

Rationale and Prospects of the Protection of Geographical Indication: An Inquiry

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The importance of Geographical Indication (GI) has increasingly grown over the past decades. GI represents collective goodwill of a geographical region, which has built up painstakingly over centuries. However, uneven level of protection under the divergent legal systems of various countries and the double standard protection adopted by the Trade-Related Aspects of Intellectual Property Rights (TRIPS) are posing uncertainties in the international legal regime for the protection of GIs. This article covers the rationale and history of legal recognition of GI and also traces legal justification to recognize GI as an intellectual property. The article also critically examines the existing legal regime on GI (both international and national) and scrutinizes the additional protection clause U/ Article 23 of TRIPS.

Keywords: Geographical indication, Paris Convention, Madrid Agreement, Lisbon Agreement, TRIPS Agreement, wines and spirits

The past decade has witnessed emergence of GIs as one of the most important instruments to protect quality, reputation or other characteristics of goods essentially attributable to their geographical origin. GIs are being recognized as the most effective intellectual property right for developing countries because of its potential to localize economic control, reward holders of traditional knowledge and encourage indigenous social development.

Historical Perspectives of GI

Although there was no legal recognition, geographical indications had earned global recognition even from the medieval and colonial period. Examples are many to illustrate this. Indian spices impelled Christopher Columbus to sail all the way from Europe to India. Scotch whisky, Arabian horses, Dhaka muslin, Kashmiri carpets, Chinese clay pots, Indian rubber, Damask tablecloth etc. are a few to name the age-old examples of globally renowned products representing the fame of certain regions.

In past centuries, countries have been protecting trademarks used in relation to food products and other goods identified with a particular region using laws against false trade descriptions, unfair competition or passing off, which generally protect against indications/suggestions that a product has a certain origin, quality or association when it does not.¹ People used GIs in those days, though the expression as such

was not coined, in the normal course of trade, to establish an association between a determinate place and a certain good, in order to indicate quality standards, and advantages from the region's (place of origin) good reputation. It signified that a product originating from a particular region had certain qualities peculiar to that region. The term echoed the geographical origin of a given product, as in the case of *Basmati* for certain aromatic rice from India and Pakistan, *Champagne* for sparkling wine from Champagne district of France and *Havana* for tobaccos from Havana, Cuba.

It can be presumed that the expression 'appellations of origin' is the precursor of the expression 'geographical indication'.² The very legal concept of geographical indication as a form of IP can be traced from the Paris Convention for the Protection of Industrial Property, 1883.

Article 1 (2) of the Paris Convention uses the expression 'appellations of origin or indication of source'. Though Article 10 of the Convention does not refer to 'appellations of origin' explicitly, however, it should be understood that they are covered by the expression 'indication of source,' because: (i) the Convention originally treats both expressions as synonymous, and (ii) conceptually speaking, all appellations of origin constitute an indication of source.³ Article 10 of the Paris Convention also prevents false indication of the source of goods, but it does not define the term. An elucidation of the terms 'appellations of origin' and

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'country of origin' appears for the first time in the Lisbon Agreement.⁴ Article 2 of the Lisbon Agreement states:

- (1) In this Agreement, 'appellation of origin' means the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.
- (2) The country of origin is the country whose name, or the country in which is situated the region or locality whose name constitutes the appellation of origin which has given the product its reputation.

In essence, the country or the locality must give the product its reputation.

An indication of source is just an indication of the geographical region where the product is made. It refers to a country or locality, where the product originates from, such as 'Darjeeling' for tea from Darjeeling, 'Swiss' for chocolate from Switzerland, 'USA' for clothing from United States of America, etc. Even though Articles 1(2) and 10 of the Paris Convention and Article 1 of the Madrid Agreement⁵ refer to indication of source, neither documents attempts to define what is indication of source. However, it can be understood from Article 1(1) of the Madrid Agreement that indications of source are all the direct or indirect signs that indicate the origin of a product as being of a country or a place in a country.⁶

Despite the fact that indications of sources and appellation of origin were in existence for some time, geographical indication got a distinct recognition and identity as a separate branch of IP only with the conclusion of TRIPS.⁷

The Philosophy of Protection

The Rationale

The rationale behind protection of GI is twofold: The protection of consumers' interests⁸ and the protection of producers' interests.⁹ There are many arguments supporting the protection of GIs.

Moral Argument

The Holy Bible says, 'Thou shall not steal.'¹⁰ Taking something that belongs to someone else was considered as a wrong from the primitive days. GI is an intangible property built up, preserved and

protected over centuries by the concerned communities/countries. Goodwill of their business or the earned reputation of a product is their incorporeal asset built painstakingly. Others should not misappropriate it. Misappropriation of a GI leads not only to consumer deception but also to passing off.

Cultural Arguments

GIs are a matter of national pride and cultural patrimony. It is part and parcel of the unique cultures and age-old traditions of the countries. Each reputation was carefully built up and painstakingly maintained by the masters of that region, combining the best of Nature and Man, traditionally handed over from one generation to another for centuries.¹¹ Since they contribute to the reputation of products and create goodwill amongst the consumers, they are of considerable importance for countries. Adequate protection is inevitable to safeguard the reputation, goodwill, quality and originality of the products.

Social Arguments

When all the other forms of IP are labeled as property of the rich, GI is considered as the property of the poor.¹² This is evident from the fact that 97% of the granted patents belong to the developed countries and 80% of patents granted in developing countries also belong to the former.¹³ But, GI is regarded as community property i.e. the product of community-bond and collaboration. The protection of GI can play a very important role in the rural development and can foster rural employment generation.

Characteristic Features

GI is a name or sign used on goods that have a specific geographical origin and possess qualities or a reputation that are due to that place of origin. Hence, all GIs correspond to some specific geographical location. It acts as a certification that the product possesses certain qualities and carries certain reputation exclusively owing to its place of origin. It conveys an assurance of quality and distinctiveness, which is essentially and exclusively attributable to the fact of its origin in that peculiar geographical locality, region or country. Normally, a geographical indication consists of the name of the place of origin of the goods, e.g., Darjeeling tea, Kancheepuram sarees, Agra petha, Mysore silk, etc. However, it need not necessarily be a geographical name, e.g., Alphonso mangoes from Ratangiri District of Maharashtra, India. It can also be any noun or adjective that indicates geographical location and

would tend to be regarded by buyers as descriptive of the geographical location of origin of goods.¹⁴

GI is not a private property but a collective property. It can be registered, in almost all countries, by an association representing the interest of a group of persons. As such the right derived from registration of a GI is not a private monopoly. It is public property belonging to the producers of the concerned goods. The national laws of many countries prohibit the assignment or the conveyance of GI. For example, Section 24 of the Geographical Indications of Goods (Registration & Protection) Act, 1999 prohibits assignment and transmission etc. of a registered GI. Though, GI is not a subject matter of assignment, transmission, licensing, pledge, mortgage or such other agreement, as per Indian law, on the death of an authorized user, his right devolves on his successor in title.¹⁵

Requisites

Geographical indications denote origin and quality of products. Hence, a GI should identify goods originating from a definite geographical territory. Further, a GI to be registered must be a registrable indication¹⁶ or sign. A sign can be a word, name of the place of origin, e.g. Darjeeling for tea or any other words, e.g. Alphonso for mango. A mark or a combination of word and mark also can be used as a GI. As per Article 22.1 of TRIPS, a GI is to be registered in respect of goods alone though some countries allow registration of GI in respect of services also. Any movable articles for sale can be treated as goods. It may be any consumer goods, anything which is the subject of trade or manufacture. Section 2 (f) of the Geographical Indications of Goods (Registration & Protection) Act, 1999 defines goods as any agricultural, e.g. rice (Basmati, Sona Masuri), vegetables (Calicut ginger), wheat (Punjab wheat), fruits (Alphonso mango), spices (Malabar pepper) etc.; natural, e.g. coal, lignite (Neyveli), gold (Kolar), honey, etc; or manufactured goods, e.g., textiles (Kanchipuram sarees), leather goods, brass and iron works ,etc.; or any good of handicraft or of industry and includes foodstuff and drinks, e.g. pickles, sweets (Agra petha), mineral water , etc. Goods, especially agricultural products naturally have qualities that derive from their place of origin/production and are greatly influenced by specific local factors, such as climate, water and soil. Whether a sign functions as a geographical indication is a question of national law to be decided on the basis of these geographical factors and consumer

perception.¹⁷ The use of geographical indications is not limited to agricultural products. They may also highlight specific qualities of a product, which are due to human factors that can be found in the place of origin of the products, such as specific manufacturing skills and traditions. That place of origin may be a small village or a town, a region or a country. But the manufactured goods should be produced or processed or prepared in that territory. The basic function of a GI is thus to point to a specific place or region of production that determines the characteristic qualities of the product that originates therein. It is essential that the product must derive its qualities and reputation from that place. There should exist a specific link between the products and their original place of production, since the characteristic qualities depend on the place of production. The link may either be tangible such as unique climatic condition or soil etc., or an acquired/created one such as reputation. This link informs consumers of a certain quality or characteristic of the goods, which may then be factored into the purchasing decision.

Need for Protection

Many of the GIs have acquired valuable reputation over centuries, which if not adequately protected, may be misrepresented by dishonest commercial operators. False use of geographical indications by unauthorized parties is detrimental to consumers and legitimate producers. If there is no protection, then anybody can market a product as if it originates from a particular territory when it is actually not. The consumer will be deceived and led into believing to buy a genuine product with specific qualities and characteristics, while they in fact get a worthless imitation. The legitimate producers will suffer damage because valuable business is taken away from them and the established reputation for their products and goodwill of their business will be in danger. Lack of protection will lead to 'genericization' of a GI. A GI becomes genericized when a particular GI becomes identified with the entire type of goods or has become the 'colloquial description' for a particular class of goods. By the common widespread use in the marketplace the GI rights are diminished or lost. A generic/common use of a GI presents an inherent risk to the effective protection and enforcement of GI and this may ultimately lead to genericide.

Method of Protection

Geographical indications are protected in accordance with national laws such as laws against

unfair competition, consumer protection laws, laws for the protection of certification marks or special laws for the protection of geographical indications or appellations of origin etc. While the United States incorporates protection of GIs within its trademark system,¹⁸ the European Union uses both trademark system and a separate system to protect GIs.¹⁹ In India, there is a special legislation²⁰ for the protection of GIs though earlier those were protected through trademark system. The WTO authorizes the use of GIs among its members to protect products with unique attributes linked to well-defined geographic areas from competition from similar products. Article 22.2 of the TRIPS Agreement mandates every member to set up legal means to prevent the misleading use of GIs. The essence of all these legal regulations, treatise and Conventions are that, unauthorized parties should not use geographical indications as such use is likely to mislead the public as to the true origin of the product. Permitted sanctions, in cases of infringement include injunctions, damages and fines or, in serious cases, imprisonment.

International Framework

A number of treaties administered by the World Intellectual Property Organization (WIPO) including Paris Convention for the Protection of Industrial Property 1883 and Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958, provide protection of geographical indications. In addition to this, Articles 22 to 24 of the TRIPS Agreement deal with the international protection of GIs within the framework of the WTO and prescribe minimum standards of protection. It will be pertinent to discuss the relevant provisions in these instruments.

Paris Convention

The Paris Convention, originally signed by 11 countries, now has 171 contracting member countries,²⁰ which makes it one of the most widely adopted treaties worldwide. This treaty was the first multilateral agreement, which provided protection for indications of source and appellations of origin in signatory states, in accordance with their national procedure (Article 2 of TRIPS). Protection against false indications and unfair competition is one of the principal features of the Paris Convention. Article 1(2) of the Paris Convention incorporated indications of source and appellations of origin as subject matter of industrial property. Article 10 *bis* mandated the

signatories to guarantee protection against unfair competition. Article 10(1) provides for indications of source, the same remedies prescribed in respect of goods unlawfully bearing a trademark or a trade name in case of direct or indirect use of a false indication of source of the goods or the identity of the producer, manufacturer, etc. It provides the remedies such as seizure of the product upon importation, or prohibition of importation, or seizure within the country for unlawfully bearing an indication of source. Article 11 *bis* obliges members to provide protection against unfair competition and contains a non-exhaustive list of some acts, which should be prohibited. This provision provides the base for the protection against misleading indications of source, though it does not provide any remedies in case of its violation.

The Madrid Agreement

While Paris Convention provides protection for a broad range of different categories of industrial property, the Madrid Agreement provides specific rules against false and deceptive indication of source. Madrid Agreement (for repression of false or deceptive indications of source on goods) is open only to the members of the Paris Convention. The Madrid Agreement contains provisions for the protection of indication of source based on the national law of the country in which the protection applies, with the exception of regional appellations of origins for wines, which are subject to the national law in the country of origin. Article 1 of the Agreement protects indications of source against vague wording and references, which could be misleading. It provides that all goods bearing a false or deceptive indication by which one of the countries to which the Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or the place of origin shall be seized on importation into any of the said countries. It means that the protection covers indications, which directly or indirectly attribute the product of a signatory country or to a location within that country. Seizure shall also be affected in the country where the false or deceptive indication has been applied or into which the goods bearing that false indication have been imported. Any State, which is a party to the Paris Convention for the Protection of Industrial Property, may become a party to the Lisbon Agreement on condition that it undertakes to protect on its territory the appellation of origin of products recognized and protected, as such, in the country of origin and registered by the International Bureau of

WIPO.²¹ The Agreement also established rules on how seizure should take place and defined the competent authority for the enforcement of these kinds of measures. Though the Agreement did not give more protection than what is given by the Paris Convention, it extended the protection to deceptive indications of source in addition to false indication. It also contains a special provision by which courts of each country can decide what indications of source do not fall within the provisions of the Agreement, because of their generic character; but regional appellations concerning the source of products of the vine are excluded from such a reservation.

Lisbon Agreement

The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration binds a small number of contracting parties on the specific matter of appellations of origin. When the Agreement entered into force in 1966, Cuba, Czechoslovakia, France, Haiti, Israel, Mexico and Portugal were the signatory states. As on 15 April 2006, 25 member states have acceded to the agreement. The members of the Lisbon Agreement include developed countries, developing countries, least developed countries and economies in transition.

Lisbon Agreement has become the first agreement to define the notions Appellation of Origin and Country of Origin. The objective of the Lisbon system is to facilitate the international protection of appellations of origin. Lisbon Agreement governs the system of international registration of appellations of origin. Lisbon system is administered by the International Bureau of WIPO, which keeps the International Register of Appellations of Origin. The countries to which the Agreement applies constitute a Special Union. The Union has an Assembly. Every State member of the Union, which has adhered to at least the administrative and final clauses of the Stockholm Act, 1967, is a member of the Assembly. Only an appellation of origin, which is protected as such in its country of origin, may be the subject of an application for international registration. The members have to protect on their territories, in accordance with the terms of this Agreement, the appellations of origin of products of the other countries of the Special Union, recognized and protected as such in the country of origin (Article 1 of TRIPS). Protection is ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as 'kind,' 'type,' 'make,' 'imitation,' or the like (Article 3 of TRIPS).

Some member countries have appellations of origin protected in the international register while some member countries have not so far registered any appellation of origin.²² There are 766 registered appellations of origin currently in force under the Lisbon Agreement.²³ The largest type of products already protected under the Lisbon Agreement is wines and spirits, which jointly account for 70.9 per cent of all the registered appellations of origin.²⁴

TRIPS Agreement

Although the Paris Convention and the Madrid Agreement contained some provisions for the protection of appellations of origin, their practical results were scanty, for the reason that, the former, included only a general provision on GIs, and the Madrid and Lisbon Agreements had limited membership. The most important effect of the TRIPS, in relation to GIs is that it became the first international treaty, with a large number of members, bound not only to protect geographical indications through substantive provisions but also to enforce its application according to minimum standards.²⁵ It has been made mandatory for the member countries of the TRIPS Agreement to comply with the Article 1 to 12 and Article 19 of the Paris Convention. In addition, it provides a strong dispute settlement mechanism under the WTO regime with provisions for periodic review (Article 71 of TRIPS) and renegotiations for high-level protection of some GIs (Article 23 of TRIPS).

As per TRIPS Agreement GI is defined as:

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 22.1 of TRIPS).

It specifies that the quality, reputation or any other feature of a product may serve as the basis of a geographical indication if it is essentially due to the geographic origin of the product. TRIPS makes a general obligation, in respect of GIs, that all member countries must provide the legal means for interested parties; (i) 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 goods, and (ii) any use which constitutes an act of unfair competition within the meaning of Article 10 *bis* of the Paris Convention (1967).

There is no obligation for member countries, under the TRIPS to protect GIs which are not protected in their country of origin or which have fallen into disuse in that country. Members are also not required to extend protection if GIs become generic for the goods. Further, TRIPS mandate to all signatories, if their legislation so permits or at the request of an interested party, to refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that member country is of such a nature as to mislead the public to the true place of origin (Article 22.3 of TRIPS). By the incorporation of this provision TRIPS prudently resolve the conflict that might arise from the age-old practice of preferring geographical indications as trademarks.

To protect consumers from all sorts of misrepresentation, TRIPS adds that the above protection shall be applicable against a geographical indication, 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. This provision thus facilitates a check on false representation. However, what is misleading is subjective and depends upon how courts interpret it. Hence, there really is no strong check.

Additional Protection for Geographical Indications for Wines and Spirits

Article 23 of TRIPS provides for a special treatment for wines and spirits, which is conceivably the most criticized provision in the TRIPS. It provides for additional protection for GIs for wines and spirits. Article 23 reads as follows:

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.

A plain reading of this provision is sufficient to differentiate it from Article 22, which provides a

general protection of basic standard for all goods. Article 23 provides an additional and higher level of protection specifically for wines and spirits. It imposes an obligation upon member countries to legislate for preventing the use of GIs relating to wines and spirits not originating in the places indicated. It means that wines and spirits should be protected even if there is no danger of misleading or unfair competition. This provision for additional protection presents an important question as to why has been provided only for wines and spirits?

A higher-level protection is given not because of the unique characteristics of these products rather a compromise reached in the WTO negotiations in favour of the wine producing countries.²⁶ The addition of spirit occurred at the end of TRIPS negotiations. Negotiators accepted the demands of a number of wine-producing participants, notably in the European Union that wanted a higher level protection to wines and spirits than the standard applied to Geographical indication in general.²⁷ The protection afforded is absolute and unqualified. Geographical indications for wines and spirits are absolutely prohibited if the products do not originate in the designated place. It is not necessary to show that there is a danger of confusion/unfair competition to prevent such uses, as required under Article 22. It prohibits translations of GIs or appending of expressions such as 'kind', 'type', 'style', 'imitation' or the like. It is astounding to note that such a use is not permissible even in cases where the true origin of the goods is indicated.²⁸ Again an obligation is imposed under Articles 23.4 and 24 to enter into negotiation to widen the protection.

Bilateral Treaties

The countries of the international conventions/treaties can reserve the right to make separately between themselves special agreements for the protection of GI, in so far as these agreements do not contravene the provisions of these conventions/treaties. Hence, apart from these main legal instruments, there are also regional²⁹ and bilateral agreements and treaties³⁰ for the protection of GIs. They are intended to protect certain GIs³¹ against all commercial use and against use with false expressions. The names of countries are granted absolute protection in such treaties. These treaties specify that geographical indications must be used in conformity with the law of the country of origin. These bilateral treaties basically transfer the protection provided for in the country of origin to the other signatory states.³²

Indian Legislative Framework

India, being a member of the WTO, enacted the Geographical Indications of Goods (Registration & Protection) Act, 1999, which came into force on 15 September 2003. The Act confers legal protection to GIs relating to goods and thus prevents unauthorized use of registered GIs. Section 2 (e) of the Act defines geographical indication as:

‘Geographical indication’, in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.

Explanation: - For the purposes of this clause, any name which is not the name of a country, region or locality of that country shall also be considered as the geographical indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be.

For registration, a GI must strictly fall within the scope of Section 2(1)(e). In addition to these requirements, there are a number of statutory prohibitions, which prohibit registration of certain GIs.³³ Only those GIs which satisfy the statutory requirements and which are not covered by the statutory prohibition are entitled for registration.

Registration

A GI can be registered in respect of any goods³⁴ and registration must be affected in respect of a definite area/region.³⁵ An application to register a GI must be filed by an association³⁶ where as in all other cases of IP any individual concerned can be an applicant. Any association of persons, producers, organization or authority established by or under the law can apply for a GI provided the applicant represents the interest of the producers. The applicant has to file an affidavit claiming the interest of the concerned producers. The application to the registrar

(The Geographical Indications Registry is located at Chennai) in the prescribed form must show how the GI serves to designate the goods as originating from the concerned territory having a special quality, reputation or other characteristic. It must also detail the special characteristics and how those standards are maintained. The application must relate the particulars of mechanism to ensure that the standards, quality, integrity and consistency or other characteristics are maintained by the producers/manufactures. Special human skills involved or uniqueness of the geographical environment or the inherent characteristics, to which the application relates, also must be sketched. The application must be accompanied by a certified copy of the map of the region to which the GI relates.³⁷

Once the application is accepted it will be scrutinized and examined by the examiners of geographical indication registry. If any deficiency is noticed, the applicant should within one month of the communication in this regard, rectify the same. The correctness of particulars furnished will be ascertained by a consultative group of experts well versed in the subject.³⁸ Thereupon an examination report would be issued to the applicant. Every application, within three months of acceptance, will be published in the *Geographical Indication Journal*.³⁹

Any person can file a notice of opposition within three months (extendable by another month of request which has to be filed before three months), from the date of advertisement, opposing the GI application published in the *Journal*.⁴⁰ The Registrar shall serve a copy of notice to the applicant. Within two months the applicant shall send a copy of the counter statement⁴¹, failing which, he shall be deemed to have abandoned his application. Where the counter-statement has been filed, the registrar shall serve a copy to the person giving notice of opposition.⁴² Thereafter, both sides will lead their respective evidences by way of affidavits and supporting documents. Upon completion of the evidence, the registrar will fix a date for hearing of the case. After completion of hearing, the Registrar shall pass appropriate order on the merit of the case. Any person aggrieved by an order or decision may prefer an appeal to the Intellectual Property Appellate Board (IPAB) within three months.

The Registrar shall register the geographical indication in the register, if (i) the application has not been opposed and the time for notice of opposition has expired; or (ii) if the application has been opposed

and the opposition has been decided in favour of the applicant. The date of the application is deemed to be the date of registration.⁴³ On registration, the Registrar shall issue to the applicant a certificate of registration sealed with the seal of the Geographical Indication Registry.

The Act also makes provision for additional protection in respect of goods notified by the Central Government to that effect. An application for additional protection must be accompanied with a Statement of Case and a copy of the Notification.⁴⁴

Where the registration of a geographical indication is not completed within twelve months from the date of the application by reason of default on the part of the applicant, the Registrar may, after giving notice to the applicant, treat the application as abandoned unless it is completed within the time specified in the notice.⁴⁵

Authorized User

The register of GI is divided into two parts: part 'A' consisting of particulars relating to registered GIs and part 'B' consisting of particulars of the registered authorized users. Any person claiming to be the producer of goods in respect of which a geographical indication has been registered may apply in writing to the Registrar for registering him as an authorized user of such geographical indication.⁴⁶ The persons dealing with the following three categories of goods are covered under the term producer:

- (a) Agricultural Goods includes the production, processing, trading or dealing
- (b) Natural Goods includes exploiting, trading or dealing
- (c) Handicrafts or Industrial goods.⁴⁷

Section 17 states that the registration process as an authorized user is similar to that of a GI.⁴⁸

Duration

The registration of a geographical indication is for a period of ten years⁴⁹, but it can be renewed from time to time, even for perpetuity, in accordance with the statutory provisions. Likewise, the registration of an authorized user is also for a period of ten years or for the period till the date on which the registration of the geographical indication in respect of which the authorized user is registered expires, whichever is earlier. The Act also has provisions for removal of a GI or/and an authorized user as the case may be. Before the expiration of the last registration of a GI or

the authorized user, as the case may be, the Registrar shall send a notice to the registered proprietor or the authorized user intimating the date of expiration and the conditions as to the renewal etc., and, if at the expiration of time prescribed in that behalf those conditions have not been duly complied with, the Registrar may remove the geographical indication or the authorized user, as the case may be, from the register.⁵⁰

Where a removal is made from the register for non-payment of fee, the Registrar shall, after six months and within one year from the expiration of the last registration, on receipt of an application in the prescribed form and on payment of the prescribed fee, if satisfied that it is just to do so, restore the GI or the authorized user, as the case may be, to the register and renew registration. Renewal can be effected either generally or subject to such condition or limitation as he thinks fit to impose, for a period of ten years from the expiration of the last registration.⁵¹

The Act also makes provisions for alteration of a registered GI. On an application by a registered proprietor to that effect, the Registrar can, at his discretion, permit alteration of a GI in any manner not substantially affecting the identity thereof.⁵²

Benefits of Registration

In all legal proceedings relating to a GI, the certificate of registration shall be *prima facie* evidence of the validity and it will be admissible in all courts and before the Appellate Board without further proof.⁵³ Registration of a GI affords better legal protection to facilitate an action in cases of infringement. No infringement suit can be filed in respect of an unregistered GI.⁵⁴ Though Section 20 forbids institution of proceedings for injunctions and damages, the common law remedy for passing off is expressly saved by virtue of Section 20 (2).⁵⁵ Section 21 declares the rights conferred by registration:

- The registered proprietor and the authorized user/s or users thereof will have the right to obtain relief in case of infringement.
- The authorized user will get exclusive right to use the GI in relation to the goods in respect of which the GI is registered.

The registered proprietor and authorized users can initiate infringement actions. The authorized user can exercise the exclusive right subject to any condition and limitation of the registration to use the GI.

Infringement

The authorized users alone are entitled to use a registered GI. According to Section 22 (1), a registered GI is infringed by any person who, not being an authorized user thereof:

- (a) uses the GI by any means in the designations or presentation of goods that indicates 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 persons as to the geographical origin of such goods; or
- (b) uses the GI in such manner which constitutes an act of unfair competition including passing off in respect of registered GI.

Explanation I to the section states that any act of competition contrary to the honest practices in industrial or commercial matters will constitute an act of unfair competition.⁵⁶

The Act contemplates civil as well as criminal remedies for infringement. Civil remedies include injunction, damages or account of profits and delivery-up of infringing labels and indications.⁵⁷ Any person who falsifies or falsely applies to goods any geographical indication invites penal sanction, unless he proves that he acted, without intent to defraud. The Act prescribes for these offences an imprisonment for a term which shall not be less than six months but which may extend to three years and a fine which shall not be less than fifty thousand rupees but which may extend to two lakh rupees.⁵⁸ A punishment of similar gravity is attached, by virtue of Section 40, for selling goods to which false geographical indication is applied. Section 41 attaches enhanced penalty on second or subsequent conviction with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which shall not be less than one lakh rupees but which may extend to two lakh rupees.

Emerging Issues

There is a lot of resentment amongst WTO members regarding the special treatment and higher status given to wines and spirits (which are mainly the product of western countries) under Article 23 of the TRIPS. There is an ongoing debate in the international arena on extension of Article 23 protection to all goods. This extension is argued on several grounds:⁵⁹

- (a) As a solution to the 'unfair special treatment for GIs for wines and spirits': very few WTO members are producers of wines and spirits and

not all WTO members are consumers of wines and spirits. On the contrary, all WTO members produce or consume a variety of agriculture products. Hence, an extension of Article 23 to GIs for goods other than wines and spirits is appropriate since all members might potentially benefit. The counter argument for this follows that some WTO members have geographical indications for many products while other members have only a few. Still the latter would be obliged to provide the means to protect all GIs of members who have many GIs.

- (b) As a means to provide strong market access benefits to WTO members: With minimum level of protection producers of non-wine products like tea, rice, milk products, etc. encounter more difficulty in gaining access to other WTO members' markets. In contrast, those who disagree with this, argue that the extension will not provide meaningful benefits but will instead create new difficulties. Extension of Article 23 requires protection for specific terms in the territory of other countries. Since there is no consensus amongst the members as to what should be treated as a GI, the question as to the very definition of GI may work as an obstacle. Under TRIPS each country can determine what GIs should be protected within its own jurisdiction and this will obviously lead to some practical exceptions regarding certain GIs.⁶⁰ For example, many countries do not consider the name of a country, fanciful term etc. to be eligible for protection as GI. Hence it is unsure that the extension of Article 23 to GIs for other goods would provide the promised protection.

- (c) It is also argued that implementation of an extended Article 23 could necessitate serious costs to governments, manufacturers, and consumers in the form of new administrative mechanisms to implement the broadened standards, re-labelling and repackaging, and confusion cost to consumers who cannot find the products that they are accustomed to buying. However the supporters of extension argue that there is no extra cost associated with extension. The reason being when WTO members already apply this type of protection to wines and spirits the extension to other products does not require any additional enforcement measures. Moreover, by introducing greater clarity, extension would reduce the amount of litigation and bring down its cost.

(d) Developing countries are treating this double standard as discriminatory and TRIPS' failure to preserve the economic value of all GIs equally. This minimum level of protection is insufficient to preserve the economic value.⁶¹ Moreover, when TRIPS guarantees and ensures same and equal protection for all products/services under all other forms of intellectual property like copyright trademarks, patents and designs etc., special and discriminatory treatment only for GI is not justifiable.

Several developing countries including India have been highly critical of this double standard because of its adverse trade implications. The WTO Ministerial Conferences at Doha (2001) and Cancun (2003) could not provide a solution to this ongoing battle.⁶² Countries like India, Pakistan, Egypt, Georgia, Sri Lanka, Indonesia, Cuba, Switzerland etc. have already questioned this discrimination in protection and demanded additional protection to other traditional high quality goods and products. When there is neither justification nor legal basis for the higher status for wines and spirits, it is high time either to remove that provision from the TRIPS or to extend the higher-level protection to other goods and products as per the genuine demands of other signatories. As far as India is concerned, such a high level protection is very much needed to *Basmati* rice and *Darjeeling* tea to control continued infringement by some countries. It is also helpful to prevent GIs from becoming generic.

Another issue which requires immediate attention of the policy makers is that of cyber squatting related to GIs. Many famous GIs are already registered as domain names in bad faith by persons with neither GI registration nor any inherent rights to use the indication. It is done by unauthorized third parties simply to take unfair advantage of the reputation attached to GIs. Hence there is a need to incorporate adequate mechanism to prevent abusive registration of GIs as domain names. The Uniform Domain Name Dispute Resolution Policy (UDRP) and the IN Domain Name Dispute Resolution Policy (INDRP) must incorporate appropriate modifications to prevent the malafide registration of GIs as domain names and thus to secure and protect the interests of authorized GI users.

The developing countries and the least developing countries are rich in culture and tradition having rare precious knowledge in handicrafts, foodstuffs, agriculture products, art forms, traditional medicines

etc. unique to their geographical area. This knowledge is painstakingly developed and preserved through centuries. They also have many uncharted GIs yet to be identified and recognized. These GIs are the intellectual property owned by the community at the grass root level. Such GIs have immense economic potential inherent in them. As the first step towards their protection, countries have to identify and recognize these GIs. Similarly important is their documentation. The concerned segment of the society must be given awareness as to the importance and need of its protection and they must be encouraged to document the relevant facts. The countries, which have products and goods distinctive to their geography, must take immediate efforts to create such awareness and document such data. Governments have to play an important role in creating awareness and enabling communities to recognize and protect their GIs. Governments must provide them with required legal, financial and infrastructural impetus to organize them as a body of producers to administer, protect and explore the economic potentials of GIs; if not, others would misuse it or it would become generic, and would adversely affect the economy.

Conclusion

The uneven level of protection under the divergent legal systems of various countries and the double standard protection adopted by TRIPS are posing uncertainties in the international legal regime for the protection of GIs. It would appear appropriate that there must be a separate international legal instrument without discriminating between wines, spirits and other products and which can provide uniform level of protection for all GIs irrespective of the products and countries of origin. It would have been better if there were no enhanced protection through Article 23 only for some selected products. If the dialogues for the extension of Article 23 do not bring any immediate result favouring the developing countries' demand, then the best course would be to remove it from the TRIPS. If wine-producing countries cannot heed to this proposal, developing countries must strive to extend Article 23 protection to other products. India can lead other countries in this WTO battle and India should raise her voice to extend this protection to her world-famous products such as *Darjeeling* tea and *Basmati* rice.

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- 1 The famous examples are Spanish Champagne case: *Bollinger & Ors v The Costa Brava Wine Co Ltd* (1960) 1 RPC 16; British Sherry case: *Vine Products Ltd & Ors v Mackenzie & Co Ltd & Ors* (1969) RPC 1; Elder Flower Champagne case: *Tattinger SA & Ors v Allbev Ltd & Anor* (1993) FSR 641.
- 2 These terms are not synonyms. The terms indication of source, appellation of origin and geographical indications have distinct connotations. Any geographical sign (word or symbol) used to indicate that a product or service originates in a given country/region/place can be treated as an Indication of Source while an Appellation of Origin is any geographical sign (word or symbol) used to indicate that a product or service originates in a given country/region/place and its quality and characteristics are exclusively or essentially due to the geographical environment. While to qualify as an appellation of origin the product must necessarily have its characteristics and quality linked with the geography, in case of indication of source, it is not necessary that the product must have quality/reputation linked to the geographical origin. A geographical indication has the elements of both indication of source and appellation of origin plus the elements of reputation. A GI need not be a geographical name as per TRIPS definition – e.g., Basmati or Alphonso are not geographical names, but are still GIs. A GI consisting of a country/region/area, must serve to designate a product originating in the country/region/area referred to and there must be significant qualitative link between the product and the geographical area. But under TRIPS, indications of sources whose use on products does not imply a particular quality, reputation or characteristic of those products are not covered by the definition of GI. In this sense, indication of source is a broadest term comprising both geographical Indication and appellation of origin. indications of source only requires that the product on which it is used originate in a certain geographical area. Geographical indications are more broadly defined than appellations of origin. In other words, all appellations of origin are geographical indications, but some geographical indications are not appellations of origin.
- 3 www.southcentre.org/publications/geoindication (1 September 2006).
- 4 Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration (31 October 1958 revised at Stockholm on 14 July 1967 and amended on 28 September 1979).
- 5 Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (concluded on 14 April 1891 revised at Washington on 2 June 1911, at the Hague on 6 November 1925, at London on 2 June 1934, at Lisbon on 31 October 1958 and Additional Act of Stockholm on 14 July 1967).
- 6 Article I (1) of Madrid Agreement:
All goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries.
- 7 Srivastava Suresh, Geographical indications and legal framework in India, *Economic and Political Weekly*, 20 September 2003, pp 4022-4033.
- 8 A reputed brand reduces consumers' search cost. Protection of GI protects consumers from deception and prevents counterfeiting and imitation. A survey conducted amongst EU consumers reveals that they highly appreciate GIs and generally, 40% of consumers are ready to pay a 10% premium price for origin-guaranteed products, http://ec.europa.eu/trade/issues/sectoral/intell_property/argu_en.htm (30 September 2006).
- 9 GIs provide added value to the producers. Italian 'Toscana' oil is sold at a premium of 20% since it has been registered as a GI in 1998. Many products with GIs have high demand for export. 85% of French wine exports use GIs, http://ec.europa.eu/trade/issues/sectoral/intell_property/argu_en.htm (30 September 2006).
- 10 The 8th amongst the Ten Commandments given by God to Moses, *Holy Bible*, Exodus 20:15.
- 11 www.patentoffice.nic.in/ipr/gi/gi_faq.htm (5 September 2006).
- 12 While lion share of granted patents and trademarks are held by big Companies, most of the GIs are held by small scale producers from villages. For example, the GI *Pochampally* is registered to protect the handloom cluster of Pochampally, a small town in Nalgonda district of Andhra Pradesh. It has about 5000 weavers who weave the handloom with traditional, unique and famous design called *Ikat-Pochampally ikat tie-and-dye sari*.
- 13 Report by Martin Khor (TWN) of the Seminar on the Future of WIPO held in Geneva 13-14 September 2004, http://www.choike.org/nuevo_eng/informes/2312.html (9 September 2006).
- 14 Nair Latha R & Kumar Rajendra, *Geographical Indications: A Search for Identity* (Lexis Nexis Butterworths, New Delhi), 2005, p. 6.
- 15 The second part of Section 24 of The Geographical Indications of Goods (Registration & Protection) Act, 1999 of India.
- 16 Section 2 (g) of the GI Act 1999.
- 17 Christopher Kalanje, *Intellectual Property for SMEs*, a paper presented in 5th NASME International Conference and Exhibition on Enhancing the Competitiveness and Growth of SMEs (17-19 September 2002), <http://www.wipo.int/sme/en/documents/pdf/nasme.pdf> (2 November 2006).
- 18 Nair Latha R & Kumar Rajendra, *Geographical Indications: A Search for Identity* (Lexis Nexis Butterworths, New Delhi), 2005, p. 33, USA, Canada, Australia etc. offer protection to GI through certification trademark.
- 19 Roxanne Clemens, *Geographical Indications, the WTO, and Iowa-80 Beef*, http://www.card.iastate.edu/iowa_ag_review/spring_05/article4.aspx (8 October 2006).
- 20 http://www.wipo.int/treaties/en/statistics/StatsResults.jsp?tre_aty_id=2&lang=en (24 January 2007)
- 21 <http://www.wipo.int/lisbon/en/general> (30 September 2006).
- 22 Burkina Faso, Congo, Costa Rica, Gabon, Haiti, Togo and Yugoslavia have not registered.

- 23 www.southcentre.org/publications/geoindication/paper10-05.htm (2 September 2006).
- 24 WIPO statistics on appellations of origin under the Lisbon Agreement.
- 25 <http://www.southcentre.org/publications/geoindication/paper10-04.htm> (4 September 2006).
- 26 Srivastava Suresh, Geographical indications under TRIPS Agreement and legal framework in India: Part I, *Journal of Intellectual Property Rights*, 9(1) (2004) 11.
- 27 Gervais Daniel, *The TRIPS Agreements: Drafting History and Analysis*, 2nd edn (Sweet & Maxwell, London), 2003, p.196.
- 28 For example, if an Indian wine manufacturer produces a 'scotch whisky like whisky' he is not permitted to call it as Indian style Scotch whisky even if he indicates the true origin of the goods.
- 29 For example, Council Regulation (EC) No 510/2006 (20 March 2006) on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs adopted by all the members of EU relate only to Agricultural products and foodstuff.
- 30 For example, (i) Treaty of 14th December 1979 between the Swiss Confederation and the People's Republic of Hungary on the protection of indications of source, appellations of origin and other geographic names; (ii) Agreement of 21st June 1999 between the Swiss Confederation and the European Union on the exchange of agricultural products; Annexure 7 on wines and annexure 8 on spirits, etc.
- 31 The GIs that are listed by product group in the annexure of the respective treaties.
- 32 <http://www.ige.ch/E/jurinfo/j104.shtm> (10 October 2006).
- 33 Section 9 of Geographical Indications of Goods (Registration & Protection) Act, 1999 of India.
- 34 For this purpose, the Registrar classifies the goods in accordance with International Classification of Goods. The Fourth Schedule of the Act enlists Classification of Goods and Class Numbers.
- 35 Section 8 of the GI Act 1999.
- 36 Section 11 of the GI Act 1999.
- 37 Section 11 (2) of the GI Act 1999.
- 38 Rule 33 of The Geographical Indications of Goods (Registration & Protection) Rules, 2002.
- 39 Rule 38 of The Geographical Indications of Goods (Registration & Protection) Rules, 2002.
- 40 Section 14(1) of the GI Act 1999.
- 41 Section 14 (2) of the GI Act 1999.
- 42 Section 14 (3) of the GI Act 1999.
- 43 Section 16 (1) of the GI Act 1999.
- 44 Section 22 (2) of the GI Act 1999.
- 45 Section 16 (3) of the GI Act 1999.
- 46 Section 17 (1) of the GI Act 1999.
- 47 Section 2 (k) of the GI Act 1999.
- 48 Section 17 (3) of the GI Act 1999.
- 49 Section 18 of the GI Act 1999.
- 50 Section 18 (4) of the GI Act 1999.
- 51 Section 18 (5) of the GI Act 1999.
- 52 Section 29 (1) of the GI Act 1999.
- 53 Section 23 (1) of the GI Act 1999.
- 54 Section 20(1) of the GI Act 1999.
- 55 Section 20(2) of the GI Act 1999.
- 56 Explanation 2 of Section 22 (b) of the GI Act 1999.
- 57 Section 67 (1) of the GI Act 1999.
- 58 Section 39 (f) of the GI Act 1999. However, The Court may, for adequate and special reasons, impose a sentence of imprisonment for a term of less than six months or a fine of less than fifty thousand rupees.
- 59 <http://usinfo.state.gov/ei/Archive/2003/Dec/31-988250.html> (19 January 2007).
- 60 For instance, 'Champagne' is protected as a GI in the EU, but it is viewed as a generic descriptive term in some other markets, including the US, http://writ.news.findlaw.com/commentary/20021212_sprigman.html (19 January 2007).
- 61 http://trade-info.cec.eu.int/doclib/docs/2005/april/tradoc_122289.doc (19 January 2007).
- 62 The Doha Ministerial Declaration had suggested to consider expansion of extra protection to other traditional high quality products including agricultural products, processed foods, beverages and handicrafts, such as Darjeeling tea (India), art paper (China), Jasmine rice (Thailand), Jamon de Huelva (Spanish ham), porcelain from Limoges (France).