

**TRIPS Agreement and Geographical Indications**

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## **INTRODUCTION**

The use of geographical indications is a crucial methodology of indicating the origin of products and services. One in every of the aims of their use is to push commerce by informing the client of the origin of the product. Usually this might imply an exact quality that the client is also searching for. They'll be used for industrial and agricultural product. Protection of such indications is on a national basis however there square measure varied international treaties that assist the protection in an exceedingly vary of states. Geographical indications in an exceedingly broad sense embody indications of supply, designation of origin, and geographical indication (in the strict sense). It ought to be noticed that the Paris Convention doesn't use in its nomenclature the term geographical indication; it rather utilizes the terms, indications of supply and appellations of origin. A sign of supply suggests that any expression or sign accustomed indicate that a product or service originates in an exceedingly country, a region, and a particular place wherever the merchandise originated. Example: Made in Japan.

An appellation of origin means the geographical name of a country, region, specific place which serves to designate a product originating therein, the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural or human factors or both. Example: Champagne

The term 'indication of source' is employed within the Paris Convention (Articles 1[2] and 10)<sup>2</sup> and therefore the Madrid Agreement seven, although there's no specific definition on the market in either of the 2 treaties. However, a clarification of the notion is obtainable in Article 1(1) of the Madrid Agreement.

## **BACKGROUND**

The visits Section on geographical indications represents a fragile balance that was found within the Uruguay spherical between completely different interests. whereas the negotiations on some visits problems may, to an outsized extent, be characterised as a North-South

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<sup>2</sup> The Madrid Agreement for the Repression of False or Deceptive Indications of Source of Goods was adopted in 1891 and revised at Washington (1911), The Hague (1925), London (1934), Lisbon (1958) and Stockholm (1967)

discussion, the negotiations on geographical indications, notably on wines and spirits, were characterised by what was then delineate as associate "Old World – New World" debate; that's to mention between the "Old World" countries of Europe and therefore the "New World" countries of the us, Australia, Canada, New See land, Argentina and Chile and a few others. These variations conjointly, to a major extent, paralleled those between agricultural importers and exporters and links were created with the Uruguay spherical negotiations on agriculture. an extra thought within the Uruguay spherical negotiations, and one that continues to use these days, is that the diversity of national systems for the protection of geographical indications, wherever there's a significantly lower level of harmonization than, for instance, within the areas of patents or emblems. The principles of the visits Agreement on geographical indications mirror this diversity and quality of systems, as seen within the language employed in sure provisions of the GI Section. This can be illustrated within the world organization Secretariat's outline of Members' responses to a pair of listing of queries concerning the method they apply the visits provisions on geographical indications. That document shows however Members' national and regional systems for the protection of geographical indications embrace a mix of laws of general application with reference to business practices, especially against shopper deception and unfair competition, certification or collective mark protection below trademark law, and a spread of single systems dedicated to the protection of geographical indications.

### **INTERNATIONAL SCENARIO**

In the last two decades intellectual property has become a central part of international affairs. The TRIPS Agreement defines a GI as an expression that identifies a product as originating in a particular region, 'where a given quality, reputation, or other characteristic of the good is essentially attributable to its place of origin'.<sup>3</sup> Thus, they are geographic indications. The World Intellectual Property Organization, for instance, maintains that GIs can 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'.<sup>4</sup> TRIPS requires that WTO Member States provide the means for interested parties to register GIs and to prevent any use of a GI that amounts to unfair

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<sup>3</sup> TRIPS, supra note 1, art. 22(1)

<sup>4</sup> 'About Geographic Indications', available at: [www.wipo.int/about-ip/en/about\\_geographical\\_ind.html](http://www.wipo.int/about-ip/en/about_geographical_ind.html) (last visited 20 Nov. 2006). O'Connor argues that a GI 'is linked . . . to something more than mere human creativity including topography, climate, or other factors independent from human creativity': O'Connor, supra note 6, at 113.

competition or misleads the public as to the origin of the good. Member States also have a duty to refuse or invalidate such misleading marks. The precise structure of the national systems for registering and enforcing GIs is left to the parties to decide, but is subject to general WTO rules on national treatment and non-discrimination. In 2005 Australia and the US successfully challenged the EU's system before the WTO Dispute Settlement Body, arguing that it impermissibly discriminated against foreign products and persons. In EC-Geographical Indications the WTO Panel dismissed some of the claims, yet held that the European GI system failed to provide national treatment to foreign products.<sup>5</sup> Not all types of GIs are treated in the same way by TRIPS. GIs for wines and spirits receive enhanced protection – what we call here ‘absolute protection’. WTO Member States must provide holders of such GIs with the legal means to prevent labelling that, even if it indicates the true origin of a good, includes a GI with the qualification ‘kind’, ‘style’, or the like.<sup>6</sup> In the EU nearly 90 per cent of the registered GIs relate to wine and spirits, and indeed some commentators argue that the absolute protection standard was ‘granted solely for the political reason of persuading the EC to join consensus on the Uruguay Round’.<sup>7</sup> The EU has subsequently compiled a list of 41 cheeses, meats and other products that it believes should also enjoy absolute protection for relevant GIs.<sup>8</sup> The TRIPS Agreement is not the first invocation of GIs in international law, though it is the most important. GI protection was part of the Paris Convention for the Protection of Industrial Property (1883), but under a different label (‘false indications’). The 1891 Madrid Agreement for the Repression of False or Deceptive Indications also addresses GIs, though it has relatively few parties. In the 20th century, the Lisbon Agreement on Appellations of Origin (1958) set the standard until the negotiation of TRIPS. National law on GIs is even older. French law first addressed GIs in 1824,<sup>9</sup> and plainly GIs existed as common signifiers for centuries if not millennia before that.

<sup>5</sup> Dispute DS/174/R, EC–Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (2005). See Evans and Blakeney, *supra* note 7, at 595–604, for an analysis.

<sup>6</sup> TRIPS, *supra* note 1, Art. 24. This provision aims to negotiate between the protection of existing trade marks and customary terms, on the one hand, and the protection of GIs on the other. In practice a significant number of erstwhile GI violations are harboured by this provision. Generic terms, such as Bermuda shorts, are likewise covered by Art. 24.

<sup>7</sup> Das, *supra* note 19, at 477. Percentages calculated are based on figures found in European Commission, ‘Why Do Geographical Indications Matter to Us?’, *supra* note 7.

<sup>8</sup> ‘WTO Talks: EU Steps up Bid for Better Protection of Regional Quality Products’, Press Release IP/03/1178 of 28 Aug. 2003, available at: <http://europe.eu.int/rapid/pressReleasesAction.do?reference=IP/03/1178> (last visited 20 Nov. 2006).

<sup>9</sup> See generally O’Connor, *supra* note 6; Torsen, ‘Apples and Oranges (and Wine): Why the International Conversation Regarding Geographic Indications is at a Standstill’, 87 *J Patent and Trademark Office Society* (2005) 31, at 34–35.

Nor is GI protection limited to the Old World. In the US the Federal Alcohol Administration Act of 1935 bars misleading labels on wine. More recently, California, the centre of American wine-making, passed a statute requiring that any wine produced or marketed in California and bearing the name 'Napa' contain at least 75 per cent Napa Valley-grown grapes.<sup>10</sup> Yet, the very transnational integration that globalization fosters has led to increased demand for GI protection. The protection of GIs can thus be seen as a way to commodify and market placeness and tradition in an increasingly global economy.

### **NATIONAL SCENARIO**

Special systems for the protection of GIs at the national level have been in place in a number of countries (particularly in the 'North') long before the advent of any multilateral agreement dealing with geographical denominations. The TRIPS Agreement leaves it up to the Member countries to determine the appropriate method of implementing the provisions of the Agreement<sup>11</sup> (including the provisions on GIs) within their own legal framework (Article 1.1).<sup>12</sup> The review process in the TRIPS Council<sup>13</sup> has revealed that the Member countries have chosen various avenues to carry out their obligations to comply with the GI provisions of the TRIPS Agreement. The WTO Secretariat has classified the differing means of protection available for 'Indications of Geographical Origins' (a term used by the Document as a common denominator when referring to the various terms used and defined by Members to indicate the geographical origin of goods and services)<sup>14</sup> in three broad categories: (A) laws focusing on business practices; (B) trademark law; and (C) special means of protection.

Coming to India, prior to the enactment of the 'The Geographical Indications of Goods (Registration and Protection) Act, 1999', there was no separate legislation dealing

<sup>10</sup> See *Bronco Wine Co v. Jolly*, 33 Cal. 4th 943 (2004).

<sup>11</sup> See Das, Kasturi (2000), 'India's Obligations under 'TRIPS' and the Patents (Second) Amendment Bill, 1999: A Commentary', *Indian Economic Journal*, Vol. 48, No. 3: p.60.

<sup>12</sup> Article 1.1 of TRIPS

<sup>13</sup> See WTO Document IP/C/W/253 dated 4 April 2001.

<sup>14</sup> The WTO Secretariat has stated that: " In regard to terminology, the paper, when referring to the various terms used and defined by Members to indicate the geographical origin of goods and services, uses the expression "IGOs" (indications of geographical origin) as a common denominator. Given that "geographical indication" has a specific legal meaning under Article 22.1 of the TRIPS Agreement.

specifically with GIs. However, there were three ways in which the then-existing legal systems of the country could have been utilised for preventing the misuse of GIs:

1. Under the consumer protection acts<sup>15</sup>
2. through passing-off<sup>16</sup> actions in courts
3. Through certification marks<sup>17</sup>.

The 'Geographical Indications of Goods (Registration & Protection) Act, 1999' (henceforth the GI Act) was formulated as part of the exercise in the country to set in place national intellectual property laws in compliance with India's obligations under the TRIPS Agreement. Under the purview of this Act, which has come into force with effect from 15th September 2003, the Central Government has established the Geographical Indications Registry with all India jurisdiction at Chennai, where the right holders can register their GIs. Once a GI gets registered any person claiming to be the producer of the registered GI can file an application for registration as an authorised user. The GI Act is to be administered by the Controller General of Patents, Designs and Trade Marks- who is the Registrar of Geographical Indications.

### **TRIPS Provisions on Geographical Indications and the Indian Act**

TRIPS Agreement (Articles 22 through 24) incorporates provisions for protection of GIs in three articles:

- ◆ Article 22 contains a definition of GIs and sets out the general standards of protection that must be available to all GIs;
- ◆ Article 23 deals with the additional protection granted to GIs associated with wines and spirits;
- ◆ Article 24 deals with the conditions of future negotiations in the field of GIs and also lays down certain exceptions to obligations on GI protection under TRIPS.

<sup>15</sup> The principal legislation in the field of consumer protection are the following: (a) The Consumer Protection Act of 1986, and (b) Sections 36-A to 36-E of the Monopolies and Restrictive Trade Practice (MRTP) Act, 1969. The said sections in the latter Act pertain to unfair trade practices and were inserted into the MRTP Act by an Amendment Act in 1984, with effect from August 1, 1984.

<sup>16</sup> In its simplest form, the principle of passing-off

<sup>17</sup> Certification trade mark" means a mark capable of distinguishing the goods or services in connection with which it is used in the course of trade which are certified by the proprietor of the mark in respect of origin

## **TRIPS PROVISIONS ON GEOGRAPHICAL INDICATIONS**

Section 3 of Part II of the TRIPS Agreement consists of three provisions. Article 22 deals with the definition of geographical indications and sets out the minimum level of protection to be available for geographical indications identifying any type of good. Article 22 further deals with the question of trademarks bearing geographical indications. Article 23 provides for a higher level of protection for geographical indications identifying wines and spirits. It further sets out additional rules regarding the use of such geographical indications in or as trademarks and provides for a built-in agenda for the negotiation of a multilateral system of notification and registration of geographical indications for wines. Article 24 provides in particular for certain exceptions allowing continued use of geographical indications for goods not coming from the place indicated, e.g. when a term has become generic.

### **What are the conditions for getting protection?**

Under Article 62.1 of the TRIPS Agreement Members can require compliance with reasonable procedures and formalities as a condition of the acquisition and maintenance of rights in geographical indications. In practice, as mentioned earlier, Members use a variety of different legal means to protect geographical indications. Some, such as most laws of general application focusing on deceptive or unfair business practices, are typically available without the need to comply with prior procedures and formalities; whereas others, such as protection under trademark law and under most forms of sui generis GI protection, generally require compliance with formalities and procedures necessary to secure prior recognition of the geographical indication as eligible for protection. In the case of collective or certification marks under trademark law, the rules on the registration and renewal of trademarks apply. In this connection it might be noted that, for nationals of countries participating in WIPO's Madrid Agreement and Madrid Protocol on the international registration of marks, it is possible to obtain an international registration for collective and certification marks providing for protection in a number of countries through a single application. In regard to sui generis forms of protection, procedures vary, from the "automatic" to more or less sophisticated systems of registration with regulations or specifications regarding the production of the products.

## **TRIPS AGREEMENT**

The TRIPS Agreement (articles 22 to 24) addresses the international protection of GIs within the framework of the World Trade Organization (WTO).

Article 22 of the TRIPS Agreement says that all governments must provide legal opportunities in their own laws for the owner of a GI registered in that country to prevent the use of marks that mislead the public as to the geographical origin of the good. This includes prevention of use of a geographical name which although literally true "falsely represents" that the product comes from somewhere else.

Article 23 of the TRIPS Agreement says that all governments must provide the owners of GI the right, under their laws, to prevent the use of a geographical indication identifying wines not originating in the place indicated by the geographical indication. This applies even where the public is not being misled, where there is no unfair competition and where the true origin of the good is indicated or the geographical indication is accompanied by expressions such as "kind", "type", "style", "imitation" or the like. Similar protection must be given to geographical indications identifying spirits.

Article 22 of TRIPS also says that governments may refuse to register a trademark or may invalidate an existing trademark (if their legislation permits or at the request of another government) if it misleads the public as to the true origin of a good. Article 23 says governments may refuse to register or may invalidate a trademark that conflicts with a wine or spirits GI whether the trademark misleads or not.

Article 24 of TRIPS provides a number of exceptions to the protection of geographical indications that are particularly relevant for geographical indications for wines and spirits (Article 23). For example, Members are not obliged to bring a geographical indication under protection where it has become a generic term for describing the product in question. Measures to implement these provisions should not prejudice prior trademark rights that have been acquired in good faith; and, under certain circumstances — including long-established use — continued use of a geographical indication for wines or spirits may be allowed on a scale and nature as before.

In the Doha Development Round of WTO negotiations, launched in December 2001, WTO member governments are negotiating on the creation of a 'multilateral register' of geographical indications. Some countries, including the EU, are pushing for a register with legal effect, while other countries, including the United States, are pushing for a non-binding system under which the WTO would simply be notified of the members' respective geographical indications.

Some governments participating in the negotiations (especially the European Communities) wish to go further and negotiate the inclusion of GIs on products other than wines and spirits under Article 23 of TRIPS. These governments argue that extending Article 23 will increase the protection of these marks in international trade. This is a controversial proposal, however, that is opposed by other governments including the United States who question the need to extend the stronger protection of Article 23 to other products. They are concerned that Article 23 protection is greater than required, in most cases, to deliver the consumer benefit that is the fundamental objective of GIs laws.

#### CASE LAWS

- In *Imperial Tobacco Co. v. Registrar, Trademarks*<sup>18</sup> the Calcutta High Court explained the following concept of “geographic term” namely: Geographical terms and words in common use designate a locality, a country, or a section of country which cannot be monopolized as trademarks; but a geographical name not used in geographical sense to denote place of origin, but used in an arbitrary or fanciful way to indicate origin or ownership regardless of location, may be sustained as a valid trademark.....A geographical name according to its ordinary signification is such mark inherently or otherwise incapable of registration subject to minor exceptions.
- *Pochampalli Ikat Case*<sup>19</sup>

Pochampally is a small town in Nalgonda district of Andhra Pradesh, a handloom cluster is known for its very unique Ikat<sup>20</sup> design for centuries. It has about 5000 weavers who weave the handloom with traditional design called Ikat. With the objective of converting this uniqueness into commercial value, the Textiles Committee launched a cluster initiative under its Cluster Development Programme to facilitate the local associations “Pochampally Handloom Weavers’ Co Op. Society Ltd”, an autonomous society registered under the society Act 1860 and “Pochampally Handloom Tie & Dye Silk Sarees Manufactures

<sup>18</sup> AIR 1977 Cal 413 at 422

<sup>19</sup> Accessed from the web site: <http://www.aiacaonline.org/pdf/policy-briefs-geographical-indication-pochampally-ikat.pdf>, visied on 10-8-2012.

<sup>20</sup>The term Ikat has its origin in Malay –Indonesian expression ‘Mangikat’ meaning to bind, knot or wind around. Pochampal Ikat, the technique of resist – dyeing is mostly done with geometrical designs, involves the sequence of tying (or wrapping) and dyeing exposed sections of bundled yarn to get a pre-determined colour scheme prior to weaving. The patterns formed on the yarn are then configured into the woven fabric.

Association” an association established under the law are the two bodies that are responsible for production and marketing of Pochampally Ikat.

The Directorate (Handlooms & Textiles) Government of Andhra Pradesh, Weavers Service Centre (WSC), APTDC, NABARD have been involved in the process of GI registration. The services of APTDC were used for filling before GI registry and NABARD has provided funds under its DRIP to cover the costs involved.<sup>21</sup> The famous Pochampally ikat tie-and-dye sari has won Intellectual Property Rights protection, more than a year after its first applied. It is the first traditional Indian craft to receive this status of geographical branding. The design won protection in the Geographical Indications category. This will protect the Pochampally handloom sari from unfair competition and counterfeit. An estimated one hundred thousand weavers in Andhra Pradesh may benefit from the granting of Intellectual Property Rights to the traditional tie-and-dye fabric, which has seen falling demand due to competition from cheaper fabrics copying from their design.

There was a law suit filed under GI Act on infringement of GI of POCHAMPALLI IKAT. In this case plaintiffs are manufacturing POCHAMPALLI IKAT fabric made of natural materials such as cotton or silk or a combination of both, having designs that are evocative of the diffused diamond or chowka design. But the defendant was selling some sarees by using false GI HYCO POCHAMPALLI. To protect their legal rights the plaintiffs filed a suit against defendants’ for injunction restraining infringement of GI, passing off, unfair, competition. After hearing contentions from both the parties the court said ‘ the adoption of the mark HYCO POCHAMPALLI by the defendant is blatantly dishonest and malafide attempt to derive unfair advantage by creating the impression that the Defendants products have some connection, nexus, association, affiliation with or endorsement by the plaintiffs. Eventually, the verdict was not delivered and the case was settled out of court after the errant party pleaded innocence on the account of his ignorance about the Act. Finally the suit was decreed in favour of plaintiff.

- Tea Board, India vs. I.T.C. Limited<sup>22</sup>

The dispute is on “DARJEELING” between Tea Board of India and ITC Limited. The Tea Board asserts exclusivity over “Darjeeling” and ITC maintains that there is more to

<sup>21</sup> Gautam. K and Bahl. N Geographical Indications of India: Socio-Economic and Development Issues, Policy No. 2, 2010, All India Artisans and Craft workers welfare Association (AIACA)

<sup>22</sup> GA No. 3137 of 2010, CS No. 250 of 2010, also see:<http://spicyipindia.blogspot.com/2011/04/breaking-news-darjeeling-still-lounges.html> , visited on 10-8-2013.

“Darjeeling” than the tea that is grown there. Tea Board, India (registered proprietor of the GI “Darjeeling”) took ITC Limited to court for the use of the mark ‘Darjeeling’ for its Lounge at the hotel in Calcutta. Under the application for interlocutory injunction, concerned with the existence of a prima facie case of the Tea Board against ITC based on the Trade Marks Act, 1999 (TM Act) and The Geographical Indications of Goods (Registration & Protection Act, 1999 (GI Act), ITC sought to cut the claim contending that grievances with respect to rights breached under the GI Act is only restricted to goods and not against any services. ITC wanted the GI Act to be understood as providing protection only to goods against goods and not having room enough to allow a complaint by a registered proprietor of a GI against any service. The argument put forth was that the GI Act seeks to protect indications with respect to goods only, identified on account of quality or reputation or other characteristics attributable to their geographical origin and cannot be extended to any services.

The Court concluded the Tea Board’s prima facie failure in proving violation of its registered certification trademark in terms of sec 75 of the TM Act as it had not registered its name as holder of the mark DARJEELING in respect of hotel business but for the purpose of certification of tea as one grown in Darjeeling where benefit of Sections 28 and 29 of the TM Act is not available.

The decision raised interesting ramifications on the GI marketplace in India, as the Calcutta High Court held that the word “Darjeeling” is not the exclusive right of the Tea Board, and decided the case in favour of the Kolkata hotel ITC Sonar and its Darjeeling Lounge. Although the situation of GI protection at the domestic level is somewhat manageable, the same is not true in regards to protection of GI at the international level.<sup>23</sup> For example, on an average around 4 crore kgs of tea per annum is being sold globally as ‘Darjeeling tea,’ whereas the production of authentic Darjeeling tea is around 90 lakh kgs only.

- Basmati rice case

Geographical Indication is seen in India after the Basmati Rice controversy. It scrutinizes the impact of the same on giving protection to other GI’s and the approach of India with regards to the extent of protection given to GI’s in International Intellectual Property Community. Experts and peoples have believed that Basmati Rice has always been a production of India. Various countries such as U.S have tried to claim basmati rice as their production but failed to do so till date. But it is specially

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<sup>23</sup> “Geographical Indications in the Indian Context: A Case Study of Darjeeling Tea,” ICRIER Working Paper No 11, September 2003.

cultivated in Madhya Pradesh. The decision regarding the Basmati rice is still pending in the High Court of Madras. If the judgement turns out to be in favour of Madhya Pradesh it might led to an international dispute as there won't be any sought of protection to various products and its producers thus failing the main aim of establishing the Geographical Indication Registry. The future of GI in India lies on this decision since it would not only put the forthcoming product but also the product which already have been registered in jeopardy.

### **CONCLUSION**

the establishment of a national system of protection under the purview of the GI Act, which provides sufficient scope for securing the 'absolute' protection for the GIs of India at the national level, is an important step forward in the right direction. It is learnt that some of the GIs of Indian origin, such as, 'Darjeeling' tea, 'Pochampally' art have already been registered under the purview of this Act. Efforts are under way to register certain others like 'Muga' silk, 'Alphonso' mango, 'Mysore' silk etc. Unfortunately 'Basmati'- one of the most controversial and crucial GI-is yet to be registered under the GI Act. However, it is evident that given the staunch opposition expressed by some of the most influential Members including the USA on the issue, it is not going to be an easy battle for the proponents of the 'extension' to win. Nevertheless, India, along with the like-minded countries, should leave no stones unturned to ensure an effective protection for its GIs. Because, what is at stake is not only the goodwill and reputation attached to the precious GIs of the country, but also the huge commercial and trade implications associated with them. We are aware that the GI debate is primarily driven not by philosophical arguments but by political interests. European governments have led the charge to push forward this higher standard in an effort to protect traditional producers from increasing competition from abroad. All the same, the European Commission has continued to fight for greater GI protection at the international level. As of this writing it is unclear whether the current effort to expand GI protection in the Doha Round of world trade negotiations will succeed. But however misguided, it is unlikely to be the last such effort. The continuing progress of globalization, the striking pace of technological progress, and the deepening of economic liberalization around the world seem likely to ensure that efforts at propitiation through international law will continue to accelerate in the 21st century.

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