

**TRIPS' TRADEMARK, GEOGRAPHICAL INDICATIONS  
AND TRADE SECRET PROVISIONS:  
A LATIN AMERICAN PERSPECTIVE.**

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- I. GLOBALIZATION AND ITS IMPACT
- II. THE IMMEDIATE EFFECTIVENESS OF TRIPS AS A MINIMUM STANDARD AGREEMENT
- III. TRADEMARKS
  - III.1. Protectable Subject Matter
  - III.2. Term of Protection
  - III.3. Rights Conferred - Well-Known Marks
  - III.4. Requirement of Use
  - III.5. Other Requirements
  - III.6. Certification and Collective Marks
- IV. GEOGRAPHICAL INDICATIONS
  - IV.1. Protectable Subject Matter
  - IV.2. Rights Conferred
  - IV.3. Additional Protection for Geographical Indications for Wines and Spirits
- V. TRADE SECRETS
  - V.1. Use by Third Parties in Good Faith
  - V.2. Patentable Information as Trade Secrets
- VI. A LATIN AMERICAN PERSPECTIVE

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## **TRIPS' TRADEMARK, GEOGRAPHICAL INDICATIONS AND TRADE SECRET PROVISIONS: A LATIN AMERICAN PERSPECTIVE.**

### **I. GLOBALIZATION AND ITS IMPACT**

Until the late seventies and the beginning of the eighties the developing countries in general and the Latin American countries, in particular, were still trying to establish rules which would control and balance the unfavourable economic relations with the developed nations and their multinational companies. In doing that, most Latin American countries simply opposed any strong intellectual property system as the protection of intellectual property was seen as a means of creating undue monopolies, mainly to the benefit of foreigners.

That picture changed with the continuous liberalization of the global economy, the economic failure of the non-democratic socialist governments, the huge success of the so called Asian Tigers' countries, the creation of regional markets such as the European Union and the NAFTA and, finally, the positive Results of the GATT's Uruguay Round of Multilateral Trade Negotiations. The generally accepted perception that the maximization of economic efficiencies requires larger enterprises, larger companies in larger markets, has successfully pushed the countries towards the gradual elimination of the commercial constraints imposed by the different national laws. In this scenario, little option was left to the dependent economies of the Latin American countries but to endeavor to assimilate and apply the prevailing concepts of this new international trend.

Ironically, it now seems that even the developed countries were not entirely prepared to the distress caused by their unconditional support to the multinational companies' goals. In this regard, the similarity found between the recent opinions publicly expressed in several different countries is appalling:

— The North American political scientist Edward Nicolae Luttwak criticized the problem caused by the lack of control over the economic activity, saying that the search for economic efficiency as the final goal of a given society imposes to its people a state of darwinistic competition which is socially intolerable. Noting the dissatisfaction of a large number of the American population, he said that

the Americans are dictating to themselves and to the world a disturbing capitalistic pace which concentrates wealth more rapidly than it can generate it.<sup>1</sup>

— In his recent books the German writer Mayners Enzensberger suggests that the globalization of the economy has been one of the main reasons for the growing poverty in many countries, leading to cultural massification and to apparently imotivated violence such as the Oklahoma bombing.<sup>2</sup>

— In its editorial, the Business Week Magazine (May 8, 1995) informed that trial balloons are going up on a proposed European-American deal, the TAFTA - The Transatlantic Free Trade Agreement, supported even by "free trade revisionists such as Sir James Goldsmith, who argues that globalization hurts European and American living standards. Their solution: limit trade with low-wage countries and build a kind of transatlantic economic fortress".

— Sir Leon Brittan, Commissioner of Commerce of the European Union, asked on October 23, 1995 that the World Trade Organization (WTO) prepare regulations establishing labor standards as a priority for the future international trade negotiations. Although he recognized that his suggestion might deepen the north-south division, he stated: "I do not believe that WTO should remain silent on this question if it wishes to effectively work in the others. We should remain open to the demagogy of protectionism as, for instance, the consequences the exploitation of the work of minors has in the increase of the European unemployment".<sup>3</sup>

— The Brazilian Minister of Labor's remark, during the Annual Meeting of the International Labor Organization (June 1995), that the salaries of the workers are not increasing in the same proportion as the increase in productivity, is said in a Brazilian newspaper article to confirm the previous alerts issued by the International Labor Organization, according to which the Latin American countries and other developing countries are facing serious problems in creating the so called good jobs to their population.<sup>4</sup>

— During labor day in the United States, the Secretary of Labor, Mr. Robert Reich, confirmed that these problems are not restricted to the developing

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<sup>1</sup> VEJA Magazine, June 14, 1995, page 7.

<sup>2</sup> VEJA Magazine, May 24, 1995, page 120.

<sup>3</sup> GAZETA MERCANTIL Newspaper of October 24, 1995, page A12

<sup>4</sup> O GLOBO Newspaper of June 11, 1995, page 60.

countries: "The profits are growing but the salaries are not. Millions of white collars supervisors and managers of average level are joining the blue collar workers, creating a common category: "worn out collar workers in golden times". According to the American Census Bureau, although the poverty rate improved a little in 1994, from 15.1% of the population (39,3 million people) in 1993 to 14.5% in 1994, it is still well above the 12.8% of 1989 (32.4 million people then). For most families, 1994's income stagnated despite the 4% increase of the National Gross Product, after having fallen 6.3% in the previous 4 years. In the same period the share of the richest 20% of the population in the country's wealth increased 2,3% from 46.8% to 49.1% and the share of the poorest 20% decreased from 3.8% to 3.6%. According to the Department of Commerce, in 1995 the country will have a commercial deficit record of approximately 169.2 billions.<sup>5</sup>

— In 1992, before the NAFTA, The United States had a surplus of approximately US\$ 5.4 billions in its commerce with Mexico. However, by the end of this year, The United States may reach a deficit of US\$ 17 billions in its commerce with Mexico. Notwithstanding this fact, the Mexican economy is in a recession, unemployment is increasing and the Mexican Finance Minister, Guillermo Ortiz, informed that the economy of the country will diminish five per cent in 1995.<sup>6</sup>

— Chile's economy increased 7.1% only in the first semester of 1995. However, the Chilean Ministry of Planning reported that between 1992 and 1994 the distribution of wealth in the country worsened. The share of the richest 10% of the population in the country's wealth increased from 36.8% to 40.8% while the share of the poorest 10% decreased from 1.9% to 1.7%.<sup>7</sup>

— Argentina had the highest unemployment rate in the history of the country, 18.6% in May of this year (1995), despite having registered the lowest inflation rate in fifty years, 2.7% in the twelve months preceding August 1995.<sup>8</sup>

— Foreseeing that unemployment will dramatically continue to increase due to the increasing speed in productivity, the French Secretary of the Movement Generation Ecology, Guy Aznar, defended in his book entitled "To work less so that all may work", the conversion of the quantitative gains in productivity into

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<sup>5</sup> GAZETA MERCANTIL Newspaper of September 11, 1995, page A-16, and of October 6, 1995. O GLOBO Newspaper of October 19, 1995, page 30.

<sup>6</sup> O GLOBO Newspaper of September 26, 1995, page 26.

<sup>7</sup> O GLOBO Newspaper of October 1, 1995, page 61.

<sup>8</sup> O GLOBO Newspaper of September 7, 1995, page 20.

qualitative time for the workers suggesting, among other things, the reduction of a day's work to less than seven hours, weekends of three days, reduction of the social contributions to the government.<sup>9</sup>

Therefore, if it is true that the Latin American countries must assimilate and apply the liberal concepts and rules which are integrating the world commerce, it is no less true that some of these concepts and rules have already proven to create more social instability than one could have foreseen or, as Edward Luttwak put it: "to concentrate wealth more rapidly, than it can generate it".

Of course, it would be foolish to combat poverty by means which hinder the very creation of wealthiness. This is not what is being suggested. What is being suggested, though, is that each Latin American country, or group of countries, must now carefully weigh the pros and cons of what is sold as an economic remedy under the easy threat of being left out of the existing integrated markets. This is especially relevant in relation to the Latin American foreign policy towards the international developments in the intellectual property field. The halt in the revision of the Paris Convention and the minimum standards imposed by the TRIPS agreement show that the previous general opposition to the international intellectual property system did not work. In the future, a more discerning and laborious analysis in the identification of common interests between developing and developed countries will be required in the intellectual property field. The common social demands of this new era might just help in the process.

## II. THE IMMEDIATE EFFECTIVENESS OF TRIPS AS A MINIMUM STANDARD AGREEMENT

In view of the transitional arrangements contained in article 65 of the Agreement on the Trade Related Aspects of Intellectual Property Rights - TRIPS, the Latin American countries are not obliged to apply the provisions of TRIPS before January 1st, 1996 (first paragraph of article 65) being still entitled to delay the date of its application within the limits established therein. This faculty allows the members of the Agreement to freely exercise their sovereignty as provided for in article 1 of TRIPS: "Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their domestic law **more extensive protection than is required by this Agreement**, provided that such protection does

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<sup>9</sup> "TRAVAILLER MOINS POUR TRAVAILLER TOUS", Syros Éditeur, 1993.

not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the provisions of this Agreement, within their own Legal systems and practice".

At the domestic sphere, one should not "lend" a new and more extensive reach to the provision contained in the first paragraph of article 65 of TRIPS: "...no Member shall be obliged to apply the provisions of this Agreement before the expiring of a general period of one year following the date of entry into force of the Agreement Establishing the WTO" (January 1st., 1995). Incorporated to the domestic law, this provision brings to the national legal systems the obligation of not requiring the application of the Agreement by another Member country before the deadline it provides for. Expressly directed to the strict application between the Member States, it is a legal provision of the International Law which, internally, neither obliges nor exempts any Member from applying the Agreement, consonant to the freedom of implementation provided for in article 1 of TRIPS.<sup>10</sup>

Therefore, in order to avail itself of the transitional periods provided for in Article 65 of TRIPS, a Member must do it expressly indicating the period(s) which it is availing itself of, in the law which incorporates the agreement to its national legal system. The periods provided for in Article 65 of the agreement are not automatically applicable at the domestic sphere of the Members exactly to allow the exercise of their sovereignty in implementing the agreement. This implementation might immediately follow the congressional approval and the promulgation of the agreement, or additionally require a second manifestation by Congress turning the agreement into law, depending on the different constitutional systems in force.

However, it should be noted that the Agreement actually establishes a minimum level of protection for intellectual property (Article 1, Paragraph 1), requiring right from its entry into force at the international sphere that any modification in the domestic legislation of its Members shall not result in diminished compliance with the provisions of the Agreement (Paragraph 5 of Article 65).

Indeed, these provisions must be complied with immediately: 1 - By those Members whose legislation already stipulates an equivalent or higher level of compliance with the provisions of the Agreement and, thus, since 1 January 1995, may no longer modify their domestic legislation in a manner that would result in

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<sup>10</sup> Excerpt from the resolution adopted by The Brazilian Association for Intellectual Property, ABPI, on this subject. See Annex 1.

diminished compliance with the provisions of the Agreement; 2 - By those Members whose legislation stipulates less compliance with the provisions of the Agreement and, therefore, not only may not modify their domestic legislation as of 1 January 1995 in a manner that would result in diminished compliance with the provisions of the Agreement, but also shall have to modify their domestic legislation within the transitional period(s) of which they may make use in order to achieve an equal or greater level of compliance with the provisions of the Agreement.

Besides, it is not the set of provisions that must be analyzed. The nature of each provision shall be analyzed in order to pinpoint the juridical consequences thereof. For example: Article 85 of the Brazilian Industrial Property Code stipulates that the registration of a mark shall remain in force for a period of ten years. Article 18 of TRIPS establishes that the registration of a mark will have a duration of no less than seven years. Consequently, even though Brazil could have used the transitional periods, the obligation to avoid adopting a norm that would result in diminished compliance with the provisions of Article 18 of TRIPS is already in force and fully effective. Presently, Brazil cannot adopt a period of less than seven years for the validity of the registration of a mark, without violating the Agreement. Thus, the substantive provisions of the Agreement already bind the Members, having provided for sanctions against those who fail to comply therewith<sup>11</sup>.

What we thus note is not the deferred effectiveness of the minimum level established by the provisions of the Agreement, but rather the immediate effectiveness thereof, generating obligations at the international level since 1 January 1995, which vary according to the protection level in the Member nations, as well as to the use or not of the transitional periods available.

Once the TRIPS' provisions become effective in the domestic sphere, they will revoke the incompatible provisions of the previous internal law, in compliance with the principle **lex posterior derogat priori**. Depending, again, on the constitutional system of each country, the TRIPS' provisions will then either stand on equal footing with the domestic law or have a higher hierarchical authority,

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<sup>11</sup> Non-compliance with the commitment undertaken under the Agreement may, if considered sufficiently serious in light of Paragraph 2 of Article XXIII of GATT 1994, prompt the WTO to authorize one or more Members of the Agreement to suspend the application of any obligation or concession resulting from the GATT 1994 or from the Uruguay Round with regards to the Member in breach of this Agreement.

in which case they may not be revoked by the eventual incompatible provision(s) of a later domestic law.

### III. TRADEMARKS<sup>12</sup>

#### III.1 Protectable Subject Matter

The TRIPS Agreement provides that the Members may require, as a condition of registration, that signs be visually perceptible. The NAFTA and the protocol for Harmonization on Intellectual Property in the Mercosul have an identical provision.

It seems, though, that this disclaimer on what may constitute a mark does not properly consider the new means of communication that technology is continuously introducing in modern life. A higher minimum standard should certainly have been provided for in TRIPS or at least the possibility of restricting what may constitute a mark should have been avoided.

Decision 344 of The Andean Pact was much more fortunate in broadly stating that all perceptible signs that may be graphically represented are registrable. The Central American Convention on Industrial Property similarly provides that signs, words and all graphical or material means capable of distinguishing products or services are registrable.

#### III.2 Term of Protection

While the TRIPS Agreement provided for a minimum term of trademark protection of no less than seven years, the NAFTA, the Central American Convention and its Protocol, the Andean Pact Decision 344 and the Mercosul Protocol all provided for a 10 year term.

As the NAFTA actually provided for a term of "at least 10 years", it could be said that as a minimum term the NAFTA provision would have been revoked by the TRIPS' provision in compliance with the principle **lex posterior derogat priori**.

#### III.3 Rights Conferred - Well-Known Marks

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<sup>12</sup> See Annex 2

In TRIPS, the rights conferred by a trademark registration are limited by the traditional test of likelihood of confusion (paragraph 1 of article 16). Nevertheless, it expressly extended to services the protection of Article 6bis of the Paris Convention on well-known marks (paragraph 2 of article 16)<sup>13</sup> and to goods or services which are not similar to those in respect of which a well-known trademark is registered, provided in this case that there is a likelihood of damage to the interests of the owner of the registered trademark resulting from the possibility of undue association between the goods or services of different origins (paragraph 3 of Article 16). However, paragraph 3 of Article 16 of TRIPS does not clarify whether the registration of the well-known mark must exist in the Member State where the protection is sought. As it refers to the application of Article 6bis of the Paris Convention, a registration in any Member State should be enough.

The text of both the Protocol to the Central American Convention (art. 26, e and 26,l) and the Mercosul Protocol (art. 11) granted to a local not well-known trademark registration protection against undue associations with trademarks covering not similar goods or services of a different origin and the taking of undue advantage of the mark's reputation.

Regarding well-known marks, the Protocol to the Central American Convention extended the protection to not similar goods or services in case of a risk of association or the taking of unfair advantage of the notoriety. The notoriety is defined as the knowledge of the mark in the relevant section of the public or in entrepreneurs' circles or in international trade.

The Mercosul Protocol extended the protection of Article 6bis of the Paris Convention to services, keeping the notion of similar goods/services. But, in paragraph 4 of Article 9, the Mercosul Protocol innovated, shifting, considerably, the enforcement test from the degree of knowledge of the mark to emphasize the unfairness of the unauthorized use and/or application for registration of a mark which was or should have been known to the unauthorized user/applicant as belonging to somebody else. Article 9, paragraph 4, of the Mercosul Protocol states:

"9.4. - The Member States shall particularly forbid registration of a sign which imitates or reproduces, totally or partially, a mark which the Applicant evidently

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<sup>13</sup> Paragraph 2 of Article 16 of TRIPS confined the required knowledge of the trademark to the "relevant sector of the public".

could not mislead as belonging to an owner established or domiciled in any of the Member States and capable of causing confusion or association."

As the above provision expressly refers to the Mercosul Member States, once it is incorporated in the national law of the respective Mercosul Member States, it may raise the question as to whether it would also apply in regard to a mark which the applicant could not mislead as belonging to an owner established or domiciled in another TRIPS' Member State.<sup>14</sup>

Decision 344 of The Andean Pact also innovated, extending the protection of Article 6bis of the Paris Convention to not similar goods or services without the burden of having to show confusion or association, in cases of reproduction, imitation or translation of a well-known mark (Article 83, d). It imposed the test of likelihood of confusion only in cases of mere resemblance with the well-known mark. The local registration of a trademark which is not well-known is protected against the use of similar signs covering different articles or services if there is at least a possibility of causing economic or commercial harm to the trademark owner or dilution of the trademark (Art. 104, d).

It seems, though, that no provision has been capable of dealing entirely with one of the most typical cases of trademark piracy. I am referring to the lawful copying of foreign trademarks which are starting to have commercial success but are not well-known yet. When they become well-known and are filed abroad a prior national application/registration is often found.

Article 9.4 of The Mercosul Protocol would partially deal with that situation in the Mercosul countries, if it is extended to the others TRIPS' Members and if the mark covers identical or similar goods or services.

It is past time that an international agreement adopted an equivalent provision, deleting the confusion/association requirement so that the copying of trademarks would be discouraged even in relation to not similar goods or services. Without the confusion/association requirement, paragraph 4 of Article 9 of The Mercosul Protocol would read:

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<sup>14</sup> Paragraph 2 of Article 2 of the Mercosul Protocol clearly states, though, that the obligations existing under the Paris Convention and TRIPS Agreement would not be affected by the provisions of the Protocol and Article 3 of TRIPS states that "Each Member shall accord to the nationals of the other Members treatment no less favourable than it accords to its own nationals with regard to the protection of intellectual property".

"9.4. - The Member States shall particularly forbid registration of a sign which imitates or reproduces, totally or partially, a mark which the Applicant evidently could not misknow as belonging to an owner established or domiciled in any of the Member States."

The possibility of legally copying foreign trademarks which are not well-known is probably one of the most striking examples of how trademark rights are still seen as such an exception to the principle of free copying that even acts which are widely perceived as unfair are permitted in order to drive away the ghost of undue foreign monopolies.

#### III.4 Requirement of Use

The TRIPS Agreement provided for the cancellation of a registration after an uninterrupted period of at least three years of non-use, therefore increasing NAFTA's two years of non-use minimum requirement.

The Mercosul Protocol and The Central American Protocol both provided for the cancellation of a registration only after an uninterrupted period of five years of non-use in any Member State.

In case of infringements, the question of allowing a long period of non-use, especially a five year period, is whether in fact it would not benefit the infringers, lowering the standard of trademark protection. This would be particularly true where the court proceedings take a very long time to come to an end. Infringers which would have had their infringing trademark registration canceled within a period of just two years of non-use, as provided for in NAFTA, could then benefit from a longer period and try to extract a more favourable settlement from the legitimate trademark owner.

#### III.5 Other Requirements

Article 20 of TRIPS prohibited the unjustifiable encumberment of trademark use by special requirements, such as use with another trademark, use in

a special form or use in a manner detrimental to its capability to distinguish the goods or services.

The present Brazilian special requirements in regard to pharmaceutical marks, for instance, fall within the three examples cited: pharmaceutical trademarks may only be used together with a house mark; depending on the Brazilian sub-class covered the pharmaceutical trademark form will be restricted (only the house marks may consist of a figurative element); and according to a recent decree the size of the trademark on the packaging of the product may not exceed one third of size of the generic name of the product appearing on the packaging, limiting the trademark's capability to distinguish the goods.

The broad language used in this article can, therefore, be expected to effectively reach the encumberements created by the devious national bureaucracies.

### III.6 Certification and Collective Marks<sup>15</sup>

The NAFTA agreement and the Central American and Mercosul Protocols provide for the protection of both certification and collective marks. However, the trademark definition contained in article 15 of The TRIPS Agreement did not expressly embrace the possibility of registering certification and collective marks. In TRIPS, the registration of collective marks is provided for in article 7bis of the Paris Convention (which integrates the TRIPS Agreement in accordance with the first paragraph of its Article 2). Articles 123 of The Andean Pact Decision 344 and 35 of The Central American Convention on the Protection of Industrial Property also only provided for the registration of collective marks. Nevertheless, the TRIPS Agreement, The Central American Convention and Decision 344 should not be construed as excluding the protection of certification marks. The broad definition given to collective marks in these agreements can actually embrace the certification marks.

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<sup>15</sup> See AIPPI's ANNUAIRE 1994/II. Resolution on Question 118, pages 409-410. The following definitions of collective and certification marks were provided in The AIPPI Resolution:

- "(1) Certification marks' are marks which are used to indicate that the goods or services so identified are certified to possess certain characteristics or qualities, and
- (2) Collective marks' strictly speaking are marks which are used to indicate that the goods or services so identified have been produced, distributed or performed by members of a certain group of persons."

The use of certification and collective marks are particularly helpful in the maximization of economic efficiencies, transmitting to the consumers common information from a whole group of undertakers, in regard to their respective products/services or in regard to whatever other information a group of undertakers may wish to pass to the consumers as, for instance, a common financial support to humanitarian or ecological causes.

Besides, certification and collective marks may be used to protect indications of source and appellations of origin. TRIPS, NAFTA and Decision 344 allow the registration of true indications of source and appellations of origin as a mark by only prohibiting the registration of the misleading geographical indications. What TRIPS, NAFTA and The Andean Pact Decision do not clarify at all is whether an indication of source or an appellation of origin, if registrable as a mark in a Member State, can be protected as an individual mark.

The International Association for the Protection of Industrial Property - AIPPI is of the opinion that "as a general rule, because of its nature, an indication of source or an appellation of origin cannot be registered or protected as an individual mark for the goods or services to which the indication or appellation applies". AIPPI considered, however, that "indications of source and appellations of origin can be protected in the form of collective or certification marks even though they designate the geographical origin of the goods or services".<sup>15</sup>

In line with The AIPPI's Resolution is The Central American Convention, which, in its Article 10, item n, permitted the registration of indications of source and appellations of origin as a collective trademark, provided it was adopted by an undertaker of the territory indicated to distinguish a product or service particular to that territory. The Protocol to the Central American Convention contains no similar provision but it provides for the registration of appellations of origin as such. Besides, it may benefit from the definition used in article 7bis of the Paris Convention for collective marks. However, the Protocol required that certification marks may only be assigned with the business to which the trademark belongs, what may constitute a violation to article 21 of the TRIPS Agreement which states that "the owner of a registered trademark shall have the right to assign his trademark with or without the transfer of the business to which the trademark belongs."

On the other hand, The Protocol for Harmonization on Intellectual Property in the Mercosul on Trademarks, Indications of Source and Appellations of

Origin expressly prohibited in its article 20 the registration of indications of source and appellations of origin as marks despite providing in its article 3 for the registration of certification and collective marks. If the Protocol enters in force in the Mercosul countries it may, therefore, result in diminished compliance with the TRIPS provisions where it concerns the registration of marks containing or consisting of indications of source and appellations of origin.

#### IV. GEOGRAPHICAL INDICATIONS<sup>16</sup>

##### IV.1 Protectable Subject Matter

The TRIPS Agreement requires that the Members shall comply with the Paris Convention, which in the second paragraph of its first article stated that the protection of industrial property embraces within its object indications of source and appellations of origin.

According to Bodenhausen, "Appellations of origin are now considered to be a *species* of the *genus* "indications of source", characterized by their relationship with quality or characteristics derived from the source".<sup>17</sup> Indications of source, the *genus*, would include all expressions or signs used to indicate the origin of the products or services.<sup>18</sup>

More recently, WIPO used the term "Geographical Indications" to cover both indications of source and appellations of origin.<sup>19</sup> The International Association to the Protection of Industrial Property - AIPPI also included in the definition of geographical indication, besides indications of source and appellations of origin, the "**neutral geographical indication** - that the public does not perceive as indicating the origin of the goods or services" - and the "**generic geographical**

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<sup>16</sup> See Annex 3

<sup>17</sup> Paragraph (l) of Article 2 of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration defined the Term "appellation of origin" as "the geographical name of a country, region or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors".

<sup>18</sup> GUIDE TO THE APPLICATION OF THE PARIS CONVENTION, 1968.

<sup>19</sup> THE ROLE OF INDUSTRIAL PROPERTY IN THE PROTECTION OF CONSUMERS, 1983, pages 50 and 51.

**indication** - which has become merely descriptive for goods or services (for example "Bermuda" for a certain kind of shorts).<sup>20</sup>

On the other hand, Article 22 of the TRIPS Agreement gave to geographical indication the very same specific definition generally known for appellation of origin, adding to the already existing terminological confusion in this area. The NAFTA, for instance, only uses the term geographical indication without defining it or making any reference to the *species* "indication of source" and "appellation of origin".

The text of the Mercosul Protocol defined indications of source as a geographical name of a country or city, region or locality of its territory which is known as a center of extraction, production or manufacture of a certain product or service. This is also the present text of the Brazilian Law of 1971. Although it seems to qualify and, therefore, restrict the application of article 10 (seizure of products) of the Paris Convention<sup>21</sup>, in practice, there has never been a court decision in Brazil clarifying whether article 10 of the Paris Convention would only apply where the false indication of source is known as a center of extraction, production or manufacture of the products or services.

#### IV.2 Rights Conferred

The second paragraph of Article 22 of the TRIPS Agreement requires that the Members provide the legal means to prevent the misleading use of geographical indications and any use which constitutes an act of unfair competition under Article 10bis of the Paris Convention.

However, Article 10 of the Paris Convention already provided for the seizure of goods directly or indirectly bearing a false indication of source<sup>22</sup> and Article 10bis provided protection against the use of indications liable to mislead the public as to the characteristics of the goods.

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<sup>20</sup> ANNUAIRE 1994/II - Resolution on Question 118, page 408.

<sup>21</sup> See footnote 15

<sup>22</sup> The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods contains detailed provisions on the seizure of goods bearing false indications and allows the courts of each Contracting State to decide which are the generic indications of source, except for the regional indications of source for wines.

It seems, therefore, that TRIPS is trying to encourage the Members to provide legal means beyond those resulting from article 10 of the Paris Convention for the repression of false indications of source, at the same time that it makes certain that the legal means used to repress unfair competition under article 10bis of the Paris Convention shall be available to repress the use of misleading appellations of origin.

In this regard TRIPS follows the suggestion contained in the study prepared by WIPO on "THE ROLE OF INDUSTRIAL PROPERTY IN THE PROTECTION OF CONSUMERS":

"Furthermore, an enterprise which wrongfully uses a geographical indication might not only mislead consumers but also gain an unfair advantage over its competitors, including those from the geographical area covered by the indication, who, over a period of time, may lose the whole or part of their custom and the goodwill and reputation symbolized by such indication. Therefore, the protection of appellations of origin and indications of source can be considered a particular aspect of the protection against unfair competition. However, more detailed provisions that can be provided for under unfair competition laws are generally needed to ensure effective protection of geographical indications. This is particularly true in the case of appellations of origin, for which special rules to reinforce their protection are desirable."<sup>23</sup>

#### IV.3 Additional Protection for Geographical Indications for Wines and Spirits

A much stronger protection was indeed provided for under Article 23 of the TRIPS Agreement which prevents the use of a geographical indication for wines and spirits even when the true origin of the goods from different sources is indicated or the geographical indication is translated or accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like.

Article 24, however, reluctantly protected the prior "acquired rights" (paragraphs 4 to 8), not without first stating that "Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23" (paragraph 1).

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<sup>23</sup> See footnote 19

It should be noted that Article 23 reveals a *ratio legis* which is very similar to the one used in the provision previously suggested in item III.4 (Rights Conferred - Well-Known Marks) to deal with the "lawful" copying of foreign trademarks. Article 23, in fact, not only eliminated the confusion/association requirement but also eliminated the burden of having to show that the applicant could not misknow that geographical indication. It would not make any sense to go so far in the protection of not well-known trademarks. However, it is just not understandable why we are still so far away from such a *ratio legis* in the repression of the intentional copying of foreign trademarks.

## V. TRADE SECRETS<sup>24</sup>

### V.1 Use by Third Parties in Good Faith

Paragraph 2 of Article 32 of the TRIPS Agreement protects information lawfully within the control of natural and legal persons "from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices". In a footnote in the Agreement, it is explained that "a manner contrary to honest commercial practices" shall mean at least practices such as breach of contract, breach of confidence and inducement to breach, and includes the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.

The footnote contained in the TRIPS Agreement is important because otherwise the third party who acquired the trade secret in good faith could, in principle, be prohibited from using the acquired information as from the moment he became aware that unfair practices were involved in the acquisition.

The NAFTA Agreement and the Andean Pact Decision 344 used the same language contained in the TRIPS Agreement but they do not clarify the reach of the words "a manner contrary to honest commercial practices" which, therefore, may apply to the third parties in good faith, after this third party becomes aware that unfair practices were involved in the acquisition of the trade secret.

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<sup>24</sup> See Annex 4

The question of whether the third party who received the trade secret in good faith should be stopped from using it was also examined by the International Association for the Protection of Industrial Property - AIPPI, which believed that "if the trade secret has not been disclosed to the public through the use of the third party, who acquired it in good faith, the proprietor can require that the third party not disclose it to the public. Whether, and under what conditions, the third party can continue using it, should depend on all circumstances of fact, such as e.g. his having invested substantially in the use of the trade secret" (Resolution on Question 115, June 30, 1995).

The Brazilian Group of AIPPI, however, defended the criteria adopted by the TRIPS Agreement:

"In fact, the exclusive property right granted to patents, trademarks and copyrights, is an exception to the general principle of freedom to copy ideas, determined by the public interest in their dissemination. When the State grants a temporary property right to an invention, it does so in exchange for its dissemination and if the invention fulfills the requirements of novelty and susceptibility of industrial use. In case the invention is not described in detail, the patent is null.

Therefore to grant a trade secret sequel right protection contradicts the existent public interest in the dissemination of ideas, the exclusivity of which was expressly restricted by the Law in scope and in form and time."

"Mentioned understanding and the Group's conclusion, therefore, go toward and are limited to the Resolution taken in Copenhagen by the AIPPI, which expresses the understanding that the use or disclosure of a trade secret, without its owner's consent, which was received from a person to whom it was entrusted or who obtained it improperly, constitutes an act of unfair competition if the user knew or should have been aware of this fact".<sup>25</sup>

The debate over the extension of trade secret protection will certainly continue to receive increasing attention from the international organizations as the economic value of trade secrets, which some repute to be higher than that of patents, will demand the strongest possible protection in the new integrated markets.

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<sup>25</sup> ANNUAIRE 1995/I, pages 38 and 39.

## V.2 Patentable Information as Trade Secrets

Another issue which has received international attention in the protection of trade secrets is whether patentable information should be protected under the trade secret laws and regulations.

It has been argued that as the public interest in the disclosure of new inventions which are industrially applicable constitutes the basis of the patent system, such incentive to disclose patentable information should not be overshadowed by the protection of trade secrets.

This reasoning, however, is not correct because trade secret laws do not or do not directly protect the information kept in secret. The protection of trade secrets is in fact a mere consequence of the repression of unfair trade practices, resulting therefrom that patentable trade secret protection has some disadvantages vis a vis patent protection:

1. The reverse engineering of products which incorporate or have used the secret information in its manufacture is allowed and those who manage to independently discover that information are free to use it;
2. If the trade secret is revealed, even by mistake, it falls in public domain and all may use it;
3. If the trade secret is dishonestly disclosed to a third party who receives it in good faith it will be very difficult, if not impossible, depending on the jurisdiction, to stop this third party in good faith from freely using the information received.

The third disadvantage, not being able to stop third parties in good faith, has been maintained by the TRIPS Agreement as noted in item V.1 (Use by Third Parties in Good Faith). The inventor may, hence, choose at his own risk between two different kinds of protection. Nevertheless, the patent system would not suffer the disadvantages which are inherent to the factual situation of secrecy.

On the other hand, Article 12 (GRACE PERIOD) of WIPO's "basic proposal" consisting of the draft Patent Law Treaty<sup>26</sup>, if approved, would eliminate the second and third disadvantages above mentioned:

"Article 12

Disclosures Not Affecting Patentability (Grace Period)

(1) [Circumstances of Disclosure Not Affecting Patentability]

**Disclosure of information** which otherwise would affect the patentability of an invention claimed in the application **shall not affect the patentability of that invention where the information was disclosed, during the 12 months preceding the filing date** or, where priority is claimed, the priority date of the application,

- (i) **by the inventor,**
- (ii) by an Office and the information was contained
  - (a) in another application filed by the inventor and should not have been disclosed by the Office, or
  - (b) in an application filed without the knowledge or consent of the inventor by a third party which obtained the information direct or indirectly from the inventor,

**or**

- (iii) **by a third party which obtained the information direct or indirectly from the inventor.**

(2) [Inventor] For the purposes of paragraph (1), "inventor" also means any person who, at the filing date of the application, had the right to the patent.

(3) [No Time Limit for Invoking Grace Period] **The effects of paragraph (1) may be invoked at any time.**

(4) [Evidence] Where the applicability of paragraph (1) is contested, the party invoking the effects of that paragraph shall have the burden of proving, or of making the conclusion likely, that the conditions of that paragraph are fulfilled."

Should this Article 12 be adopted in the Patent Law Treaty, the holder of the secret information could file a patent application for the previously

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<sup>26</sup> Document PLT/DC/69 of January 29, 1993, page 60.

secret information within the twelve months following the disclosure, prevent the invention from falling in public domain and stop the third party in good faith or anyone else from using the invention.

In case the invention is not an easy one to be disclosed by reverse engineering, as it is usually the case with industrial processes, the only difference remaining between patentable trade secret protection and patent protection would be that patentable trade secret protection would not be limited in time but could be independently obtained by third parties while patent protection would be limited in time but, as a property right, would be opposable *erga omnes*.

Those who already mistrusted patentable trade secret protection will probably challenge the Grace Period provision of the draft Patent Law Treaty by saying that as it makes the patent system an alternative that would often come second to trade secret protection, it affronts the public interest existing in the disclosure of patentable information. These "improvements" in the protection of patentable trade secrets would nevertheless try to find justification in TRIPS, under its first article which encourages the Member States "...to implement in their domestic law more extensive protection than is required...".

As stated before, the interest in the maximization of economic efficiencies will continuously push the countries towards the elimination of the commercial constraints imposed by the various national laws.

## VI. A LATIN AMERICAN PERSPECTIVE

According to the Latin-American Association of Integration - ALADI, Latin America is undergoing an irreversible process of integration which will create a free trade area from Mexico to the Mercosul countries. The most recent regional agreement was signed on June 15, 1994, by the so called "Group of Three", Mexico, Venezuela and Colombia, aiming at creating a free trade area between them by scheduling a gradual dismantling of tariffs over the next ten years.<sup>27</sup>

A free trade area with the European Union is also under negotiation: an agreement shall be signed next December (1995) between the Mercosul Member States and The European Union, aiming at creating a free trade area between the

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<sup>27</sup> Germán Castillo Grau Newsletter and INTA BULLETIN, volume 49, no. 8 of September 1994.

two economic blocs within the next ten years. This agreement will be more substantial than the Transatlantic Agreement which the European Union shall sign with the United States. Chile, after having faced difficulties in its negotiations to join NAFTA, also decided to join the Mercosul and an agreement in this regard should soon be signed.

In the intellectual property area, regional and international agreements will continue to be created and the existing ones expanded, respecting the minimum standards established in the TRIPS Agreement. Article 24 of the Mercosul Protocol already refers to the additional agreements on patents, copyright and related subjects.

Therefore, it is clear that the dynamics of integration have left no room whatsoever to that old general opposition to the international intellectual property system. This is not, though, the "end of History" - the expression invented by Francis Fukuyama to describe the global acceptance of the free market rules. Intellectual property protection is not a goal in itself but still an exception which exists due to the benefits it should generate to the people.

The predominance of the liberal rules dictated by the market derived mainly from the modern theory of "rational expectations" which gave Robert Lucas the 1995 Nobel Prize in Economics.

"The Royal Swedish Academy of Sciences called Lucas "the economist who has had the greatest influence" in the last 25 years.

In fact, Luca's influence may have been too great. His seminal argument was that, in the long run, government intervention always produces unforeseen, usually unpleasant, consequences in the national economy. In much the same way, his own ideas have had an impact far beyond what he envisioned. In the 1980s the ideas of Lucas, Friedman and other conservative economists passed from the ivory tower into the heart of public-policy debates. Those in authority - whether "mad" or not - transmogrified them into a free market absolutism that has infected everything from World Bank advice to the Third World to the Panglossian belief that assaulting "big government" will cure all America's economic ills. Lucas never intended any of this. (...)

What Lucas demonstrated, using complex math, was a simple but powerful truth: the economy is not a machine made of valves and gears but an organic entity made of people. (...) if business owners learn to expect that the Federal Reserve will increase the money supply every time unemployment worsens, they will raise their prices in "rational expectation" of the policy change. That will negate the Fed's intended jobs stimulus and simply cause inflation instead. Shortly after Lucas published in the early 1970s, the "stagflation" of the era seemed to prove him and Friedman prophets.

The critique was devastating, and launched a healthy retreat from the hubris and spending excesses of Keynesianism. But it began to get out of hand. It fed such a powerful bias against intervention that it's still taboo to discuss the K word - Keynesianism - in many major world capitals, much as it is to declare oneself a liberal in Washington. "If you go to a dinner party, God forbid you show leanings toward proactive government; eyes will glance away from you," says Stephen Roach, chief economist at Morgan Stanley.

The problem is, there are a lot of good things still to be said about Keynes, and too many ills that his conservative opponents have failed to cure. Amid worsening U.S. disparities in income, some economists like Roach - who insists he is a "fiscal conservative" - are beginning to fear a workers back-lash against the shrink-government movement..."<sup>28</sup>

"For considering the macroeconomic problems mostly solved, professor Lucas has been dedicating himself more to the question of economic development. With this objective in mind, he developed models according to which the interaction between physical capital and human capital is particularly important. Lucas can, hence, explain why there is not a tendency of migration of the physical capital from the rich countries to the poor countries until there is an equalization of income *per capita*. This happens because a country which invests in human capital will always continue to be attractive to the physical capital." Lucas present work indicates the "central role played by the human capital and technology in the economic development."<sup>29</sup>

It is, therefore, with an eye at the human capital, and not at the physical capital, that the Latin American countries should see to the protection of

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<sup>28</sup> NEWSWEEK of October 23, 1995, page 37.

<sup>29</sup> GAZETA MERCANTIL Newspaper of October 12, 1995, page A-12

intellectual property. Proposals of improved intellectual property protection which search for economic efficiency as its final goal often either result in new trade barriers or restraints to the dissemination of technological information or unreasonable concentration of wealth or unemployment or a combination of these factors. On the other hand, the stronger the social benefits deriving from the protection of intellectual property, the more extensive the protection should be.

In this regard, one should praise the improvements on intellectual property protection already provided for in the Latin American regional agreements. As far as trademarks are concerned, these agreements even implemented more extensive protection than is required by TRIPS (see item III.4. Rights Conferred - Well-Known marks). The Latin American countries are no longer resisting the international intellectual property system. Instead, they are striving to give their contribution to the creation of a well-balanced international intellectual property system, from which they have learned they may receive the benefits.

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## TRADEMARKS

ANNEX 2

SUBJECT	TRIPS	NAFTA	CENTRAL AMERICAN CONVENTION ON INDUSTRIAL PROPERTY AND THE PROTOCOL TO THIS CONVENTION (SIGNED ON NOVEMBER 30, 1994)	DECISION 344 OF THE ANDEAN PACT	PROTOCOL FOR HARMONIZATION ON INTELLECTUAL PROPERTY IN THE MERCOSUL (SIGNED IN AUGUST 1995)
<b>PROTECTABLE SUBJECT MATTER</b>	MEMBERS MAY REQUIRE THAT SIGNS BE VISUALLY PERCEPTIBLE	AS IN TRIPS	IN THE CONVENTION, SIGNS, WORDS AND ALL GRAPHICAL OR MATERIAL MEANS CAPABLE OF DISTINGUISHING PRODUCTS OR SERVICES ARE REGISTRABLE. THE PROTOCOL USED AN EXTENSIVE LIST WHICH IN THE END IS NARROWER THAN IN THE CONVENTION.	PERCEPTIBLE SIGNS THAT MAY BE GRAPHICALLY REPRESENTED ARE REGISTRABLE	AS IN TRIPS
<b>REGISTRATION</b>	MAY DEPEND ON USE BUT SHALL NOT BE A CONDITION FOR FILING	AS IN TRIPS	THE CONVENTION DOES NOT REQUIRE REGISTRATION BUT FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS MAINLY (ART.8). HOWEVER, PROPERTY RIGHTS CAN ONLY BE ACQUIRED THROUGH REGISTRATION (ART.17). UNDER THE PROTOCOL PRIOR USE FOR AT LEAST 3 MONTHS ORIGINATES PRIOR RIGHTS (ART. 5, a)	REGISTRATION IS REQUIRED AND IS NOT DEPENDENT ON USE	PRIOR USE FOR AT LEAST 6 MONTHS MAY ORIGINATE RIGHTS BUT REGISTRATION IS REQUIRED FOR ENFORCEMENT (ART. 8).
<b>RIGHTS CONFERRED</b>	TRADITIONAL TEST OF LIKELIHOOD OF CONFUSION	AS IN TRIPS	THE CONVENTION REQUIRES LIKELIHOOD OF CONFUSION. THE PROTOCOL GRANTS PROTECTION AGAINST UNDUE ASSOCIATIONS WITH MARKS COVERING NOT SIMILAR GOODS OR SERVICES AND THE TAKING OF UNDUE ADVANTAGE OF THE MARK'S REPUTATION (ART. 26 e AND f).	PROTECTION EXPRESSLY EXTENDED TO THE POSSIBILITY OF CAUSING ECONOMIC OR COMMERCIAL HARM TO THE TRADEMARK OWNER OR DILUTION OF THE TRADEMARK (ART. 104, d).	AS IN THE PROTOCOL TO THE CENTRAL AMERICAN CONVENTION (ART. 11).
<b>TERM OF PROTECTION</b>	NO LESS THAN SEVEN YEARS	NO LESS THAN TEN YEARS	TEN YEARS	TEN YEARS	TEN YEARS
<b>WELL-KNOWN MARK</b>	EXTENDED THE PROTECTION OF ARTICLE 6 BIS OF THE PARIS CONVENTION TO NOT SIMILAR GOODS OR SERVICES PROVIDED THAT THE INTERESTS OF THE OWNER OF THE REGISTERED MARK ARE LIKELY TO BE DAMAGED AND CONFINED THE REQUIRED KNOWLEDGE OF THE MARK TO THE RELEVANT SECTOR OF THE PUBLIC.	EXTENDED THE PROTECTION OF ARTICLE 6 BIS OF THE PARIS CONVENTION TO SERVICES	THE CONVENTION CONTAINS NO SPECIFIC PROVISION ON THIS SUBJECT. THE PROTOCOL EXTENDED THE PROTECTION OF TRIPS BY PROHIBITING THE TAKING OF UNFAIR ADVANTAGE OF THE NOTORIETY, DEFINED AS THE KNOWLEDGE OF THE MARK IN THE RELEVANT SECTOR OF THE PUBLIC OR IN ENTREPRENEUR'S CIRCLES OR IN INTERNATIONAL TRADE.	EXTENDED THE PROTECTION OF ARTICLE 6 BIS OF THE PARIS CONVENTION TO NOT SIMILAR GOODS OR SERVICES WITHOUT THE NEED TO SHOW CONFUSION OR ASSOCIATION IN CASE OF REPRODUCTION, IMITATION OR TRANSLATION. REQUIRED THE POSSIBILITY OF CONFUSION ONLY IN CASES OF MERE RESEMBLANCE.	EXTENDED THE PROTECTION OF ARTICLE 6 BIS AS IN TRIPS. BESIDES, FORBIDDEN THE REGISTRATION OF A MARK CAPABLE OF CAUSING A MERE ASSOCIATION WITH A MARK WHICH THE APPLICANT COULD NOT MISKNOW AS BELONGING TO AN OWNER ESTABLISHED OR DOMICILED IN ANY MEMBER STATE (ARTICLE 9, PARAGRAPH 4).

## TRADEMARKS

ANNEX 2 (continuation)

SUBJECT	TRIPS	NAFTA	CENTRAL AMERICAN CONVENTION ON INDUSTRIAL PROPERTY AND THE PROTOCOL TO THIS CONVENTION (SIGNED ON NOVEMBER 30, 1994)	DECISION 344 OF THE ANDEAN PACT	PROTOCOL FOR HARMONIZATION ON INTELLECTUAL PROPERTY IN THE MERCOSUL (SIGNED IN AUGUST 1995)
<b>CERTIFICATION AND COLLECTIVE MARKS</b>	ONLY CONTAINS A PROVISION FOR COLLECTIVE MARKS (IN THE PARIS CONVENTION) BUT EMBRACING BOTH CONCEPTS	THE DEFINITION OF MARKS OF INDUSTRY AND COMMERCE EXPRESSLY EMBRACED THE CERTIFICATION AND COLLECTIVE MARKS	AS IN TRIPS FOR THE CONVENTION. THE PROTOCOL CONTAINS VERY SPECIFIC PROVISIONS FOR THE PROTECTION OF TRADEMARK. CERTIFICATION MARKS MAY ONLY BE ASSIGNED WITH THE BUSINESS TO WHICH THE TRADEMARK BELONGS (ART. 58.2).	AS IN TRIPS	MEMBERS SHALL PROTECT COLLECTIVE MARKS AND MAY PROTECT CERTIFICATION MARKS
<b>REGISTRATION OF INDICATIONS OF SOURCE AND APPELLATIONS OF ORIGIN AS A MARK</b>	ONLY PROHIBITS THE REGISTRATION OF THE MISLEADING GEOGRAPHICAL INDICATIONS	AS IN TRIPS	MAY BE REGISTERED ONLY AS A COLLECTIVE MARK UNDER THE CONVENTION (ART. 10N). THE PROTOCOL DOES NOT CONTAIN A SIMILAR PROVISION BUT PROVIDED FOR THE REGISTRATION OF APPELLATIONS OF ORIGIN AS SUCH (ART. 73)	AS IN TRIPS	REGISTRATION PROHIBITED
<b>REQUIREMENT OF USE</b>	REGISTRATION MAY BE CANCELED ONLY AFTER AT LEAST THREE YEARS OF NON-USE	REGISTRATION MAY BE CANCELED AFTER TWO YEARS OF NON-USE	CONTAINS NO PROVISION SPECIFYING A PERIOD FOR THE CANCELLATION OF A REGISTRATION FOR NON-USE. THE PROTOCOL PROVIDED FOR CANCELLATION AFTER FIVE YEARS OF NON-USE (ART. 39).	REGISTRATION MAY BE CANCELED AFTER THREE YEARS OF NON-USE	REGISTRATION MAY BE CANCELED ONLY AFTER FIVE YEARS OF NON-USE
<b>OTHER REQUIREMENTS</b>	TRADEMARK USE SHALL NOT BE UNJUSTIFIABLY ENCUMBERED BY SPECIAL REQUIREMENTS SUCH AS OF FORM, USE WITH ANOTHER TRADEMARK OR IN A MANNER DETRIMENTAL TO ITS CAPABILITY TO DISTINGUISH THE GOODS OR SERVICES.	AS IN TRIPS	CONTAINS NO EQUIVALENT PROVISION	CONTAINS NO EQUIVALENT PROVISION	CONTAINS NO EQUIVALENT PROVISION
<b>PARALLEL IMPORTATION</b>	FOOTNOTE 13 IN ARTICLE 51 CLARIFIES THAT MEMBERS SHALL NOT BE OBLIGED TO PROHIBIT IT.	CONTAINS NO SPECIAL PROVISION ON THIS SUBJECT.	THE CONVENTION MERELY STATES THAT IMPORTATION OF PRODUCTS BEARING THE MARK CAN BE STOPPED (ART. 26, C). THE PROTOCOL EXPRESSLY ALLOWS IT.	ALLOWS IT.	ALLOWS IT.

## GEOGRAPHICAL INDICATIONS

SUBJECT	TRIPS	NAFTA	CENTRAL AMERICAN CONVENTION ON INDUSTRIAL PROPERTY AND THE PROTOCOL TO THIS CONVENTION (SIGNED ON NOVEMBER 30, 1994)	DECISION 344 OF THE ANDEAN PACT	PROTOCOL FOR HARMONIZATION ON INTELLECTUAL PROPERTY IN THE MERCOSUL (SIGNED IN AUGUST 1995)
<b>GEOGRAPHICAL INDICATION</b>	THE DEFINITION USED COVERS ONLY THE APPELLATIONS OF ORIGIN (ART. 22)	CONTAINS NO DEFINITION BUT THE PROTECTION ACCORDED TO GEOGRAPHICAL INDICATION REACHES BOTH INDICATIONS OF SOURCE AND APPELLATIONS OF ORIGIN.	THE CONVENTION DOES NOT REFER TO THIS TERM. THE PROTOCOL USES A BROAD DEFINITION WHICH COVERS INDICATIONS OF SOURCE AND APPELLATIONS OF ORIGIN.	REGISTRATION OF A MISLEADING GEOGRAPHICAL INDICATION AS A MARK IS PROHIBITED (ART. 82.i), NO DEFINITION BEING PROVIDED FOR.	CONTAINS NO SPECIFIC PROVISION ON THIS SUBJECT.
<b>INDICATION OF SOURCE</b>	PROTECTED UNDER THE PARIS CONVENTION	IS PROTECTED	IS EXPRESSLY PROTECTED UNDER THE CONVENTION AND IS PROTECTED IN THE PROTOCOL UNDER THE TERM GEOGRAPHICAL INDICATION.	REGISTRATION OF A MISLEADING INDICATION OF SOURCE AS A MARK IS PROHIBITED (ART. 82, d and i).	ONLY WELL-KNOWN INDICATIONS OF SOURCE ARE PROTECTED. THE TERM IS DEFINED AS THE GEOGRAPHICAL NAME OF A COUNTRY, CITY, REGION, OR LOCALITY OF ITS TERRITORY <u>WHICH IS KNOWN</u> AS A CENTER OF EXTRACTION PRODUCTION OR MANUFACTURE OF A CERTAIN PRODUCT OR SERVICE.
<b>APPELLATION OF ORIGIN</b>	IS PROTECTED. THE TERM GEOGRAPHICAL INDICATION IS USED TO DESIGNATE APPELLATIONS OF ORIGIN.	YES. CONTAINS A REFERENCE TO ARTICLE 10BIS (UNFAIR COMPETITION) OF THE PARIS CONVENTION.	IS EXPRESSLY PROTECTED IN BOTH THE CONVENTION AND THE PROTOCOL.	IS PROTECTED (ART. 130).	IS PROTECTED.
<b>REGISTRATION</b>	NO	NO	THE PROTOCOL PROVIDES FOR THE REGISTRATION OF APPELLATIONS OF ORIGIN AS SUCH (ART. 73) FOR AN INDEFINITE PERIOD OF VALIDITY (ART. 78).	REQUIRED FOR APPELLATIONS OF ORIGIN AS SUCH (ART. 131 AND 134). THE TERM IS OF TEN YEARS, RENEWABLE FOR EQUAL PERIODS (ART. 139).	NO
<b>RIGHTS CONFERRED</b>	TO PREVENT THE MISLEADING USE OR REGISTRATION OF "GEOGRAPHICAL INDICATIONS" AND ANY USE WHICH CONSTITUTES AN ACT OF UNFAIR COMPETITION. GEOGRAPHICAL INDICATIONS FOR WINES AND SPIRITS ARE PROTECTED EVEN WHEN THE TRUE ORIGIN OF THE GOODS FROM DIFFERENT SOURCES IS INDICATED OR THE GEOGRAPHICAL INDICATION TRANSLATED OR ACCOMPANIED BY EXPRESSION SUCH AS KIND, TYPE, STYLE, IMITATION OR THE LIKE.	AS IN TRIPS BUT FOR WINES AND SPIRITS.	THE CONVENTION PROHIBITS THE MISLEADING USE (ART. 76) AND REGISTRATION (ART. 10, N) OF A MISLEADING INDICATION OF SOURCE AND APPELLATION OF ORIGIN AS A MARK. THE PROTOCOL ALSO PROHIBITS THE MISLEADING USE (ART. 70) OR REGISTRATION AS A MARK (ART. 4,2) OF THE MISLEADING GEOGRAPHICAL INDICATIONS.	THE DECLARATION (THE REGISTRATION) GRANTS THE EXCLUSIVE RIGHT TO USE THE APPELLATION OF ORIGIN (ART. 136). THE REGISTRATION OF A MISLEADING GEOGRAPHICAL INDICATION AS A MARK IS PROHIBITED.	NOT DEFINED.

## TRADE SECRETS

ANNEX 4

SUBJECT	TRIPS	NAFTA	DECISION 344 OF THE ANDEAN PACT
<b>PROTECTABLE SUBJECT MATTER</b>	SECRET INFORMATION WHICH HAS COMMERCIAL VALUE AND HAS BEEN SUBJECT TO REASONABLE STEPS TO BE KEPT IN SECRET.	AS IN TRIPS	AS IN TRIPS (ART. 72)
<b>THIRD PARTIES IN GOOD FAITH</b>	PROTECTION DOES NOT REACH THIRD PARTIES IN GOOD FAITH. THE WORDS "IN A MANNER CONTRARY TO HONEST COMMERCIAL PRACTICES" ARE DEFINED TO REACH "THIRD PARTIES WHO KNEW OR WERE GROSSLY NEGLIGENT IN FAILING TO KNOW", THAT IMPROPER MEANS WERE ORIGINALLY INVOLVED IN THE OBTENTION OF THE INFORMATION.	IT IS NOT SAID WHETHER THE SAME REQUIREMENT AS IN TRIPS THAT THE THIRD PARTY ACTS "IN A MANNER CONTRARY TO HONEST COMMERCIAL PRACTICES" SHALL INCLUDE THE THIRD PARTY IN GOOD FAITH AFTER THIS THIRD PARTY KNOWS THAT THE INFORMATION WAS ORIGINALLY IMPROPERLY OBTAINED.	AS IN NAFTA
<b>GOVERNMENTAL APPROVAL OF PHARMACEUTICAL OR AGRICULTURAL CHEMICAL PRODUCTS WHICH UTILIZE NEW CHEMICAL ENTITIES</b>	PROTECTS THE UNDISCLOSED DATA SUBMITTED TO THE GOVERNMENT FROM UNFAIR COMMERCIAL USE OR DISCLOSURE.	AS IN TRIPS. ALSO PROHIBITS FOR NO LESS THAN FIVE YEARS, THAT A THIRD PARTY RELY ON SUCH DATA IN SUPPORT OF AN APPLICATION FOR PRODUCT APPROVAL.	AS IN NAFTA
<b>LICENSING OF TRADE SECRETS</b>	DOES NOT COVER THE LICENSING OF TRADE SECRETS	PROHIBITS THE IMPOSITION OF EXCESSIVE OR DISCRIMINATORY CONDITIONS ON LICENSES OF TRADE SECRETS OR CONDITIONS THAT DILUTE THE VALUE OF THE TRADE SECRET.	EXPRESSLY PERMITS THE LICENSING OF TRADE SECRETS AND THE INCLUSION OF CONFIDENTIALITY CLAUSES IN THE LICENSE.

**OBS.:** THE CENTRAL AMERICAN CONVENTION ON INDUSTRIAL PROPERTY AND THE PROTOCOL TO THIS CONVENTION AND THE PROTOCOL FOR HARMONIZATION ON INTELLECTUAL PROPERTY IN THE MERCOSUL DO NOT COVER TRADE SECRET PROTECTION.