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Both sides claim victory in WTO name fight

MAR. 15 1:26 P.M. ET Both sides claimed victory Tuesday in a trade fight pitting the United States and Australia against the European Union, centering on the right of foreign exporters to use geographic food names such as Florida oranges or Idaho potatoes to describe their products in European markets.

A World Trade Organization panel released a ruling on Washington and Canberra's complaints against the 25-nation EU, which were launched on the same grounds. The ruling found fault with some parts of Brussels' current rules, which say only foods produced in their original region can carry certain well-known labels -- something the EU says is needed to give customers a quality guarantee.

The United States and Australia had argued that the EU was breaching the rules of global commerce by discriminating against their producers by not granting them the right to use "geographical indications" for their products.

The WTO ruling said Brussels had "not succeeded in rebutting that case," even though the EU was not guilty of wide-ranging breaches.

Acting U.S. Trade Representative Peter Allgeier praised the ruling.

"It's a clear win for American farmers and food processors. For years, Europe effectively had a 'Do Not Apply' sign directed at foreign producers," he said.

"We believed that, under WTO rules, U.S. farmers, ranchers, and other food producers should have the same access to protection for 'geographical indications' as European food producers, and that the European system discriminated against us," said Allgeier.

Australia also applauded the ruling, but acknowledged it was not a hands-down defeat of the EU.

"It is rare in WTO disputes for either party to win on all claims," the country's mission to WTO in Geneva said in a statement.

Under the EU system, only ham produced using traditional methods near the Italian city of Parma can be called Parma ham, Roquefort cheese must come from its native region in southern France and Madeira wine from the Portuguese island of the same name.

The WTO said the EU rules could be maintained if foreign producers of other regionally rooted foods could also apply for similar protection.

"I am very pleased with this outcome and look forward to working together with all WTO members to strengthen the protection of quality agricultural production," said EU Agriculture Commissioner Mariann Fischer Boel.

The EU system currently lists 700 individual products -- all from Europe.

The WTO ruling was first released confidentially to the United States, Australia and the EU in December, but some details emerged then and both sides likewise claimed a win.

U.S. officials at the time said the ruling would help producers of oranges and other citrus products from Florida, Texas and California, potatoes from Idaho and onions from Vidalia, Georgia. EU officials said they were looking forward to including such products in its system.

There have been varying trans-Atlantic interpretations of the WTO ruling's impact on the long-running battle between U.S. beer giant Anheuser-Busch Inc. and Czech brewer Budejovicky Budvar NP over the rights to Budweiser, Bud, and related beer brand names.

In December, Anheuser-Busch said the ruling meant the Czechs could not use regional label protection to claim the name Budweiser -- the old German name of beer from the Czech town of Ceske Budejovice. The St. Louis brewer has brewed beer under the Budweiser label since 1876.

But on Tuesday, EU Trade Commissioner Peter Mandelson noted that the WTO had ruled that products with protected regional names could exist side-by-side with those protected by earlier trademarks.