

## Extended Abstract

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<b>Paper/Poster Title</b>	<b>Potable Intellectual Property: WTO TRIPS and EU Geographical Indication Wines</b>
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<b>Abstract</b>	<i>200 words max</i>
<p>Article 23 of the 1995 WTO agreement on Trade-Related Aspects of Intellectual Property (TRIPS) provides strong international protection for so-called Geographical Indication (GI) wines such as Bordeaux and Chianti. However, there is scant empirical evidence on whether TRIPS protection of GI wines is effective at actually increasing GI wine exports, for instance by displacing GI imitations. A fine-grained PPML fixed-effects analysis of EU wine exports over the period 1995-2019 does not find a significant effect on GI wine exports. When countries accede to the WTO, the export of GI wines does not go up more than that of non-GI wines. Methodologically, the paper innovates by its use of fine-grained trade data at the CN8 level, addressing the issue of concordance over time by constructing indices that cover the same products over time, even as the classification of wines into CN8 codes changes over time. Our findings suggest that the EU policy of also including wine GIs in bilateral agreements can be seen as an attempt to improve de facto enforcement of GI protection in third countries such as China, which acceded to the WTO in 2001.</p>	
<b>Keywords</b>	Food Quality, Geographical Indications, WTO, Intellectual Property
<b>JEL Code</b>	F13 Trade Policy; International Trade Organizations • O34 Intellectual Property and Intellectual Capital • Q17 Agriculture in International Trade see: <a href="http://www.aeaweb.org/jel/guide/jel.php?class=Q">www.aeaweb.org/jel/guide/jel.php?class=Q</a> )
<b>Introduction</b>	<i>100 – 250 words</i>
<p>Article 23 of the 1995 WTO agreement on Trade-Related Aspects of Intellectual Property (TRIPS) provides strong international protection for so-called Geographical Indication (GI) wines such as Bordeaux and Chianti. In theory, WTO members have to provide legal means to “prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question [...] even where the true origin of the goods is indicated”.</p> <p>However, there is scant empirical evidence on whether TRIPS protection of GI wines is effective at actually increasing GI wine exports, for instance by displacing GI imitations. This paper addresses this gap in the literature by analyzing export data of EU wines over the period 1995-2019.</p>	
<b>Methodology</b>	<i>100 – 250 words</i>
<p>The goal of the analysis is to identify whether TRIPS protection of GI wines gives rise to increased exports of EU GI wines, above and beyond the general effect of trading</p>	

partners acceding to the WTO. To accomplish this, a Pseudo-Poisson Maximum Likelihood (PPML) regression is run. A battery of fixed effects (exporter-time, importer-time, product-time) control for confounders. For instance, the importer-time fixed effects control for the general trade-promoting effects of WTO accession through lower tariffs, while the index-time fixed effects control for increased worldwide popularity of certain wines.

The data covers exports of wine (Harmonized System trade code 2204) by the biggest 7 EU exporters (representing over 90% of imports) to the biggest 100 importers (representing over 99% of imports), over the period 1995-2019. The identification is based on variation at the importer-product-time level, in particular variation in the sales of GI wines in countries that acceded to the WTO during the observation window. In particular, China and Russia both acceded to the WTO during this period, in 2001 and 2012 respectively.

At the level of eight-digit Combined Nomenclature (CN8) trade lines, GI and non-GI wines can be separated, as well as prices and quantities. However, the assignment of products to CN8 codes changes over time. To address this issue of concordance, the method of Le Roy et al (2014) was used, grouping CN8 codes into indices. The indices are constructed such that they cover the same products over time.

<b>Results</b>	<b>100 – 250 words</b>
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Based on 315,000 observations, a null effect of TRIPS protection on GI exports is found. When countries accede to the WTO, the export of GI wines does not go up more than that of non-GI wines. This suggests that, when looking across the board, the strong protection of wine GIs in TRIPS does not seem to generate in practice the effect that the EU had hoped for it.

Results are robust to changes such as switching to higher dimensional fixed effects (e.g. three-way exporter-importer-time fixed effects with product-time fixed effects).

More detailed analyses will consider heterogeneous effects across products, e.g. with different initial market shares, and across markets with different tastes.

<b>Discussion and Conclusion</b>	<b>100 – 250 words</b>
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The results suggest that either there were not a lot of GI imitations to begin with, or the enforcement of GI protection is limited even after WTO accession. Judging from the EU's actions, it seems to be worried mostly about the latter. Indeed, even though on paper TRIPS Article 23 protects GI wines very strongly, the EU often lists individual GI wines for protection under bilateral trade agreements or GI-specific agreements. A case in point is China: in 2021, 20 years after its WTO accession, through a separate bilateral agreement China has agreed to protect a list of 100 EU GIs, including some GI wines that should already have been protected under TRIPS.

To conclude, the protection of GI wines under WTO TRIPS Article 23 is very strong on paper, but a fine-grained PPML fixed-effects analysis of EU wine exports over the period 1995-2019 does not find a significant effect on GI wine exports. In this light, the EU policy of including wine GIs in bilateral agreements can be seen as an attempt to improve de facto enforcement of GI protection in third countries.