

Geographical indications in India: Issues and challenges—An overview

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Abstract

The family of Intellectual Property (IP) is diverse and therefore the concerns that arise over its protection are also varied. In the context of international trade the Trade Related Aspects of Intellectual Property Rights (TRIPs) of the World Trade Organization (WTO) determines issues concerning IP. The TRIPs agreement came into force on 1st January 1995 is perhaps the most comprehensive multilateral agreement on IP.

From Darjeeling tea to Basmati rice, India has seen a wide range of products originating in the country have made a name for themselves in international markets. These products have found a niche because of the quality associated from their point of origin. Various conditions give rise to quality of the product such as the soil conditions, environmental human factors etc. This point of origin and quality of the product associated therein is a field of study in the IP family dealt under the concept of Geographical Indications (GIs).

Geographical Indications play a very similar role to that played by trademarks i.e. both types of IPRs are used for the purpose of identification of products, Geographical indications associate names and places or production areas with products. They are distinctive signs that permit the identification of products on the market. GIs make it possible to add value to the natural riches of a country and to the skills of the population, and they give local products a distinguishable identity. If they are used in the proper way and are well protected, they can become an effective marketing tool of great economic value.

Keywords: - Intellectual Property Rights, World Trade Organization (WTO), Geographical Indications,

1. Introduction: -

Every place has something special and, in this context, India has great heritage where the uniqueness of products of certain geographical region has been recognized from ancient times – Banarasi Saree, Banarasi pan, Darjeeling Tea, Basmati Rice, Nagpur Orange, Kolhapuri

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chappals, Mysore Silk etc. Simple examples of goods identified as related to a certain specific geographical location, and consequently recognized as possessing certain qualities are, scotch whisky, cognac brandy, Kanchipuram Silk, Darjeeling tea and like descriptions.

These all products have been identified as typical to a geographical region. Certain geographical names have acquired a lot of importance in the commercial markets, particularly with regard to the goods uniquely associated with such names.

With the expansion of international trade during the 19th century, Protection of Geographical Indication was included in international agreements on the Protection of Intellectual Property. France was the first country to take the initiative and enact a comprehensive system for the protection of geographical indications that later influenced the making of both national laws and international treaties. GIs play very crucial functions in trade and commerce, they not act as identifiers of the source and quality of products but also significantly serve the interests of consumers and producers. The scope of this study will be to consider the interests of consumers and producers. The scope of this study will be to consider the genesis of GIs and understand them in the international context. The concern show by the WIPO and WTO gave new impetus to Protection of GIs. Protection of GIs prevent third parties from passing off their products as those originating in the given region. However, needless to say, commercial benefits can be derived from the protection of geographical indications only when the name becomes reasonably famous.

Research objective

The main objectives of this study are as follows:

- To understand the meaning of GI as also its origin in the first place.
- To study comprehensively the Protection of GI mechanism in India.
- To understand the status of GI in North-East India.

Research Methodology

Methodology is the essence of study of a particular subject. Research methodology is a systematic investigation to give new knowledge about the problem.

In the present study the researcher has carried out the doctrinal research. The present study is based on Analytical method of research. Analytical method helps in analyzing each and every fact collected for the purpose of the study.

Analytical approach has been followed throughout the work to analyze the various aspects of the study. The information needed for the study is collected from both primary and secondary sources which includes Books, journals, newspaper, internet, library, articles etc.

2. Meaning and Concepts of Geographical Indications:

Geographical Indication indicates that particular goods originate from a country, region or locality and has some special characteristics, qualities or reputation which is attributable to its place of origin.³ These special characteristics, qualities or reputation may be due to various factors, e.g. natural factors such as raw materials, soil, regional climate, temperature, moisture etc; or the method of manufacture or preparation of the product such as traditional production methods; or other human factors such as concentration of similar business in the same region, specialization in the production or preparation of certain products and the maintaining of certain quality standards.

3. Definition of Geographical Indications:

The Geographical Indications of Goods (Registration and Protection) Act, 1999 defines “Geographical Indication Act defines “geographical indication” in relation to goods, as ‘an indication which identifies such goods as agricultural goods, natural goods or manufactured good as originating, or manufactured in the territory of 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.’⁴

³V.K.Ahuja, *Law Relating to Intellectual Property Rights*, 2nd Edition,(New Delhi, Lexis Nexis,2013), at 436

⁴ V.K.Ahuja, *Law Relating to Intellectual Property Rights*, 2nd Edition,(New Delhi, Lexis Nexis,2013), at 436

4. Geographical Indications and related concepts:

Internationally, geographical Indications as a form of Intellectual Property are defined by a wide range of terminology. Unlike other categories of Intellectual property rights such as patents or trademarks, where there is a general definition accepted worldwide, in the case of geographical indications there is not a single definition or a single terminology.

“With the exception of design law, there is probably no category of intellectual property law, where there exists such a variety of concepts of protection as in the field of geographical indications. This may be best demonstrated by the term “geographical indication” itself, which is relatively new and appeared only recently in international negotiations”.⁵

The basic concept underlying GIs is simple and familiar to any shopper who chooses Roquefort over “blue” cheese or Darjeeling over “black” tea. “Cognac”, “Scotch”, “Porto”, “Harvana”, “Tequila” and “Darjeeling” are some well-Known examples of names associated throughout the world with products of a certain nature and quality, Known for their geographical origin and for having characteristics linked to that origin.

The ‘geographical indication’ owes its origin from the Paris Convention,1883. Even though the Convention did not use the said expression, Article1(2) of the Convention used the expression ‘appellation of origin’ and ‘indications of source’.⁶The scope of the aforesaid expression has been delineated in Lisbon and Madrid Agreements. The former delineates the appellation of origin to mean:

“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 graphic environment, including natural and human factors.”⁷ Most commonly, a GI consists of the name of the place of the good, such as “ Jamaica Blue Mountain” or “Darjeeling”. Moreover, in order to work as a GI, a sign must identify a product as originating in a given place. In addition, the qualities or reputation of the product should be

⁵ Available at www.Shodhganga.inflibnet.ac.in, accessed on 10th February at 8.30 p.m.

⁶ M.M.S. Karki, Intellectual Property Rights, 1st ed. (New Delhi: Atlantic, 2009), at 208

⁷ M.M.S. Karki, Intellectual Property Rights, 1st ed. (New Delhi: Atlantic, 2009), at 208

essentially due to the place of origin. Since, the qualities depend on the geographical place of production; there is a link between the product and its place of production.

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 origins which has given the product its reputation.”⁸

An appellation of origin is a special kind of geographical indication, used on products that have a specific quality that is exclusively or essentially due to the geographical environment in which the products are produced. The concept of geographical indication encompasses appellations of origin. Examples of appellations of origin, which are protected in states that are party to the Lisbon Agreement for the protection of Appellation of Origin and their International Registration are “Bordeaux” for wine produced in the Bordeaux region region of France, “Havana” for tobacco grown in the Havana region of Cuba or “Tequila” for spirits produced in particular areas of Mexico.

However, the expression ‘geographical indications’ under the TRIPs Agreement has been 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”⁹

The distinction between Geographical Indication and Appellation of Origin must be noticed. Appellation of Origin points out only the place where the goods relative to the appellation are manufactured. Appellations like “Made in India” means only that the goods are manufactured in India and nothing more. The goods may be anything. If the goods manufactured in India have goodwill that appellation protects that goodwill. If somebody else manufacturing goods in Singapore adds an appellation to it called “Made in India” that would be a violation or a misuse of the Indian appellation, provided, India and Singapore have a bilateral agreement to protect appellations of origin in accordance with the Inter-national Convention called Lisbon Agreement.

Geographical Origin, in addition, suggests the special and particular quality of goods produced in a specified area or country. Geographical Indication is protected under the TRIPs Agreement which is binding on all the signatories of the Agreement. It need not be bilateral

⁸ Available at www.shodhganga.inflibnet.ac.in/accessed on 10th February at 8.30 p.m.

⁹ M.M.S. Karki, Intellectual Property Rights, 1st ed. (New Delhi: Atlantic, 2009), at 209

as it was in the case of appellation of origin conceived under the Lisbon Agreement. The only requirement for its protection in all countries bound by TRIPs Agreement is that the country claiming protection for Geographical Indication must legislate on this subject recognizing and registering a specified Geographical Indication.

5. Distinction between Trade Mark and Geographical Indication:

When considering geographical indications as a special kind of distinctive sign used in commerce and thus a particular category of intellectual property, it is important to distinguish them from trademarks. Whereas, a trademark identifies the enterprise (for e.g. Toyota or coca-cola), which offers certain products or services in the market, a geographical indication identifies a geographical area in which one several enterprises are located which produce the kind of product for which the geographical indications is used (for e.g. Darjeeling Tea, champagne both refer to places of origin of a product).

Thus, there is no “owner” of a geographical indication, but each and every enterprise from the use of a geographical indication refers has the right to use the said indication for the products originating in the said area, but possibly subject to compliance with certain quality requirement such as prescribed, for example, in administrative decrees governing the use of appellations of origin.

However, geographical indications are valuable to producers for the same reason that trademarks are valuable. Geographical Indications serve the same functions as trademarks, because like trademarks they are: (1) source –identifiers, (2) guarantees of quality, and (3) valuable business interests.

As for the linkage between trademarks and geographical indications, Article 22.3 of the TRIPs Agreement provides that a Member state shall “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 the Member State is of such a nature as to mislead the public as to the true place of origin.”¹⁰

6. Nature and functions of Geographical Indications:

¹⁰ M.M.S. Karki, Intellectual Property Rights, 1st ed. (New Delhi: Atlantic, 2009), at 210

There are two basic types of legal regime for the protection of geographical indications. Some systems notably that of the European Union define and treat GIs as a distinct type of intellectual property. This approach is also reflected in the provisions concerning GIs in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement).

Other legal system, notably those of Australia, Canada and the United states, treat GIs as a subcategory of trademarks. Like trademarks, GIs function principally as a mean of providing information to consumers.

By law, the beneficiaries of a GI, like the owner of a trademark, have the exclusive right to use it. GIs like trademarks and other types of intellectual property, thus essential confer monopoly rights on their users. This monopoly right is granted by law, and the determination whether a term is a GI and the processes of registering a GI and defending it from infringement or challenging the existence occur in a legal context.

7. The Nature of GIs as a law:

Historically, the concept of geographical indications has been closely related to the notion of terroir, literally, “soil” or “terrain”.¹¹ The term connotes a limited geographical area, whose geology, topography, local climate, flora and other factors impart distinctive qualities to products originating there.¹² thus the concept of terroir express the connection between the geographical location where a food or beverage is produced and the quality or other characteristics of the product. Terroir may also comprehend the human element of the geographical environment, i.e., the skilled exercise of techniques and knowledge acquired, developed and handed down over generations. GIs are the form of industrial property protection specific to the notion of terroir.

8. Sui Generis Treatment:

There are essentially two approaches to the legal definition and protection of GIs. In many countries, GIs are regarded as a type of industrial property separate and distinct from trademarks, the type of intellectual property GIs most closely resemble. Such system establishes a specific regime of recognition and protection for GIs. The EU take this approach. The TRIPs agreement and the EU system of GI registration and protection established by Council Regulation exemplify the *sui generis*. philosophy of GI protection.

¹¹ Available at www.Shodhganga.inflibnet.ac.in, accessed on 10th February at 8.30 p.m

¹² Available at www.Shodhganga.inflibnet.ac.in, accessed on 10th February at 8.30 p.m

Other legal systems, in particular to those of Australia, Canada and the United States, address GIs as a subset of trademarks. In such systems, GIs are registered according to the same procedures that apply to trademarks, and initially apply trademark principles in adjudicating disputes involving GIs.

9. GI Protection as Trademarks:

A number of countries, including Australia, Canada and the United States, take a fundamentally different approach to the protection of GIs. In these and other legal systems, GIs are treated as a subcategory of trademark. The U.S. Trademark Act, for example, does not specifically mention GIs at all. Instead, the Trademark Act establishes two categories of marks: certification marks and collective marks.

10. Existing Approaches for the Protection of Geographical Indications (GIs):

Protection of geographical indications on the national and regional level is characterized by the existence of a variety of different legal concepts. Those concepts were developed in accordance with different national legal traditions and within a framework of specific historical and economic conditions. These differences have a direct bearing on important questions such as condition of protection, entitlement to use and scope of protection. The main existing concepts of protection are, unfair competition and passing off, protection appellations of origin and registered geographical indications, collective and certification trademarks, and administrative schemes of protection.¹³ Given the large variety in national laws and regulations concerned with the protection of geographical indications, a division into four different categories is necessarily artificial and may not precisely reflect the situation in every member state. It is therefore possible that a mechanism of protection exists in a member state that does not necessarily fall into any of those four categories as defined.

11. Unfair Competition and Passing off

Some countries provide geographical indication under laws that are targeted at preventing unlawful commercial acts from business competitors such as unfair competition and passing off. Both unfair competition and passing off are common law Torts.

¹³ Available at www.Shodhganga.inflibnet.ac.in, accessed on 12th February at 8.30 p.m

12. Unfair Competition

It can be observed the countries have established some kind of safeguard against Unfair business Practices. This is reflected on the international level through the inclusion of Article 10 bis into the Paris Convention at the 1900 Brussels Revision Conference, establishing a basic international rule concerning protection against unfair competitions.¹⁴ It requires all states party to the Paris Convention to provide effective protection against unfair competition, which is defined as “any act of competition contrary to honest practices in industrial or commercial matters”.¹⁵

The use of a certain geographical indication for goods or services not originating from the respective area may be misleading and thus may result in a deception of consumers. Furthermore, such use may constitute a misappropriation of the goodwill of the person who is truly entitled to use the geographical indication. An action for unfair competition which depending on the national law, is either based on statutory provisions, as interpreted by court decisions, or on common law can be instituted in order to prevent competitors from resorting, in the course of trade, to such misleading practices. Although the conditions for a successful action for unfair competition vary from country to country, the following basic principles appear to be generally recognised. In order to be protectable, a given geographical indication must have acquired certain reputation or goodwill. In other words, the potential buyers of the product must associate the geographical indication with the place of origin of the goods or services. Such an action further requires that the use of geographical indication on goods or services not originating from the respective geographical area is misleading, so that consumers are deceived as to the true place of origin of the products or services. Under some national order to be protectable, a given geographical indication must have acquired a certain laws, proof of damages or the likelihood of damages caused by such misleading practices is required. Furthermore, protection of geographical indications under unfair competition law may be supplemented by specific statutory provisions having as their object the protection of unregistered geographical indications for example, prior to 1994, German Law protected geographical indication solely through unfair competition law under Article 3 of the German unfair competition Act, “any person who, in the course of business activity and for purposes of competition, makes deceptive statements, in particular concerning the origin of individual

¹⁴ Available at www.Shodhganga.inflibnet.ac.in, accessed on 12th February at 9.30 p.m

¹⁵ Available at www.Shodhganga.inflibnet.ac.in, accessed on 12th February at 9.30 p.m

goods or commercial service, may be joined for making such statements".¹⁶ To prevent use of geographical indications under Article 3 of the Act, the plaintiff must prove two elements. First, the plaintiff must establish that the statement on the product is geographically mis-descriptive and second, that the statement is descriptive or misleading. A statement is misleading if consumers actually believe that a product originates in the stated geographic local and thereby base their decision to purchase the product on that misguided belief.

13. Passing off

Countries having a civil law tradition that provide for some kind of protection for business against unlawful commercial acts from competitors usually base that protection on general tort law. In countries that follow the common law tradition, the action of passing off is often considered as the basis of protection against dishonest business competitor. The passing off action can be described as legal remedy for case in which the goods or services of one person are represented as being those of somebody else, what is common to these cases is that the plaintiff loses customers because the defendant led them to believe that they were buying the plaintiffs goods, when they actually obtained the goods of the defendant.¹⁷

The main point about passing off is that good will has been established by one trader and another trader tries to take advantage of that goodwill, to cash in on it to the detriment of the first trader. There are two main reasons why trader would wish to pass off his goods and services as being those of another, established trader. The first is that by doing so, a significant portion of the established traders custom might be capture because of confusion amongst the buying public as to whom they dealing with. The second reason is that sales might be boosted by unjustifiably imputing a quality to the second trader, goods that is widely recognized in connection with the goods of that established trader. In both cases, the established trader suffers damage by a shortfall in trade, but in the second case the damage may be even more far reaching in that he stands to lose his goodwill and reputation for high quality goods if, because of the misrepresenting the buying public associate inferior goods with him. Alternatively, the harm may be subtler and result in a gradual degradation or erosion of the first traders name or get up as an indicator of origin or quality.

14. Scope of Geographical Indication:¹⁸

¹⁶ Available at www.Shodhganga.inflibnet.ac.in, accessed on 12th February at 9.30 p.m

¹⁷ Available at www.Shodhganga.inflibnet.ac.in, accessed on 12th February at 10.15 p.m

¹⁸ Available at 20140318-china_GI_bilateral_agreement_summary.pdf, accessed on 15th February, at 7p.m.

Article 4: Scope of protection of geographical indications

1. In respect of geographical indications referred to in Article 2 and Article 3, each Party shall protect the geographical indications listed therein against:

- a) 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
- b) The true place of origin in a manner which misleads the public as to be the geographical origin of the good;
- c) Any use of a geographical indication identifying an identical or similar product 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, transcription, or transliteration, or accompanied by expressions such as “Kind”, “type”, “style”, “imitation” or the like;
- d) any use of a geographical indication identifying an identical or similar product not compliant with the product specification of the protected name;

2. In the case of wholly or partially homonymous geographical indications, protection shall be accorded to each indication, provided that 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, shall not be protected. Each Party shall, as far as possible, consult the other Party prior to determining the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

3. Pursuant to Article 3, a Party shall not be required to protect as a geographical indication a name that conflicts with the name of a plant variety or an animal breed and as a result is likely to mislead the consumer as to the true origin of the product.

4. Where a Party, in the context of negotiations with a third country, proposes to protect a Geographical Indication of that third country, and the name is homonymous with a geographical indication of the other Party protected under this Agreement the latter shall be informed and be given the opportunity to comment before the name becomes protected.

5. Nothing in this Agreement shall oblige a Party to protect a geographical indication of the other Party which is not or ceases to be protected in its country of origin, or which has fallen into disuse in that country. The Parties shall notify each other if a geographical

indication ceases to be protected in its country of origin or has fallen into disuse in that country.

6. This Agreement shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.

Conclusion

GI as a form of intellectual property are defined by wide range of terminology. The term GI was used for the first time in Intellectual property Laws in the TRIPs Agreement of WTO, Which came into force in 1995. The essence of a GI is that the geographical place name indicates to the quality, taste or others related attributes to the consumers. GI performs a variety of economic and other functions, which may depend on how procedures use GIs and consumer view them. The functions underlie the nature and scope of GI protection. GI protection and various polices may be justified only if GIs really fulfill their functions.

In order to understand the legal protection of GI's, understanding its evolution is essential. The first laws protecting GI's found as 14th and 15th century in France, Portugal and Tuscany, overtime, simple GI's become protected through various laws on misrepresentation, but it was not until well in to the 20th century that protection was offered beyond simple GI's. France was the first to enact a comprehensive system for the protection of geographical indications that has later influenced the making of both national laws and international treaties.

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