

WORLD TRADE ORGANIZATION

*Panel established pursuant to Article 6 of the
Understanding on Rules and Procedures Governing the Settlement of Disputes*

***EUROPEAN COMMUNITIES – PROTECTION OF
TRADEMARKS AND GEOGRAPHICAL INDICATIONS FOR
AGRICULTURAL PRODUCTS AND FOODSTUFFS***

(WT/DS290)

**Comments of Australia on the European
Communities' replies to questions posed by
the Panel to the parties
and to questions posed by Australia
following the second substantive meeting
with the parties**

Geneva, 2 September 2004

INTRODUCTION

1. These comments supplement Australia's claims and arguments in this dispute, addressing issues newly raised in the EC's responses to questions from the Panel following the second substantive meeting with the parties. They should be read together with Australia's earlier submissions, statements and responses to questions. Australia's silence in relation to any issue raised in the EC's responses to questions should not be construed as signifying Australian agreement to the arguments made by the EC.

2. In its responses to the Questions from the Panel following the second substantive meeting, the EC has submitted as Exhibits extracts from the trademark legislation of a number of WTO Members not party to this dispute.¹ The EC itself has said: "... the objective assessment of the facts requires establishing the meaning that the act will normally have within the legal order of the WTO Member in question. This means that the interpretation should be guided by the rules of interpretation customary in the legal order of such member, and taking account of the legal context of the measure in the domestic law of the Member".²

3. Notwithstanding that the EC has raised the provisions of other WTO Members' trademark law and thus has the burden of proof – according to its own argument – of establishing the meaning of those provisions within the legal order of the WTO Member in question, it has not made any attempt to do so.

4. Australia requests that those Exhibits be excluded from the Panel's consideration of the EC's responses to Question nos 139 and 153.³

QUESTION NO. 96

5. The EC states that "... where an institution has adopted rules which are not legally binding, it may nevertheless not depart from such rules without giving the reasons which have led it to do so".⁴

¹ Exhibits EC-93 (re Canada's Trade Mark Law), EC-94 (re Hong Kong's Trade Marks Ordinance), EC-95 (re India's Trade Marks Act), EC-96 (re New Zealand's Trade Marks Act), EC-97 (re Singapore's Trade Marks Act), EC-98 (re South Africa's Trade Marks Law), EC-104 (re Japan's Trademark Law), EC-105 (re Romania's Trade Marks Act) and EC-106 (re Iceland's Trade Marks Act).

In addition, Australia has already requested the exclusion of Exhibit EC-80 (re New Zealand legislation) – as well as Exhibit EC-73 (re Canadian legislation) – in its Second Oral Statement, paragraph 104. If, however, the Panel were to find that Exhibit EC-80 was admissible as an Exhibit to the EC's Second Oral Statement, Australia requests that – in any case – it be excluded from the Panel's consideration of the EC's answer to Question no. 153 as the EC has not established the meaning of that provision within New Zealand's legal order.

² EC Response to Question no. 1, paragraph 6.

³ See also Australia's comment on the EC Responses to Question nos 137 and 139 below for a clear example of the dangers of considering provisions of other WTO Members' trademark laws in isolation.

The implicit – but nevertheless unambiguous – premise of that statement is that an institution may depart from the rules it has adopted provided it gives reasons for doing so.

6. Australia notes too that the Guide to Regulation No. 2081/92 is in the nature of administrative guidance.⁵ In *India – Patents*, the Appellate Body examined an analogous situation involving administrative instructions that seemed to contradict mandatory provisions of the relevant legislation. However, the Appellate Body in that dispute was not persuaded that administrative instructions would prevail over the contradictory mandatory provisions of the Act at issue in the event of a legal challenge nor, as a consequence, that the administrative instructions provided a sound legal basis to preserve the IP rights at issue.⁶

7. Further, Australia notes that should the Panel consider that related implementing and enforcement actions adopted on or after 2 October 2003 are outside the Panel’s terms of reference as argued by the EC, so too would be the Guide and the EC’s 16 June 2004 TRIPS Council statement.

QUESTION NO. 97

8. Australia notes that the EC’s response confusingly combines the situation concerning GIs as defined in TRIPS Article 22.1 (“TRIPS-defined GIs”) with the situation concerning “designations of origin” and “geographical indications” as defined in Article 2.2 of Regulation No. 2081/92 (“EC-defined GIs”).

9. Further, the EC’s response fails to make clear the full context of its initial response to the question from New Zealand. The paragraph quoted by the EC was preceded by the following paragraphs:

Council Regulation 2081/92/EEC sets out the procedure for the registration of geographical indications in the Community territory. The procedure contained in Articles 5, 6 and 7 is as follows:

1. A group of producers must submit a detailed application for registration to the competent authority of the Member State, in accordance with the conditions specified in the Regulation.
2. If the application is considered to be in conformity with the Regulation, it shall be referred to the Community authorities, who will verify that the conditions of the Regulation have been formally satisfied and will publish the application in the *Official Journal* to allow other parties the opportunity to raise objections.

⁴ EC Response to Question no. 96, paragraph 9.

⁵ The EC itself refers to the relevant section of the guide as “providing guidance to interested governments and applicants” (EC Response to Question no. 96, paragraph 7).

⁶ *India – Patent Protection for Pharmaceutical and Agricultural Chemical Products*, Report of the Appellate Body, WT/DS50/AB/R, paragraphs 69-70.

3. If an objection is raised, the final decision on registration is taken by the Commission and Member States.

10. Thus, the reference to “the procedure followed by Community producers as outlined above ..., in accordance with the principle of national treatment” in the paragraph cited by the EC was in fact the procedure to be followed by “producers” of other WTO Members who wished to register an EC-defined GI from within the EC. The “principle of national treatment” referred to by the EC was in fact a reference to the principle of national treatment of nationals under the TRIPS Agreement.

11. Moreover, as the response to the question from India cited by the EC⁷ makes clear:

“... in general, conditions provided in Article 12 of [the Regulation] are only required when a bilateral agreement is concluded between the EC and a WTO Member. This means that it only occurs when two parties voluntarily wish higher level of protection (“ex officio”) than this provided under the TRIPS Agreement. ...”

12. In other words, the EC stated that if another WTO Member wishes to benefit from the higher level of protection made available under Regulation No. 2081/92, a bilateral agreement addressing the conditions provided for in Article 12 of the Regulation is required.

13. Further, the EC's response again fails to make clear the full context of the subsequent response to the follow up question from India. The extract quoted by the EC was preceded by the following statements:

As a preliminary remark, the Community would like to underline that the protection of geographical indications foreseen in Article 22.2 of the TRIPS agreement is provided for in Council Directive 79/112/EEC [concerning food labelling] and Council Directive 84/450/EEC [concerning misleading advertising]. ...

The protection foreseen by these provisions under Community law and Member States' law is applicable to any WTO Member citizen without discrimination.

(a) On the one hand, Council Regulation 2081/92/EEC provides for:

- (i) the “reputation” which is attributable to the name (geographical origin) (Article 2); and
- (ii) the product (which is covered by the geographical name) which complies with a specification (Article 4).

This means that the Regulation has established a difference between the designation and the product.

Both conditions are cumulative.

On the other hand, to comply with a specification, it is important to guarantee a continuity and homogeneity of the product's characteristics which are necessary as a reference for the inspection bodies. This is essential also for the consumer.

⁷ EC Response to Question no. 97, paragraph 14.

As a matter of fact, a geographical indication requires anyway that the product which is covered presents a defined description. If these conditions must be complied with by the producers established in the EC to obtain an [EC-defined GI], they must also be complied with by the third country nationals, should they wish to obtain the same protection.

(b) ...

14. Thus, the clear message being conveyed by the EC when the full answer is considered in context was that Regulation No. 2081/92 was not concerned with the protection of TRIPS-defined GIs in the sense of TRIPS Article 22.2. Rather, the Regulation deals with products which have both a reputation and a product specification in the sense of Article 4 of the Regulation. If another WTO Member wishes to take advantage of the higher level of protection potentially available for such products under the Regulation, then that WTO Member must have in place a system equivalent to that in place in the EC, including in relation to the product specification and the inspection structure. The EC could not allow any other system because, if it did, EC producers would be discriminated against.

QUESTION NO. 101

15. The EC says it “does not consider the present case requires any comparison between nationals”.⁸ The EC has not sought to explain how its view is consistent with the express requirement of TRIPS Article 1.3, which provides that “Members shall accord the treatment provided for in this Agreement to the nationals of other Members”.

QUESTION NOS. 103 AND 113

16. In responding to Question no. 103, the EC does not accept the express recognition of the applicability of the basic principles of GATT 1994 in the preamble to the TRIPS Agreement, or the finding of the Appellate Body in *US – Section 211 Appropriations Act* relating to the usefulness of the jurisprudence on GATT Article III:4 in interpreting the TRIPS national treatment obligation.⁹ Yet in responding to Question no. 113, the EC nonetheless relies on a basic GATT principle and GATT jurisprudence in support of its argument.

17. Further, the EC now seems to be suggesting that GATT Article XX(d) could also excuse a breach of the TRIPS Agreement.¹⁰ However, the EC has not even attempted to meet its burden of proof in relation to the potential applicability of GATT Article XX(d) to the TRIPS Agreement.

⁸ EC Response to Question no. 101, paragraph 22.

⁹ *United States – Section 211 Omnibus Appropriations Act of 1998*, Report of the Appellate Body, WT/DS176/AB/R, paragraph 242.

¹⁰ EC Response to Question no. 103, paragraph 36.

QUESTION NO. 106

18. The examples referred to by the EC at paragraph 54 both involve EC nationals.

QUESTION NOS 114 AND 116

19. In responding to Question no. 116, the EC says¹¹ that because:

- (a) all WTO Members are obliged to provide protection to TRIPS-defined GIs in accordance with TRIPS Article 22;
- (b) the EC is not obliged to provide protection to TRIPS-defined GIs not protected in their country of origin in accordance with TRIPS Article 24.9; and
- (c) any WTO Member should be able to state whether it protects a “GI” for which protection is sought in the EC;

then a WTO Member cannot:

- (1) argue that it does not have “authority” to state whether a “GI” is protected in its territory; and
- (2) at the same time claim that this “GI” should be protected in the EC.

20. Australia has not claimed in this dispute that the EC is not in compliance with its obligations under the TRIPS Agreement because a TRIPS-defined GI cannot be registered under Regulation No. 2081/92 if that TRIPS-defined GI does not also meet the definition of an EC-defined GI under Article 2.2 of that Regulation. From the beginning, Australia has expressly recognised the EC's right to implement in its law more extensive protection for GIs than is required to be provided by the TRIPS Agreement.¹²

21. On the other hand, and in its responses to both Question nos 114 and 116, the EC totally ignores the implications of a situation where protection of an EC-defined GI is provided by other means, for example, through registration of a term as a certification trademark.¹³ In addition, the EC argument that a WTO Member cannot say that it does not have authority to state whether a GI is protected within its territory¹⁴ overlooks that – as in the Australian legal order, for example – in the

¹¹ EC Response to Question no. 116(a), paragraph 74.

¹² Australia's First Written Submission, paragraph 4, second bullet point.

¹³ See, for example, Australia's First Written Submission, paragraph 198.

¹⁴ EC Response to Question no. 116(a), paragraph 74.

absence of an explicit court judgment, no government agency might be able to be empowered to provide, with the necessary degree of assurance, the certification required by the EC.

22. Further, the EC’s responses make clear that – one way or another – the EC will seek to ensure that its views on the registration and protection of EC-defined GIs prevail. The EC has conceded that the reciprocity and equivalence conditions of Article 12.1 of Regulation No. 2081/92 would be inconsistent with the EC’s obligations under GATT Article III:4 if those conditions were to be applied to other WTO Members.¹⁵ Yet having made that concession, the EC now seeks to have the Panel find that the EC can nonetheless require other WTO Members to participate in the implementation of a system of registration and protection of EC-defined GIs, even though that system is contrary to the EC’s obligations pursuant to the WTO Agreement. The EC argues that if other WTO Members don’t “cooperate” – in effect, adopt the EC’s system – it is their own fault that nationals of those other WTO Members can’t access the benefits of the EC’s system.

23. At the same time, the EC does not explain how such a view might be in harmony with the express recognition in the preambular clauses of the TRIPS Agreement that IP rights are private rights. Nor does it explain how its requirements are consistent with the requirements of TRIPS Article 1.3 to “accord the treatment provided for in this Agreement to the nationals of other Members”.

24. Further, notwithstanding its arguments that any interpretation of the TRIPS Agreement must consider the relevance of GATT Article XX(d),¹⁶ the EC has not acknowledged the finding of the Appellate Body in *US – Shrimp* that a measure being applied in a way that “*require[d]* other WTO Members to adopt a regulatory program that [*was*] not merely *comparable*, but rather *essentially the same*” (*emphases in original*) was not justifiable under the chapeau of GATT Article XX.¹⁷

QUESTION NO. 122

25. The EC’s attempts to make a conceptual distinction for the purpose of interpreting the mandatory labelling requirement in Article 12.2 of Regulation No 2081/92 between the origin of a product eligible to bear an EC-defined GI and the product itself are flawed. The origin of a product eligible to bear an EC-defined GI is inextricably linked to that product by virtue of the definitions set out in Article 2.2 of the Regulation. In addition, the notion of origin involves a product; a geographical location only becomes a geographical origin if there is something that has been produced

¹⁵ EC Response to Question no. 94.

¹⁶ See, for example, EC Response to Question no. 103, paragraph 36.

¹⁷ *United States – Import Prohibition of Certain Shrimp and Shrimp Products*, Report of the Appellate Body, WT/DS58/AB/R, paragraph 163, referred to in Australia’s Second Oral Statement, paragraph 70.

in it. Australia submits therefore that when talking about the origin of a product (as opposed to simply a geographical location) eligible to bear an EC-defined GI, the EC's argument¹⁸ that the labelling requirement applies to the origin of the product and not the product itself, does not make sense.

26. Australia would also like to point out that, contrary to the EC's suggestion,¹⁹ Australia has not argued that the origin of a product is a product characteristic within the meaning of the definition of "technical regulation" in the TBT Agreement. Rather, Australia argues that the mandatory labelling requirement in Article 12.2 of Regulation No. 2081/92 for the specific products envisaged by that Article meets the definition of a "technical regulation" pursuant to the TBT Agreement.

QUESTION NO. 124

27. The EC's statement²⁰ that GATT Article IX:1²¹ "exempts origin marking from national treatment obligations" is incorrect. GATT Article IX:1 imposes a positive obligation of no less favourable treatment vis-à-vis products of third countries (MFN obligation). It is silent on the issue of origin marking requirements in relation to the national treatment obligation in GATT Article III:4.

QUESTION NO. 125

28. The EC suggests that the Panel might have to consider whether GATT Article XX would be applicable within the context of the TBT Agreement. In Australia's view, had the drafters wished for the TBT Agreement to contain a direct reference to GATT Article XX, they would have included one. Instead, TBT Article 2.2, read in light of the preamble, which reproduces closely the chapeau of GATT Article XX, contains a similar "necessity" test to that in GATT Article XX.

29. In any case, these issues are outside the parameters of what the Panel needs to consider in determining whether Article 12.2 of Regulation No. 2081/92 accords less favourable treatment, contrary to TBT Article 2.1, to imported like products bearing – or eligible to bear – an EC-defined GI. Moreover, the EC bears the burden of proof for establishing any significance of GATT Article XX in the context of the TBT Agreement. The EC has not, however, met its burden: indeed, it has not presented any supporting arguments.

¹⁸ First Written Submission of the EC, paragraph 451.

¹⁹ EC Response to Question no. 122, paragraph 91.

²⁰ EC Response to Question no. 124, paragraph 99.

²¹ Australia assumes that the reference to Article XI:I is a typographical error.

QUESTION NO. 134

30. Australia assumes that the first sentence of paragraph 119 of the EC's response was intended to read "any claim under the provision of Articles 5-9 TBT Agreement concerning inspection structures" as, as the EC itself says, Australia has made a claim under TBT Article 2.2.

31. Further, notwithstanding the EC's statement that "the essential question which the Panel needs to decide is whether these structures by themselves are a technical regulation",²² Australia's claim in relation to the inspection structure requirement is that Article 4, in particular Article 4.2(g), and Article 10 read together constitute the technical regulation.²³ Australia has not made a claim in relation to the inspection structure requirements of Article 10 of Regulation No. 2081/92 in isolation.

QUESTION NO. 135

32. Once again, the EC invokes its right – pursuant to TRIPS Article 1.1 – to implement in its law more extensive protection than it is required by the TRIPS Agreement to grant,²⁴ without also acknowledging the conditionality of that right: "provided that such protection does not contravene the provisions of this Agreement".²⁵ Thus, even if Regulation No. 2081/92 might be a measure not inconsistent with the provisions of the GATT 1994 within the meaning of GATT Article XX(d) – an issue Australia does not concede – it would only be so to the extent that it was fully consistent with the EC's obligations pursuant to the TRIPS Agreement.

QUESTION NO. 136

33. Once again, the EC ignores the implications of a situation where protection of an EC-defined GI is provided through registration of a term as a certification trademark.²⁶

34. And once again, the EC's response makes clear that – one way or another – the EC will seek to ensure that its views on the registration and protection of EC-defined GIs will prevail.

35. In the context of this question, the EC seeks to have the Panel accept the view that – when a WTO Member has a system of registration and protection similar to that of the EC – there is no problem. According to the EC's logic, a requirement for another WTO Member government to verify

²² EC Response to Question no. 134, paragraph 119.

²³ Australia's First Written Submission, paragraphs 209-224.

²⁴ EC Response to Question no. 135, paragraph 130.

²⁵ Australia's Second Oral Statement, paragraph 108.

²⁶ See Australia's comment above on the EC Response to Question no. 116.

an application for registration of an EC-defined GI “would not seem burdensome” and “the impact on exports ... should be extremely small”.²⁷ That the requirement – even in those situations – would not meet the necessity test of GATT Article XX(d) seems to have been overlooked by the EC.

36. Equally, the EC seeks to have the Panel accept the view that – when a WTO Member does not have a system of registration and protection similar to that of the EC – it is reasonable for the EC to seek to compel another WTO Member to act as a sub-national unit of the EC in any case.²⁸ In addition, the EC argument that other WTO Member governments must verify that applications comply with the requirements of Regulation No. 2081/92²⁹ overlooks that – as in the Australian legal order, for example – in the absence of an explicit court judgment, no government agency might be able to be empowered to provide, with the necessary degree of assurance, the certification required by the EC.

37. Even if requiring the cooperation of another WTO Member may be “an issue of timing and sequencing of the application process” in some cases,³⁰ the provisions of Regulation No. 2081/92 do not provide for the possibility that an applicant could demonstrate compliance with the requirements of Articles 2.2, 4 and 10 directly, for example, on the basis of registration as a certification trademark. Compelling the involvement of the government of another WTO Member in the application process does not meet the necessity test of GATT Article XX(d).³¹

38. The EC now says that “... Regulation 2081/92 does not require unnecessary levels of staff to be maintained throughout the year” and that “... since it is presumably not economic to establish and wind down an inspection body every year, in such a case it would be reasonable to entrust the function of inspections to a body which also carries out tasks other than inspections under Regulation 2081/92”.³² Article 10.3 of the Regulation expressly provides: “[d]esignated inspection authorities and/or approved private body must ... have permanently at their disposal the qualified staff and resources necessary to carry out inspection of agricultural products and foodstuffs bearing a protected name” (*emphasis added*). Australia contests that Article 10.3 – having regard to its wording, context and aims – may properly be interpreted in the manner now suggested by the EC. Article 10.3 is

²⁷ EC Response to Question no. 136(a), paragraph 134.

²⁸ EC Response to Question no. 136(b), paragraphs 135-138.

²⁹ EC Response to Question no. 136(a), paragraph 131.

³⁰ EC Response to Question no. 136(c), paragraph 141.

³¹ Australia’s Second Oral Statement, paragraphs 67-70.

³² EC Response to Question no. 136(f), paragraph 155.

clearly premised on the inspections being undertaken by an autonomous agency, the staff of which are permanently available to that agency.³³

39. In any case, Australia's claim in relation to the EC's requirement to have in place in all circumstances an EC-mandated inspection structure has been made under TBT Article 2.2. In that context, the EC has not met its burden of proof to show that GATT Article XX(d) has any significance in the context of the TBT Agreement.³⁴

40. Finally, Australia recalls that the EC has invoked GATT Article XX(d) only in respect of Australia's claim concerning the requirement that an application for the registration of an imported product be submitted through the government of the WTO Member in which the relevant geographical area is located. Moreover, the EC has not, at any stage in this dispute, attempted to establish a *prima facie* case that such a requirement is consistent with the chapeau of GATT Article XX.³⁵

QUESTION NOS. 137 AND 139

41. The EC argues that Australia is requesting "a remedy against the confusing use of a registered geographical indications [*sic*] which many Members do not provide with respect to the infringement of a registered trademark by a latter [*sic*] registered trademark".³⁶ The EC points to the trademark provisions of a number of other WTO Members which it has set out in its response to Question no. 139.³⁷ Australia has already requested that the Panel exclude from consideration the provisions of other WTO Members' trademark laws.³⁸

42. The inherent dangers of considering provisions of other WTO Members' trademark laws in isolation from their full context are amply demonstrated in the case of the Australian Trade Marks Act provision cited by the EC (section 122(1)(e)). That provision – when considered in the full context of the Act and in the legal order of Australia – excepts certain actions from infringing an earlier trademark right only where the prior right holder expressly consented to the co-existence, for example, in a licensing arrangement, or where the prior right holder failed to take the extensive opportunities provided under Australia law to prevent the acquisition of the later trademark right.

³³ The implicit premise of Article 10.3 of Regulation No. 2081/92 is confirmed by the EC's subsequent statement (in paragraph 155) that: "... in such a case it would be reasonable to entrust the function of inspections to a body which also carries out tasks other than inspections under Regulation 2081/92".

³⁴ See Australia's comment above on the EC Response to Question no. 125.

³⁵ Australia's Second Oral Statement, paragraphs 66-70.

³⁶ EC Response to Question no. 137, paragraph 163.

³⁷ EC Response to Question no. 139, paragraph 170 and footnote 68.

³⁸ See Introduction above.

43. Notwithstanding the EC's assertions to the contrary, Australia is not requesting a remedy which it does not provide with respect to the infringement of a trademark right under its own domestic law.

QUESTION NOS. 143, 146, 148 AND 149

44. The EC's responses are premised on "confusion" and "mislead" being synonymous terms in the context of both TRIPS Article 16.1 and Article 14.3 of Regulation No. 2081/92. In support of its contention that "confusion" in the sense of TRIPS Article 16.1 is synonymous with "mislead" in the sense of Article 14.3 of the Regulation, the EC points to a WIPO publication. Further, the EC appears to be arguing that "mislead" in the context of TRIPS Article 22.2 is also synonymous with "confusion" in the sense of TRIPS Article 16.1.³⁹

45. A WIPO publication cannot be determinative of the issue. Notwithstanding the obvious synergy between matters which fall within the purview of WIPO and matters covered by the TRIPS Agreement, the interpretation of the TRIPS Agreement is expressly reserved to the Ministerial Conference and the General Conference of the WTO in accordance with Article IX.2 of the WTO Agreement. Moreover, the WIPO publication quoted by the EC is not inconsistent with Australia's view of the proper interpretation of the notion of "a likelihood of confusion". As Australia has previously said, in reality the likelihood of confusion is a continuum.⁴⁰ The publication quoted by the EC simply defines one point in the continuum. It does not equate confusing to misleading, but rather suggests that if a particular use is confusing, it is likely also to mislead. Further, Australia notes that other WIPO publications explain the notion of "a likelihood of confusion" in different ways, for example:

... The basic test is whether the allegedly similar mark resembles the protected mark in such a way as to be *likely to confuse the average consumer* as to the source of the goods or services or as to the connection between the concurrent users of the similar marks, taking into account all the circumstances of the particular case. In other words, a mark is generally considered "confusingly similar" if it is so similar to the protected mark that a substantial number of average consumers are likely to be confused or misled as to the source of the goods or services sold under the similar mark, in the belief that such products or services originate from the same enterprise which owns and/or uses the protected mark (or that there is a "connection" between such enterprise and the enterprise using the similar mark, as, for example, in the case of a licensor and a licensee).⁴¹

³⁹ EC Response to Question no. 149.

⁴⁰ Australian Response to Question no.148, paragraph 72(c).

⁴¹ *The Role of Industrial Property in the Protection of Consumers*, WIPO, Geneva 1983, Exhibit AUS-20, paragraph 41.

46. Finally, as the Appellate Body found in *India – Patents*, “[t]he duty of a treaty interpreter is to examine the words of the treaty to determine the intentions of the parties”⁴² (*emphasis added*). It is the actual words of the TRIPS Agreement that determine a WTO Member’s obligations pursuant to that Agreement.

QUESTION NO. 145

47. The EC says – in the context of a WTO Member enacting a measure permitted by TRIPS Article 15.2 to prevent registration of a GI as a trademark – that “if a trademark has been registered, or applied for, before either of the two dates mentioned in Article 24.5, the Member in question would be prohibited by virtue of Article 24.5 from invalidating that trademark on the ground that such trademark is identical or similar to a geographical indication”.⁴³

48. Australia notes, however, that the two dates mentioned in TRIPS Article 24.5 do not apply to a good faith application for, or registration of, a trademark.⁴⁴ In accordance with the normal usage of punctuation in the English language, had it been intended that the two dates apply to a trademark application or registration, there would have been a comma between the words “good faith” and “either”. In the absence of a comma, the two dates are applicable only “where rights to a trademark have been acquired through use”. Moreover, Australia notes that the French text of TRIPS Article 24.5 similarly does not apply the two dates to a trademark application or registration.

QUESTION NO. 148

49. The EC refers to Australia’s request to register the term “Australia” as a GI under the Australia-EU bilateral agreement concerning trade in wine.⁴⁵ Australia notes that the bilateral agreement does not form part of the measure at issue in the dispute initiated by Australia. In any case, the term “Australia” on its own could not *per se* function as a trademark as it could not distinguish the goods or services of one undertaking from those of other undertakings.

⁴² *India – Patent Protection for Pharmaceutical and Agricultural Chemical Products*, Report of the Appellate Body, WT/DS50/AB/R, paragraph 45.

⁴³ EC Response to Question no.145, paragraph 199, first bullet point.

⁴⁴ While section 61 of the Australian Trade Marks Act applies those two dates to applications for and registrations of trademarks also, it does so in the context of a higher level of protection of TRIPS-defined GIs consistent with the provisions of TRIPS Articles 1.1 and 15.2. Australia retains the right – consistent with its obligations under other provisions of the TRIPS Agreements – to diminish that level of protection if, with the passage of time, the application of that provision were to be shown to be unfair consistent with the principle of territoriality.

⁴⁵ EC Response to Question no. 148, paragraph 220.

QUESTION NO. 153

50. Once again, the inherent danger of considering provisions of other WTO Members' trademark laws in isolation from their full context is demonstrated in the case of the Australian Trade Marks Act provision cited by the EC (section 122(1)(b)(i)). That provision excepts certain actions from infringing an earlier trademark right where a sign is used to indicate the geographical origin of a good or service. When considered in the full context of the Act and in the legal order of Australia, and as previously explained by Australia⁴⁶ and notwithstanding the EC's seeming unwillingness to accept that explanation,⁴⁷ a sign used to indicate geographical origin within the meaning of section 122(1)(b)(i) does not include either a TRIPS- or an EC-defined GI. It simply means a sign to indicate a place from which the goods or services originate, irrespective of whether that place may also be a geographical indication within the meaning of TRIPS Article 22.1. Thus, for example, the right holders of the certification trademark "Stilton" in Australia could not automatically prevent good faith use of the phrase "Made in Stilton" to indicate the place from which another product originated.

51. Australia has already requested that the Panel exclude from consideration the provisions of other WTO Members' trademark laws.⁴⁸

52. Finally, and in any case, the ECJ case law referred to by the EC⁴⁹ as supposedly supporting its view of the proper interpretation of an indication of geographical origin in the Community Trademark Directive and Regulation in fact concerned use of such an indication as a trademark. Further, it concerned a term that was expressly recognised as a geographic source of natural mineral waters under the relevant EC Directive. Moreover, Australia notes that the Explanatory Memorandum prepared by the European Commission concerning the proposed changes to Regulation No. 2081/92 which were eventually adopted in Regulation No. 692/2003 expressly referred to the problems revealed by applications for registration of mineral and spring waters as EC-defined GIs.⁵⁰ The case law referred to by the EC does not substantiate its argument.

⁴⁶ Australian Response to Question no. 80 from the Panel.

⁴⁷ EC's Second Written Submission, footnote 219.

⁴⁸ See Introduction above.

⁴⁹ EC Response to Question no. 153, paragraphs 242-244 and footnote 99.

⁵⁰ *Proposal for a Council Regulation amending Regulation (EEC) No 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs*, Brussels, 15.03.2002, 2002/0066 (CNS), Exhibit US-20.

QUESTION NOS 159 AND 160 AND AUSTRALIAN QUESTION NOS 2 AND 3

53. At no stage in this dispute has Australia claimed that “the additional protection afforded to registered geographical indications under Article 13.1 of Regulation No. 2081/92 ... could be ‘an act of unfair competition’”.⁵¹ Rather, Australia has claimed that – in respect of the registration of an EC-defined GI – the EC does not provide the legal means for interested parties to prevent misleading use or use which constitutes an act of unfair competition within the meaning of Paris Article 10*bis*.⁵²

54. Further, Australia notes the inherent contradiction in the EC’s responses to Question nos 159 and 160. On the one hand, it acknowledges that Australia has not claimed that “the other measures cited by the EC” – in its First Written Submission and in the responses of the EC and its Member States in the context of the TRIPS Article 24.2 review by the TRIPS Council – “are not sufficient to protect geographical indications that have not been registered Regulation 2081/92”.⁵³ On the other hand, it argues that because Australia has not mentioned those other measures in the context of its claim in respect of the registration of an EC-defined GI – even though Australia does not contest the issue of whether those other measures are sufficient to meet the EC’s obligations in respect of TRIPS-defined GIs more generally – Australia has improperly shifted the burden of proof to the EC.⁵⁴ The consequence of the EC’s argument is that Australia should have analysed and demonstrated a negative, notwithstanding an express and unambiguous obligation on the EC to make available the legal means to prevent the uses set out in TRIPS Article 22.2.

55. Moreover, and in any case, Australia notes that the EC Responses to Australian Question nos 2 and 3 do not show that – in respect of the registration of an EC-defined GI – the EC assures access:

- by a trademark right holder to “appropriate legal remedies effectively to repress” acts of unfair competition within the meaning of Paris Article 10*bis* as required by Paris Article 10*ter*(1);
- by “interested parties” to “legal means ... to prevent” misleading use or use which constitutes an act of unfair competition within the meaning of TRIPS Article 22.2; or
- by a trademark right holder to “civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement” within the meaning of TRIPS Article 42.

⁵¹ EC Response to Question no. 159, paragraph 263.

⁵² Australia’s First Written Submission, paragraphs 154-155, and Australia’s Second Oral Statement, paragraphs 80-85.

⁵³ EC Response to Question no. 159, paragraph 263.

⁵⁴ EC Response to Question no. 160, paragraph 265.

56. Firstly, “the Codornú judgment”⁵⁵ did not address the rights of trademark holders generally. (It concerned a single trademark right holder who was able to show that its trademark registration predated registration of the term at issue by some 65 years.⁵⁶) Moreover, the EC admits this when it asserts that there are some circumstances where a trademark right holder will be able to show it is individually concerned.⁵⁷ Equally, this suggests that there will be circumstances where a trademark right holder will not meet this threshold requirement.

57. Secondly, even if – in accordance with the ECJ’s judgement in *Commission of the European Communities v Jégo-Quéré & Cie SA*⁵⁸ – a trademark right holder or, in the context of TRIPS Article 22.2, an interested party were always able to initiate action to ensure review of the legality of acts of the institutions, “review of the legality of the acts of the institutions” does not necessarily extend to the exercise of rights required to have been granted to such persons pursuant to the EC’s obligations under the TRIPS Agreement. “... [T]he WTO agreements are not in principle among the rules in the light of which the Court is to review the legality of measures adopted by the Community institutions ...”.⁵⁹ Unless an obligation arising from the EC’s membership of the WTO Agreement is incorporated in an act of an institution, a trademark right holder or interested party is not assured of the rights required to have been granted to that person under the TRIPS Agreement. Thus, for example, where the EC’s breach of an obligation is by omission – such as in the case of TRIPS Article 22.2 in respect of the registration of an EC-defined GI – there is no act of an institution whose legality can be reviewed.

58. Thirdly, notwithstanding the EC’s argument that “Regulation 2081/92 and the other measures mentioned in its first submission apply cumulatively”,⁶⁰ Australia notes again that the other measures are specifically excluded (Article 142 – now Article 159 – of the Community Trademark Regulation) from applying to, or would not prevail over, the relevant rights granted by Regulation No. 2081/92.⁶¹

⁵⁵ *Codornú SA v Council of the European Union* (Case C-309/89), [1994] ECR I-01853, Exhibit EC-111.

⁵⁶ The Codornú judgment, paragraphs 21-22. Australia also notes that the term at issue – “cremant” – was considered to “[refer] primarily not to the origin but the method of manufacture” of the wine (paragraph 28).

⁵⁷ “... this does not mean necessarily that a trademark holder will never be able to show that it is individually concerned. In particular, a trademark holder could seek to rely on the Codornú case law”⁵⁷ (*emphases added*): EC Response to Australian Question no. 2, paragraph 9.

⁵⁸ Case C-263/02 P, Exhibit EC-113.

⁵⁹ See Australian Response to Question no. 6, referring to the Biret judgment, Exhibit AUS-07.

⁶⁰ EC Response to Question no. 159, paragraph 258. Australia understands the EC’s reference to “other measures mentioned in its first submission” to mean those measures listed at paragraph 434 of that submission.

⁶¹ See, for example, Australia’s Written Rebuttal Submission, paragraphs 146 and 171.

59. In *Canada – Patent Term*, the Appellate Body examined a claim concerning the obligation pursuant to TRIPS Article 33 to grant a term of patent protection of not less than 20 years. The Appellate Body found: “[t]he opportunity to obtain a twenty-year term must be a readily discernible and specific right ...”.⁶² The current situation is analogous: the opportunity to exercise the rights required to be granted to a person pursuant to the EC’s obligations under the TRIPS Agreement must be readily discernible and specific.⁶³

QUESTION NO. 163

60. The EC once again says: “... as a matter of fact, no objection procedure applied under the simplified procedure regardless of whether EC residents or foreign residents were involved”.⁶⁴ However, the EC has also said: “[b]ecause of the concerns raised by the owners of the trademarks at issue and by some Member States, the EC institutions could not reach a decision with respect to [*the “Bayerisches Bier”*] name as of the time of the adoption of Regulation 1107/96”⁶⁵ (*emphasis added*).

61. Clearly, there was indeed a mechanism available to at least some EC trademark right holders to make their objections known in the context of the decision-making process provided by Article 15 of Regulation No. 2081/92. How else could “the owners of the trademarks at issue” have made their concerns known?

62. Australia maintains its claim that a right of objection was available to persons resident or established in an EC Member State that was not available to other WTO Member nationals in respect of the registration of more than 480 EC-defined GIs under the simplified registration process, contrary to Articles 1.1 and 1.3, 2.1 (“incorporating” Article 2 of Paris Convention) and 3.1 of the TRIPS Agreement.⁶⁶ Further, and contrary to the EC’s assertion,⁶⁷ the registrations of those 480 EC-defined GIs are encompassed by Australia’s claims under TRIPS Articles 16.1,⁶⁸ 2.1 (“incorporating” Paris Articles 10*bis*⁶⁹ and 10*ter*⁷⁰), 24.5,⁷¹ 42,⁷² 41.2,⁷³ 41.3⁷⁴ and 41.1,⁷⁵ as well as under TRIPS Articles 1.1 and 2.1.⁷⁶

⁶² *Canada – Term of Patent Protection*, Report of the Appellate Body, paragraph 92

⁶³ See Australia’s Closing Statement to the second meeting with the Panel.

⁶⁴ EC Response to Question no. 163, paragraph 271.

⁶⁵ EC Response to Question no. 144, paragraph 195.

⁶⁶ Australia’s First Written Submission, paragraphs 190-194.

⁶⁷ EC Response to Question no. 163, paragraph 270.

⁶⁸ Australia’s First Written Submission, paragraphs 88-107.

⁶⁹ Australia’s First Written Submission, paragraphs 113-115.

63. TRIPS Article 70.1 does not place the registrations of the 480 EC-defined GIs pursuant to Regulation No. 1107/96 outside the temporal scope of the TRIPS Agreement for any purpose. That any inconsistencies with the EC's obligations pursuant to the TRIPS Agreement may have arisen from acts of omission, or because the proposed list of names to be registered was already under consideration by a decision-making authority as at 1 January 1996 (the date of application of the TRIPS Agreement for the EC), does not excuse the EC from complying with any of its obligations pursuant to the TRIPS Agreements in respect of acts of registration of EC-defined GIs which took place after that date.

AUSTRALIAN QUESTION NOS 2 AND 3

64. See Australia's comment on EC Responses to Question nos 159 and 160 above.

⁷⁰ Australia's First Written Submission, paragraphs 115-118.

⁷¹ Australia's First Written Submission, paragraphs 81-87.

⁷² Australia's First Written Submission, paragraphs 119-125.

⁷³ Australia's First Written Submission, paragraphs 126-140.

⁷⁴ Australia's First Written Submission, paragraphs 141-144.

⁷⁵ Australia's First Written Submission, paragraphs 145-148.

⁷⁶ Australia's First Written Submission, paragraphs 151-152.

LIST OF AUSTRALIAN EXHIBITS

(updated as at 2 September 2004)

Lodged with Australia's First Written Submission:

1. EC Member State agencies implementing Regulation No. 2081/92 at national level, available from http://www.europa.eu.int/comm/agriculture/foodqual/protec/national/index_en.htm
2. Official Journal notice 2002/C 291/02 of 26 November 2002, concerning the proposed registration of the name "Torta del Casar"
3. Official Journal notice 2004/C 93/11 of 17 April 2004 concerning an application for registration of the name "Zafferano di San Gimignano"

Lodged with Australia's Oral Statement to the first substantive meeting with the parties

4. EC press release "Food Quality: Commission proposes better protection for geographical names", IP/02/422, Brussels, 15 March 2002

Lodged with Australia's replies to questions posed by the Panel to the parties to the dispute following the first substantive meeting with the parties

5. "Geographical Indications and Trademarks: Harmony of Conflict", Presentation by Mrs Susanna Perez Ferreras, Administrator, Industrial Property Unit, European Commission, Brussels, at the WIPO National Seminar on the Protection of Trademarks and Geographical Indications, Beirut, March 2003
6. Australia – EC Dispute Settlement Consultations: Questions from Australia to the EC
7. *Biret International SA v. Council of the European Union*, ECJ Judgment of 30 September 2003, Case C-93/02 P
8. "The Protected Denomination of Origin and Geographical Indication Legislation in Switzerland: Institutional Aspects", European Project FAIR CT 95-306 PDO-PGI Products: Market, Supply Chain and Institutions, Swiss Federal Institute of Technology Zurich, financed by the Office federal de l'éducation et de la science, November 1998
9. "Model Provisions on Protection Against Unfair Competition", Articles and Notes presented by the International Bureau of WIPO, Geneva 1996

Lodged with Australia's Written Rebuttal Submission

10. ECJ judgment: *Bosphorus Hara Yollari Turizm ve Ticaret AS v Minister for Transport, Energy and Communications and others*, C-84/95, [1996] ECR I-3953
11. ECJ judgment: *Freistaat Sachsen and Volkswagen AG and Volkswagen Sachsen GmbH v Commission of the European Communities*, joined cases C-57/00 P and C-61/00 P
12. "Danish government appeals EU feta decision", Danish Dairy Board, 10 January 2003

Lodged with Australia's replies to questions posed by the Panel to the parties to the dispute following the second substantive meeting with the parties

13. ECJ Advisory Opinion No. 1/94 on the competence of the Community *inter alia* to conclude the TRIPS Agreement.
14. *Consorzio del Prosciutto di Parma and Salumificio S. Rita SpA v Asda Stores Ltd and Hygrade Foods Ltd*, (C-108/01) [2003] ECR I-05121 – "the Prosciutto judgment"
15. *Ravil SARL v Bellon import SARL and Biraghi SpA*, (C-469/00) [2003] ECR I-05053 – "the Grana Padano judgment"
16. *Criminal proceedings against Dante Bigi; third party, Consorzio del Formaggio Parmigiano Reggiano*, (C-66/00) [2002] ECR I-05917 – "the Parmesan judgment"

17. *Criminal proceedings against Yvon Chiciak and Fromagerie Chiciak and Jean-Pierre Fol*, (Joined Cases C-129/97 and C-130/97) [1998] ECR I-03315 – “the Chiciak judgment”
18. *Canadane Cheese Trading AMBA and Adelfi G. Kouri Anonymos Emoriki Kai Viomichaniki Etaireia v Hellenic Republic*, Opinion of Mr Advocate General Ruiz-Jarabo Colomer, (C-317/95) [1997] ECR I-04681 – “the Canadane Opinion”
19. European Commission Press Release: *Protection of “Parmigiano Reggiano”*: Commission decides to take Germany to the Court of Justice, IP/04/881, Brussels, 9 July 2004 – “the Parmesan press release”

Lodged with Australia's comments on the EC's replies to questions posed by the Panel to the parties to the dispute following the second substantive meeting with the parties

20. *The Role of Industrial Property in the Protection of Consumers*, WIPO, Geneva 1983.