

TECHNICAL SUMMARY OF FINAL NEGOTIATED OUTCOMES CANADA-EUROPEAN UNION COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT

AGREEMENT-IN-PRINCIPLE

This document summarizes the important negotiated outcomes of the Canada-European Union Comprehensive Economic and Trade Agreement as of October 18, 2013.

The outcomes are categorized in the following seven sections:

- 1. Non-agricultural goods**
- 2. Agricultural goods**
- 3. Services and investment**
- 4. Government procurement**
- 5. Intellectual property**
- 6. Dispute settlement, institutional and horizontal provisions**
- 7. Sustainable development, environment and labour**

NON-AGRICULTURAL GOODS

Tariff elimination

General

- Full elimination of duties on all non-agricultural goods

European Union

- 98% of EU tariff lines set at 0% at entry into force
 - 99% of EU tariffs will be duty-free seven years after entry into force
- Transition periods of three, five or seven years on autos, certain fish and seafood products, and certain agricultural products
- Industrial goods: 99.3% of tariff lines duty-free immediately at entry into force
 - 100% of tariff lines will be duty-free seven years after entry into force
- Fish and seafood: 95.5% of tariff lines duty-free immediately at entry into force
 - 100% of tariff lines will be duty-free seven years after entry into force
 - transitional tariff rate quotas (TRQs) for key Canadian exports (23,000 tonnes of shrimp and 1,000 tonnes of cod)

Canada

- 98.4% of tariff lines at 0% at entry into force
 - 98.8% of Canadian tariff will be duty-free seven years after entry into force
- Non-agricultural: 99.6% tariff lines duty-free immediately at entry into force (including fish and seafood)
 - 100% of tariff lines will be duty-free seven years after entry into force
- Transition periods of three, five or seven years for certain sensitive products
 - ships: three and seven years
 - autos: three, five and seven years
 - certain agriculture goods (see separate agriculture summary): three, five and seven years

Rules of origin

- Favourable rules of origin that follow the Canadian style of drafting
 - allows Canadian products to qualify for tariff elimination
 - recognizes global value chains
 - encourages use of Canadian inputs
- Derogations (origin quotas) for products with a higher proportion of imported inputs
 - automobiles (see automobiles section)
 - fish/seafood (see fish and seafood section)
 - textiles and apparel (origin quotas for textiles and apparel cover Canada's and the EU's top exports)
 - high-sugar-containing products (see separate agriculture summary)
 - chocolate and confectionery (see separate agriculture summary)
 - processed foods (see separate agriculture summary)
 - cat and dog food (see separate agriculture summary)

- Should concessions to the EU in this area generate cost impacts on provincial and territorial governments, the federal government is prepared to address these incremental cost impacts.

Copyright

- The CETA result on copyright reflects Canada's system as updated by the 2012 *Copyright Modernization Act*, which brought Canada into compliance with the two 1996 World Intellectual Property Organization treaties (Copyright, and Performances and Phonograms).
- Reiterates existing aspects of Canada's copyright regime, including term of protection, broadcasting, protection of technological measures (technology designed to protect copyrighted material), protection of rights management information, and liability of intermediary (e.g. Internet) service providers

Trademarks and designs

- Canada did not take on specific commitments in this area. The CETA result on trademarks and designs reflects a best endeavours commitment to make all reasonable efforts to comply with international agreements and standards to encourage more effective trademark and industrial design procedures.
- With regard to the above, CETA specifically mentions the Singapore Treaty on the Law of Trademarks, the Protocol Related to the Madrid Agreement Concerning the International Registration of Marks, and the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs.

Geographical indications (GIs)

- Canada currently recognizes a number of EU wines and spirit geographical indications (GI), such as Cognac and Bordeaux.
- Agreed to varying ways of addressing EU requests regarding 179 terms covering foods and beer
- Preserved space for Canadian trademark holders and for users of commonly used English and French names for food products
- Offer protection for GIs without prejudicing the validity of existing Canadian trademarks
- The economic impact will be contained in Canada.
- Enforcement of GIs in the Canadian market remains a private matter to be argued before the courts.
- Some EU GIs were protected but with the caveat that they not impact the ability of producers to use specified English- and French-language terms that are commonly employed in Canada.
 - The following terms continue to be free for use in the Canadian market, in both official languages, regardless of product origin: Valencia orange, Black Forest ham, Tiroler bacon, Parmesan, Bavarian beer, Munich beer.
 - For example, Canadian producers would be able to use English and French but not the German language for Black Forest ham (Schwarzwälder Schinken).
- Limited GI rights provided to EU on: Asiago, feta, fontina, Gorgonzola and Munster
 - won't affect ability of current users of these names in Canada to continue use
 - future users will be able to use the names only when accompanied by expressions such as "kind," "type," "style," "imitation" or the like
- Canada preserves the ability to use the customary name of a plant variety or an animal breed.
 - Producers can, for example, sell the kalamata variety of olive and use the variety name in their packaging.
- Canada maintains ability to use components of multi-part terms, for example:
 - "Brie de Meaux" will be protected, but the term "brie" can be used on its own
 - "Gouda Holland" will be protected, but the term "Gouda" can be used on its own
 - "Edam Holland" will be protected, but the term "Edam" can be used on its own

- "Mortadella Bologna" will be protected, but either "Mortadella" or "bologna" can be used separately
- Canada did not agree to protect the French term "noix de Grenoble" (walnut, in English), meaning this term remains free for use in Canada.
- Budweiser beer : Canada will not protect the GI "Budejovicke," which prevents any potential conflict with the Budweiser trademark.
- Consultations were conducted with stakeholders, including meetings with individual trademark holders.

Plants and plant protection products

- Reflects Canadian regime
 - provides certainty for data protection for plant protection products
- Commits both sides to co-operate to promote and reinforce the protection of plant varieties based on the International Convention for the Protection of New Varieties of Plants (UPOV)
 - Canada and the EU already work together under UPOV.
- CETA will not change the "farmers' privilege" to save and replant seeds of a protected variety on their own land under the federal *Plant Breeders' Rights' Act*.

Enforcement

- Commitment to ensure simple, fair, equitable and cost-effective enforcement of intellectual property rights
- Includes provisions on civil remedies and border enforcement in line with Canada's existing regime and federal Bill C-56, Combating Counterfeit Products Act
- Commitments concerning the handling of geographical indications at the border: to be confirmed
 - This is not expected to interrupt trade at the border.