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## Geographical Indications and Mega-Regional Trade Agreements and Negotiations

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### 1 INTRODUCTION: THE EXCESSES OF THE TRADE-RELATED APPROACH

In the presentation of this chapter in draft form, I asked the following question, ‘how do you spot a dodgy international intellectual property claim?’ One possible answer to that question is that those who own intellectual property (IP) rights in one jurisdiction, where those rights have developed from local or regional policies, want those locally grounded rights exported to other legal systems in order to protect IP-related products exported to those jurisdictions. That proposition alone cannot be the only way to spot a ‘dodgy IP claim’ because that is a description of many international IP negotiations where there are attempts to gain at least some international agreement on minimum standards of protection. The ‘dodgy’ aspect arises when incumbents want more protection (without convincing evidence that more protection is needed), and in seeking that greater protection, those incumbents suggest that newcomers will gain immeasurable bounty. This is exactly how the European Union presents its geographical indications (GIs) policy to its trading partners. The argument usually involves three steps. First, multiple GIs have worked in Europe. Second, there are one or two instances of GIs working for developing countries. The following statement from the European Commission illustrates these first two steps:

The protection of geographical indications matters economically and culturally. They can create value for local communities. Over the years European countries have taken the lead in identifying and protecting their geographical indications. They support rural development and promote new job opportunities in production, processing and other related services.

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For example: Cognac, Roquefort cheese, Sherry, Parmigiano Reggiano, Teruel and Parma hams, Tuscany olives, Budějovické pivo, and Budapesti téliszalámi.

Geographical indications are becoming a useful intellectual property right for developing countries because of their potential to add value and promote rural socio-economic development. Most countries have a range of local products that correspond to the concept of geographical indications but only a few are already known or protected globally.

For example: Basmati rice or Darjeeling tea through products that are deeply rooted in tradition, culture and geography.<sup>1</sup>

The third step proffered to complete this argument is that because GIs ‘with commercial value are exposed to misuse and counterfeiting’,<sup>2</sup> GI protection EU style should be the global legal norm in order to prevent this misuse and counterfeiting.

While there is plenty of truth in these statements – after all no one doubts the value of using the origin of a product to sell it when that origin has cachet – there is also a considerable weakness in the logic that purportedly links the three propositions. This weakness is because the success of GIs (as a legal model for exploiting the value in origin of goods) from one territory does not mean that success can be easily replicated in other territories. First, what makes GIs valuable, at least initially, is the place with which the GI-branded product is associated. Such associations (if they are genuine) are not identically replicable. More importantly, the success of GIs is dependent on multiple factors, including investment and infrastructure around the business, industry, place and communities concerned. The legal framework alone, for GIs, is unlikely to create development of the local industry without those other factors being present. Some chapters in this book suggest positive uses of GIs in Asia for those other than Darjeeling tea and Basmati rice,<sup>3</sup> but a remarkable amount of literature (including the above-quoted statement from the European Union) pinpoints these as examples of how developing countries could succeed in improving their agricultural economy with GIs. This sort of statement is often proffered without an appropriately corresponding analysis of the transferability of the GI mechanism to other communities and other products. In fact, as developing countries repeatedly have shown, the removal of agricultural subsidies in the developed world would make a real difference and enable developing countries to compete in world markets for agricultural

<sup>1</sup> *Geographical Indications*, EUROPEAN COMMISSION, <http://ec.europa.eu/trade/policy/accessing-markets/intellectual-property/geographical-indications/> (last visited 21 March 2016).

<sup>2</sup> *Id.* <sup>3</sup> See, in particular, the chapters in Part III of this volume.

products. In a manner prescient of an EU-directed path with GIs, most developed countries have not removed agricultural subsidies (with the notable exception of New Zealand) and, in order for developing countries to compete with developed countries, large developing countries now also subsidise agriculture.<sup>4</sup> The losers are those countries that cannot afford subsidies, particularly the small developing countries, which may agree to implement GI regimes when they are in trade negotiations. This is the kind of outcome that happens when the ‘weak bargain with the strong’.<sup>5</sup>

Just as the GI policy of one country may not be a good fit for another country, evidence that GIs have been effective as a development tool in one community is not evidence that the same model of GIs will be effective in all communities.<sup>6</sup> As William van Caenegem, Peter Drahos and Jen Cleary have discussed, the success of GIs as a tool in certain parts of the Australian wine industry, for example, is attributable not only to GIs but to certain other factors which are not simply replicable by enacting GI laws.<sup>7</sup> Their research demonstrates that certain industries have benefited from investment accompanied by GIs in Australia.<sup>8</sup> This research reveals that a careful calculus is required. The authors suggest that if that benefit of GIs is to be replicated, then Australian autonomy over the design of any law to extend GI protection is crucial.

The international minimum standards for GIs should not be moulded on a legal regime that cannot accommodate appropriate differences between different countries and even different communities in those countries. The benefits of GIs to local communities are only possible with appropriate

<sup>4</sup> See, e.g., Jason Clay, *Are Agricultural Subsidies Causing More Harm Than Good?*, THE GUARDIAN (8 August 2013), [www.theguardian.com/sustainable-business/agricultural-subsidies-reform-government-support](http://www.theguardian.com/sustainable-business/agricultural-subsidies-reform-government-support) (concluding ‘global economic progress requires a recalibration of how we approach today’s challenges. Agricultural subsidies can be a blunt instrument that can impede progress and slow economic growth if they’re wielded without precision and a specific cut-off date. We’ll only succeed in protecting our planet – and our food security – if we change how we think about subsidies and how we use them.’).

<sup>5</sup> I borrow this phrase from Peter Drahos, *When the Weak Bargain with the Strong: Negotiations in the World Trade Organization*, 8 INT’L NEGOT. 79–109 (2003), [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=418480](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=418480).

<sup>6</sup> For an expansion of this argument in relation to traditional knowledge, see Susy Frankel, *The Mismatch of Geographical Indications and Innovative Traditional Knowledge*, 29 PROMETHEUS 253 (2011), [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1953033](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1953033).

<sup>7</sup> William van Caenegem, Peter Drahos & Jen Cleary, *Provenance of Australian Food Products: Is There a Place for Geographical Indications?* RURAL INDUSTRIES RESEARCH AND DEVELOPMENT CORPORATION, AUSTRALIA GOVERNMENT (July 2015), <https://rirdc.infoservices.com.au/items/15-060>.

<sup>8</sup> *Id.* at 68–70. Interestingly, in relation to the wine industry, the authors note that it is difficult to gauge the benefit of GIs, but that they seem to be enhancing the industry. *Id.* at 22.

legal framing to meet and enhance local needs. GIs can be part of a package to enhance development, but a legal mechanism without associated investment cannot effectively function as a source of development. GIs being “part of a package” means exactly that rather than a top-down imposition through trade agreements of a framework and detailed laws designed for the economic conditions of others. Put differently, there is no 100 per cent right or wrong position on GIs even though the debate is polarized. The reality is that one size does not fit all, but several sizes may fit some or possibly even many.

Perhaps the most significant argument against the export of EU-style GI law to developing countries is that while such export has been going on for some time, there are relatively few success stories in developing countries. This would seem to be because a successful *sui generis* GI regime requires infrastructure and related investment in development, which may be missing. Just as pharmaceutical patents are predominantly a cost to those who do not produce pharmaceuticals, establishing a GI protection regime is largely a cost to those who lack the resources and infrastructure to exploit the origin of goods, in the form of an IP right, in the global economy. In such places, registered GIs will largely be foreign-owned.<sup>9</sup>

The approach of trying to force a one-size-fits-all model is certainly not the exclusive domain of the European Union in its trade agreements.<sup>10</sup> While the United States does not seek to export GI laws through its trade agreements, it does export its view of how trademark law should dominate and how GIs, if and where they exist, should not trump trademarks, but rather trademarks should prevail over GIs.<sup>11</sup> Much of the global GI debate is thus characterized by a trans-Atlantic debate and the dominant parties in that debate seek to

<sup>9</sup> Global trade rules about origin of goods have many detailed rules that are separate from Intellectual Property (IP) rules. As the World Trade Organization (WTO) explains, ‘rules of origin are the criteria needed to determine the national source of a product. Their importance is derived from the fact that duties and restrictions in several cases depend upon the source of imports.’ *Technical Information on Rules of Origin*, WTO, [www.wto.org/english/tratop\\_e/roi\\_e/roi\\_info\\_e.htm](http://www.wto.org/english/tratop_e/roi_e/roi_info_e.htm) (last visited 21 March 2016).

<sup>10</sup> See generally THE STRUCTURE OF INTELLECTUAL PROPERTY LAW: CAN ONE SIZE FIT ALL? (Annette Kur & Vytautas Mizara eds., 2001); GRAEME B. DINWOODIE & ROCHELLE C. DREYFUSS, A NEOFEDERALIST VISION OF TRIPS: THE RESILIENCE OF THE INTERNATIONAL INTELLECTUAL PROPERTY REGIME (2012); Daniel J. Gervais, INTELLECTUAL PROPERTY IP CALIBRATION, IN INTELLECTUAL PROPERTY, TRADE AND DEVELOPMENT 86–116 (Daniel J. Gervais ed., 2014).

<sup>11</sup> See *Geographical Indication Protection in the United States*, UNITED STATES PATENT AND TRADEMARK OFFICE (USPTO), [www.uspto.gov/sites/default/files/web/offices/dcom/olia/globalip/pdf/gi\\_system.pdf](http://www.uspto.gov/sites/default/files/web/offices/dcom/olia/globalip/pdf/gi_system.pdf) (last visited 21 March 2016).

recruit support for their respective positions in countries around the world through bilateral and mega-regional trade agreements.

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) GI requirements are minimum standards.<sup>12</sup> In other words, members of the TRIPS Agreement can implement GI-style protection in a variety of ways. This flexibility around implementation is reinforced by the general provision in the TRIPS Agreement that allows for countries to implement the obligations in their own legal system in a manner they deem appropriate.<sup>13</sup> It is well documented that since the TRIPS Agreement came into force there has been a proliferation of free trade agreements (FTAs).<sup>14</sup> These FTAs were initially predominantly bilateral and now frequently involve multiple parties and so are plurilateral, such as the Trans-Pacific Partnership (TPP).<sup>15</sup> Plurilaterals are often mega-regional agreements. Even though negotiations such as the Trans-Atlantic Trade and Investment Partnership (TTIP) are between the European Union and the United States rather than multiple parties, because of the size of the economies of those two parties, such an agreement is mega-regional in terms of the volume of trade it could cover. Geopolitically, the mega-regionals seem to be in competition with each other. The TPP did not include the European Union or China, and the Association of South-East Asian Nations (ASEAN) plus six parties negotiation for the Regional Comprehensive Economic Partnership (RCEP) does not include the United States, for example.<sup>16</sup> While at the time of this writing, the TPP will likely not come into force because of the United States withdrawal from it, the TPP IP chapter is emerging in other trade negotiation forums as proposals for negotiation. The text of the TPP relevant to this chapter was introduced into the RCEP negotiations. There is much opposition to such proposals.<sup>17</sup>

<sup>12</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Marrakesh Agreement Establishing the World Trade Organization, 15 April 1994, 1867 U.N.T.S. 154, Annex 1C [hereinafter TRIPS Agreement].

<sup>13</sup> TRIPS Agreement, art. 1.1.

<sup>14</sup> The World Trade Organization records that since its formation in 1995 over 400 regional trade agreements have been entered into and many are still being negotiated. Many but not all include IP chapters. See *Regional Trade Agreements: Facts and Figures*, WORLD TRADE ORGANIZATION, [www.wto.org/english/tratop\\_e/region\\_e/regfac\\_e.htm](http://www.wto.org/english/tratop_e/region_e/regfac_e.htm) (last visited 3 June 2016).

<sup>15</sup> *Trans-Pacific Partnership*, NEW ZEALAND FOREIGN AFFAIRS & TRADE, [www.tpp.mfat.govt.nz/text](http://www.tpp.mfat.govt.nz/text) (last visited 21 March 2016) [hereinafter TPP]. As of January 2017 it seems unlikely that the TPP will ever come into force as the United States has withdrawn from it.

<sup>16</sup> For a general discussion, see David A. Gantz, *The TPP and RCEP: Mega-Trade Agreements for the Pacific Rim*, 33 ARIZ. J. INT'L & COMP. L. 57, 59, 63 (2016).

<sup>17</sup> See, for e.g., Intellectual Property Watch, *Hundreds Of Civil Society Groups Urge RCEP Negotiators To Reject Imported TPP Clauses*, 30 November 2016, [www.ip-watch.org/2016/11/30/hundreds-civil-society-groups-urge-rcep-negotiators-reject-imported-tpp-clauses/](http://www.ip-watch.org/2016/11/30/hundreds-civil-society-groups-urge-rcep-negotiators-reject-imported-tpp-clauses/).

Some bilateral FTAs designed and entered into by large economies, particularly the United States or the European Union (known as economic partnerships), articulate one of those major economies' stance on GIs. Both the United States and the European Union through these FTAs recruit as many countries as possible to one GI stance or another. The trans-Atlantic rivals are dealing with this policy and legal framework collision in the TTIP.<sup>18</sup> At the political level, the rhetoric captures the difficulty:<sup>19</sup>

Wisconsin Republican Paul Ryan, chairman of the House Ways and Means Committee, which has jurisdiction over matter of trade policy, condemns European GIs as trade barriers and vows that 'for generations to come, we're going to keep making gouda in Wisconsin. And feta, and cheddar and everything else'.<sup>20</sup>

At the same time, the EU Trade Commissioner Cecilia Malmström laments that Italian cheeses are being 'undermined by inferior domestic imitations' in the United States and vowed to solve the problem through TTIP by 'getting a strong agreement on geographical indications'.<sup>21</sup>

In Section 2, certain approaches to GI protection in mega-regionals and bilateral FTAs are discussed. Section 3 considers some of the incompatibilities between the EU-dominated and US-dominated approaches. Section 4 raises questions about countries that purport to trade in both regimes, which include Singapore, Korea, Australia and New Zealand. The chapter concludes that unless a compromise is worked out in ongoing trade agreements such as the TTIP and the RCEP (or the proposed Free Trade Area of the Asia-Pacific (FTAAP)),<sup>22</sup> the GI debate will worsen, and as it does, the casualties will be small and medium-developing countries and those whose trade agreements have obligated them to both regimes.

<sup>18</sup> K. William Watson, *Geographical Indications in TTIP: An Impossible Task*, CATO INSTITUTE (October 2015), [www.cato.org/publications/cato-online-forum/geographical-indications-ttip-impossible-task](http://www.cato.org/publications/cato-online-forum/geographical-indications-ttip-impossible-task).

<sup>19</sup> *Id.*

<sup>20</sup> *Id.* (citing Adam Behsudi, *US to Europe: Don't Move My Cheese*, POLITICO (June 20, 2015), [www.politico.com/story/2015/07/us-to-europe-dont-move-my-cheese-120387](http://www.politico.com/story/2015/07/us-to-europe-dont-move-my-cheese-120387)).

<sup>21</sup> *Id.* (citing EU Trade Commissioner Expects Italian Cheese Exporters to Benefit from Lower Tariffs, *Strong GI Protections in TTIP*, CHEESE REPORTER (26 June 2015), <http://npaper-wehaa.com/cheese-reporter/2015/06/s3/#?article=2545800>).

<sup>22</sup> The Free Trade Area of the Asia-Pacific (FTAAP) is a proposal for a free trade agreement (FTA) of the Asia Pacific between the Asia Pacific Economic Cooperation (APEC) nations which is being designed to bridge the Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP).

## 2 MEGA-REGIONAL AGREEMENTS

The European Union is a large region. Its policy on GIs is summarized above.<sup>23</sup> In contrast, the TPP takes a trademark-centric approach. The TPP was signed on 4 February 2016,<sup>24</sup> and, as noted above, it is unlikely to come into force. It does, however, provide a detailed example of United States' GI trade policy and the text is not dead as it is being used in other trade negotiation forums, most notably RCEP. This part refers to the TPP text as it is public, and at the time of this writing the exact state of the RCEP negotiations in relation to the same text is not publicly known. The TPP required that the parties to it protect country names from misuse in a misleading manner.<sup>25</sup> In addition, the text defined a GI as

an indication that identifies a good as originating in the territory of a Party, 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.<sup>26</sup>

This definition is substantively identical to the definition in the TRIPS Agreement and thus immediately flags that the TPP would have gone no further than the TRIPS Agreement in the extent of its protection of GIs.<sup>27</sup> The TPP did, however, delineate a relationship between GIs and trademarks that the TRIPS Agreement does not. The part of the TPP dealing with GIs sets out what might broadly be described as the United States' preferred approach. In particular, GIs may be protected through trademarks, a *sui generis* system or other legal means.<sup>28</sup> Significantly, there was a requirement that 'each Party shall also provide that signs that may serve as geographical indications are capable of protection under its trademark system'.<sup>29</sup> This would have required parties to the TPP with *sui generis* GI regimes to ensure that the trademark regime provides the same protection. This was a significant gain for the United States, as under the TRIPS Agreement it is quite possible for parties to have a GI system that does not accommodate trademark registrations for protection within the same regime. The various EU GI systems<sup>30</sup> are a quintessential

<sup>23</sup> In addition, many members of the European Union (EU) are members of the Lisbon Agreement, see Daniel Gervais' chapter in this book.

<sup>24</sup> It will come into force when a sufficient amount of trade coverage is covered by the ratifying parties.

<sup>25</sup> TPP, art. 18.29. <sup>26</sup> TPP, art. 18.1.1. <sup>27</sup> TRIPS Agreement, art. 22.1.

<sup>28</sup> TPP, art. 18.30. <sup>29</sup> TPP, art. 18.19.

<sup>30</sup> The EU has an extensive GI framework with multiple regimes, including protected designations of origin (PDOs). PDOs are applicable to agricultural products that are produced, processed and prepared in a particular geographical area using a recognized method or other sort of know-how; protected geographical indications (PGIs) that apply to agricultural

example of non-trademark-embracing GI systems. So while the TRIPS Agreement *allows* for the recognition of GIs in trademark regimes, the TPP *required* it.

The TPP also included several grounds for opposing the registration of GIs. These grounds included where the GI applied for causes confusion with a trademark which is the subject of an existing registration or even a pending application.<sup>31</sup> Significantly, GIs could be opposed when the GI is a 'term customary in common language as the common name for the relevant good', i.e., the name is generic.<sup>32</sup> The agreement included guidelines for determining what amounts to customary in the common language, in particular 'how consumers understand the term'.<sup>33</sup> Again, this approach was *required* under the TPP but is a permissible approach under the TRIPS Agreement.<sup>34</sup> The United States' potential gain in the TPP had the effect of standing in the way of the EU approach of clawing back generic names, because arguably any list of required names for clawback purposes in future agreements will be inconsistent with the TPP. Some parties to the TPP (and RCEP) have existing GI obligations with the European Union. There is potential for conflicting obligations among the various agreements and so these countries and others will have had to work out (and no doubt will also have to do so as disputes arise) which obligations apply. Australia has already agreed to some EU clawbacks.<sup>35</sup> Vietnam has agreed to recognize and protect certain EU GIs.<sup>36</sup> Singapore has agreed with the European Union to review whether the EU GI list should be registered in Singapore.<sup>37</sup> Further, as one commentator notes, 'by exporting

products that are linked to a geographical area; and traditional speciality guaranteed (TSG), which applies to products that have a particular traditional character related to either the product's composition or means of production. This summary shows the wide catchment of the European system. See *generally*, European Commission, *Agriculture and Rural Development Quality Policy*, [http://ec.europa.eu/agriculture/quality/schemes/index\\_en.htm](http://ec.europa.eu/agriculture/quality/schemes/index_en.htm) (last visited 1 June 2016).

<sup>31</sup> TPP, art. 18.32:1(a). <sup>32</sup> TPP, art. 18.32:1(c). <sup>33</sup> TPP, art. 18.32:2.

<sup>34</sup> The substantive obligations for protection of GIs in the TRIPS Agreement are found in arts. 22–23 and are not as specific as the TPP language, but broadly require laws to prevent users that mislead the public. See TRIPS Agreement, art. 22.2(a).

<sup>35</sup> EU-Australia Wine Agreement (entered into force on 31 August 2010, replacing the 1994 Agreement) (as a result of which Australian wine producers will not be able to continue the use of many names, including 'Champagne', 'Port', 'Sherry', 'Amonillado' and 'Claret').

<sup>36</sup> EU-Vietnam Free Trade Agreement, 20 January 2016, Chapter 12 Intellectual Property, art. 6.3.1. The reciprocal obligation on the EU is in art. 6.3.2, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1437> (last visited 1 August 2016).

<sup>37</sup> EU-Singapore Free Trade Agreement, 29 June 2015, Chapter 11 Intellectual Property [hereinafter EU-Singapore FTA], art 11.17.3 and Annex 11-A, List of Names to be Applied for Protection as Geographical Indications in the Territory of Parties, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=961> (last visited 1 August 2016).



the principle of co-existence between geographical indications and trade marks the EU is chipping away at regulatory diversity in the area of geographical indications'.<sup>38</sup> That 'chipping away' will likely be harder, if not impossible, in some countries depending on what happens to the mega-regional trade agreements.

In order to have made the TPP compatible with other agreements, it attempted to set other trade agreements in a TPP-aligned framework. There was a general clause relevant to all of the TPP agreement and applicable to FTAs that bind at least two parties that provided that

[i]f a Party considers that a provision of this Agreement is inconsistent with a provision of another agreement to which it and at least one other Party are party, on request, the relevant Parties to the other agreement shall consult with a view to reaching a mutually satisfactory solution.<sup>39</sup>

The above article did not, however, deal with the significant overlaps with agreements made with one TPP party and a non-member of the TPP, such as the European Union. However, as noted above, the TPP parties (and RCEP parties) included several parties who have either existing agreements with the European Union (such as Singapore and Australia) or negotiations with the European Union (such as Canada) that include provisions about GIs. For GIs, there was an explicit regime to deal with the overlap of agreements between TPP parties and non-parties. The result of this was a somewhat complex two-page clause which in essence seeks to make contradictory and opposing approaches to GIs functionally compatible.<sup>40</sup> The central rule was that

[n]o Party shall be required to apply this Article to geographical indications that have been specifically identified in, and that are protected or recognised pursuant to, an international agreement involving a Party or a non-Party, provided that the agreement:

- (a) was concluded, or agreed in principle, prior to the date of conclusion, or agreement in principle, of this Agreement;
- (b) was ratified by a Party prior to the date of ratification of this Agreement by that Party; or
- (c) entered into force for a Party prior to the date of entry into force of this Agreement for that Party.<sup>41</sup>

The remaining parts of this article explained how information must be provided and how other parts, relating to opposition and

<sup>38</sup> BILLY A. MELO ARAUJO, *THE EU DEEP TRADE AGENDA: LAW AND POLICY* 157 (2016).

<sup>39</sup> TPP, art. 1.2.2. <sup>40</sup> TPP, art. 18.36. <sup>41</sup> TPP, art. 18.36:6.

administrative procedures, should apply even to prior protected GIs. Under the terms of the TPP, parties must have made available procedures to oppose and review GI registrations. It also required that analogous procedures were applicable to GIs that precede the TPP, even where that GI protection arises under other agreements.<sup>42</sup> The details of procedures required are somewhat complex.

The irony of this complexity is that the TPP was supposed to make trade easier. The practical results of the relationship between the above-described provisions (and an array of additional side-letters relating to GIs<sup>43</sup>) remain to be tested.

To illustrate some of the complexity, consider an agreement made between South Korea and Australia. Australia was part of the TPP and South Korea is not yet a party.<sup>44</sup> A side-letter to navigate the differences between Australia's and the European Union's approaches to GIs, when South Korea has agreements with both, provides that

[f]inally, I confirm that Korea will allow third parties to oppose any proposal to designate any term as a GI, whether these proposals are made pursuant to the Korea-EU FTA, or to any other future agreements with other trading partners. In addition, before Korea identifies additional terms as GIs under the Korea-EU FTA, it will provide, by published administrative guidelines, that designations of asserted GIs may be opposed in Korea on the grounds that would include: (1) the term is generic in Korea; (2) the term is confusingly similar to a pre-existing trademark or geographical indication that was either previously applied for or registered or established through use; (3) the term is confusingly similar to a well-known trademark; and (4) the term does not meet the definition of a GI.<sup>45</sup>

As mentioned above, another mega-regional trade agreement of particular importance to the Asia Pacific region is RCEP.<sup>46</sup> The general negotiation principles of RCEP state that

<sup>42</sup> TPP, art. 18.36:1–5.

<sup>43</sup> The side-letters are negotiated alongside the agreement and often explain positions in relation to particular articles and in relation to the TPP between some, but not all, of the parties to the agreement.

<sup>44</sup> South Korea is one of several countries that have suggested interest in joining the TPP. South Korea has existing trade agreements with most TPP members.

<sup>45</sup> *Letter from Korean Ministry of Trade Industry and Energy to Department of Foreign Affairs and Trade, Australia*, DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (24 March 2014), <https://dfat.gov.au/trade/agreements/kafta/Documents/letter-on-geographical-indications-korea.pdf>.

<sup>46</sup> The negotiating members of RCEP include Association of South-East Asian Nations members (Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam) plus six other nations (New Zealand, Australia, China, South Korea, Japan and India). See *The Second Regional Comprehensive Economic Partnership (RCEP)*,

[t]he text on intellectual property in the RCEP will aim to reduce IP-related barriers to trade and investment by promoting economic integration and cooperation in the utilization, protection and enforcement of intellectual property rights.<sup>47</sup>

A purported working draft of the negotiations dated October 2014<sup>48</sup> proposes protection of trademarks that pre-date GIs<sup>49</sup> and more broadly provides that

[e]ach Party recognises that geographical indications may be protected through various means, including through a trademark system, provided that all requirements under the TRIPS Agreement are fulfilled.<sup>50</sup>

As noted above, South Korea and Japan are reputed to have introduced equivalent proposals to those that are found in the TPP IP chapter as a possible model for negotiation in RCEP.<sup>51</sup>

It is important to include in this group of trade agreements that have been negotiated after the TRIPS Agreement, the mega-economy bilaterals, particularly as these are significant in the GI debate. As noted above, the negotiations between the European Union and the United States in the TTIP are significant. If those trading blocs can reach a workable compromise, then much of the rest of the world may also be able to do so.

The Canada-EU Trade Agreement (CETA) negotiation shows a kind of complicated compromise.<sup>52</sup> In CETA, GIs are defined as

an indication which identifies an agricultural product or foodstuff as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation or other characteristic of the product is essentially attributable to its geographical origin.<sup>53</sup>

ASSOCIATION OF SOUTHEAST ASIAN NATIONS, [www.asean.org/the-second-regional-comprehensive-economic-partnership-rcep/](http://www.asean.org/the-second-regional-comprehensive-economic-partnership-rcep/) (last visited 3 June 2016).

<sup>47</sup> *Guiding Principles and Objectives for Negotiating the Regional Comprehensive Economic Partnership*, Ministry of Foreign Affairs and Trade, [www.mfat.govt.nz/assets/\\_securedfiles/F-TAs-in-negotiations/RCEP/Guiding-Principles-and-Objectives-for-Negotiating-the-Regional-Comprehensive-Economic-Partnership.pdf](http://www.mfat.govt.nz/assets/_securedfiles/F-TAs-in-negotiations/RCEP/Guiding-Principles-and-Objectives-for-Negotiating-the-Regional-Comprehensive-Economic-Partnership.pdf) (last visited 21 March 2016).

<sup>48</sup> *Chapter on Intellectual Property Regional Comprehensive Economic Partnership (RCEP) Free Trade Agreement* (Working draft), KNOWLEDGE ECOLOGY INTERNATIONAL (KEI) (10 October 2014), <http://keionline.org/sites/default/files/RCEP-TNC6-WGIP3-ASEAN-Draft%20IP%20Text-10Oct2014.pdf>.

<sup>49</sup> *Id.* 6. <sup>50</sup> *Id.* 7.

<sup>51</sup> *Leaked IP Chapter, Regional Comprehensive Economic Partnership (RCEP) FTA*, KEI (3 October 2014), [www.keionline.org/node/2239](http://www.keionline.org/node/2239).

<sup>52</sup> *EU-Canada Comprehensive Economic and Trade Agreement (CETA)*, EUROPEAN COMMISSION, <http://ec.europa.eu/trade/policy/in-focus/ceta/> (last visited 21 March 2016).

<sup>53</sup> *Id.* art. 7.

Notably, this definition explicitly excludes the application of GI rules to non-agricultural and foodstuff products, which the European Union extends some GIs to and proposes to extend GIs even further.<sup>54</sup>

The CETA text provides a general requirement for the protection of GIs that are listed in annexes to the agreement.<sup>55</sup> The protection must still be provided even where the true origin of the product is indicated or when the GI is used in translation or accompanied by expressions such as kind, type, style and the like.<sup>56</sup> The parties must also ‘determine the practical conditions under which the homonymous indications ... will be differentiated from each other’.<sup>57</sup>

There are some detailed exceptions, including that Canada shall not be required to provide laws to prevent the use of some terms including asiago, feta, fontina, gorgonzola and Munster, when such terms are accompanied by expressions such as kind, type, style and imitation.<sup>58</sup> The combination of names and terms, e.g. ‘feta style’, must be both legible and visible.<sup>59</sup>

Overall CETA is a well-developed – even if complex – compromise between the extremities of the GI debate. At one extreme of the debate is insistence on the necessity of a *sui generis* GI system and at the other extreme the view that only trademarks are appropriate and necessary. There is some considerable detail required to reach CETA’s compromise and these details accentuate some of the incompatibility of the approaches found in the other mega-regionals.

### 3 POLICY INCOMPATIBILITIES OF APPROACHES TO GEOGRAPHICAL INDICATIONS IN TRADE AGREEMENTS

This section does not discuss the various technical differences between GI and trademark systems, but rather focuses on some of the policy incompatibilities that have arisen and arguably are becoming entrenched in the mega-regional framework. As a starting point, the extension of local success to the global arena raises questions about the normative basis for so doing and the consistency between local policy and globalization of that policy.

<sup>54</sup> *Geographical Indications for Non-agricultural Products*, EUROPEAN COMMISSION, [http://ec.europa.eu/growth/industry/intellectual-property/geographical-indications/non-agricultural-products/index\\_en.htm](http://ec.europa.eu/growth/industry/intellectual-property/geographical-indications/non-agricultural-products/index_en.htm) (last visited 21 March 2016).

<sup>55</sup> CETA, art. 20.19:2. <sup>56</sup> CETA, art. 20.19:3.

<sup>57</sup> CETA, art. 20.20:1. A provision also provides for negotiation regarding homonymous GIs with third parties. CETA, art. 20.20:2.

<sup>58</sup> CETA, art. 20.21:1. <sup>59</sup> *Id.*

The origins and justifications for GIs, which are linked to local conditions such as the *terroir*,<sup>60</sup> risk distortion when linked to other parts of the world through the global trading. The overall basis for the claim for greater global harmonization of GIs is to protect the products that are ‘genuinely’ GI-labelled, not just in the domestic market, but also in foreign markets. As noted above, it is in export markets (both existing and potential) that the European Union claims its GI products are unfairly imitated. Notably, however, there can be no claim over making equivalent products,<sup>61</sup> and the complaint is about applying the GI to them. While there are some notoriously bad products which draw on GI products and their names, there are plenty of high-quality products which compete with GI products, both nationally and internationally, but that have not used GIs to acquire a market share.<sup>62</sup> The GI approach assumes that such products may be better off with GIs, but that is not necessarily so.<sup>63</sup> Moreover, until appropriate analysis of local conditions, including investment and infrastructure, is in place, such claims are mere assertions calculated to push the GI export agenda rather than to encourage quality local-made food.

A localized reputation (even if extensive) is not, however, the same as a globalized reputation and so the need for export protection for many GI products is not necessarily obvious to the importing markets. The ubiquitous example of champagne is exactly on point. The value of the GI is intimately connected to the geographical region as both product and production factors are dependent on features of the Champagne region.<sup>64</sup> International protection, outside of the European Union, of champagne (and other GI products) occurs under various regimes. These include *sui generis* recognition of GIs on

<sup>60</sup> For an overview of *terroir* as part of the French appellation of origin system, see DEV GANJEE, RELOCATING THE LAW OF GEOGRAPHICAL INDICATIONS 83 (2012).

<sup>61</sup> GI advocates emphasize the difference between their products and others of like style (even when they are made in niche markets and with quality ingredients) because of the regional differences in *terroir* and ingredients emanating from the *terroir*. For example, no one can make the equivalent of Roquefort because they do not have the same caves and grapes; even the caves and grapes one metre outside of Champagne are allegedly different from those found within the region.

<sup>62</sup> Examples include New Zealand milk powder and even cheeses and wines, which while the products use geographical names they have not been marketed on a GI basis to date. Analogous examples exist all around the world.

<sup>63</sup> It is even less likely to be the case where the products have not yet developed to a level where they compete in export markets, such as many of the agricultural products of developing countries. Processed primary products are more relevant to the GI context.

<sup>64</sup> See the description of champagne characteristics in the passing-off cases *Bollinger v. Costa Brava Wine Co Ltd* [1960] RPC 16 and *Wineworths Group Ltd v. Comite Interprofessionnel du Vin de Champagne* [1992] 2 NZLR 327 (CA).

similar grounds to the European Union, clawback provisions in trade agreements that have made ‘ungeneric’ the generic<sup>65</sup> and claims to distinctive reputation in the local market that can give rise to either a certification or collective trademark and in some jurisdictions grounds for action under a common-law doctrine such as passing off.<sup>66</sup> The latter two approaches can include geographical and place-based arguments as relevant to reputation and consumer perceptions; however, neither trademarks nor passing off necessarily depends on any direct connection to place for any protection.<sup>67</sup>

One might even argue that calibrations of local law, which are framed and developed to meet local needs (that is exactly what GIs represent), are the antithesis of the case for globalization. The framework of IP that utilizes minimum standards and domestic discretion, including modes of implementation, within the minimum standards framework creates the mechanism through which the global is reflected in the local and vice versa. The question, in relation to GIs (and all IP), is how prescriptive should the minimum standards be and thus how much autonomy is left to local discretion and how much is governed by international rules. The greater the level of prescription at the international level, the less room for national discretion and the more likely that the international obligation will be based on models designed for the conditions of some, but not all, economies. This is the top-down approach (edging towards a one-size-fits-all approach), which the trade agreements, discussed in Section 1 of this chapter, exemplify. The TRIPS Agreement, on the other hand, leaves much GI detail to national autonomy. However, neither the European Union nor the United States are prepared to stop at the TRIPS Agreement minimum standards level of protection, but rather seek to globalize their own agendas.

The fundamental objection to too much global harmonization or inflexible rules is the risk that GIs, rather than protecting genuine culturally anchored outputs, function as barriers to trade. As the development of globalized IP rules has shown, particularly in other areas such as patents, globalized rights

<sup>65</sup> See, for example, EU-Australia Wine Agreement, *supra* note 34.

<sup>66</sup> See Dev S. Gangjee, *Spanish Champagne: An Unfair Completion Approach to GI Protection*, in *INTELLECTUAL PROPERTY AT THE EDGE: THE CONTESTED CONTOURS OF IP* 105–29 (Rochelle Cooper Dreyfuss & Jane C. Ginsburg eds., 2014); Daniel Gervais, *A Cognac after Spanish Champagne? Geographical Indications as Certification Marks*, in *INTELLECTUAL PROPERTY AT THE EDGE: THE CONTESTED CONTOURS OF IP* 130–56 (Rochelle Cooper Dreyfuss & Jane C. Ginsburg eds., 2014).

<sup>67</sup> In *Ervin Warnick v. Townend & Sons* [1979] A.C. 73, the House of Lords recognized the plaintiffs’ claim in passing off and dismissed the defendant’s argument that the plaintiffs, makers of Advocaat, could not use passing off because unlike the Champagne makers they did not rely on a geographic area for their reputation.

tend to favour incumbents over new entrants. So how much protection is enough protection? Put differently, what protection of GIs globally is a legitimate use of IP as a non-tariff trade barrier and what level of GI protection exceeds that level?<sup>68</sup>

Internationally, IP is protected in different jurisdictions on the basis that the promise of exclusivity can provide an incentive for innovation and creativity. There is much commentary about the effectiveness and ineffectiveness of incentives and in which arenas they work and when they do not.<sup>69</sup> The argument that GIs can assist with rural development that is consistent with cultural and sustainable practices is a kind of incentive argument. The counterargument is that GIs can sometimes be used to disincentivize innovation because they require production processes to conform to rules that do not allow for innovative alterations.<sup>70</sup> Neither representation of GIs is true all of the time, but both are true sometimes.

In most areas of IP, both incentivizing and disincentivizing goes on. Balancing these tensions is core to how the IP regime (and some quasi-property IP rules) functions. It is known that exclusivity restricts third-party users and, thus, IP rights block immediate follow-on innovation, but temporal restrictions justify the imposition of exclusive rights.<sup>71</sup> Trademarks and GIs are different because they do not have temporal restrictions (unless fees are not paid) and so their overreach can cause disincentivizing effects with no possibility of change. In trademark law, this takes the form of trademarks substituting for copyright (and in some jurisdictions, design) after expiry of the

<sup>68</sup> Trade barriers are often divided into tariff and non-tariff barriers. All of IP is a non-tariff trade barrier. The TRIPS Agreement is a recognition of a globally agreed level of IP protection in a framework that has long characterized IP rights as an exception to the principles of the GATT Agreement, including free movement of goods, which provides in art. XX:

subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any contracting party of measures ... (d) *necessary* to secure compliance with laws or regulations *which are not inconsistent with the provisions of this Agreement*, including those relating to customs enforcement ... the protection of patents, trade marks and copyrights, and the prevention of deceptive practices.

*Id.*

<sup>69</sup> See generally William Fisher, *Theories of Intellectual Property*, in *NEW ESSAYS IN THE LEGAL AND POLITICAL THEORY OF PROPERTY* 168–99 (Stephen R. Munzer ed., 2001); ROBERT MERGES, *JUSTIFYING INTELLECTUAL PROPERTY* (2011).

<sup>70</sup> See Justin Hughes, *Champagne, Feta and Bourbon: The Spirited Debate about Geographical Indications*, 58 *HASTINGS L. J.* 299–386 (2006).

<sup>71</sup> In patents and copyright, the length of protection is severely contested precisely because of the limitations the rights place on follow-on creativity and innovation.

copyright.<sup>72</sup> With GIs, the danger is that the GI protects too much both in the jurisdiction of origin and in export markets. As far as export markets are concerned, the issue is whether GI protection in the export market really incentivizes local development that is consistent with cultural and sustainable practices. In the jurisdiction of origin, consider, for example, the quintessential example of a GI protecting a product created through local practice. If that protection is extended to protect the method of production, then, in fact, the GI is protecting know-how (as opposed to innovation). This know-how is an area that copyright and patent protection, in particular, are supposed to not cover.<sup>73</sup> Copyright protects original works. Patents are granted for processes and products, provided they are inventions that are new, involve inventive step and are useful.<sup>74</sup> There is a fine line between protecting these things and protecting know-how. The cumulative effect of both protecting the know-how of process and production methods through GIs, by extending the GI justification relating to the commodification of products, and requiring protection of GIs when they are used beyond their locality in export markets, means that GI protection is all encompassing. At that point, what is left? Where is the space for innovation in and around existing IP? Unless GIs are appropriately framed, they will become the latest mechanism for IP overreach.

The preference for property or property-style rules to govern IP is based on the proposition that property comes after (*ex post*) creation or innovation and so the potential grant of property rights incentivizes creativity and innovation. Put differently, IP rights are a goal to reach and a reward when that goal is reached.<sup>75</sup> Subsidies are thought to do the opposite because they are *ex ante* to creativity and innovation. This is why the World Trade Organization (WTO) system allows subsidies to be challenged where they amount to trade barriers. The details of impermissible subsidies, for WTO members, are found in the WTO Subsidies and Countervailing Measures Agreement (SCM).<sup>76</sup> In that framework, the issues of particular interest to the relationship between IP and subsidies, is the rules around research subsidies. In the early stages of the SCM the rules allowed subsidies for research and development without questioning

<sup>72</sup> Irene Calboli, *Overlapping Rights: The Negative Effects of Trademarking Creative Works*, in *THE EVOLUTION AND EQUILIBRIUM OF COPYRIGHT* 52 (Susy Frankel & Daniel Gervais eds., 2014).

<sup>73</sup> One could argue about whether in fact this is the case. <sup>74</sup> TRIPS Agreement, art. 27.1.

<sup>75</sup> Some authors have explored other incentive models, particularly in patents such as prizes, see Joseph E. Stiglitz, *Prizes, Not Patents*, PROJECT SYNDICATE (6 March 2007), [www.project-syndicate.org/commentary/prizes-not-patents](http://www.project-syndicate.org/commentary/prizes-not-patents); see also Daniel J. Hemel & Lisa L. Ouellette, *Beyond the Patents-Prizes Debate*, 92 TEX. L. REV. 303–82 (2013).

<sup>76</sup> *Agreement on Subsidies and Countervailing Measures*, WTO, [www.wto.org/english/docs\\_e/legal\\_e/24-scm.pdf](http://www.wto.org/english/docs_e/legal_e/24-scm.pdf) (last visited 21 March 2016).



them (these were known as green light subsidies). The SCM contained a provision that later moved these ‘green light’ subsidies to amber status. This made such subsidies actionable, rather than permissible simply because they were connected to research.<sup>77</sup> In other words, research subsidies could be challenged under the SCM rules.

When IP rights overprotect, they take on the economic characteristics of subsidies.<sup>78</sup> Too many incentives can lead to a lack of innovation. When it is ‘raining carrots’,<sup>79</sup> one hardly needs to pursue costly innovation if substantive reward can be obtained from the existing regime. Expanded GI protections in foreign markets for products that do not necessarily retain their initial reputation in those foreign markets are, therefore, arguably overprotected. If the rationale for GIs is protection of the local to generate rural development, then that rationale does not simply slip over into export markets. In the export market, the desirability of protecting the local may simply disappear if the local product cannot compete with exports. The local product may, however, be cheaper and as the GI product is a speciality good it is often higher priced. That price may be justified on the assumption, which is perpetrated by both producers and consumers, of better quality. Global GI rules do not require proof of quality and they should probably not be formulated to do so because the necessary administration and resources to retain such a system are very costly and totally impractical for many countries.

Irene Calboli argues that the connection between the GI and the *terroir* should be strictly enforced so as to maintain the proper scope of GI protection.<sup>80</sup> In many ways, this argument is attractive because it is an attempt to

<sup>77</sup> See SUSY FRANKEL, TEST TUBES FOR GLOBAL INTELLECTUAL PROPERTY ISSUES: SMALL MARKET ECONOMIES 68–91 (2015).

<sup>78</sup> See *id.* Also, see the discussion in the WTO Appellate Body’s report about whether a patent is the equivalent of a subsidy. The issues arose in a complaint about the alleged subsidizing of the United States (US) aircraft industry. The facts are complex and involve much more than patents, but the patent-relevant point was whether the allocation of patent rights under contracts between government agencies and Boeing amounted to a subsidy. Based on the submission of the parties, the panel assumed, for the sake of argument, that the allocation of patent rights to government-financed research could constitute a subsidy. WTO Appellate Body Report, *United States – Measures Affecting Trade in Large Civil Aircraft (Second Complaint)*, WTO, WT/DS353/AB/R (12 March 2012), [www.wto.org/english/tratop\\_e/dispu\\_e/353abr\\_e.pdf](http://www.wto.org/english/tratop_e/dispu_e/353abr_e.pdf) (last visited 21 March 2016).

<sup>79</sup> A carrot is often used as a colloquial term for an incentive. ‘Raining carrots’ means that there is an excess of incentives.

<sup>80</sup> Irene Calboli, *Geographical Indications of Origin at the Crossroads of Local Development, Consumer Protection and Marketing Strategies*, 46 INT’L REV. INTELL. PROP. & COMPETITION L. 760, 760–80 (2015).

decouple overprotection, for what she calls ‘market-strategies’, from deeply held place-based cultural claims. Further, there are numerous examples where local culture cannot sustain global markets and attempts to do so undermine local traditions and can create sustainability and development issues. These sorts of issues will vary from place to place, just as the effectiveness of GIs varies.

If Calboli’s argument is correct, then it is also an important reason why GIs are not often a good fit for traditional knowledge, especially where the claimants of traditional knowledge have been dispossessed of their land at one time or another or permanently, which is often the case with indigenous peoples.

I have argued elsewhere that the GI framework is not a good framework for protecting many aspects of traditional knowledge.<sup>81</sup> The argument is multifaceted, but in essence rejects the similarities between GIs and claims to traditional knowledge (collective nature of ownership and possibility of indefinite protection) as for the most part superficial similarities. GIs enable the commodification of tradition, and claims for protection of traditional knowledge are often not about commodification.<sup>82</sup> In addition, the resources that are needed for the development of communities seeking traditional knowledge protection will not be achieved through having to pay for the costs of a GI framework and registration without investment in real development and infrastructure.<sup>83</sup>

That said, there is a similarity between what might be an appropriate GI framework of minimum standards and the appropriate framework for protecting traditional knowledge. If both frameworks are aligned with their normative underpinnings, which ought to be primarily about local communities, then any global minimum standards of protection should enable some considerable flexibility in implementation. This flexibility allows for appropriately calibrated domestic application based on local needs and rural development. Such drivers of GI policy are unlikely to be realized by detailed harmonized norms, but through a framework of minimum standards. The same case for a

<sup>81</sup> Frankel, *supra* note 6. <sup>82</sup> *Id.*, at 14.

<sup>83</sup> As noted above, this has been the success for GIs for the Australian wine industry. The Australian Aborigine peoples cannot boast of such success, or at least not yet. Willian van Caenegem, Jen A. Cleary, & Peter Drahos, *Pride and Profit: Geographical Indications as Regional Development Tools in Australia*, 16 J. ECON. & SOC. POL’Y 3 (2014). In relation to regional development, the authors suggest that locally tailored GI policies should be considered if they can assist Aboriginal Communities, noting that Australians ‘are also prepared to pay more for products emanating from specialist niche sectors, such as from Aboriginal country, culture and community’. *Id.*

pluralistic approach to traditional knowledge can be made. To be clear, however, the appropriate framework for traditional knowledge is not the GI commoditization framework, but the similarity may be that pluralistic approaches need to be incorporated into the respective legal frameworks if the systems remain true to their normative drivers.<sup>84</sup>

It is important to remember that GIs, as intangible IP rights, are separate legal entities from the goods to which they attach. Using IP analogies, extensive GI protection has a parallel to some aspects of well-known trademarks. Well-known trademarks receive significant worldwide protection.<sup>85</sup> Small- and medium-sized businesses cannot hope for this level of protection globally and often this means the businesses of small and medium countries cannot rival large economies on the international stage. Well-known GIs are not those of small- and medium-sized businesses either.

If the normative underpinning of GIs is the drive for local culture and sustainability, then that alone does not obviously require global rules. In fact, such aims may be more achievable without global rules. To the extent that minimum standards in GIs around the globe can be sufficiently broad to allow for local differences, such as the CETA compromise discussed above, the regime may work. The normative basis for harmonized rules is, however, somewhat hazy outside of the need to strike a trade deal. It may, therefore, be that not only are the multifaceted approaches to GIs well and truly here to stay; they may have to learn to function better together and support both legal and cultural diversity.

#### 4 TRADING IN BOTH THE EU AND THE US GEOGRAPHICAL INDICATIONS REGIMES

As noted in Section 1 of this chapter, there are several countries with trade agreements, with both the European Union and the United States, that purport to operate (one might say with prodigious care) under both trade regimes and other countries that are poised to do so. Carefully calibrated local laws might be able to meet the demands of both frameworks, but as noted

<sup>84</sup> There also is a practical difference between GIs and traditional knowledge. There is an international standard for GIs, but there is no international protection for traditional knowledge. Thus, a very narrow aspect of traditional knowledge is protected through the GI system, which in essence favours the protection of Western versions of traditional knowledge.

<sup>85</sup> TRIPS Agreement, art. 15(2)–(3); Paris Convention for the Protection of Industrial Property, 20 March 1883 (as amended 28 September 1979), 21 U.S.T. 1583, 828 U.N.T.S. 305 (protecting well-known trademarks in Article 16*bis*).

above, such approaches are complex, expensive and require legal ingenuity and perhaps even fictions on some occasions.

Trade agreements are not only about GIs (or IP rights); they are also about goods and often include considerable negotiation, even if not resolution, about dairy products and the reduction of subsidies and market access. The European Union uses GIs to protect dairy products whereas the United States, Australia and New Zealand for the most part do not. That is not to suggest that other IP rights such as trademarks do not play an extensive role in the dairy sector. They most certainly do, and dairy products are one of the most contentious sectors in the international GI debate.

To illustrate further the problem of complex overlaps and potential incompatibilities of GI provisions in trade agreements, consider the following. New Zealand exports not only dairy products but also commodities used in dairy products such as milk. Imagine a product made in Australia and called 'parmesan' (and trademarked with other names) that includes New Zealand milk products. That product is made by an Australian company with New Zealand owners and is marketed under a label that alludes to Italian culture. It does not use the protected GI (or certification trademark in Australia and New Zealand) 'Parmigiano-Reggiano'. Instead, the packaging utilizes techniques to suggest 'Italian style', such as green and red colouring. Under Australia's and/or New Zealand's trade agreements with Singapore (and other countries) that product has market access to Singapore. Under some trade agreement rules, such a product uses what is described as a common name (which is not recognized as a GI) and the mere use of colour does not give rise to protectable rights. It is arguable that this use of 'geography' could raise a GI issue in countries that have GI regimes. For the avoidance of doubt, it is not clear that Singapore's GI regime will allow such concerns to be raised in a dispute, but it may. Another point of the example is to show that when Singapore (and other countries in analogous positions) agreed to create a *sui generis* GI regime with the European Union, it already had trade and market access obligations in relation to goods that it had to take into account and will have to continue to take into account when implementing and enforcing its GI regime.

In relation to GIs alone, the need to take into account existing trade agreements is evident in the text of the US-Singapore and EU-Singapore trade agreements.<sup>86</sup> The agreement with the United States embodies a

<sup>86</sup> At the time of writing, both Australia and New Zealand are negotiating trade agreements with the EU and are likely to enter into analogous complexities. The difference, however, is that unlike Singapore, these negotiations are post-TPP.

first-in-time-first-in-right principle.<sup>87</sup> The later EU-Singapore agreement provides, therefore, that a GI that conflicts with a prior existing trademark in Singapore is capable of being registered only with the existing consent of the trademark holder.<sup>88</sup> Whatever can be said about the ingenuity of Singaporeans to try to navigate the conflicting interests of its trading partners, such a complex regime requires extensive legal knowledge and resources, which will not be a solution available to many countries, and particularly developing countries.

This sort of balancing of interests is precisely why the CETA rules look as detailed as they do, but it is not at all clear that Singapore's rules or indeed those in CETA and potential regimes, like the text of the TPP, are compatible. At a high level, they may appear to be so, but that remains to be tested. It is difficult to see how countries that have signed up to several regimes can easily make their obligations compatible.

## 5 CONCLUSION

On a case-by-case basis, incompatibilities in GI frameworks may be ironed out if and when disputes are resolved. The tug of war between the European Union and the United States to control the international GI framework is, however, costing other trading nations too much in the negotiation and implementation process. The complex hybridized systems are imposed via top-down models rather than generated locally on a fit-for-purpose basis.

Incumbents of the GI system seek international harmonization rather than any flexible minimum standards that would allow various cultures to calibrate and adjust their laws according to local needs. At the same time, the major opponent of the GI system, the United States, seeks its version of trade-mark requirements as a way to 'correct' EU policy. Neither approach is satisfactory. In both scenarios, the only likely winners are those whose products are well known.

<sup>87</sup> United States-Singapore Free Trade Agreement, US-Sing., art. 16.2(2), January 1, 2004, [https://ustr.gov/sites/default/files/uploads/agreements/fta/singapore/asset\\_upload\\_file708\\_4036.pdf](https://ustr.gov/sites/default/files/uploads/agreements/fta/singapore/asset_upload_file708_4036.pdf) (last visited 1 June 2016).

<sup>88</sup> EU-Singapore FTA, *supra* note 36, art. 11.21(2) n.19.