IPLA INTELLECTUAL PROPERTY LAWYERS' ASSOCIATION

IPLA paper on Geographical Indications - for consideration by the UKIPO

Dated 13 October 2016

Geographical Indications ("GIs")

Remit: impact on trade marks; possible UK register; mutual recognition; related transitional provisions.

GIs are an issue for trade mark practitioners in the context of Brexit because GIs presently constitute both absolute and relative grounds for objection or cancellation of national registered trade marks and means to prevent use of signs (whether as trade marks or descriptions) in relation to products which do not conform with the GI specifications.

More generally, GIs pose particular problems in the context of Brexit. Although Articles 22 to 24 of the TRIPS Agreement provides certain minimum standards for GI protection, with a higher level of protection afforded to GIs for wines and spirits, unlike other categories of intellectual property there is no common acceptance by the worldwide community of any particular method for their protection. Some countries, particularly those with a common law background such as the US, give protection under the trade mark system as certification or collective trade marks. Others, more particularly the EU and certain of its member states, regard GIs as public rights inherently superior to trade marks. Consequently the EU has implemented regulations affording protection to wines, spirits and agricultural products and foodstuffs and is intending to introduce a further regulation extending protection to products generally. The EU GI systems provide protection substantially in excess of the TRIPS minimum standards. The scope of the EU approach has also been extended more widely through the Lisbon System for the Registration of Appellations of Origin of which 28 member states of the WTO are members.

The different approaches towards GI protection described above have led to intense disagreement between their adherents. The Doha Ministerial Conference of the WTO in 2001 mandated negotiations for the establishment of a multilateral register to GIs for wines and spirits. Proposals have been put forward by the EU and by the Joint Proposal Group (the US and a number of supporting countries). Each has based its proposals on its approach to the protection of GIs described in the preceding paragraph. Practically no progress has been made in the negotiations since 2001 and they remain deadlocked.

The implications of the above for the UK depend on what form Brexit will take. If the UK remains a member of the single market it may inevitably need to agree to continue to apply the EU regulations. Conversely, leaving the single market would almost certainly take the UK outside the EU systems with the implication that continued protection of GIs in the UK would, in the absence of any UK national equivalent to the EU systems, have to be provided through the UK national trade mark system or other laws. It is possible to envisage the creation of a new system of national regulation operating in parallel to, and mirroring, the EU system and providing seamless ongoing protection to GIs registered in the EU before Brexit. It is, however, difficult to see such a system ever being adopted. It would be difficult and expensive to set up and maintain and would logically have to evolve in parallel with the EU system to remain consistent with it. Adoption of such a system would firmly place the UK in the EU "camp" in the context of the wider international debate on GI protection when its fundamental interests may, post Brexit, best be served by being aligned with, in the WTO context, the Joint Proposal Group.

Therefore, the extent and manner of protection for GIs in post-Brexit UK will be heavily influenced by the Brexit trade negotiations and the Government's trade priorities for post-Brexit UK. Given there are so many 'unknowns' at this stage, it is not possible to pre-empt all potential issues which may arise when the path is chosen.

Accordingly, this note attempts to set out below just some of the key issues to be considered, depending on whether there is 'Brexit-lite' or 'Brexit-max', as the extreme examples. Essentially, in this context, 'Brexit-lite' would involve maintaining broadly the same level of protection given to GIs in the UK as that currently applicable by EU regulations. 'Brexit-max' in this context would involve applying the TRIPS minimum standards for GI protection, but would need to address transitional provisions in doing so.

Some of the issues which may arise may be common to both outcomes, but neither list below attempts to be an exhaustive expression of what will need to be considered. When the Government's position on GIs in a post-Brexit UK becomes clearer, it would be prudent to revisit this document and create a more detailed derivative list, focussing on the path then chosen.

A: Brexit-lite: (for example, if the UK remains a member of the single market):

In this scenario, the impact of GIs on trade marks would be expected to remain largely as it was pre-Brexit. At the more general level, examples of issues to be considered in such a scenario include:

1. the first question is whether the UK would continue to apply the EU GI regime, including providing protection to existing GIs (recorded at EU level, whether domestic, wider EU or from third countries). If so, the next question is whether that is achieved through mere 'deeming' of EU GIs to apply to the UK, or through a domestic system which would require domestic legislation (see below).
2. if the UK would not continue to apply the EU GI regime but agrees to give broadly equivalent protection to GIs to that given by the EU, domestic legislation would be needed to do this. (This appears to be the model followed by Iceland in a recently concluded bi-lateral agreement with the EU.) If the UK decides to set up a domestic system, the following issues (amongst others of course) would need to be considered:
    a. departmental responsibility: BEIS (UK IPO) or DEFRA (current application stage for EU GIs) or somewhere else?
    b. operations: there is no existing national database/register for GIs in the way that there is (for example) for national trade marks.
    c. transitional provisions:
        i. how will GIs which are presently protected in the UK via the EU systems become protected in the UK? Will this follow a similar model to that chosen for the EUTMs? The disadvantage compared to EUTMs is that, as noted above, there is no existing national database/register for GIs as there is for national trade marks.
        ii. what will happen to existing EU GI applications?

B: Brexit-max: (for example if the UK leaves the single market)

In this scenario, the impact of GIs on trade marks could be significantly different from the position pre-Brexit. Examples of issues to be considered in such a scenario include:

1. The first question is to what level of protection the UK decides to afford to GIs going forward. As discussed above, the UK was part of the EU when the EU GI regime was set up. Before then,

the UK did not have a domestic GI regime, and indications were protected by other laws such as extended passing off and misleading trade descriptions laws.

2. If the UK decides to essentially adopt the TRIPS minimum standards going forward, the following issues (amongst others of course) would need to be considered:
    a. specific domestic legislation to implement the TRIPS minimum standard of enhanced protection for wines and spirits (Art 23(1) TRIPS) whether through amendment to the Trade Marks Act 1994, amending some other relevant legislation, or enacting standalone legislation.
    b. the extent to which GIs might constitute grounds of objection to registration of trade marks, and whether such grounds should be absolute grounds (for the IPO to raise of its own volition) or purely relative grounds (for interested parties to raise objections). In this respect, specific consideration will need to be given to whether to implement the entirety of the new Trade Marks Directive (2015/2436) which contains enhanced absolute grounds for objection on the basis of GIs.
    c. will protection for non-wine and spirit GIs simply be provided by common law protection and other existing provisions (such as consumer protection laws on misleading packaging statements), or will some specific legislation be desirable?
    d. transitional provisions:
        i. what will happen to GIs presently protected in the UK (as part of the EU)? will protection remain (grandfathered); will the protection phase out over time; will there be a hard-stop? and over what period of time?
        ii. what will happen to existing EU GI applications which would have covered the UK?
        iii. what will happen to pending legal proceedings based on GIs protected in the UK when it was part of the EU? (e.g. court proceedings, customs actions, trade mark oppositions?)
        iv. what will happen to legal acts concluded on the basis of GIs protected in the UK at the time (e.g. court orders / trade mark oppositions)?

When the Government's position on GIs in a post-Brexit UK becomes clearer, it would be prudent to revisit this document and create a more detailed list of issues focussing on the path then chosen.

END