

## Article on Geographical Indications

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*Apart from Copyright, designs, patents and Trade mark which are considered to be the main Intellectual Property Rights, the impact of TRIPS and the process of globalisation have led to the recognition and codification of certain other IPRs. Indian legislation in these rights is yet emerging. Among these rights, the TRIPS agreement recognises and encourages the protection of rights in geographical indications. The object of protecting geographical indications stated in the TRIPS agreement is to associate goods as originality from the particular territory. The concept behind such protection is that whenever such geographical indications is used, it suggests that the goods would possess a particular quantity, reputation or other characteristics which are normally attributed to the goods from that particular geographical region. All over the world there are several instances where goods are connected with a particular region or locality such as Champagne, Scotch whisky etc.*

*The usurpation of the mark Basmati highlights the lack of effective machinery in India for protecting GI. This Article covers the concept and conventions relating to the norms regarding GI. It also includes the protection of GI under Article 3 of the TRIPS and should Article 23 of TRIPS be extended? This Article also deals with GI system in India under geographical indications of goods (Registration and Protection) Act, 1999 and lastly some cases relating to GI.*

### Introduction

Society values the creative fruits of human mind, believing that they enrich the fabric of life for all its members. Thus, a system of laws has been developed that confers right on the creators of these fruits. These rights are collectively known as *Intellectual Property Rights* and it covered seven categories namely, Copyright, Patents, Trade marks,

Geographical Indications, Industrial Designs, Trade Secrets and Integrated Circuits. The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) was a way forward towards proper IP protection. As a result of TRIPS, Geographical Indications (GIs) are the first time afforded international protection as a separate branch of IP, and have simultaneously become one of the

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most important areas within WTO. The usurpation of the mark *basmati* highlights the lack of effective machinery in India for protecting GIs. Hence, Geographical Indications of Goods (Registration and Protection) Act, 1999 enacted in India along with Geographical Indications of Goods (Registration and Protection) Rules, 2000.

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#### Concept of Geographical Indications (GIs)

A GI is a sign used on goods that have a specific geographical origin and possess qualities, reputation or characteristics that are essentially attributable to that place of origin. Most commonly, a GI includes the name of the place of origin of the goods. It may be used for a wide variety of products, whether natural, agricultural or manufactured. For example, 'Kanjivaram silk' denotes the product from Kanjipuram in South India, 'Alfanzo mangoes' from Mumbai, 'Champagne' from France etc.

GIs are defined under Article 22(1) of the TRIPS as "indications, which identify goods as originating in a territory of a member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin".<sup>1</sup>

According to World Intellectual Property Organisation (WIPO), "a geographical indication is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin".<sup>2</sup>

#### Origin and History

The first GI legislation was developed in 1824 by France. In 1919, "Appellation of Origin" legislation was passed by French to expand the protection to recognise and regulate the quality of wines and cheeses in particular region. At the same time, the other European countries began to follow the French example, many Europeans immigrating to United States.

Traditionally, GIs have been used primarily to identify agricultural products that they derive their qualities from their place of production and are influenced by specific local factors, such as climate and soil. For example, Idaho potatoes or Bordeaux wines etc. agricultural products, however, are not the only products that can be or are identified by GI. Unique qualities, due to the materials and labour associated with the place where they are manufactured, have also characterized products such as Swiss watches etc. a simple geographical name merely nothing the source of origin in order to comply with Custom Regulations, including labelling such as "Made in Indonesia" is not necessarily a GI that can be protected. Watches and chocolates from Switzerland are notable exceptions. GI first gained currency in 1800s, when there was a move to define territories and organize production of special goods but the term GI was for the first time used in TRIPS agreement. Thus, at the close of 20<sup>th</sup> century, the new global economy and expansion of world trade created a conflict between the old world countries

<sup>1</sup> [http://www.wto.org/english/docs\\_e/legal\\_e/27-trips\\_04b\\_e.htm](http://www.wto.org/english/docs_e/legal_e/27-trips_04b_e.htm)

<sup>2</sup> [http://www.wipo.int/freepublications/en/geographical/952/wipo\\_pub\\_952.pdf](http://www.wipo.int/freepublications/en/geographical/952/wipo_pub_952.pdf)

who wanted to protect their traditions, and the new world countries regarding the naming of wines and spirits.

### Types of GI

Traditionally, two kinds of indications of geographical origin were recognised by consumers and traders and set out in law. These are:

1. Appellations of origin;
2. Indications of source.

Historically, the first system for the protection of geographical signs was the system for protection of appellations of origin. A protected appellation of origin is "geographical name of a country, region or locality, which serves to designate a product originating therein, the quality and characteristics which are due exclusively or essentially to the geographical environment, including natural and human factors."<sup>3</sup> "Indication of source" refers to a sign that simply indicates that a product originates in a specific geographical region, for example, labels saying 'Made in Germany', 'Swiss Made'. It could even be a sign or symbol indicating the country such as 'Taj Mahal', 'Statue of Liberty' to indicate goods originating from India and USA respectively.

Some other types are certification mark or collective mark. A "certification marks" certifies that the goods conform to standards laid down and enforced by the proprietor of the mark. It is any word, name, symbol or device used by the party or parties other than the owner of the mark to certify some aspect of third parties' goods and services. For example, in India "Agmark" is certification mark used for food items including spices, milk products, ISI is a mark given by the Bureau of Indian Standards etc. A "collective Trade mark" or "collective service mark" is a mark adopted by a 'collective' (i.e.; an association, union,

cooperative, or other organized group) for use only by its members, who in turn use the mark to identify their goods or services and distinguish them from those of non-members. A well known example of a collective mark is Interflora, which is used worldwide by a flower ordering service.

### Conventions Relating to Norms Regarding GI

As to sources of law existing in international conventions, currently the major norm regarding GI is part II, Section 3 of TRIPS. However, prior to TRIPS, several international agreements had also dealt with all the issues related to GI.

#### 1. The Paris Convention

The Paris Convention focussed on the "indication of source" concept, which was not defined elsewhere in the Convention. The Paris Convention pronounces the protection of indication of source or appellations of origin, taking both under the umbrella of its objects of protection in Article 1(2), without providing a definition for either of them. Article 9 provided that goods bearing an "unlawful" indication of source were subject seizure upon importation into Paris Convention countries, within the country where the unlawful use of the indication of source occurred, or within the country importation. Article 10(1) provides protection against use of a false indication of source, and applies the remedies prescribed by Article 9, including seizure upon importation and seizure inside the country; prohibition of importation or other domestically available mechanisms shall be used instead. In addition, Article 10 bis prohibits use of false, misleading or confusing indication that constitutes an act of unfair competition. Article 10 ter allows federations or associations

<sup>3</sup> Bernard O Connor, "Sui Generis Protection of Geographical Indications", 9 Drake, J Agric L. 359, Westlaw.

representing producers and traders to bring an action to enforce the protection granted by Article 9, 10 and 10 bis.

## 2. The Madrid Agreement

The Madrid Agreement is a special agreement under the Paris Convention. It was created because the original Paris Convention did not prevent the use of a false indication per se; therefore, some countries interested in stronger protection of indications of source formed this special union.

“Indication of source”, the subject of the Madrid Agreement’s protection, is not defined in the Agreement, but it can be observed from Article 1(1) that an indication of source is a designation of a country or a place therein that “is directly or indirectly indicated as being the country or place of origin.” This agreement prohibited the use of ‘false’ and ‘deceptive’ indication of source. The sanctions provided by the Agreement include seizure upon importation or within the country, and the prohibiting of the use of the indication “in connection with the sale or display or offering for sale of any goods”. Under the agreement, each country has the freedom to decide, by a judicial proceeding, what appellations have become generic; absolute protection is granted to the appellations of products of the vine. Because of its rather limited number of members, the Madrid Agreement has been considered of little significance in practice<sup>4</sup>. For example, when a given geographical name exists in two countries, but only one country initially uses the name as an indication of source of goods. If the second country then uses the geographical name to capitalize on the reputation established by the first country’s use of the name - a situation not prohibited under the Paris

Convention then such use, under the Madrid Agreement, would be “deceptive”.

## 3. The Lisbon Agreement

The Lisbon Agreement for the Protection of Appellations of Origin and their International registration of 31 October 1958 was an agreement open to any country who was a party to the Paris Convention. It focussed on the “Appellation of Origin” concept defined in Article 2 as ‘the geographical name of a country, region or locality which serves to designate a product originating therein, the quality and quality of which are due exclusively or essentially to the geographical environment, including natural and human factors’<sup>5</sup>. Its signatories were obligated to protect against “usurpation or imitation” of registered appellation of origin.

## 4. The Agreement on Trade Related Aspects of Intellectual Property Rights on the Protection of GIs (TRIPS)

The 1994 TRIPS agreement establish standards for international Intellectual Property Protection and Enforcement. It derives from and is similar to the definition of appellation of origin in the Lisbon Agreement, with the addition of reputation as one of the conditions for obtaining protection. Unlike the Lisbon Agreement, which limits the scope of appellations of origin to geographic names, the TRIPS Agreement includes both direct and indirect GIs.

TRIPS was the first international treaty providing broad, detailed coverage of GIs, and it included the largest number of signatories on the issue. Articles 22-24 articulate minimum standards of protection for GIs that WTO member must provide. Article 22(1) of TRIPS<sup>6</sup> defines Geographical indications are, for

4 Madrid Agreement for the Repression of False or Deceptive Indication of Source on Goods, April 14, 1891, 828 U.N.T.S.,163

5 Lisbon Agreement for the Protection of Appellation of Origin and Their International registration, Oct. 31, 1958, 923 U.N.T.S., 205.

6 [http://www.wto.org/english/docs\\_e/legal\\_e/27-trips\\_04b\\_e.htm](http://www.wto.org/english/docs_e/legal_e/27-trips_04b_e.htm)

the purposes of this Agreement, “indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin”. Article 22 limits the protection of GIs to cases where the public may be misled as to the true geographical origin of the product by the use of a GI, or where such use constitutes an act of unfair competition. This standard has been called “the misleading test”. In contrast, Article 23 provides for so called “additional” protection of GIs for wines and spirits. Article 23<sup>7</sup> provides that Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like. Thus, under Article 23, wine and spirit competitors not producing within the geographical area are simply prohibited from using corresponding denomination.

The restrictions in Article 22 and 23, however, are subject to the exceptions provided in Article 24. The first exception gives WTO members the right to “continued and similar use of particular GIs of another member identifying wines or spirits”. This so called “grandfathered” use for wine and spirits is permitted when the GIs were used in a

“continuous manner with regard to the same or related goods or services in the territory of that member either for at least ten years preceding 15 April 1994 or in good faith preceding that date. A second exception relates to terms that have already become generic in a particular country, and therefore remain unprotected under TRIPS agreement. Another exception under Article 24 applies when a country of origins neglects to protect its own GIs, thereby relieving other members of their obligation to protect them. Therefore, before a member can expect protection of its GIs by other TRIPS agreement

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members, it must protect its own GIs through domestic legal measures.<sup>8</sup>

#### **Protection of Geographical Indications Under Section 3 of TRIPS**

With the advent of TRIPS, a lot of changes were witnessed in the global market but still the provision for GI under the TRIPS agreement were felt not to the mark and were considered discriminatory as it provided double standards under the same provision. It is said to be the first

<sup>7</sup> Ibid

<sup>8</sup> Steven A. Bowers, “Location, Location, Location: The Case Against Extending Geographical Indications Protection under the TRIPS Agreement”, AIPLA Quarterly Journal, 2003, <http://heinonline.org>



multilateral agreement dealing with the term GI<sup>9</sup>. After the Uruguay round, GATT became the basis for the establishment of WTO because ratification of TRIPS was a compulsory requirement of WTO membership and any country seeking to obtain easy access to the numerous international market opened by the WTO must enact the strict IP laws mandated by TRIPS for this reason, TRIPS is the most important multilateral instrument for the globalization of IP laws. This agreement introduced IP laws for the first time and remains the most comprehensive international agreement of IP till date.

#### **Different levels of protection prescribed by TRIPS by GI**

TRIPS agreement generally prescribes two levels of protecting goods under GI regime.

- A general level of protection which requires members to provide the legal means for the interested parties to prevent the use of GI which mislead the public as to the true geographic origin of the good or which constitute an act of unfair competition.<sup>10</sup>
- A higher level of protection for Wines and Spirits which requires members to provide the legal means for interested parties to prevent the use of GIs to identify wines and spirits that do not originate in the place indicated whether or not the indication is misleading or

accompanied by expressions such as kind or type or imitation.<sup>11</sup>

TRIPS also provides for certain exceptions where members are not required to provide this protection. These include where the product term is considered generic in the market of a particular member<sup>12</sup> or where prior Trade mark rights exist in the same or similar term.<sup>13</sup>

#### **Analysis of Section 3 of TRIPS**

GIs are defined in part II of the TRIPS agreement. The structure of Section is quite simple and clear and encompasses three main categories of issues:

1. Definition, scope of a GI and minimum standards and common protection provided for GIs corresponding to all kinds of products;
2. Additional protection for GIs for wines and spirits;
3. Exceptions to the protection of GIs.

Article 22(1) of TRIPS<sup>14</sup> defines GIs are, for the purposes of this Agreement, "indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin". This definition seems to be based on the Article 2 of the Lisbon Agreement but the definition of TRIPS seems to be broader comparatively<sup>15</sup>.

9 Daniel Gervais, *The TRIPS Agreement-Drafting History and Analysis*, second Ed., Sweet and Maxwell

10 Article 22 of TRIPS

11 Article 23 of TRIPS

12 Article 24(6) of TRIPS

13 Article 24(5) of TRIPS

14 [http://www.wto.org/english/docs\\_e/legal\\_e/27-trips\\_04b\\_e.htm](http://www.wto.org/english/docs_e/legal_e/27-trips_04b_e.htm)

15 <http://www.southcentre.org/publications/workingpapers/wp10.pdf>

Article 22.2 of TRIPS requires that in respect of GIs, Members shall provide the legal means for interested parties to prevent the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good. It further prohibits any use, which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967)<sup>16</sup>

Article 22.3 of TRIPS obliges Members to refuse or invalidate the registration of a Trade mark, which contains a GI with respect to goods not originating in the territory purported, when this could mislead the public as to the true place of origin of the product. This requirement has been met by Section 25(a) of the GI Act<sup>17</sup>.

Article 22.4 of TRIPS extends the protection in the preceding paragraphs (of Article 22) to a GI, which, although literally true as to the territory, region or

locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

#### **Meaning of 'Additional Protection' for GIs for "Wines and Spirits" in Article 23 of TRIPS**

In contrast to Article 22 which relates to any goods, Article 23 of TRIPS exclusively deals with wines and spirits. Under Article 23(1), "Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like". This obligation has been taken care by Section 22(2) and 22(3) of the GI Act, the Central Government accord similar protection to other goods as well, by

16 Article 10bis of Paris Convention has the following provisions:

- (1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.
- (2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.
- (3) The following in particular shall be prohibited:
  1. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
  2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
  3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.

17 Section 25 of the GI Act:

Notwithstanding anything contained in the Trade Marks Act, 1999, the Registrar of Trade Marks referred to in

Section 3 of that Act, shall, suo motu or at the request of an interested party, refuse or invalidate the registrations of a trade mark which-

- (a) contains or consists of a geographical indication with respect to the goods or class or classes of goods not originating in the territory of a country, or a region or locality in that territory which such geographical indication indicates, if use of such geographical indications in the trade mark for such goods, is of such a nature as to confuse or mislead the persons as to the true place of origin of such goods or class or classes of goods.

notifying such goods in the Official Gazette<sup>18</sup>. Article 23(2) of TRIPS is, in a way, the counterpart of Article 22(3) for wines and spirits, with the difference that unlike the latter, the former allows refusal or invalidation of registration of Trade mark, containing an illicit GI, irrespective of whether public is misled. Clause (b) of Section 25 of the GI Act includes a similar provision but again for all products, which Central Government may notify. Article 23(3) of TRIPS deals with the case of 'homonymous' GIs for wines (not spirits), whose use is not misleading (or deceptive) under Article 22(4) of TRIPS. In such cases both the indications have to be protected and each member must determine the practical conditions under which such homonymous indications will be differentiated from each other. In doing so, each member must ensure that consumers are misled and that the producers concerned are treated equitably. Finally to facilitate the protection of GI for wines and spirits, Article 23(4) of TRIPS provides for negotiations for the establishment of a multilateral system of notification and registration of such GIs.

#### International Negotiations and Exceptions (Article 24)

Article 24 of TRIPS deals with international negotiations and also includes a set of exceptions which are already discussed in the chapter of international treaties.

#### GI System in India

GI protection is extremely important and necessary for an agro-based economy like India. Being a WTO member country and signatory to TRIPS, the Parliament of India passed the Geographical Indications of Goods (Registration and Protection) Act 1999. This Act came into force with effect from September 2003.

#### 5.1 Definitions

- Ø **Goods** mean any agricultural, natural or manufactured goods or any goods of handicraft or of industry and includes foodstuff<sup>19</sup>.
- Ø **Indication** includes any name, geographical or figurative representation or any combination of them conveying or suggesting the geographical origin of goods to which it applies<sup>20</sup>.

18 Section 22(2) of the GI Act: The Central Government may, if it thinks necessary so to do for providing additional protection to certain goods or classes of goods under Sub-section (3), by notification in the Official Gazette, specify such goods or class or classes of goods, for the purposes of such protection.

Section 22(3) of the GI Act:

Any person who is not an authorised user of a geographical indication registered under this Act in respect of the goods or any class or classes of goods notified under Sub-section (2), uses any other geographical indication to such goods or class or classes of goods not originating in the place indicated by such other geographical indication or uses such other geographical indication to such goods or class or classes of goods even indicating the true origin of such goods or uses such other geographical indication to such goods or class or classes of goods in translation of the true place of origin or accompanied by expression such as "kind", "style", "imitation" or the like expression, shall infringe such registered geographical indication.

19 Section 2(1) (f) of the Geographical Indications of Goods (Registration and Protection) Act, 1999

20 Section 2(1) (g) of the Geographical Indications of Goods (Registration and Protection) Act, 1999



- Ø **Producer**, in relation to goods, means any person who,
- if such goods are agricultural goods, produces the goods and includes the person who processes or packages such goods;
  - if such goods are natural goods, exploits the goods;
  - if such goods are handicraft or industrial goods, makes or manufactures the goods; and
- include any person who trades or deals in such production, exploitation, making or manufacturing, as the case may be, of the goods<sup>21</sup>.

GIs can be granted to an individual, a family, a partnership, a corporation, a voluntary associations etc., or any organization or authority established by or under any law for the time being in force representing the interest of the producers of the concerned goods.

### Registry

The Controller-General of Patents, Designs and Trade marks appointed under the Trade marks Act, 1999 shall be the Registrar of GIs, who will be assisted by necessary additional officers and staff appointed by the Central Government in the work relating to administration of the registration of GIs<sup>22</sup>. There shall be established the GIs Registry and branch offices by the Central Government by the notification in the Official Gazette. The registry maintains a Register of GI which is divided into two parts namely, part A and part B<sup>23</sup>. Part A contains details of distinguishing characteristics of goods and of the registered proprietor. Part B contains particulars of "authorized users" of GI such as those producers (traders or

dealers) who have not been included in the original application for registration. A producer of goods can apply for registration as an authorized user, with respect to a registered GIs. He should apply in writing in the prescribed form along with the prescribed fee.

### Procedure to Apply for the Registration Of GI

The process comprises filing an application with the registry, getting it examined, followed by the office actions for its acceptance or refusal<sup>24</sup>. The registrar, who may consult an expert group to verify the technical details, examines the application. Thereafter the examination report is issued to which the Applicant files a reply and on satisfaction the registrar accepts the application. The accepted application is then published in journal. It is also possible to do online filing of GI application. Any person can file a "Notice of Opposition" within a maximum period of four months of publication in the journal. The matter is then referred to the Applicant of the GI followed by a set of proceedings that includes reply, evidence and hearing before the registry. If the opposition is dismissed, the application will proceed to registration in part A of the register unless the Central Government otherwise directs. A certificate of registration is then issued.

The following details like how the indication serves to designate the goods as a GI? , the class of goods, the territory, the particulars of appearance, particulars of producers, an affidavit of how the Applicant claim to represent the interest, the standard bench mark or other characteristics of the GI, the particulars of special characteristics, textual description of proposed

21 Section 2(1) (k) of the Geographical Indications of Goods (Registration and Protection) Act, 1999

22 Section 3 of the Geographical Indications of Goods (Registration and Protection) Act, 1999

23 Section 7 of the Geographical Indications of Goods (Registration and Protection) Act, 1999

24 Section 11 of the Geographical Indications of Goods (Registration and Protection) Act, 1999

boundary, the growth attributes in relation to the GI pertinent to the application; certified copies of map of the territory, special human skill involved, if any, number of producers, and particulars of inspection structures, if any regulate the use of GI etc are to be included in the application for registration of GI.

A homonymous GIs<sup>25</sup> i.e.; where the name of two identical locations in different countries are both protected as GIs may be registered under this Act, if the Registrar is satisfied.

#### **Prohibitions Against Registration**

The following shall not be registered as GI<sup>26</sup> :

- a. the use of which would be likely to deceive or cause confusion;
- b. the use of which would be contrary to any law for the time being in force;
- c. which comprises or contains scandalous or obscene matter;
- d. which comprise or contains any matter likely to hurt the religious susceptibilities of any class or Section of the citizens of India;
- e. which would otherwise be disentitled to protection in a court;
- f. which are determined to be generic names or indication of goods and are, therefore, not ceased to be protected in their country of origin, or which have fallen into disuse in that country;
- g. which although literally true as to the territory, region or locality in which the goods originate, but falsely represent to the persons that the goods originate in another, region or locality, as the case may be.

#### **Term of GI**

The registration of a GI shall be for the period of ten years but may be renewed from time to time, for a period of ten years. Provision is also made for the restoration of registration under certain circumstances<sup>27</sup>.

#### **Falsification and False Application Of GI**

A person will be considered to have committed offence under the G.I. Act in the following circumstances:

1. Falsely applying geographical indication;
2. Falsifying a geographical indication.

Further, a person shall be held to falsely apply a geographical indication to goods if without the assent of the authorised user, he

- i. applies such geographical indication or a deceptively similar geographical indication to any goods or any package containing goods; or
- ii. Uses any package bearing a geographical indication which is identical with or deceptively similar to the geographical indication of such authorized user for the purpose of packing, filling or wrapping therein any goods other than the genuine goods of the authorized user of the geographical indication.

In a prosecution for falsifying or falsely applying a geographical indication to goods, the burden of proving the assent of the proprietor lies with the accused.

25 Section 10 of the Geographical Indications of Goods (Registration and Protection) Act, 1999

26 Section 9 of the Geographical Indications of Goods (Registration and Protection) Act, 1999

27 Section 18 of the Geographical Indications of Goods (Registration and Protection) Act, 1999

### Infringement of GI

A registered geographical indication is infringed by a person who, not being an authorised user:

- Uses the G.I. on the goods or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which misleads the public; or
- Uses the G.I. in a manner that constitutes an act of unfair competition; or
- Uses another G.I. to the goods in a manner, which falsely represents to the public that the goods originate in the territory, region or locality in respect of which such registered G.I. relates.

A suit for infringement of a registered G.I. is to be instituted in a District Court having jurisdiction to try the suit. Appeals against an order or decision of the Registrar or the rules framed under the Act lie to the Appellate Board, established under the Trade Mark Act, 1999. The aggrieved person may prefer an appeal to the Appellate Board normally within three months from the date on which the order or decision is communicated. After this period, no appeal is admitted.

### Remedies

The law provides both civil and criminal remedies. Civil remedies include injunctions (Interim and permanent), damages, and delivery up of the infringing goods for destruction and forfeiture of the goods that bear false representation of an existing Geographical Indication. The criminal remedies may involve punishment to the offender which can be a minimum mandatory sentence of 6 months imprisonment and maximum of 3 years and the minimum mandatory fine of Rs.50,000/- and a maximum of Rs.2 lakhs. In case of subsequent convictions of the same offence, the

minimum mandatory sentence will be one year imprisonment and fine of Rs.2 lakhs.

### Emerging Issues

*Should Article 23 of trips be extended?*

In the first place, we will have to accept that absolute protection will in many cases restrict the abilities of Trade mark owners and users of generic term to sell products which they have developed into well known brands or under well known brands in third countries where Article 23 type protections would be established under an amended TRIPS agreement. Thereby, extension of Article 23 TRIPS protection will limit consumer's choice and will create additional barriers to trade. Those effects may be considered acceptable, but it would be highly inappropriate not to acknowledge them and to argue that expansion of Article 23.

Secondly, we need to analyse whether the scope of protection provided for under Article 23 TRIPS is indeed appropriate. Extension of Article type protections will, however, not necessarily contribute to such clarification. As described above Article 23 type protections also allow the owner of a GI to stop the use of the GI "in translated form".

*Should GIS Include in its Ambit only Agricultural and Natural Goods?*

This protection is supplemented by that Article 22.2(b), which seeks to prevent other illegitimate uses of the terms, or signs that are not contemplated specifically by Article 23.1, also covering cases where a geographical indication denoting a special kind of product is used in the designation or presentation of another category of products.

The extension of Article 23.1 of the TRIPS Agreement to products other than wines and spirits has no implications for the definition of Article 22.1, as this debate concerns only the different level of protection between geographical

indications for wines and spirits and those for other products. However, it is important to note that the TRIPS definition of geographical indications does not distinguish between products and, therefore, constitutes both a premise and a precedent of harmonious, balanced protection of all geographical indications on all products.

#### **Case: Pochampally IKAT**

Pochampally IKAT in normal parlance refers to a handloom fabric easily recognized by the weave and the peculiar diamond design and its variations, which is very specific to Pochampally. The weaving of this fabric is a traditional art practice in and around the Pochampally village and parts of Warangal District in the state of A.P., India. The art of IKAT involves dyeing the yarn and weaving it into traditional design on the handloom. This is how the weave got the name Pochampally IKAT.

Law suit instituted under Geographical Indications (Registration and Protection) Act, 1999. The *Pochampally Ikat* case was the first lawsuit under this Act.

#### **Facts:**

The Plaintiffs are responsible for protection and marketing of Pochampally IKAT. It is a fabric such as cotton or silk or a combination of both, having designs that are evocative of the diffused diamond or chowka design. Registration of the GI Pochampally IKAT confers legal protection in case of unauthorized use or infringement. It also vests in the registered proprietor and the authorized users a legal right to initiate infringement action.

The special qualities or essential features, which characterize Pochampally IKAT, are:

- a) It is made of natural fibre e.g. cotton or silk or mixture of both;
- b) The threads/yarn is tied and dyed in different colours according to the predetermined pattern/design;
- c) Dyed thread/yarn is used for weaving;

- d) Info weft ikat or both also known as double ikat;
- e) They have designs, which are evocative of the diffused diamond or chowka design.

In May 2005, the Plaintiffs came to know that Defendant No.1 was retailing saris under the false GI of HYCO Pochampally. Further investigation revealed that Defendant No. 2 was manufacturing and retailing saris.

#### **Grounds:**

A suit for permanent injunction restraining infringement of GI, passing off, unfair competition, delivery up, etc was filed by the Plaintiffs against the Defendants. The Defendants are manufacturing and selling their product with label HYCO Pochampally, which is visually and phonetically similar to the Plaintiffs GI and product Pochampally IKAT. The adoption by Defendants of word Pochampally in HYCO Pochampally in respect of identical goods would lead to confusions and deceptions in the minds of the consumers leading to the passing off the Defendant's goods as those of the Plaintiffs and unfair competition. The use of "pochampally" in HYCO Pochampally is of nature off since the products is not made using the traditional methods significant to the GI, but instead is a product made on power looms. Thus, the adoption of the mark HYCO Pochampally by the Defendants is a blatantly dishonest and mala fide attempt to derive unfair advantage by creating the impression that the Defendant's products have some connection, nexus, association, affiliation with or endorsement by Plaintiffs.

The Defendants have also falsified the GI Pochampally IKAT with the meaning of Section 38(1) (a) and (b) by making Pochampally IKAT or something deceptively similar without the consent of the Plaintiffs.

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**Conclusion**

There is no justification for two levels of protection for GIs. The difference in treatment according to products concerned is an anomaly in the IP system of the TRIPS agreement. GIs stand on equal footing with other IP rights such as Trade marks or Copyright. In none of the other fields of IPRs is a difference made in a level of protection of those rights according product categories. Since the adoption of the TRIPS Agreement, member awareness of the need for justification protection of GIs for all products has continued to grow. Also, the ongoing negotiation in the field of the industrial and agricultural products, as pursued by the WTO, shows the growing importance of extending the level of protection for GIs for wines and spirits for GIs to all products. Such protection is an invaluable marketing tool and an added value for exports because it increases the chance of market access for such goods. The extension of the so called "additional" protection of Article 23 to GIs for products other than wines and spirits must be part of the global vision of a multilateral trade system. Nations have to understand the fact that the protection for GIs is best provided under national laws because it is not the provisions of the treaty but actual national laws that provide protection in relation to GIs. For

example, even if a general extension of the Article 23 is provided, it may not result in an effective protection of GIs unless the laws of the member countries at the national level have a uniform protection regime.

The geographical origin, from a commercial point of view, has the same importance for all products. The extension of level of protection of GIs for wines and spirits to GIs for all other products is in the best interest and to the benefit of all WTO members; it is not a North-South issue. At a time when further trade liberalisation is being striven for, it seems, particularly in relation to the negotiations going on in the field of agriculture, a natural corollary that members should be able to fully reap the advantages of their GIs when competing with their products on liberalised market. This can only be done effectively by granting them additional protection against erosion of their GIs. In conclusions, India along with some countries such as Switzerland, Sri Lanka etc propose that the TRIPS council continues its negotiations and start without any further delay to work out the legal modalities necessary to eliminate the existing deficiencies in the TRIPS agreement in the field of the protection of GIs with a view to reach a mutually agreeable solution.