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**Interinstitutional File:**  
**2018/0214(NLE)**

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PI 106

## PROPOSAL

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| From:            | Secretary-General of the European Commission,<br>signed by Mr Jordi AYET PUIGARNAU, Director  |
| date of receipt: | 27 July 2018  |
| To:              | Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of<br>the European Union  |
| No. Cion doc.:   | COM(2018) 350 final   |
| Subject:         | Proposal for a COUNCIL DECISION on the accession of the European<br>Union to the Geneva Act of the Lisbon Agreement on Appellations of Origin<br>and Geographical Indications |

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Delegations will find attached document COM(2018) 350 final.

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Encl.: COM(2018) 350 final



Brussels, 27.7.2018  
COM(2018) 350 final

2018/0214 (NLE)

Proposal for a

**COUNCIL DECISION**

**on the accession of the European Union to the Geneva Act of the Lisbon Agreement on  
Appellations of Origin and Geographical Indications**

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The Lisbon Agreement of 1958 for the Protection of Appellations of Origin and their International Registration is a treaty administered by the World Intellectual Property Organization (WIPO) open to parties to the Paris Convention for the Protection of Industrial Property. Its contracting parties are obliged to protect on their territories the appellations of origin of products of the other contracting parties recognized and protected as such in the country of origin and registered at the WIPO International Bureau, unless they declare within one year from the request for registration that they cannot ensure protection.

Seven Member States of the Union are contracting parties to the Lisbon Agreement: Bulgaria (since 1975), Czech Republic (since 1993), Slovakia (since 1993), France (since 1966), Hungary (since 1967), Italy (since 1968) and Portugal (since 1966). Three Member States of the Union have signed but not ratified the Agreement (Greece, Romania and Spain). The Union itself is not a contracting party as the Lisbon Agreement only provides for membership of States.

The Lisbon Agreement was reviewed from 2009 to 2015 with a view to (i) the refinement of its current framework, (ii) the inclusion of provisions specifying that the Lisbon system also applies in respect of geographical indications, and (ii) the inclusion of the possibility of accession by intergovernmental organizations, such as the EU.

On 7 May 2015 the Council adopted a Decision authorising the Commission to participate in the Diplomatic Conference held in Geneva from 11 to 21 May 2015 which adopted the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (hereinafter 'the Geneva Act') on 20 May 2015. Having regard to the ruling of the European Court of Justice of 25 October 2017 in case C-389/15, this Decision was replaced by the Council Decision (EU) 2018/416 of 5 March 2018 authorising the opening of negotiations for a revised Lisbon Agreement on Appellations of Origin and Geographical Indications.

The Geneva Act expands the scope of the Lisbon system beyond appellations of origin to all geographical indications. It is compatible with the WTO TRIPS Agreement and with relevant Union legislation on protection of geographical indications for agricultural products, and allows international organizations (such as the European Union) to become Contracting Parties.

The revised agreement outlines the terms, conditions and processes by which contracting parties may seek protection for registered appellations of origin and geographical indications, while allowing for appropriate safeguards and transitional periods for certain entities.

As regards the procedures for applications and international registration, Contracting Parties may require the declaration of an intention to use if necessary for protection

under their domestic law (Article 5 (5) of the Geneva Act and Rule 5(4) of the Common Regulations under the Lisbon Agreement and the Geneva Act of the Lisbon Agreement (the "Common Regulations"). Regarding information about the link between the characteristics of a product and its geographical origin, which is optional under the old Lisbon Agreement, there will be no protection of an appellation of origin or geographical indication in a Contracting Party if this requirement is mandatory there and the application does not comply with it. Applications shall indicate, to the best knowledge of the applicant, whether protection has not been granted for certain elements of the appellation of origin or geographical indication (Rule 5(5)).

Registration fees are increased from 500 CHF to 1000 CHF and future flexibility has been introduced to allow Members to further contribute to the budget as required. A transitional fee of 500 CHF is payable per geographical indication moving from the old to the new system. An individual fee can be required by Contracting Parties in order to cover the cost of substantive examination of the international registration.

Article 9 constitutes the obligation for each Contracting Party to protect registered appellations of origin and geographical indications on its territory, within its own legal system and practice but in accordance with the terms of this Act, subject to any refusal, renunciation, invalidation or cancellation that may become effective with respect to its territory.

Article 11 lays down the content of protection. Article 11(1) (a) requires each Contracting Party to provide the legal means to prevent use of the appellation of origin or geographical indication in respect of goods of the same kind but different origin and in respect of goods not of the same kind or services if such use would indicate or suggest a connection between those goods or services and the beneficiaries, and would be likely to damage their interests, or to impair or dilute or take unfair advantage of, the reputation of the AO/GI. Moreover, Article 11 (1) (b) covers any other practice liable to mislead consumers as to the true origin, provenance or nature of the goods. Article 11(2) essentially extends the application of Article 11 (1) (a) to the cases provided for in Article 23.1 of the TRIPS Agreement ("even if the true origin of the goods is indicated, or if the appellation of origin or the geographical indication is used in translated form or is accompanied by terms such as "style", "kind", "type", "make", "imitation", "method", "as produced in", "like", "similar" or the like") without however limiting its scope to wines and spirits.

Article 12 effectively ensures that protected designations may not subsequently become generic.

Article 13(1) explicitly provides for coexistence of appellations of origin or geographical indications with prior trade mark rights, in accordance with the findings of the WTO panel in the dispute between the EU and the US/Australia (DS174/DS290) that coexistence is based on Article 17 TRIPs. Article 13 allows Contracting Parties to provide limited exceptions to the rights conferred by a trademark to the effect that such a prior trademark in certain circumstances may not entitle its owner to prevent a registered AO or GI from being granted protection or used in that Contracting Party.

The notification of a refusal of the effects of an international registration shall set out the grounds on which the refusal is based (Article 15). Withdrawal of a refusal is possible in accordance with the procedures specified in the Common Regulations (Rule 11). Although there is no explicit reference in the Geneva Act to negotiations aimed at achieving the withdrawal of a refusal to protect an appellation of origin or geographical indication, negotiations may anyway be conducted even in the absence of an explicit reference.

Article 17 (Transitional period) provides for the option of a phasing out period for prior uses.

Regarding the grounds for invalidation of a registered appellation of origin or geographical indication, the relevant Article 19 does not refer to invalidity grounds and hence allows any Contracting Party to invoke its domestic rules, in line with EU legislation, which does not have an enumerative list of invalidation grounds, either.

The Geneva Act will enter into force three months after five parties have ratified it (Article 29(2)).

The Union has exclusive competence for the Geneva Act of the Lisbon Agreement. This follows from the ruling of the European Court of Justice of 25 October 2017 in [Case C-389/15 - Commission v Council](#) - which clarified that the draft revised Lisbon Agreement, i.e. the Geneva Act, is essentially intended to facilitate and govern trade between the European Union and third States and, secondly, that it is such as to have direct and immediate effects on such trade, so that its negotiation fell within the exclusive competence which Article 3(1) TFEU confers on the European Union in the field of the common commercial policy envisaged in Article 207(1) TFEU.

Regarding agricultural products, the Union has established uniform and exhaustive protection systems for geographical indications for wines (1970), spirits (1989), aromatized wines (1991) and other agricultural products and foodstuffs (1992). Given the exclusive nature of Union legislation on protection of geographical indications for agricultural products, the Member States are not supposed to have protection systems of their own nor themselves to protect agricultural geographical indications of third country members of the Lisbon system. However, as long as the Union is not a contracting party of the Geneva Act, it cannot submit agricultural geographical indications registered at Union level for protection under the Lisbon system, nor protect third country members' geographical indications on the basis of that system.

In order for the Union to properly exercise its exclusive competence for the Geneva Act of the Lisbon Agreement and its functions in the context of its exhaustive protection systems for agricultural geographical indications, the EU should become a contracting party.

For the European Union to become party to the Geneva Act, at least one of its Member States must be party to the Paris Convention, and the Union must declare that it has been duly authorized, in accordance with its internal procedures, to become party to this Act and that, under its constituting treaty, legislation applies under which regional titles of protection can be obtained in respect of geographical

indications. All Member States are parties to the Paris Convention. As regards legislation under which regional titles of protection can be obtained in respect of geographical indications, the Union has established, in accordance with its constituting treaties, uniform and exhaustive protection systems for geographical indications for wines (1970), spirits (1989), aromatized wines (1991) and other agricultural products and foodstuffs (1992).

With this proposal for a Council Decision, the Commission seeks the Council's authorisation for accession of the European Union to the Geneva Act.

- **Consistency with existing policy provisions in the policy area**

Regarding agricultural products, the EU has established uniform and exhaustive GI protection systems for wines (1970), spirits (1989), aromatized wines (1991) and other agricultural products and foodstuffs (1992). Through these systems, protected names for the products covered enjoy far-reaching protection throughout the EU, based on a single application process. The key provisions are currently laid down for wine in Regulation (EU) No. 1308/2013 of 17 December 2013, for aromatized wines in Regulation (EU) No. 251/2014 of 26 February 2014, for spirits in Regulation (EC) No. 110/2008 of 15 January 2008, and for agricultural products and foodstuffs in Regulation (EU) No. 1151/2012 of 21 November 2012.

- **Consistency with other Union policies**

The Union's accession to the Geneva Act of the Lisbon Agreement is consistent with the EU's general policy to promote and enhance the protection of geographical indications through bilateral, regional and multilateral agreements.

## 2. **LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

Considering the subject matter of the Treaty, the decision of the Council should be based on Articles 207 and 218(6) of the Treaty on the Functioning of the European Union.

- **Subsidiarity (for non-exclusive competence)**

According to Article 5(3) of the Treaty of the European Union (TEU), the subsidiarity principle does not apply to areas of exclusive EU competence.

- **Proportionality**

Without accession the Union and its Member States would remain unable to benefit from the Geneva Act of the Lisbon Agreement. Given the exclusive nature of the Union's commercial policy, including commercial aspects of intellectual property, EU Member States are not supposed to have GI protection systems of their own nor themselves to protect agricultural GIs of third country members of the Lisbon system. The Union itself, as long as it is not a Contracting Party, cannot submit agricultural GIs registered at EU level for protection under the Lisbon system, nor protect third country members' GIs on the basis of that system. In order for the EU to

properly exercise its exclusive competence for agricultural GIs in the Lisbon system, the EU should become a member.

- **Choice of the instrument**

A Council Decision on the conclusion of the Union's accession to the Geneva Act is the appropriate legal instrument, having regard to Article 28 (Becoming Party to This Act) of the Geneva Act of the Lisbon Agreement.

### 3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable.

- **Stakeholder consultations**

The Roadmap on EU accession to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications was published on 21 December 2017 with a deadline for stakeholder comments until 18 January 2018. 8 comments were received within the deadline. All except one were basically positive regarding the initiative and supported EU accession. Three comments expressed the view that the EU should advance the discussion on recognition and protection of non-agricultural geographical indications. Two comments were against a shortlist as all of the Union's geographical indications should be eligible for protection under the Geneva Act.

- **Collection and use of expertise**

The study of October 2012 done by AND International on the "Value of production of agricultural products and foodstuffs, wines, aromatised wines and spirits protected by a geographical indication (GI)" ([http://ec.europa.eu/agriculture/external-studies/value-gi\\_en](http://ec.europa.eu/agriculture/external-studies/value-gi_en))

identified a number of benefits of the EU's GI policy for consumers (quality assurance), producers (openness of the system to all producers complying with quality requirements; fair competition; price premium; efficient protection), society at large (link of valuable products to rural areas; preserving tradition; reconnection of producers and consumers) and the environment (Linking traditional products with landscapes and farming systems). Evaluating economic data on each of 2768 GIs registered in the EU 27 from 2005 to 2010, the study found in particular that on average, the price of a GI product is 2.23 times the price of a comparable non-GI product. The sales value of EU GIs (all sectors) was €4.3 billion in 2010 (5.7% of the total EU food and drink sector); the estimated EU GI exports value is €11.5 billion (15% of EU food and drink industry exports).

- **Impact assessment**

The Better Regulation requirements for the initiative do not include an impact assessment, an implementation plan or a public consultation. The Roadmap on EU accession to the Geneva Act of the Lisbon Agreement on Appellations of Origin and

Geographical Indications was published on 21 December 2017 with a deadline for stakeholder comments until 18 January 2018. 8 comments were received.

The Guidelines on Better Regulation clarify that an impact assessment should be carried out only when it is useful, to be assessed on a case-by-case basis. In principle, no impact assessment is needed, when there is little or no choice available for the Commission. This is the case here as accession to the Geneva Act of the Lisbon Agreement is warranted in view of the Union's exclusive competence for the matters covered by the Geneva Act, and as this step would also be the logical conclusion following the review process of the Lisbon system in which the EU has engaged.

There would be a number of advantages in case of EU membership. It would ensure that current and future GIs registered at EU level but not registered by the 7 EU Member States in the Lisbon Union could become eligible for protection in the Lisbon system. EU GIs could in principle gain rapid, high level, indefinite protection in all current and future parties to the Geneva Act. The established multilateral register would increase the reputation of European GIs due to the wide geographic extent of protection under the Geneva Act. Improved international GI protection resulting from EU accession is expected to consolidate and potentially expand the positive impacts of GI protection on inclusive growth and employment in high added value production in the agricultural sector, on trade and investment flows, competitiveness of business and SMEs in particular, as well as for the functioning of the internal market and competition, and for the protection of IPR. Farmers' and food producers' intellectual property in their GI-protected products is vulnerable to exploitation and loss, especially in global markets. EU accession to the Lisbon system would help rural stakeholders protect at global level what is valuable at local level, thus countervailing the usual globalisation trend toward uniform commodity standards and downward pressure on agricultural product prices. In the current political and economic uncertainties, this would provide a visible demonstration to the rural community that the EU is acting to defend and protect their interests across the world. As the Geneva Act is broadly equivalent to EU legislation on GI protection for agricultural products, it is not expected that EU accession will require significant adjustments of the substance of this legislation.

From an administrative point of view, the Geneva Act provides a single set of rules for obtaining protection in all members and therefore a simpler and more efficient mechanism compared to the current EU practice of dealing with a variety of local procedures through bilateral agreements. In commercial policy terms, it will demonstrate the EU's responsible leadership role promoting multilateralism. EU accession is not expected to create additional costs or burdens on EU operators or EU Member States wanting to have GIs protected in the Lisbon system as compared to the status quo. On the contrary, it is expected to even result in a reduced level of these administrative costs and burdens.

For businesses, EU accession will entail no additional adjustment, compliance or transaction costs or administrative burdens other than potential individual examination fees which Lisbon Members may apply but which will be diminished by the savings resulting from the international procedure.

The Geneva Act allows for accession of the EU together with its Member States. However, in view of the uniform and exhaustive nature of the EU GI protection system for agricultural products, any AOs or GIs submitted for protection by the seven EU Member States in the Lisbon system (currently around 800) and eligible for



protection under EU legislation should no longer be protected under national legislation, but exclusively through EU legislation. This will also be the case regarding protection of GIs originating in, and submitted for protection by, third country Lisbon members. As a consequence, EU accession will result in less administrative burden of participation in the Lisbon system for EU Member States.

Notably, once the EU has joined, there will be the option of referring to the Lisbon system register rather than negotiating in detail the bilateral protection of GIs. This would be in line with practice in other areas of Intellectual Property Rights (IPR) where the EU engages its partners to join and comply with international agreements on IPR such as the Berne Convention on Copyright and the Madrid protocol on Trade Marks, rather than creating a web of divergent undertakings that can confuse stakeholders.

Accession of the EU will likely give an incentive for more third countries to join the Lisbon system, since this would give them access to protection across the whole Lisbon Union, and they could benefit from an efficient examination procedure for individual GIs in case of equivalence of their system to that of the EU.

EU accession may in particular have positive effects for developing countries which consider joining the Geneva Act as their GIs could gain protection in the EU through the Lisbon system. The interest of the 17-member African IP office, OAPI, to join Lisbon is propitious and evidence of the attraction of the GI instrument to protect developing country farmers' rights and traditional value.

As regards potential disadvantages, these could be seen in the as yet limited membership of the Lisbon system, the concern that progress on GIs in the WTO might be put even further out of reach; scepticism of some EU Member States towards EU accession, and uncertainty in respect of financial impacts. However, the modernized system under the Geneva Act should be more attractive for potential new members; progress in WIPO might even have a positive repercussion on GI discussions in the WTO by creating appropriate synergies and bringing the revised Lisbon Agreement closer to the WTO process; EU member States with reservations about the Lisbon system will not be required to join; and Lisbon members have made progress in their efforts towards ensuring financial sustainability of the Lisbon system.

On balance, the advantages of EU accession to the Geneva Act of the Lisbon Agreement outweigh the disadvantages. In order to achieve EU accession to the Lisbon System, the Commission will have to prepare a proposal for the legal acts needed for accession of the EU to the Geneva Act of the Lisbon Agreement and its implementation.

- **Regulatory fitness and simplification**

Not applicable.

- **Fundamental rights**

The Union's accession to the Geneva Act of the Lisbon Agreement will contribute to the fulfilment of Article 17 (2) of the Charter of Fundamental Right of the European Union, which provides that intellectual property shall be protected.

#### **4. BUDGETARY IMPLICATIONS**

See Financial Statement annexed.

#### **5. OTHER ELEMENTS**

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

Not applicable

Proposal for a

## COUNCIL DECISION

### **on the accession of the European Union to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207 in conjunction with Article 218(6)(a) thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

Whereas:

- (1) The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 31 October 1958<sup>1</sup> ('the Lisbon Agreement') created a special union ('the Special Union') within the framework of the Union for the Protection of Industrial Property which was established by the Convention for the Protection of Industrial Property signed in Paris on 20 March 1883 ('the Paris Convention'). Under the terms of the Lisbon Agreement, the contracting parties undertake to protect on their territories the appellations of origin of products of the other countries within the Special Union which are recognised and protected as such in the country of origin and which are registered at the International Bureau of Intellectual Property of the World Intellectual Property Organization, unless those parties declare, within one year from the request for registration, that they cannot ensure such protection.
- (2) Seven Member States are parties to the Lisbon Agreement namely Bulgaria (since 1975), the Czech Republic (since 1993), France (since 1966), Italy (since 1968), Hungary (since 1967), Portugal (since 1966) and Slovakia (since 1993). Three other Member States have signed but not ratified the Lisbon Agreement namely, Greece, Spain and Romania. The Union itself is not a party to the Lisbon Agreement as the agreement provides that only States can accede to it.
- (3) On 20 May 2015 the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications<sup>2</sup> ('the Geneva Act') was adopted which revised the Lisbon Agreement. In particular, the Geneva Act expands the scope of the Special Union in order to extend the protection of appellations of origin of products to all geographical indications within the meaning of the WTO Agreement on Trade-Related

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<sup>1</sup> [http://www.wipo.int/export/sites/www/lisbon/en/legal\\_texts/lisbon\\_agreement.pdf](http://www.wipo.int/export/sites/www/lisbon/en/legal_texts/lisbon_agreement.pdf).

<sup>2</sup> [http://www.wipo.int/edocs/lexdocs/treaties/en/lisbon/trt\\_lisbon\\_009en.pdf](http://www.wipo.int/edocs/lexdocs/treaties/en/lisbon/trt_lisbon_009en.pdf).

Aspects of Intellectual Property Rights. The Geneva Act is compatible with this Agreement and with relevant Union legislation on the protection of designations of origin and geographical indications for agricultural products, and allows international organisations to become contracting parties.

- (4) The Union has exclusive competence for the areas covered by the Geneva Act. This was confirmed in the ruling of the European Court of Justice of 25 October 2017 in case C-389/15<sup>3</sup> which clarified that the draft revised Lisbon Agreement, which has been subsequently adopted as the Geneva Act, is essentially intended to facilitate and govern trade between the Union and third countries and has direct and immediate effects on such trade. Therefore the negotiation of the Geneva Act fell within the exclusive competence of the Union conferred by Article 3(1) of the Treaty on the Functioning of the European Union as it was within the field of the common commercial policy referred to in Article 207(1) of that Treaty, in particular with regard to the commercial aspects of intellectual property.
- (5) Regarding certain agricultural products, the Union has established uniform and comprehensive protection systems for geographical indications for wines (1970), spirits (1989), aromatized wines (1991) and other agricultural products and foodstuffs (1992). Based on the exclusive competence under Article 3 of the Treaty on the Functioning of the European Union, Member States should not have national protection systems to protect agricultural designations of origin and geographical indications of third country members of the Special Union. However, where the Union is not a contracting party to the Geneva Act, it cannot submit agricultural designations of origin and geographical indications registered at Union level for protection within the Special Union, nor protect third country members' designations of origin and geographical indications by means of the protection systems established by the Union.
- (6) In order for the Union to be able to properly exercise its exclusive competence for the areas covered by the Geneva Act and its functions in the context of its comprehensive protection systems for agricultural designations of origin and geographical indications, the Union should become a contracting party to the Geneva Act.
- (7) The Union's accession to the Geneva Act is in accordance with Article 17(2) of the Charter of Fundamental Rights of the European Union, which provides that intellectual property shall be protected.
- (8) The European Union should therefore accede to the Geneva Act.
- (9) In the Special Union, the Union should be represented by the Commission in accordance with Article 17(1) of the Treaty on European Union,

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<sup>3</sup> Judgment of the Court of Justice of 25 October 2017, Commission v Council, C-389/15, ECLI:EU:C:2017:798 [paragraphs 45 ff].

HAS ADOPTED THIS DECISION:

*Article 1*

The accession of the European Union to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications ('the Geneva Act') is hereby approved on behalf of the Union.

The text of the Geneva Act is attached to this Decision.

*Article 2*

The President of the Council shall designate the person empowered to proceed, on behalf of the European Union, to the deposit of the instrument of accession provided for in Article 28(2)(ii) of the Geneva Act, in order to express the consent of the European Union to be bound by the Geneva Act.

*Article 3*

In the Special Union, the Union shall be represented by the Commission in accordance with Article 17(1) of the Treaty on European Union. The Commission shall make all the necessary notifications under the Geneva Act on behalf of the Union.

In particular, the Commission shall be the Competent Authority referred to in Article 3 of the Geneva Act, responsible for the administration of the Geneva Act in the territory of the Union and for communications with the International Bureau of Intellectual Property of the World Intellectual Property Organization under the Geneva Act and the Common Regulations under the Lisbon Agreement and the Geneva Act of the Lisbon Agreement (the "Common Regulations")<sup>4</sup>.

*Article 4*

In accordance with Article 29(4) of the Geneva Act, a declaration attached to the instrument of accession shall specify an extension by one year of the time limit referred to in Article 15(1) of the Geneva Act, and the periods referred to in Article 17 of that Act, in accordance with the procedures specified in the Common Regulations.

In accordance with Rule 5(3)(a) of the Common Regulations, a notification to the Director General of the World Intellectual Property Organization attached to the instrument of accession shall specify the requirement that, for the protection of a registered appellation of origin or geographical indication in the territory of the Union, the application shall, in addition to the mandatory contents set out in Rule 5(2) of the Common Regulations, indicate particulars concerning, in the case of an appellation of origin, the quality or characteristics of

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<sup>4</sup> Common Regulations under the Lisbon Agreement and the Geneva Act of the Lisbon Agreement as adopted by the Assembly of the Lisbon Union on 11 October 2017, [http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=376416](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=376416), Doc. WIPO A/57/11 of 11 October 2017.

the good and its connection with the geographical environment of the geographical area of production, and, in the case of a geographical indication, the quality, reputation or other characteristic of the good and its connection with the geographical area of origin.

*Article 5*

This Decision shall enter into force on [...].

Done at Brussels,

*For the Council  
The President*

## LEGISLATIVE FINANCIAL STATEMENT

|   |  |   |                                      |                                     |
|---|--|---|--------------------------------------|-------------------------------------|
| <b>FINANCIAL STATEMENT</b>  |  | FS/18/YG/mh XXX<br>agri.ddg2..XXX<br>6.221.2018.1 |                                      |                                     |
|   |  | DATE: 05.03.2018                                  |                                      |                                     |
| 1. BUDGET HEADING:<br>05 06 01  |  | APPROPRIATIONS:<br>EUR 7.228 million              |                                      |                                     |
| 2. TITLE:<br>Proposal for a Council Decision on the accession of the European Union to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications  |  |   |                                      |                                     |
| 3. LEGAL BASIS:<br>Articles 207 and 218(6) of the Treaty on the Functioning of the European Union   |  |   |                                      |                                     |
| 4. AIMS:<br>With this proposal for a Council Decision, the Commission seeks authorization from the Council to authorize the accession of the European Union to the Geneva Act   |  |   |                                      |                                     |
| 5. FINANCIAL IMPLICATIONS   |  | 12 MONTH<br>PERIOD                                | CURRENT<br>FINANCIAL<br>YEAR<br>2018 | FOLLOWING<br>FINANCIAL YEAR<br>2019 |
|   |  | (EUR million)                                     | (EUR million)                        | (EUR million)                       |
| 5.0 EXPENDITURE   |  | -   | 1.0                                  | 1.0 (estimate)                      |
| - CHARGED TO THE EU BUDGET<br>(REFUNDS/INTERVENTIONS)   |  |   | 1.0                                  |                                     |
| - NATIONAL AUTHORITIES  |  |   | -                                    |                                     |
| - OTHER   |  |   | -                                    |                                     |
| 5.1 REVENUE   |  |   |                                      |                                     |
| - OWN RESOURCES OF THE EU<br>(LEVIES/CUSTOMS DUTIES)  |  |   |                                      |                                     |
| - NATIONAL  |  |   |                                      |                                     |
|   |  | 2020  | 2021                                 | 2022                                |
| 5.0.1 ESTIMATED EXPENDITURE   |  |   |                                      |                                     |
| 5.1.1 ESTIMATED REVENUE   |  |   |                                      |                                     |
| 5.2 METHOD OF CALCULATION: not determined at this stage   |  |   |                                      |                                     |
| 6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? <span style="float: right;">YES <del>NO</del></span>   |  |   |                                      |                                     |
| 6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? <span style="float: right;">YES <del>NO</del></span>  |  |   |                                      |                                     |
| 6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY? <span style="float: right;">YES <del>NO</del></span>  |  |   |                                      |                                     |
| 6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS? <span style="float: right;">YES <del>NO</del></span>  |  |   |                                      |                                     |
| OBSERVATIONS:<br>The fees shall be borne by the Member State in which the appellation of origin or the geographical indication is originating. However, the Union may make a special contribution pursuant to Article 24(2)(v) of the Geneva Act within the means available for this purpose in the annual budget of the Union. In 2018, an amount of EUR 1 million is allocated to budget line 05 06 01 to this purpose. |  |   |                                      |                                     |