" rule (or priority principle) attributing the exclusive right to whomever has first registered or used the sign".

clouded by concerns in relation to specific names when it would be more appropriate to focus on the co-existence between two different forms of intellectual property.

While this would be a highly desirable outcome from the EU side, the feasibility of obtaining it in the context of a trade negotiation must be questioned. This difference of opinion over the concept of GIs now goes back over a century, and has also been at the root of disagreements over many years both in the WTO and WIPO. The strenuous efforts made by the US to promote its view of GIs as just another type of trademark in its bilateral trade agreements, and most recently in the TPP text, suggests that it would be hard to dislodge it from this position in the TTIP negotiations.

The realpolitik approach

EU negotiators appear to have recognised this in their stated objectives for GI protection of foodstuffs in the TTIP negotiations which set out a much more limited agenda. These include establishing a list of GI names to be protected directly through the agreement, and stronger (administrative) enforcement against the misuse of EU GIs. The precedents from previous EU FTAs suggest that the list of protected names can be relatively modest in relation to all GI names on the EU register.

Much of the opposition in the US to the EU's perceived demands for GI protection in the TTIP negotiations has centred on the alleged threat to common, or generic, names. Some US interests claim that some EU GI terms are used so widely that consumers view them as representing a category of all of the goods and services of the same type. This can have arisen because European immigrants brought the names with them to the US and used them to promote their own products in their new home. For example, the use of the name *Fontina* as a certification mark indicating regional origin was refused as it was held to be a generic name of a type of cheese, in view of the fact that non-certified producers outside that region use the term to identify non-certified cheeses.

Affected US industries have responded to the EU effort by establishing the Consortium for Common Food Names, a Washington, DC based international initiative to preserve the right to use common food names.¹⁴ The Consortium supports GIs associated with specialised foods from regions throughout the world, but opposes any attempt to monopolise common (generic) names that have become part of the public domain. It seeks to foster the adoption of an appropriate model for protecting both legitimate GIs and generic food names. The Consortium has garnered significant support from US legislators on this issue, particularly around dairy product names. Over 50 senators and 177 members of the House of Representatives have signed letters urging the USTR to reject EU attempts to appropriate common food names as GIs.¹⁵

This suggests that the differences between the US and the EU on this issue are not differences in principle, but rather revolve around a number of specific names which are protected in the EU as GIs but which the US sees as generic (though two competing systems add costs, of course, for those attempting to have global protection for their GIs). If, indeed, this is the crucial issue, how significant is it?

¹⁴ <http://www.commonfoodnames.com/the-issue/names-at-risk/>

¹⁵ The senators' letter is available here <http://www.baldwin.senate.gov/in-the-news/bipartisan-effort-in-us-senate-to-protect-common-cheese-names>. The letter from congressmen is available here <http://www.commonfoodnames.com/u-s-congress-demands-that-u-s-defend-common-food-names-and-reject-eus-aggressive-abuse-of-geographical-indications/>.

As O'Connor (2014b) notes: "The majority of EU GIs are multi-component terms containing a direct reference to a geographical place. Their component parts may be used on their own without undermining the EU GI". For example, *Mozzarella di Bufala Campana* is protected as a GI in the EU but the term "Mozzarella" is free to use by any producer. Similarly, *Gouda Holland* is a protected GI in the EU but any producer is free to sell Gouda cheese.

While this is the situation for most EU GIs it is not the case for all. Some of the most valuable GIs are single word component GIs such as *Asiago*, *Fontina*, *Gorgonzola* and *Feta* as well as *Parmigiano Reggiano* (*Parmesan*) which the EU seeks to protect and which many in the US believe are now common names. Under the realpolitik approach, the focus would be on trying to reach a compromise on what should happen to these relatively few, but high-profile and valuable, names.

There is a possible danger under the realpolitik approach that putting all efforts into trying to secure GI registration for a handful of names could mean that the other element in the EU's demands, namely, better enforcement of GI names, could be downplayed or neglected. Would it make more sense to put more negotiating effort into getting the US authorities to agree to take a tougher stand against producers using flags, symbols or other marks to mislead consumers into thinking that the parmesan they are buying comes from Italy when this is not the case? Perhaps more effort should be put on the use of qualifying labels ('original', 'authentic') than restricting future use of particular names per se. Would a product labelled as 'Wisconsin feta' really cause confusion in the minds of consumers as to the source of the product (this is the solution that was adopted for some EU cheese GIs in CETA for the production of these cheeses in Canada)?

There is also the question of what the EU is prepared to 'pay' in terms of concessions to persuade the US side to accept some of its GI demands. Previous agreements on GIs with third countries, including agreements on wines and spirits, were successful because the EU offered additional market access for third country products in return. Given that much (though not all) opposition to the EU GI demands has come from the US dairy industry, is there a package of market-opening measures which might persuade the US dairy industry to back an agreement? Such trade-offs may be equally difficult for the EU to accept, as the gains from greater protection for GI names in the US will accrue primarily to producers in particular member states, notably Italy and Greece, while the costs of market-opening will be felt more broadly including by producers in the northern EU member states.

No agreement

The final possible outcome is that the negotiators fail to find a negotiated compromise and a TTIP text is sent for ratification without any appreciable concessions on GIs. This option is also not without its difficulties. It raises a potential question mark over ratification of the TTIP agreement in the EU as well as raising the prospect of further litigation at the WTO due to unresolved disagreements.

Politically, EU agriculture has relatively few offensive interests in the TTIP negotiations so gaining greater protection for foodstuffs as well as wines and spirits GIs is seen as a way to sell a deal to EU farmers as a compensating factor for likely losses for EU livestock producers. Even if the benefits of securing greater GI recognition accrue to relatively few countries and products at the expense of broader EU interests, the absence of a breakthrough on GIs could make a TTIP agreement more difficult to sell to farm groups.

Also, the TTIP agreement must be approved not only by the Council and the EU Parliament but also by the parliaments of the 28 individual member states. Here, regional interests can play a role. For example, the Greek or Italian Parliaments might be tempted to vote down a deal which they felt did not give adequate recognition to their protected GIs.¹⁶ On the other hand, voting down a prospective TTIP agreement would maintain the status quo and would not improve the position of EU GIs on the US market.

GIs are a valuable form of intellectual property. It is easy to understand why passions are aroused if EU producers feel that the value inherent in a GI is appropriated by a competitor making use of the same designation. In international trade, this is likely to be the case just for a small number of single-component GI names which are commercially valuable because these names are widely recognised around the world and can command a consumer premium. Most EU GIs are unknown outside their region of origin, which is presumably why the EU has chosen not to seek protection for them in its FTAs to date. On the other hand, there is the argument that the EU should stand up for its view that GIs are a legitimate but distinct form of intellectual property and that all its GIs are entitled to receive the same level of protection when it negotiates international agreements. Resolving these conflicts in the TTIP negotiations will not be an easy task.

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¹⁶ It has been reported that ratification of CETA may run into difficulty in the Greek Parliament because of what is viewed as inadequate protection for the feta GI in the proposed deal (recall that current users of the name can continue to use it, and new Canadian producers can also use it provided they qualify it by expressions such as “kind” or “like”). See <http://www.bbc.com/news/world-europe-25363611>.

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