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Geographical indications

Non-paper from the European Communities

Introduction

1. On 28 June 2000, the EC presented a proposal on "food quality-improvement of market access opportunities" in the Committee on Agriculture. In this paper, the Community reiterated its view that there was an essential link between market access and the issue of food specificity. It also made clear that regarding food quality, the objectives of the EC in the negotiations on agriculture were to obtain effective protection against usurpation of names in the food and beverages sectors to make market access effective, by ensuring that products which have the right to use a certain denomination are not prevented from using such a name on the market and to ensure consumer protection and fair competition. This has been confirmed by the EC negotiating proposal (see G/AG/NG/W/90 Trade issues, (I) Market Access, point 3) : "Improved market access also demands, as a counterpart, fair competition opportunities for those products whose quality and reputation are linked to their geographical origin and traditional know-how". The intention of this paper is to present a specific follow up to this proposal.
2. When a food product becomes well-known outside its area of origin, it may find itself competing in the marketplace with different and yet similar products making use of the same name. It may even, in extreme cases, find that it is precluded from using its own geographical name because it has been converted into a trade mark by local producers. Use of geographical indications by unauthorised parties is detrimental to consumers and legitimate producers. The former are deceived and led to believe that they are buying a genuine product with specific qualities, characteristics and reputation associated with a certain geographical origin, while they in fact get a different product. The latter suffer economic damage because valuable business is taken away from them and the established reputation for their products is compromised, which undermines the industry's efforts to acquire the good name in the first place and constitutes a strong disincentive to further investments.
3. Ensuring increased market access opportunities by means of enhanced protection has many advantages. In particular, it promotes the development of high-quality value-added food products, which can be an important contribution towards rural development and agricultural diversification both in developed and developing countries. It also provides protection to consumers by guaranteeing a certain quality and preventing unscrupulous producers from improperly selling different products under the same name. It is often the case that where there is a well-known name pertaining to a very particular product, price is higher. And yet

consumers are normally ready to pay for it. They need only to identify the product that they are looking for.

4. Improved market access for such products is not only important for the EC. Developing countries, who possess a great richness and variety of food products based on traditional know-how, stand to benefit from increased access opportunities, especially to lucrative niche markets in developed countries. The EC feel it is appropriate to ensure that the economic benefits of the reputation and quality of such products are enjoyed by original producers, and not by usurpers.
5. The EC therefore believe that an appropriate mechanism should be put in place (a) to guarantee effective protection against usurpation of names for agricultural products and foodstuffs; (b) to protect the right to use geographical indications or designations of origin and (c) to guarantee consumer protection and fair competition according to the following lines:

Field

All agriculture and foodstuffs products can be concerned. These are products designated by geographical names already protected on a national basis in the WTO Members as geographical indication. These products and names should be significant in terms of trade.

Nature of protection

Members notify a list containing geographical names and products which are significant in terms of trade and which they would like to protect against usurpation.

Names accepted by Members and contained in the final list would benefit from an enlarged multilateral protection against any kind of usurpation or unfair competition or confusion of the consumer. Protection guaranteed would be an effective protection, such as the protection currently afforded to these products in the EC.

Publication

A final list containing protected names is published to facilitate the effective protection to other Members.

Modifications

Names can be added to the initial list under the same procedure. The same level of protection will thereby be granted.
