Geographical Indications: Origin and Concept

2.1. Introduction

A geographical indication (GI) is “a sign used on goods that have a specific geographical origin and possess qualities or a reputation that are due to that place of origin”. Products protected by geographical indications (GIs) must have qualities linked to their territory of origin. The character and strength of the quality/geographical link varies according to the natural and cultural history of the resources and their transformation processes, and the legal framework in which the GI develops. The increasing use of GIs worldwide reflects that economic stakes involved in the commercial use of geographical names are high, and that diverse stakeholders perceive in origin-labelled products a strategy that promotes rural development. GI protection involves recognizing a collective, exclusive right to the use in trade of a geographical name or symbol on an item or product. The GI-labelled product represents a public good because its intrinsic characteristics have patrimonial values that belong to no one in particular: a reputation built collectively over generations. This is why GI management is delegated by the State and their patrimonial character justifies public intervention against misuse.

GIs are usually geographical names but they can also be just symbols or icons, as long as they convey geographical information. Legally, the options for GI protection include defense against unfair competition (e.g. through litigation or fraud repression) and positive protection through registration under various forms (such as designations or appellations of origin, protected geographical indications or certification trademarks). Figure 1 presents a schematic overview of available GI protection schemes. Although the diversity of legal approaches to GI protection might suggest that it is a subject difficult to grasp, it has a basic, simple rationale: to provide producers with legal protection against “free riders” and give them the means through which to differentiate their product on the market. A broad definition of GIs helps to avoid cultural or geographical bias in a study that seeks to provide an overview of current trends in GI development worldwide.

Preventive protection gives producers the legal means to defend their reputation against unfair competition, and basic labelling rules allow them to use the GI without
registration. Under the preventive form of GI protection, available legal instruments include unfair competition and consumer protection, neither of which are intellectual property rights (IPRs). The rationale is that harm is inflicted by someone who is “free riding” on the reputation of someone else - the ‘victim’ of such harm being either the producer of the authentic product or the consumer who is misled into believing in its authenticity. Positive GI protection schemes require a description of the product that proves its link to a particular territory, and a governing body (GB) to oversee compliance with their description. Within registered GIs find various options, including special types of trademarks, protected geographical indications (PGI) and protected designations of origin (PDO). The latter is synonymous to appellation of origin (AO) or denomination of origin (DO) – meaning where there is a strong link to a territory, collective know-how, and the production takes place in a defined area. The appellation of origin (AO) is the oldest type of registered GI. It guarantees a closer link between quality, reputation, territory, resources and culture. Every AO is a GI but not every GI is an appellation of origin. Those GIs that are not AOs tend not to have such a strong link to the territory. Whichever the type of GI, there is always some kind of geographical information on the product that is of use to the consumer when making his/her purchasing decision. The quality conveyed to the consumer by the GI is defined by the meaning of the protected name, the specific type of GI used and the product description to which it conforms. When consumers associate a geographical name with a certain quality, then there is a reputation to be protected and used for the benefit of producers. If the GI helps in the success of an economic activity based on a biological resource, then the connection between GIs and biodiversity conservation becomes evident.
Trademarks and GIs have a similar role to play in trade because they assist consumers in differentiating products: “The conventional and largely uncontroversial wisdom regarding trademarks is that they reduce consumer transaction costs by allowing individuals to scan product displays and make purchasing decisions by associating signs with known qualities of goods or services, including the reputation of the producers”. The logic supporting the idea that consumers benefit from GIs is the same, but instead of differentiating private undertakings or businesses they identify groups of producers in specific regions. It is also generally accepted that in addition to enabling the consumer to identify the source of the product, “the trademark may also serve to protect the goodwill of an enterprise. The term ‘goodwill’ is used to capture an intangible: the reputation an enterprise has built”. However, in GIs the reputation belongs to collectivities that include production units owned by individuals, families, cooperatives and privately- or collectively-owned businesses.

The geographical dimension of a GI is defined primarily by the significance of the protected or registered name. GIs can be geographical names in themselves (a locality or a region); non-geographical names with a geographical meaning; or else a combination of both (a product from a place). Table 1 provides examples of these
three major types of GI. Geographical names that, alone, give the product its name are the typical AO. Note that a geographical name alone provides information about the product only if the GI already has a reputation.

Table 2.1 Names of GIs

<table>
<thead>
<tr>
<th>A. Geographical name (Typical AO)</th>
<th>B. Non geographic names (Indirect GI)</th>
<th>C. A product from a place (Typical GI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Champagne (a locality)</td>
<td>Rooibos (name of product)</td>
<td>Quinoa Real del Altiplano (product and place)</td>
</tr>
<tr>
<td>The product is named after a locality</td>
<td>A generic product in South Africa. It is not generic to distant consumers.</td>
<td>A landscape from a very large region in Bolivia, AO</td>
</tr>
<tr>
<td>France. It has worldwide recognition, AO.</td>
<td>CTM</td>
<td></td>
</tr>
<tr>
<td>Calasancas (a locality). Reproduced in Spain but uninformative to distant consumers. DO</td>
<td>Mezcal (name of product).</td>
<td>Emmental from Savoy (product and piece). A localized generic cheese from France. PGI</td>
</tr>
</tbody>
</table>

Source: GI Registry office, Chennai

AOs are usually well-established GIs with a reputation and an important economic activity and they usually invest considerable sums in legal protection to face unfair competition. Indirect GIs – those that do not indicate the name of a place but identify a product from a region or country - face a paradox in that they are generic descriptions in culturally-close markets, but are specific and geographically defined for distant consumers. They tend to become generic in their own region at least, and this can create ambiguity. And lastly, defining a GI as a product from a place (the typical modern GI), is both informative and simple, while allowing for a precise definition of the product that is being protected. The double significance of the name (a product from a place) eliminates the possibility of registering generic products as GIs or of using uninformative geographical names. It is important to note that the cultural meaning of the names that become geographical indications defines the area to be included, the type of producers considered and the qualities of the product. Thus, the protected names, together with the precise description of the product, are the result of strategic decisions of considerable importance.

How does the use of GIs relate to the in situ conservation of genetic resources and rural development? It is widely acknowledged that the genetic diversity in the hands of farmers is of worldwide importance. Globalization of food trade impacts the
everyday decisions of farmers throughout the world because agro-industrial generic products are increasingly gaining access to local and regional markets. Farmers’ attempts to compete with generic products (usually supported by public policies) may change local agricultural practices and genetic resource use. Market success is a key requisite for the sustainability of small farmer livelihoods and for the conservation of their diverse genetic resources. Geographical indications and informative labelling give them the possibility of commercializing products that have a link to a particular area with a differentiated identity; in this way they avoid competition based on volume, low prices and marketing.

In agriculture, biodiversity includes biological and genetic resources that are managed, used and preserved by rural communities, as well as the interactions that take place in agro-ecosystems. Biodiversity components become resources once they are harvested or used; use is mediated by the traditional and innovative knowledge and practices (TK) of the inhabitants of a particular territory. Although wildlife may sometimes be conserved by isolating a territory from human activities, conservation of agricultural diversity relies on the TK of peasant and indigenous communities. When such communities use their biological resources to develop marketable products based on their TK, new challenges arise regarding governance of these resources and practices. Communities and organizations must build or strengthen such governance capacities, otherwise they run the risk of losing their resource base or control over their TK. GIs are a means of providing the necessary governance to retain control over resources, TK, and the names of products that can be successfully differentiated in the market.

GI differentiation is of use when farmers and their organizations are involved in producing a final item that the consumer will purchase (even if it is not processed), as a fresh produce of a certain quality that is packed and labelled. However, in the rural economies of developing countries, farmers who are linked to the market are generally simple suppliers of raw materials (Figure 2(A)).

A simple value chain (Figure 2 (B)), beyond the supply of raw materials, highlights the dynamic interaction between links and also the governance structures (organization, regulation and upgrading capabilities) that define the relationship
between stakeholders. However, while this simple value chain is well-suited to innovative industrial markets aiming at product development, it does not work for GIs because it does not consider the (tangible and intangible) natural and cultural inputs that are implicit in geographically indicated products.

In this study, the value chain framework is used to describe various GI cases including the tangible territorial and biodiversity components of a product, as well as the intangible contributions of TK in value chains (Figure 2 (C)). These aspects are central to the in situ conservation of genetic resources because biological resources are not isolated from agro-ecosystems and they are highly dependent on the TK inherent to rural livelihoods. By means of a sign or a symbol, a GI indicates a territory and its resources, as well as the work, knowledge and practices of the people whose livelihoods are linked to the particular product. Because of these intangible aspects, agreements and regulations have to be adopted collectively in order to meet a production standard that respects tradition and authenticity while necessitating certain innovation(s) to achieve specific qualities and presentations (Figure 2 (C)). Since such agreements are reached and supervised through governance, the role of governments and GB is included in the framework of this study as an issue to be addressed throughout the value chain.

**Figure 2.2: From Supply Chains to GI Value Chains**

- A. A simple supply chain of raw rural produce;
- B. A simple value chain including its governance component;
C. A simple GI value chain modified to include territory and biodiversity, knowledge and practices, as natural and cultural inputs for production. Governance is also a central component in this modified GI value chain.

Source: GI Registry Office, Chennai

Producers will naturally have more information about their product than the consumer. This creates an information asymmetry that tends to work against the interest of consumers in that they have to invest in time or money to figure out if a product meets their expectations. Informative labelling is the simplest means of reducing this asymmetry. Labelling is a central component of governance along a GI value chain because the information given to the consumer, with or without a registered GI, conveys a message of trust and confidence regarding quality and authenticity. The economic benefits of credible differentiation are a reality and they can benefit small farmers if the governing structure allows them to participate in this type of value creation and capitalization.

GI labelling allows producers to differentiate themselves in the market and to communicate such differences to consumers in global, national and regional markets. The production practices and the work involved in GI value chains may be less ‘efficient’ than industrial production of ‘equivalent’ goods but they provide environmental, social and cultural benefits, such as the sustainable use of genetic resources and the survival of rural livelihoods, which cannot be measured solely on financial grounds.

2.2. Legal Frameworks of Geographical Indications

GI protection is a matter of having exclusive right in trade to the use of a name. The ways in which this right can be exercised are defined by the available legal framework. It is thus useful to understand the different options that exist for protecting producers’ exclusive right to use a geographical name in trade. Those already familiar with the legal frameworks for GI protection may wish to proceed directly to the GI cases presented in Sections 3 to 6.

Under the Trade Related Intellectual Property Rights Agreement (TRIPS) and the World Trade Organization (WTO), geographical indications are “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 origin” (Art 22). The indication used as a GI can be words or phrases, distinctive marks, symbols, icons or groups of characters or traits that have a conventional meaning. They convey information in a simple manner and enable consumers to distinguish products within the same class. For a sign to have a conventional meaning in trade it has to be known by consumers and relate to a certain product and quality. Reputation is relative to history and geography (UNCTAD/ICTSD 2005). When such quality or reputation is recognized and valued by consumers, the opportunity arises for ‘free riders’ to adopt such an indication on an item that was not produced in the place in question. This is the main reason why GIs are protected.

In a comprehensive review of The Law of Geographical Indications, O’Connor proposes categories of GI protection that are helpful in explaining the different legal options available. Preventive and positive protections are the two main approaches and within them different practices have developed that are described in the following sections. Table 2 describes preventive forms of protection including ‘unfair competition’ and ‘passing off’.

Preventive protection is needed to prevent the incorrect trade practice of pretending our product is someone else’s. It has been codified as ‘unfair competition’ and most countries offer protection against it. Administrative or judicial authorities may order that the misleading indication cease to be used and thus the interest of the authentic producers is protected. This type of protection is a negative or preventive right that gives affected parties the possibility of preventing others from using their GI.

Table 2.2: Preventive Approaches to GI protection (Based on O’Connor)

<table>
<thead>
<tr>
<th>Preventive protection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unfair competition and consumer protection.</strong> Protection against acts of competition contrary to honest practice; protection of trade integrity and of consumer reliance on statements about products; specific prohibition of indications that mislead the public as to the nature, manufacturing process or characteristics of the goods.</td>
</tr>
<tr>
<td><strong>Passing off.</strong> A term used in common law countries. It is a legal wrong that occurs when one trader presents his goods in a manner that injures the business of another trader. If proved, this legal wrong is reversed by order of court. It has no statutory basis; it was created by courts in litigation.</td>
</tr>
</tbody>
</table>
Positive protection, on the other hand, includes special types of trademarks, administrative protection through labelling approval, and passive protection (similar to copyright) (Table 3.) It also includes the strongest forms of protection which are grouped under ‘protection through registration’. Registration is a positive right that recognizes the GI and provides relevant protection once certain criteria are met and procedures complied with the most important of these being proof of a link between quality and geography, and the existence of an organization that verifies compliance with product description. The GI conveys to the consumer, by a sign or through a label, a guarantee of quality and origin.

Table 2.3: Positive Approaches to GI Protection (Based on O’Connor)

<table>
<thead>
<tr>
<th>Trademark regimes</th>
<th>Special types of trademarks. Collective: owned by an association that sets the requirements to use it. Guarantee: indicates a common characteristic that may be the origin of the good. Certification: applies to goods with qualities or characteristics certified by the proprietor. In all three cases they are GIs only if they have geographical content.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative schemes of protection</td>
<td>Certain types of goods, such as foodstuffs, wines, spirits or medicinal preparations based on plants, require administrative approval before being marketed, for taxation or sanitary reasons. In such cases, labels are subject to approval and the use of geographical indications within them is usually regulated.</td>
</tr>
<tr>
<td>Passive- or non-registration protection</td>
<td>This is automatic protection, similar to copyright given to the legitimate owner or user of the geographical indication, which can bring action in court against those who use the GI unlawfully. It is similar to unfair competition but as the GI is codified, the burden of proof is lessened on the affected party.</td>
</tr>
<tr>
<td>Protection through registration</td>
<td>Registered GIs include appellations of origin (AO), protected designations of origin (PDO) and protected geographical indications (PGI). Registry requires a detailed description of the product and the existence of a system that guarantees compliance with it.</td>
</tr>
</tbody>
</table>

Although protection through registration is the most commonly-cited type of GI, the other approaches offer interesting possibilities for GI protection in developing countries. The diversity of legal and institutional frameworks in developing countries suggests that some of these options may be useful for countries that are in the process of developing GI protection. Furthermore, globalization of trade implies that the rules of GI protection will vary from one country to another and when export markets become a possibility for producers, knowledge and understanding of the legal framework in the country of destiny will be of considerable use.

2.2.1 Preventive approaches to Geographical Indication protection
Most countries have legal instruments available to protect producers and consumers from

“the act or practice of engaging in a number of actions including false advertising; unauthorized substitutions of one brand of goods for another, (...) and false representation of products and services”. For example, the German Unfair Competition Act states that “[a]ny person, who, in the course of a business activity, for purposes of competition, makes misleading statements, particularly concerning [...] the origin of individual goods or commercial services [...] may be ordered to abstain from making such statements.”

O’Connor explains that “the provision (...) is aimed at protecting the integrity of trade and the reliance of consumers on true statements concerning the origin of a product.”

Based on the principle of providing legal protection against unfair competition, common law countries protect against misappropriation of geographical indications using jurisprudence established in courts since the early 19th century. This approach is based on proof that there was a legal wrong—a tort. In order to bring action in court, the plaintiff must show that the way in which goods or services are presented by the defendant is likely to cause confusion and that this confusion caused injury to the plaintiff in trade. Both injury to the plaintiff and confusion in the minds of consumers are conditions in a legal action of passing off.

2.2.2 Positive Approaches to Geographical Indication Protection

Within the positive approach, available instruments are special types of trademarks with a geographical content (collective, guarantee and certification trademarks); administrative schemes; and two options of sui generis systems: a passive right that does not involve registration, and protection through registration (Table 2). The latter includes appellations of origin and protected geographical indications, which are the main focus of this study.

Within trademark regimes, some countries recognize trademarks with geographical references. However, these have to be registered as special types of trademark for several reasons: trademark law prohibits the registration of purely descriptive words
in relation to a product (e.g. ‘old’ cannot be registered for a spirit) and geographical names are, by nature, descriptive. It is also forbidden to mislead the consumer through the trademark itself. Consequently, if it is a GI and it is not descriptive (meaning that the product is not made where the trademark suggests) then it is misleading. If the GI is descriptive and is not misleading (meaning that it is both true and informative) then it cannot belong to an individual or a business because it would imply recognition of a private monopoly right over a public good. The use of certification, guarantee or collective trademarks, offers a partial way out of these problems within trademark law, because they can be at the same time descriptive, non-misleading and collectively owned.

**Collective Trademarks** are owned by an association that sets the requirements for the use of same. Quality and origin specifications can be included and it is the association that registers who is responsible for maintaining the voluntary standards assumed by it. **Guarantee Trademarks** indicate a common characteristic that may be the origin of the product. For example, the well-known cotton sign used on clothes worldwide belongs to this category of trademark. **Certification Trademarks** apply to goods that have qualities or characteristics certified by a third party, the owner of the trademark. Thus, it is an individual or a private organization that owns the trademark and establishes the qualities or characteristics to be certified. In the context of health, environment and solidarity markets, commonly recognized certification trademarks are those related to fairly traded, sustainable and organic products. However such trademarks are not geographically localized.

**Administrative protection schemes** are part of product approval procedures, including review of labelling and, in some cases, rules related to geographical indications. Certain types of goods, such as wines, spirits or medicinal plants, require administrative approval before marketing, for reasons of taxation and hygiene. Label approval regulates GIs directly, although it does not involve registration.

**Sui generis systems** for the protection of geographical indications are those systems that have been developed to address this matter specifically. Countries that have regulated a passive or non-registration protection for GIs created a sort of automatic protection, similar to that recognized for a creator to whom copyright is
acknowledged without registration. The legitimate users of the geographical indication can bring action in court against those unlawfully using the GI. This approach is similar to the protection given by unfair competition regulations, in the sense that litigation against the free rider can be initiated, but it goes further because it defines the geographical indication and the burden of proof of damage and existing reputation on the affected party is lessened.

**2.2.3. Geographical Indication Protection through Registration**

The strongest protection for GIs is provided through registration for use, in trade, of names that indicate the origin of the product. These systems are over a century old in formal modern institutions but they have deeper historical traditions. Appellations or designations of origin are the primary legal reference for the protection of GIs and they are protected, without being defined, in multilateral agreements since the late 19th century, in the Paris Convention for the Protection of Industrial Property.

As defined by the Lisbon Agreement of 1958, 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”. The two main components of the definition are the geographical name that designates a product, and the quality and characteristics that are linked to its origin. According to this definition only geographical names can be registered.

In practice, there is certain flexibility as to the type of indication that conveys or suggests a geographical origin. It does not always have to be a geographical name, as is, in fact, considered by WIPO’s model law of geographical indications which states that “any name which is not that of a country, region or specific place is also considered a geographical name if it relates to a specific geographical area, when used in connection with certain products.” This type of GI is referred to as an ‘indirect GI’.

Registration of a GI usually comes in the form of a decree that gives it a legal status. The name becomes exclusive to a certain group of producers but the recognition in
itself does not provide a guarantee of quality. In this sense, legal recognition is the
intellectual property component of the GI but the governance structure that can
guarantee a certain quality is not there by definition. Thus, recognition is part of a
process that involves the codification of specific rules that are acceptable to all
producers within the GI and the creation or designation of a control body that
supervises compliance. When there is governance over quality, the GI becomes more
than an intellectual property right – it evolves into a governing body that promotes
and recognizes the value of a know-how and it guarantees the quality conveyed by the
sign. This is why the word *Contrôlée* is used in France, *Controlata y Garantita* in
Italy and *Controlada* in Spanish speaking countries, in addition to the AO name itself.
Thus, the difference between AO and AOC, or between DO and a DOCG, lies in the
existence of a governing body for quality control.

Registers for GIs are predominantly ascribed to intellectual property offices in
economy and trade ministries. Some countries place GI authority in the agricultural or
primary sector (e.g. Italy or Switzerland for PDOs) or create inter-ministerial
organizations (such as in France). Most developing countries are elaborating their GI
protection systems within industrial property frameworks (e.g. India, Vietnam and
Brazil). The position that the office responsible for GI registration occupies in public
administration is an indication of the role given by governments to GIs as
development strategies.

In Mediterranean European countries, the verification of compliance with GI product
specifications is usually the combined responsibility of public and private institutions.
In France, there is a specialized public institute, the INAO, which requires that
applications be made by local, representative inter-professional bodies recognized by
the State. In Italy, voluntary consortiums are created with the approval of producers.
They function as self-regulatory entities that perform the public service of monitoring
products and repressing fraud. In Switzerland, there is a federal commission, and
professional bodies can receive official recognition that may grant them authority to
supervise supply chains (including tax collection for product promotion and defining
minimum quality criteria). An interesting aspect of GI protection in Switzerland is
that AOs are administered by the ministry of agriculture and GIs by the intellectual
property office. In Spain, registration takes place first at the level of the autonomous
communities where the regulatory council or Consejo Regulador, is created; ratification is then sought at the federal level. Although most common law countries rely on unfair competition and fraud repression authorities for GI protection, collective and certification trademark protection also require governance structures with certain overseeing capacities.

Registration procedures are varied but the minimum requirements are to provide documentation to the effect of proving the name, address and legal status of the applicant (which is usually a producers’ association); the name for which registration is sought, and the justification; a delimitation of the geographical area and the goods to which it applies; and the quality, characteristic or reputation of the goods that are related to the specified origin.

2.3. International Legal Regime Relating To Geographical Indications

In antiquity, geographical indications were the prevailing type of designation for products. With the development of the productive forces and production relationships, the use of other types of designations, intended to distinguish the goods of one manufacturer from the similar goods of other manufacturers, tended to spread. Thus certain manufacturers’ names have become trade names. Some countries especially France, began very early to protect geographic names or indications of origin associated with a certain product or a certain quality standard of a product. To these countries, protecting geographical indications can be as much about economics as it is about national culture and politics.

2.3.1 Protection of Geographical Indication prior to the TRIPS Agreement

Three international multilateral agreements addressed the protection of geographical indications prior to the TRIPs Agreement. The Paris Convention for the protection of industrial property of 1883 prohibits false indications through broader measures. The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891 mainly provides for broader measures and prevents dilution of certain geographical indications into generic terms. Finally, the Lisbon Agreement for the protection of Appellations of origin and their International Registration of 1958
provides for an international registration system of geographical indications and strict protection.

As the following discussion will illustrate, two difficulties characterize the state of geographical indications protection through multilateral agreement before TRIPs. The agreement either leaves the scope of protection undefined (and effective protection thus depending upon the goodwill of each member country), or requires a standard of uniformity to ensure effective protection but at the cost of low membership.

Both the Paris Convention and Lisbon agreement had a clear influence on the provisions of the TRIPs agreement in general, but particularly in the case of geographical indications. Substantive provisions contained in Articles 1 to 12 and 19 of the Paris Convention (1967) were “incorporated” in the TRIPs agreement in respect of the minimum standard concerning the availability scope and use of intellectual property, the enforcement of the intellectual property rights and the acquisition and maintenance of intellectual property rights and related inter parties procedures. This has had at least three important consequences (1) with the substantive provisions of the Paris Convention, mainly Article 3 through 12 and Article 19 even if they were not signatories of the Convention; (ii) all WTO members are bound by the same Act of the Paris Convention (Stockholm Act of 1967); and (iii) the provisions of the Paris Convention incorporated in the TRIPs agreement become subject to the WTO dispute settlement mechanism.

2.3.2 Paris Convention

Without any doubt the Paris Convention became the most important treaty adopted by many countries throughout the 20th century. The Paris Convention was agreed in 1883 and complemented by the Madrid Protocol of 1891. It was revised at Brussels (1900), Washington (1911), The Hague (1925) London (1934), Lisbon (1958), and Stockholm (1967), and amended in 1979. The Paris Convention addressed for the first time the issue of international protection of geographical indications, but that protection was very limited. Several provisions of the Paris Convention deal with indications of source or appellations of origin; Article 1(2) contains a reference to “indications of source” and “appellations of origin” in the list of objects of industrial property.
2.3.2.1 Meaning of Indications of Source and Appellations of Origin

This is the terminology traditionally applied and still officially used in the conventions and agreements administered by WIPO. According to this terminology, the following distinction is made between indications of source and appellations of origin. “indication of source” means any expression or sign used to indicate that a product or service originates in a country, a region or a specific place, whereas “appellation of origin” means the geographical name of a country, region or specific place which serves to designate a product originating therein the characteristic qualities or which are due exclusively essentially to the geographical environment, including natural or human factors or both natural and human factors. Under Article 2 of the Convention, the two types of geographical indications also benefit from national treatment. However, such national treatment only affords protection to geographical indications at the same level that the law of the member country grants to its domestic geographical indications. Therefore, the fact that geographical indications enjoy the same national treatment as other industrial property rights under the Paris Convention is of little value to a foreign member country, if the protecting country does not have laws protecting geographical indications, or if the domestic protection is weak.

Although Article 10 of the Paris Convention solely concerns geographical indications and provides for broader measures against the importation of goods bearing false representations of origin, the agreement does not define what constitutes a false representation. Moreover, Article 10 applies only if such measures are already available under the law of the member country. Thus, Article 10 essentially provides for little more than the national treatment already provided by Article 2. However, Article 10(1) does not apply to indications which, without being false, may mislead the public, or at least the public of a certain country. For example, where certain geographical areas in different countries have the same name but only one of those areas is internationally known for particular product the use of that name in connection with products originating from another area may be misleading.

As regards the sanctions in the case of a false indication of source Article 9 establishes the principle that seizure upon importation must be provided for or at least prohibition of importation of seizure inside the country but, if those sanctions do not
exist in a particular country, the actions and the remedies available in such cases are to be applied.

Article 9(3) and Article 10(2) determine who may request seizure on importation or the imposition of other sanctions, the public prosecutor, any other competent authority, or any interested party. Article 10(2) defines “interested party” stipulating that any,

“…. Producer, manufacturer, or merchant, whether a natural person or legal entity engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party”.

Article 10 bis of the Convention obliges members to assure their nationals effective protection against unfair competition. Unfair competition is defined as any act of competition which is contrary to honest practices in industrial or commercial matters. Article 10 bis (3) was added to the Paris Convention in 1958. It prohibits indications of the goods if they are “liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability of their purpose, or the quantity of the goods”.

This would seem to suggest that if the mentioning of “Champagne” on a bottle of American made sparkling wine misleads the public to think that the wine originated in France and possesses characteristics of French Champagne, Article 10 bis (3) would apply.

Notably, however, Article 10 bis (3) is not applicable to representations of geographic origin. The legislative history of Article 10 bis (3) shows that the words “the origin” were struck from the proposed draft at the veto of the United States. The United States insisted that including the reference to geographical origin would cause too many problems in the U.S. Law. As a result, the Paris Convention prohibits only the importation of goods containing false geographical indications, but not the ones that are merely misleading.
The Paris Convention however, has certain limitations: First, it does not define an appellation of origin or an indication of source. Secondly, it deals only with false indications and not misleading indications. Thirdly, the Convention does not deal with genericide of an indication outside the home country. Lastly, in the event a country’s laws do not permit seizure on importation or prohibition of importation or seizure inside the country, sanctions are to be within the framework of the national laws.

2.3.3 Madrid Agreement

The Madrid agreement for the Repression of False and deceptive Indications of source on goods is a special agreement within the framework of the Paris Union. The Madrid agreement was adopted in 1891 and revised at Washington (1911), The Hague (1925), London (1934), and Lisbon (1958). It was supplemented by the Additional Act of Stockholm (1967), and had a membership of 33 signatory states as of January 5, 2001.

Unlike the Paris Convention, which is a general treaty that provides protection for a broad range of different categories of industrial property rights, the Madrid Agreement provides specific rules for the repression of false and deceptive indications of source. The Agreement provides that any product bearing false or deceptive indications by which one of the states party to it or place situated therein is directly or indirectly indicated as being the country or place of origin must be seized on importation into any of the states party to the Madrid Agreement. Seizure shall also be affected in the country where the false or deceptive indication has been applied or into which the goods bearing the false indication have been imported. However, there is no direct request that such measures states parties to the agreement may provide that such parties apply through a public prosecutor or any other competent authority. Furthermore, the agreement establishes rules on how seizure should take place and defines the competent authority to enforce these kinds of measures. Article 3 bis obliges the states party to the Madrid agreement to prohibit the use, in connection with the sale or display or offering for sale of any goods, of all indications capable of deceiving the public as to the source of the goods.

Though, like Paris Convention, the Madrid agreement limits itself basically to broader measures, yet the scope of Madrid agreement is wider than that of the Paris
Convention. The Paris Convention deals only with both the false indications and misleading indications. Misleading indications of source are those that are literally true about the source, but nevertheless misleading. The scope of Article 1 of the Agreement restricted by the reservation concerning appellation of generic character, contained in Article 4, which reads: The tribunals of each country shall decide what appellation on account of their generic character, do not fall within the provisions of the agreement, regional appellation concerning the source of products of the wine being however, excluded from the reserve specified by this Article.

Thus, Article 4 authorizes the courts of each country to decide as to what appellations on account of their generic character, do not fall within the provisions of the Madrid agreement. Further, regional appellations concerning the source of products of the Wine, eg: ‘Champagne’, ‘Cognac’, ‘Madeira’ and ‘Porto’ etc, are excluded from the reservation inherent in the provision. As a consequence of this, regional appellations of products of the vine can never fall within the public domain and become descriptive or generic terms. Thus, the Madrid agreement gives a better protection for indication of source for products of the wine, and thereby discriminates against other product. This provision in Article 4 of the Madrid agreement could probably be considered as the origin of the need for having special protection for sectoral geographical indications, especially for geographical indications concerning wines and spirits. It is also interesting to note that historically this provision was subject to various efforts to extend the exception for Wine products to other kinds of product.

Finally, it has to be noted that geographical indications could be protected as collective marks, certification marks or guarantee marks. This means that an international registration system for trademarks, such as the Madrid agreement concerning the International Registration of Marks of 1981, (also known as the Madrid agreement), and protocol relating to the Madrid agreement concerning the International Registration of Marks of 1989, could also serve as appropriate means for the international protection of geographical indications.
2.3.4. Lisbon Agreement and the Protection of Appellations of Origin

This Agreement was concluded in Lisbon in 1958 and subsequently, revised in Stockholm in 1967 and amended in 1979. This agreement sets a relatively higher standard of protection and was relied upon as a model while drafting the TRIPs provisions on geographical indications. The Lisbon agreement is the first of such agreements to define the term ‘appellations of origin’. However, it does not use the term geographical indications. Agreement protects appellations of origin, that is, indications in respect of products that possess special characteristics and features of quality attributable to their geographical origin. For the purposes of this agreement, appellation of origin means “The geographical name of a country, region, or locality which serves to designate a product originated therein the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors” (Article 2(1))

There are three important elements in this definition:

(i) The appellation must be the geographical name of a country, region or locality, thus excluding indirect geographical indications;

(ii) The appellation of origin must serve to designate a product originating in the country, region or locality referred to;

(iii) The “quality and characteristics” must be due exclusively or essentially to the geographical environment.

The Lisbon Agreement provides that the countries party to it undertake to protect on their territories, in accordance with the terms of the agreement, the appellation of origin of products of the other countries party to the Lisbon agreement, recognised and protected as such in the country of origin and registered at the International Bureau of the World Intellectual Property Organisation (WIPO).

It is not sufficient for the country involved to protect its appellations under a general law. Each appellation has to benefit from distinct and express protection stemming from a specific official or administrative act. The reason for such a requirement is that specific elements of the protection such as the geographical area, the lawful users of
the appellation and the nature of the product linked to a given quality, must be determined.

**International Registration under the Lisbon Agreement** International registration must be applied for by the competent office of the country of origin, in the name of any natural persons or legal entities, public or private, having a right to use the appellation according to the applicable national legislation. The International Bureau of WIPO has no competence to examine the application with respect to substance; it may only make an examination as to form, under Article 5(2) of the Lisbon Agreement, the International Bureau notifies the registration without delay to the offices of the countries party to the Lisbon Agreement. In accordance with Article 5(3) to (5), the office of any state party to the Lisbon agreement may, within a period of one year from the receipt of the notification of registration, declare that it cannot ensure the protection of a given appellation, indicating the grounds for refusal as discretionally determined by each country. The registered appellation enjoys protection in all countries not having refused it. However, if third parties had been using the appellation prior to the notification of the registration the office of that country may grant them a maximum of two years in which to terminate such use [Article 5(6)].

The protection conferred by international registration is unlimited in time. Article 6 provides that an appellation that has been granted protection cannot be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin. Article 7 provides that the registration need not be renewed and is subject to payment of a single fee. An international registration ceases to have effect only in two cases either the registered appellation has become a generic name in the country of origin, or the international registration has been cancelled by the international Bureau at the request of the office of the country of origin.

The fundamental problem with the Lisbon agreement is its low membership as of February 16, 2005; only twenty three countries have signed it. Many countries who traditionally have been interested in the extensive protection of geographical indication have failed to join the Lisbon agreement because of its excessively narrow approach. The agreements provisions, designed to suit the requirements of
geographical indications for wines, are found to be unsuitable for most other geographical indications. Because the Lisbon agreement presupposes a national system of protection such as the French system of appellations d'origine, other existing forms of protection (such as protection through the law of unfair competition against the misleading use of geographical indications) do not meet the Lisbon agreements requirement for protection in the country of origin.

Another important factor preventing countries from signing up is the issue of genericness. The Lisbon Agreement does not make exceptions for terms that have already become generic in some member countries. That was the main reasons why the United States has not signed the Lisbon Agreement. The issue of genericness has also hindered the negotiations process of the TRIPs Agreement, which used the relatively high standard of geographical indications protection of the Lisbon agreement as one of its drafting models.

2.3.5. Bilateral and Plurilateral Agreement

Bilateral and plurilateral (including regional) agreements may also serve the purpose of protecting geographical indications internationally. A number of countries have already entered into this type of agreement. These agreements can adopt the form of a specific treaty referring only to geographical indications by listing them; such as the agreement adopted by Germany and France in 1960 for the protection of indications of source, appellations of origin and other geographical indications. In this context also a reference should be made to the agreement between Australia and the United States of 1994, relating to the reciprocal protection of wine names and related provisions, which is similar to that agreed between the European Union and Hungary in 1992, on trade in Wines.

In 1994 Australia and European Union (EU) negotiated a bilateral trade in Wine agreement, where protection for geographical indication and traditional expressions were included. It also included the phasing out of European Wine names used by Australian Wine makers that have entered into generic common use. The agreement also provided for mutual recognition of ecological practices of each party and improved European market access conditions for Australian products, by removing a number of technical barriers to trade between both parties.
In 1997 the EU and Mexico agreed on mutual recognition and protection of designations for spirits (including wine spirits), which had the purpose of regulating the description labelling, presentation and packaging of this kind of product. According to the agreement, the 206 EU names protected in Mexico may not be used otherwise than under the conditions laid down in the laws and regulations of the EU and were reserved exclusively to spirits originating in the EU to which they applied. The two protected Mexican names in the EU may not be used otherwise than under the conditions laid down in the laws and regulations of Mexico and were reserved exclusively to spirits originating in that country to which they applied.

After more than three years of tough negotiations, the EU approved the historic free trade agreement with South Africa (the first one with a developing country), the decision on which was taken at a Summit of EU leaders held in Berlin in March 1999. The final agreement was signed at Pretoria in October 1999. This free trade agreement covers industrial and agricultural goods worth Euro 16 billion.

One of the key issues in the negotiations between the EU and South Africa, was the demand of some EU countries, led by France, Portugal and Spain, to phase out the use of the terms “Oporto” or “Porto” (Portugal) and “Sherry” or “Jerez” (Spain) and the so called “traditional expressions” for wines such as “regional wines” or “Vin de Pays”. Under the final accord South Africa agreed to phase out within five years the use of the terms “Porto” and “Sherry” for exports to most parts of the World, and within eight years for exports to its neighbouring states (mainly Mozambique and Angola). For purposes of the domestic market the phase out period was twelve years and the use of new geographical indications should be negotiated after that period. South Africa agreed to use the terms “Tawny” and “Ruby” instead of “Sherry” and “Porto” respectively.

In the last decade it has also become a practice to incorporate provisions for the protection of specific geographical indications in some free trade agreements, such as the case of the North American Free Trade Agreement between United States, Canada and Mexico (1992) and the free trade agreement between Mexico and Chile (1998). Regional and bilateral agreements in force which provide protection to geographical
indications have been notified to the Council for TRIPs, according to Article 4 (d) of the TRIPs Agreement.

2.4. Protection of Geographical Indications under the TRIPs Agreement

2.4.1 Legislative History

One of the features of the TRIPs at the time of its adoption was that not all different categories of intellectual property rights regulated therein had either the same degree of legal or doctrinaire development or the same degree of acceptance among countries. This was the case of geographical indications; where a terminology problem still remains as recognised by WIPO within the standing committee on Trademarks, Industrial Designs and Geographical Indications.

However, according to the TRIPs agreement, geographical indications are subject to the same general principles applicable to all other categories of intellectual property rights included in the agreement, mainly the minimum standard, the notional treatment and the MFN clause.

2.4.2 Basic Drafting Proposals

During the negotiations of the TRIPs agreement, the protection of geographical indications was a very sensitive and delicate issue. Only at the very end of the Uruguay Round negotiations agreement was reached, basically due to the linkage of this issue with the agricultural negotiations.

Although the issue of intellectual property was included in the Uruguay Round at the very beginning, early proposals were only tabled by negotiators during 1990. In effect, the first texts that were presented during the Uruguay Round negotiations- as a systematic document providing disciplines for the whole issue of intellectual property-were known only almost a year after the Montreal midterm review of the negotiation process (1988). The proposals were presented by the European Communities, the United States, a group of developing countries, Switzerland and Japan.

The first text to be presented – and which ignited the process towards the current text of the TRIPs agreement – was a proposal from the European Communities. Its Section
C (Articles 19 to 21) was devoted to “geographical indications, including appellations of origin”. In this proposal there appeared for the first time, one of the two elements that afterwards became part of the so called “additional protection for wines and spirits” of the TRIPs agreement.

This element refers to the prevention of the use of a geographical indication identifying wines or spirits not originating in the place indicated by the geographical indication even where the true origin of goods is indicated or the indication is used in translation or accompanied by expressions such as “kind”, style”, imitation or the like.

However, in the EC proposal this type of prevention was to apply to geographical indications relating to all products and not only to wines and spirits. The second proposal presented during the Uruguay Round negotiations came from the United States. Paragraphs 18 and 19 referred to geographical indications. The United States proposed to protect geographical indications “that certify regional origin by providing for their registration as certification as collective marks”. This is the current system under the United States laws.

The United States proposal also sought protection:

“… for non generic appellations of origin for wine by prohibiting their use when such use would mislead the public as to true geographic origin of the wine”.

Chapter III of the proposal made by a group of developing countries referred to the protection of geographical indications, but in a very succinct single provision. This provision invited countries:

“… to provide protection for geographical indications including appellations of origin against any use which is likely to confuse or mislead the public as to the true origin of the product”.

Paragraphs 220 and 221 of Sub-section C of the Swiss proposal probably the most complete and comprehensive one referred to the protection of geographical indications, including appellations of origin. This proposal included a more specific
definition for “geographical indications” and “appellations of origin”. Protection for geographical indications related to services was expressly included in this proposal.

Finally, the Japanese proposal contained only a short provision related to Geographical indications, without any express mention of appellations of origin. It proposed:

“… protection for geographical indications by complying with the provisions under the Madrid agreement for the Repression of False Deceptive Indications of Source of Goods of 1891, as last revised in 1967.”

2.4.3 Protection Granted to Geographical Indications under Section 3 of the TRIPs Agreement

The TRIPs Agreement, which became effective on January 1, 1995, brought two important changes to the protection of geographical indications. For the first time, promise to protect geographical indications are backed with enforcement provisions. Compared with previous international treaties on the protection of geographical indications, TRIPs also had at the time the greatest number of signatories, with all WTO members’ signatories to the agreement. TRIPs unprecedented membership helped to establish its status as a breakthrough in the field of international protection of geographical indications.

Section 3 of the part II of TRIPs Agreement deals with the geographical indications. According to the TRIPs Agreement, Geographical Indications are subject to the same general principles applicable to all categories of intellectual property rights included in the agreement, primarily the “minimum standards”, and the “national treatment” and the “most favoured nation’s clause”. Apart from this section 3 of the TRIPs agreement regulates the availability, scope, and use of these intangible assets. The structure of section 3 of the agreement is quite simple and clear and encompasses five main categories of issues:

(i) Definition and scope of a geographical indication;
(ii) Minimum standards and common protection provided for geographical indications corresponding to all kinds of products;
(iii) Additional protection for geographical indications for wines and spirits;
2.4.4 Definition and Scope of a Geographical Indication:

Article 22 contains the basic definition of ‘geographical indication’ applicable to all protect and describes the general level of protection available in respect of the same.

The text of Article 22.1 reads as follows:

“Geographical indications are for the purpose of this agreement, indication which identifies a good as originating in the territory of a member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin”.

This definition is not limited to words, so images and packaging are potentially included. Nor is the definition limited to foodstuffs, although it apparently excludes services. But there are other aspects of the definition that warrant our attention. First, the definition is ambiguous on whether human production factors may be part of the tally of “quality, reputation or other characteristic of the goods”. In contrast, the Lisbon agreement specifies “natural and human factors” and the EU Draft in 1991 had proposed this same construction. The lack of this language has led some commentators to conclude that factors in the consideration of geographical indications, but that interpretation is not warranted since neither the 1990 US draft nor any of the other TRIPs proposals expressly attempted to exclude “human factors” of production.

Second the standard Article 22(1) adopts for the relationship between the products qualities and the geographic source. The Lisbon Agreement states that, the products “characteristics” must be “due exclusively or essentially to the geographical environment”. TRIPs Article 22(1) requires that the given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin. Here it is difficult to know whether there is any difference between qualities being “essentially” or “exclusively” due to the land. Since we should not multiply legal distinctions needlessly, it is reasonable to see the same standard being generated by both terms: an essential land / qualities connection.
Third, there is the word “reputation” in the Article 22(1) definition – something absent from the Lisbon agreement. TRIPs provision leads to protection of geographic products names “where a given … reputation … of the good is essentially attributable to its geographic origin”. Broadly read, this could obviate any land /qualities connection of the sort that has been fundamental to the notion of appellations.

To be eligible for protection, there must be a link between the products identifying characteristics, quality, reputation and place of origin. Therefore it logically follows that a geographical indication commonly consists “of the name of the place of origin of the goods”

2.4.5 Minimum standards and common protection provided for geographical indications for all products

Article 22(2) provides the two basic treaty obligations applicable to all geographical indications: Members shall provide the legal means for interested parties to prevent:

(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 the true place of origin in a manner which misleads the public as to the geographical origin of the goods:

(b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).

Article 10 bis (3) prohibit:

(i) Acts of such a nature as to create confusion by any means whatever with the establishment the goods, or the industrial or commercial activities, of a competitor;

(ii) False allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;

(iii) Indications or allegations, the use of which in the course of trade is liable to mislead the public as to the nature the manufacturing process the characteristics, the suitability of the purpose or the quality, of the goods.
The Agreement does not specify the legal means to protect geographical indications. It is left to the members to decide what those means should be. The protection granted to geographical indications by Article 22 is a minimum standard, contrary to others provisions of the TRIPs agreement which confer a “positive” right on the intellectual property right concerned. Article 22 does not aim at permitting the use of a geographical indication by its holds, but rather at preventing (“negative” protection) its use in so far as it would mislead the public or would be constitutive of an act of unfair competition.

2.4.6 Consumer Protection: Articles 22(2) (a) and (4)

The wording to Article 22(2) (a) is a relatively broad and leaves ample space for different countries to apply their national concepts in order to comply with the provision. It is derived from Article 20(1) of the EC Draft which was intended to protect geographical indications against any act that would mislead the public as to the products true place of origin prohibiting among other things “the use of any means in the designation or presentation of the product likely to suggest a link between the product and any other geographical area other than the true place of origin”. Broad enough to include all communications concerning a product, Article 22(2) (a) has three requirements; (1) that a word, phrase, or symbol “indicates” or “suggests” that a product comes from a geographic region; (2) that the product does not come from that producing region; and (3) that the public is mislead by (1) and (2). These requirements must be fulfilled in order to allege a violation under article 22(2) (a).

An additional safeguard has been included in Article 22(4) to prevent a true statement which is nevertheless misleading as to the origin of the goods from undermining the effectiveness of the provision.

2.4.7 The incorporation of Article 10 bis of the Paris Convention: Article 22(2)(b)

The provision was part of the Dunkel-Draft. The EC Draft was aimed at preventing any use which constitutes unfair competition and thus the incorporation of Article 10 bis seems a logical wording of the provision. However, in view of the legislative history of Article 10 bis, i.e., the refusal of the Revision Convergence of the Paris Convention in 1958 to include protection of geographic origin in Article 10 bis, its
application “with respect to geographical indications” within TRIPs is surprising and rather odd. It extends the purview of Article 10 bis for the members of GATT/TRIPs without revealing that it is not simply the incorporation of a parallel treaty but an extension of its scope.

Article 10 bis (1) contain the requirement of effective protection of geographical indications through the unfair competition laws of the member countries. Unfair competition, as defined in Article 10 bis (2), is any act of competition which is contrary to honest practices in industrial or commercial matters. Among the examples that are listed under Article 10 bis, Article 10 bis (3) especially applies to geographic origins. Although most cases that constitute a violation of Article 10 bis of the Paris Convention are covered also by Article 22(2) (a), the inclusion of the two sections is based upon the various interests protected by unfair competition law. Article 22(2) (b) protects the interests of producers and merchants, whereas Article 22(2) (a) is aimed at representations misleading the public, i.e., consumers.

2.4.8 Interested Parties

The issue of who is an “interested party” is very important for the impact of the provisions concerning geographical indications. “Interested party” is defined in Article 10 of the Paris Convention to include manufacturers and merchants, i.e., persons and entitles closely related to the trade of the goods in question. This includes the manufacturers in the region falsely indicated as well as the “honest manufacturers in the place where the false geographical indications is used who have to compete with products that are misleading as to their origin. Regarding the linkage between a trademark and a geographical indication, Article 22 of the TRIPs agreement provides that members should refuse or invalidate the registration of a trademarks which contains or consist of a geographical indication with respect to goods not originating in the territory indicated, but only if use of the same in the trademark for such good in that members country is of such a nature as to mislead the public as to the true place of origin. In implementing Section 3 of the agreement, members should not diminish the protection of geographical indications that existed in that members immediately prior to the date of entry into force of the WTO agreement.
Finally, in accordance with Article 24.9 of the TRIPs agreement, there is no obligation to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country. This is the golden rule for the protection of any geographical indication. Thus protection abroad is dependent on continuing domestic protection.

2.4.9 Additional Protection for Geographical Indications for Wines and Spirits

In addition to the general protection contained in Article 22, Article 23 accords additional protection for Wines and Spirits. It provides the industry with a discrete subsystem of transitional protection. First, it establishes a voluntary, multilateral system of notification and registration of geographical indications for wines eligible for protection. Second, it offers the highest standards of protection against unauthorised use. According to the text of the TRIPs agreement, the first distinction to be made in this respect is that the protection given to geographical indications for wines is not the same as granted for spirits, though both products have common additional protection. Protection for both, wines and spirits is the same according to Articles 23.1, 23.2 and 24.1 of the TRIPs agreement. An extra-additional protection for geographical indications only for wines is provided in Article 23.3 and 23.4. The additional protection for wines and spirits encompasses three main elements. First, in providing the legal means for interested parties to prevent the use of a geographical indication identifying wine and spirits not originating in the place indicated by the geographical indication, even where the true origin of the goods is indicated or geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like. Second, in refusing or invalidating the registration of a trademark for wines or spirits which contains or consists of a geographical indication identifying wines or spirits respectively at the request of an interested party. Third, in calling members for negotiations aimed to increase protection for individual geographical indications for wines and spirits.

These provisions give geographical indications for wines and spirits stronger protection than that provided in Article 22 for all products.

2.4.10 Extra Additional Protection for Geographical Indications concerning Wines
In addition to the protection for geographical indications for wines and spirits referred to above, those concerning wines have an extra additional protection, according to Article 23.3 and 23.4 of the TRIPs agreement. This extra-additional protection has two components. First, the need to accord protection for each geographical indication for wines in the case of homonymous indications.

“The term homonym is defined in Merriam Webster’s collegiate dictionary (tenth edition) as one of two or more words spelled and pronounced alike but different in meaning”

For instance “Rioja” is the name of a region in Spain and in Argentina, and the expression applies for wines produced in both countries. According to Article 23(3), such products are required to be differentiated from one another, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled. Problems may arise where both products are marketed in the same area, and where the products of one country have specific qualities and characteristics which are non-existent in the products originating from the other country. The homonymous geographical indication, in such case shall be considered to be misleading and shall not be allowed there.

The second sentence of Article 23.3 leaves it to WTO members to determine the practical conditions under which the homonymous geographical indications will be differentiated from each other, and calls for taking into account the need to ensure equitable treatment of the producers concerned and the protection of consumers against misleading practices.

As a general rule, there is no specific provision under the TRIPs Agreement that could solve this problem. Nevertheless, in the case of homonymous geographical indications for wines, Article 23.3 of the TRIPs agreement provides that protection shall be accorded to each indication, subject to Article 22.4. The question to be asked is whether this constitutes really an additional protection to geographical indications for wines? It is already recognised by the TRIPs agreement that homonymous geographical indications for wines shall be protected and, thus, are entitled to co-exist. However, this co-existence is subject to the protection of consumers against the use of deceptive geographical indication, i.e., geographical indications which are
literally true but misleading as to the true origin of the goods on which they are used. Therefore, it may be considered to extend this principle to geographical indications regardless of the kind of products for which they are used. Second the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those members participating in the system.

When concluding the TRIPs agreement it was agreed that negotiations shall be undertaken concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those members’ countries which participate in the system. So far two sets of negotiating proposals have been submitted, one by the European Communities and its member states, and a counter-proposal by U.S., Canada, Chile and Japan. The EC envisages multilateral registration as a three-step process. First WTO members would notify all geographical indications which identify goods as originating in their territory and the WTO Secretariat would publish all the notifications. In the second phase, WTO members would have 18 months to examine the notifications and could ask questions related to them. Members would have the right to challenge the registration of a notified geographical indication. In such a case, the interested members would start bilateral negotiations aimed at resolving the disagreement. In the third phase the notified geographical indication would be registered in the multilateral register and all members who have not challenged their registration would be under obligation to provide protection for them.

The system proposed would go beyond a database of information of geographical indications and would establish a register with a legal effect and registration would create the presumption of eligibility for protection.

### 2.4.11 Negotiation and Review of TRIPs Section on Geographical Indications

Article 24.1 of the agreement provides that members have agreed to enter into negotiations for increasing the protection of individual geographical indications under Article 23; that is to say only with respect to geographical indications related to Wine and Spirits, which are referred to in the heading to Article 23. Nevertheless a group of countries considers that the above interpretation constitutes a very legalistic
approach. Their representatives believe that this provision permits negotiations to extend the additional protection for geographical indications for wines and parities to all kinds of products.

The same Article 24 calls upon the Council of TRIPs to keep under review the application of the provisions of Section 3 of the Agreement, indicating that the first of such reviews shall take place within two years of the entry into force of the WTO agreement. Any matter affecting compliance with the obligations under the provisions of the Agreement may be drawn to the attention of the council, which at the request of a member should consult with any members in respect of that matter.

2.4.12 Negotiations for Multilateral System of Registration

Under the TRIPs system, WTO members must open negotiations in the TRIPs Council to establish a multilateral notification and registration system for geographical indications. The precise terms of this obligation are in Article 23.4, which states that “in order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPs concerning the establishment of a multilateral geographical system of notification and registration of geographical indications for wines eligible for protection in those members participating in the system”.

2.4.12.1 Register to Facilitate Geographical Indication Protection

As ‘the plan’ language of the provision suggests, the objective of the creation of a register is to facilitate geographical indication protections, thus providing the necessary means to identify and make public, in a transparent way, those geographical indications that members have already protected. Identification is required because, when compared with other intellectual property rights, such as patents and trademarks, geographical indications are often difficult to recognise. TRIPs unquestionably constitute a dramatic step forward in protecting wine and spirit geographical indications and as such the term “to facilitate” used in this provision must be understood to identify geographical indications that members are already bound to protect, not via future multilateral registration but rather by present provisions of part II Section 3.
Article 23.4 along with the general definition of geographical indications in Article 22.1 implies that the register is only for geographical indications which fulfil criteria established in the TRIPs agreement. Specifically, the provisions suggest that only those that identify a good as originating in the territory of a member will be able to accede to the multilateral register.

2.4.12.2 Voluntariness

An ideal system would require all WTO members to participate. However, a literal reading of Article 23.4 only establishes a voluntary participators system. This raises the issue of whether a system based on voluntary participation could bind WTO members once a geographical indication has been registered. The logical answer seems to be that a voluntary system could only bind participating members. However, for reasons of transparency and efficiency it is preferable that all WTO members be subjected to such registering since a system whereby geographical indications are recognised and protected in some member territories but not others surely creates legal and economic uncertainty thus undermining the objective of the protection. Indeed, Article 23.3 calls for the establishment of a multilateral system of notification and registration of geographical indications, and multilateral system can only be understood as requiring all parties to the WTO agreement to be bound to protect registered geographical indications, unlike plurilateral trade agreements, which bind only signatories, a multilateral system must be understood to include all WTO members. Therefore, in the lexicon of the WTO, “plurilateral” must be understood as referring to a system in which participation is entirely voluntary, whereas multilateral” is understood to bind all members.

2.4.12.3 Registration and Its Legal Effects

There remains the question of how “registration” in Article 23.4 should be understood. One view is that registration refers to a specific way of implementing TRIPs requirements that differ from the common law approach based on case law. Registration in the field of intellectual property is normally understood as involving the grant of a title of protection with a genuine legal effects under a system where registration has no legal effect, the act of registration would not add value to that of notification and therefore would not comport with Article 23.4. To give it such
enhanced value, registration should follow a phase of examination which would give it greater legitimacy.

As with other titles of intellectual property, registration must confer a presumption of legality. The legal implications of this interpretation based upon Article 23.4 would be a presumption of eligibility for protection in the markets of all WTO members for all geographical indications inscribed into the multilateral register. Equally important, the registration system must provide a forum for dispute resolution where members can challenge the presumption of validity and its legal effects for those geographical indications which are alleged to lack the requirements mandated under TRIPs. In effect, Article 23.4 implies that the future system of notification and registration need not affect the TRIPs agreement rights and obligations, instead the register functions to assist in facilitating the protections arising from the more transparent and efficient procedures. In this sense, the register does not increase obligations nor diminish acquired rights.

The text Article 1 states, “Members shall be free to determine the appropriate method of implementing the provisions of this agreement within their own legal system and practice”. Thus, the registration system need not supplant national systems of geographical indication protection. In this sense it continues to be the prerogative of members to choose the legal means that best responds to their interest.

2.5. Exceptions to the protection of Geographical Indications

1. Finally, Section 3 of the Agreement establishes a series of exemptions to the protection of geographical indications. One of these exemptions provides that nothing in Section 3 prevents a member to continue the use of a particular geographical indication of another member identifying wines as spirits in connection with goods or services by any of its nationals who have used that geographical indication in a continuous manner with regard to the same goods as services in the territory of that member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.

2. Article 24.5 states that when a trade mark has been acquired or registered in good faith before the date of application of the agreement in that member or before the geographical indication was protected in its country of origin, measures adopted to
implement Section 3 shall not prejudice eligibility for or the validity of the registration of a trademark or the right to use a trademark, on the basis that such trademark is identical with or similar to, a geographical indication.

3. The third exception refers to the fact that nothing in Section 3 of the agreement:

“…shall require a member to apply its provisions in respect to a geographical indication of any other member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name of such goods or services in the territory of that member”.

Where in these exceptions are most likely a compromise between the French wineries, and the US wineries, who are also using French geographic indications, such as burgundy, to identify their wines. Also, the right to use a personal name is not to be prejudiced under section 3 of the agreement.

4. Generic terms cannot be protected as geographical indication. Geographical indication can become generic if it has become associated with products to such an extent that it goes to mean the product itself and lost its ability to identify where the goods have originated from. For example, French fries, Bermuda shorts, Danish pastry.

The TRIPs does not really deal with the issue of generic names. Article 24.9 merely states that there is no obligation to protect the geographical indication, which has ceased to be protected in the country of origin. This makes it clear that the only way a member of TRIPs can treat an indication as a generic name is when its country of origin treats it as one.

The TRIPs Agreement established minimum standards for protection and enforcement of intellectual property rights. As laid out in Article 7, which indicated the TRIPs Agreement objectives, “the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.”

Article 27(3)(b) of the TRIPs Agreement allows WTO members to exclude from patentability "plants and animals other than micro-organisms, and essentially
biological processes for the production of plants or animals other than non-biological and micro-biological processes." However, this provision makes it mandatory that WTO members “provide for the protection of plant varieties either by patents or by an effective sui generis system or by any combination thereof.” The wording of this obligation, which leaves the choice of the protection system entirely to the members, reflects the differences between the existing legal systems, ranging from the highest level of protection in United States where plant varieties may be protected by patents or by specific plant variety protection rights or even by special plant patents, to the EU countries where plant variety protection is confined to specific variety protection systems only. If a state chooses to implement its obligation under Article 27.3(b) by means of sui generis system that system would have to be effective.

2.6. Doha Declaration: Specific Proposal on Geographical Indication

Multilateral trade rounds have been the main vehicle for liberalizing trade and reforming the WTO so it better reflects the new challenges of the global economy. With a view to lower trade barriers around the world which will facilitate the increase of global trade in November 2001 World Trade Organisation commenced trade negotiation round that is the Fourth WTO Ministerial Conference at Doha, Qatar called as the Doha Development Round or Doha Development Agenda (DDA). Decided to implement TRIPS Agreement, in a way that supports public health by promoting both access to existing medicines and the creation of new medicines and geographical indications have to be protected in order to avoid misleading the public and to prevent unfair competition. In other words the negotiating round launched in Doha, Qatar, in 2001 aims to better integrate developing countries into the global trading system. The round has been focused on improving market access for agricultural goods, reducing domestic support of agricultural products, and reducing tariffs on so-called non-agriculture market access goods. Improving market access for services, intellectual property issues, the relationship of the WTO to multilateral environmental agreements, improving market access for environmental goods, and reform of the organization's dispute settlement mechanism are also on the agenda.

As discussed earlier protection required under the TRIPS Agreement is defined in two articles. All products are covered by Article 22, which defines a standard level of
protection. This says geographical indications have to be protected in order to avoid misleading the public and to prevent unfair competition. And Article 23 provides a higher or enhanced level of protection for geographical indications for wines and spirits: subject to a number of exceptions, they have to be protected even if misuse would not cause the public to be misled.

The TRIPS Agreement provides a higher level of protection to geographical indications for wines and spirits and to provide for the extended higher level of protection to other products propositions as made under Doha Declaration. In other words Doha proposes to extend to higher level of protection to all the products under geographical indication other than wines and spirits. Geographical indications should be protected even if there is no risk of misleading consumers or unfair competition.

Two issues are debated under the Doha mandate, both related in different ways to the higher (Article 23) level of protection: creating a multilateral register for wines and spirits; and extending the higher (Article 23) level of protection beyond wines and spirits. In simple terms two debated issues in the TRIPS Council under the Doha mandate are: creating a multilateral register for wines and spirits and extending the higher (Article 23) level of protection beyond wines and spirits.

2.7. The Multilateral Register for Wines and Spirits

Creating a multilateral system for notifying and registering geographical indications for wines and spirits is under negotiation which is covered under Article 23.4 of the TRIPS Agreement and now also comes under the Doha Agenda (the Doha Declaration’s paragraph 18). Trade Negotiations Committee current chairperson Darlington Mwape of Zambia, on behalf of all the Doha Round negotiating groups, said that a genuine effort to find common language while defending their interests is to provide a good basis on which to continue negotiations towards a multilateral system of notification and registration for geographical indications for wines and spirit there still is a long way to go.

2.7.1 Extending the “Higher Level of Protection” Beyond Wines and Spirits

Geographical indications for all products are currently covered by Article 22 of the TRIPS Agreement. The issue here is whether to expand the higher level of protection
given under Article 23 currently given to wines and spirits to other products is debatable. Some member countries want to negotiate extending this higher level of protection to other products. Others oppose the move, and the debate has included the question of whether the Doha Declaration provides a mandate for negotiations.

The E.U., Switzerland and some developing countries, who want a comprehensive register with legally binding effect for all WTO members on the contrary group of Australia, New Zealand, the U.S. and several Latin American and Asian countries (from the Cairns Group of agricultural exporting countries) with Hong Kong SARC countries advocating a voluntary system based on the creation of an international data base proposing a compromise solution.

The Declaration explicitly mandates negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference in 2003. It goes on to state that issues related to the extension of the protection of geographical indications to products other than wines and spirits will be addressed in the Council for TRIPS as a part of the outstanding implementation issues. There remains disagreement on whether this amounts to a negotiating mandate on the extension of geographical indications to products other than wines and spirits. Countries opposed to such negotiations including the United States and Cairns group argue that no mandate has been given. Those favouring such negotiations include EU, Bulgaria, India and Sri Lanka.

So to sum up, member countries are divided saying geographical indications would make it easier for them to agree to a significant deal in agriculture. Others reject the view that the Doha Declaration makes this part of the balance of the negotiations. In addition to above these twin issues the TRIPS Council has included the question of whether the relevant provisions of the TRIPS Agreement provide a mandate for extending coverage beyond wines and spirits under negotiation.

The Doha declarations note that the TRIPS Council proposes to address protection of GI in this Declaration as mandate to which member governments expressed different views. Some Member Countries agrees for implementation of Doha as mandate and the other as a matter of priority. The Doha Declaration addresses the relationship
between the TRIPS Agreement and the UN Convention on Biodiversity; the protection of traditional knowledge and folklore; and other relevant new developments that member governments raise in the review of the TRIPS Agreement.

2.7.2 Doha and GI: A Growing Realm of Intellectual Property

Members continued divergence on the issue of multilateral register for wines and spirits and extending the higher level of protection beyond wines and spirits raises the question as to how countries own intellectual property systems work in this regard, the scope of protection for geographical indications in practice, and the “practical and operational context” of the existing patent mechanisms for disclosing the origins of genetic material and any associated traditional knowledge used in inventions.

At the same time, the European Union has also proposed negotiating the protection of specific names of specific agricultural products as part of the agriculture negotiations.

In addition to these, member countries called for a “procedural decision” to negotiate three intellectual property issues in parallel; these two geographical indications issues, and a proposal to require patent applicants to disclose the origin of genetic resources or traditional knowledge used in their inventions focuses on how the TRIPS Agreement relates to the Convention on Biological Diversity. In nutshell it discusses the aspects of patents, biodiversity and ‘disclosure’ implementation particularly in the light of following discussion.

**Disclosure as a TRIPS Obligation:** To amend the TRIPS Agreement so that patent applicants are required to disclose the country of origin of genetic resources and traditional knowledge used in the inventions, evidence that they received “prior informed consent” (a term used in the Biological Diversity Convention), and evidence of “fair and equitable” benefit sharing. Proposed by Group of few Developing Countries like Brazil and India and including Bolivia, Colombia, Cuba, Dominican Republic, Ecuador, Peru, Thailand, and supported by the African group and some other developing countries.

**Disclosure through the World Intellectual Property Organization:** Via an amendment to the regulations of the WIPO's Patent Cooperation Treaty so that
domestic laws may ask inventors to disclose the source of genetic resources and traditional knowledge when they apply for patents. Failure to meet the requirement could hold up a patent being granted or when done with fraudulent intent could entail a granted patent being invalidated. This is a Switzerland proposal.

**Disclosure, but outside patent law:** Proposal to examine a requirement that all patent applicants disclose the source or origin of genetic material, with legal consequences of not meeting this requirement lying outside the scope of patent law. It’s a European Union proposition.

*Use of national legislation, including contracts rather than a disclosure obligation:*

Convention on Biological Diversity's objectives on access to genetic resources, and on benefit sharing, could best be achieved through national legislation and contractual arrangements based on the legislation, which could include commitments on disclosing of any commercial application of genetic resources or traditional knowledge. This is an USA proposal.

The WTO's work programme on intellectual property is mandated by the TRIPS Agreement in combination with the declarations and other decisions adopted at the Doha Ministerial Conference is addressing protection of geographical indications in the context of the agriculture negotiations and there are consultations underway under the dispute settlement system concerning the protection of geographical indications.

The Doha Declaration says that the work in the TRIPS Council on these reviews or any other implementation issue should also look at: the relationship between the TRIPS Agreement and the UN Convention on Biodiversity; the protection of traditional knowledge and folklore; and other relevant new developments that member governments raise in the review of the TRIPS Agreement. It adds that the TRIPS Council’s work on these topics is to be guided by the TRIPS Agreement’s objectives and principles, and must take development fully into account.

**2.7.3 Doha Current Trends, Hinders and Opportunities: Critical Analysis**

The most obvious challenge is the Doha Development Round, the current round of multilateral trade negotiations to further liberalize trade and reform the WTO. After a
decade of talks, it still remains to be concluded. The Doha round is focused on reducing important trade barriers in sectors such as agriculture, industrial goods, and services. This would encourage businesses around the world to specialize in the production of goods and services, achieve economies of scale, and increase their efficiency and productivity, which would allow them to deliver improved and cheaper products to global consumers. As importantly, the Doha round is particularly focused on providing increased market access to goods and services from developing countries. The economic growth of large developing countries has also created a new set of challenges for the WTO, especially the increased weight of large developing countries such as China, but also India and Brazil, has complicated efforts in completing the Doha round. These countries were at the forefront of the creation of the G-20 negotiating bloc (not to be confused with the recently established G-20 leaders' meetings) at the WTO ministerial meeting in Cancún, Mexico in 2003 and they played a key role in demanding greater agricultural liberalization from developed countries.

In addition, this fourth multilateral trade negotiation round of WTO is Doha Development Round, which aims at establishing a fair and market oriented trading system with a special and differential treatment for the developing countries. As the name suggests it is a forum to address the needs and interest of the developing countries and Declaration states that we commit ourselves to the objective of duty free, quota free market access for products originating from LCDs. Due to the differences in the views of the member countries of the Doha Round negotiations were more a North-South issue, although with sub-plots within each of these groupings. Couple with the various interpretations by the different member countries. Another area of concern is enforcement of the TRIPs agreement with regard to GIs as TRIPs requires the more stringent domestic policies for all member countries as the simple unfair competition laws will not suffice. Since the enforcement requires legal and administrative infrastructure for a country which is not only prevalent in the developing countries but also developed countries. Especially most of the developing countries do not have technical expertise to analyse the implications of the issues that are on agenda. There exists lack of clarity in understanding the future complications
of the agenda items for developing countries. Therefore, they are following a more cautious approach in understanding the issues raised for negotiations.

However, it is very important to note that the development of the round also depends on the negotiating power of the representative of each country, which is generally the minister of commerce for each member country. When a round takes so much of time in negotiations, the representation gets changed and thereby the political will also get affected. The developing countries face more unstable form of government formation which creates change in stance on important issues. All these factors have delayed and are still delaying the conclusion of Doha Round.

Consequently the implementation of extending the “higher level of protection” beyond wines and spirits and the multilateral register for wines and spirits proposed for the GIs protection under the Doha is still debatable and ranging. Therefore it can be said that balancing of these conflicting interests is the need of the day which requires considerable effort from all the Member Countries to find a suitable solution in line with the objective of the Doha Round ultimately to achieve the welfare of the world economy.

The most obvious challenge is the Doha Development Round, the current round of multilateral trade negotiations, to further liberalize trade and reform the WTO even after a decade pending for finalization. Both the proposals on GIs under Doha round are also as contagious as any other subject on Doha Agenda as detailed foregoing discussion. One can only hope of successful completion of the Doha Round, in spite of economic benefits all the members gain with the effective implementation of the same. As aptly suggested by Dr. Monika Kathuria it is important for the member countries to conclude the Doha Round in order to achieve improvement in world economic welfare. Moreover, to keep intact the credibility of WTO as a trade facilitating international organisation, there is a need to conclude the negotiations as early as possible. These along with some other issues have been hindering the conclusion of Doha Round since its inception in 2001. It requires efforts from all member countries to achieve convergence of opinions on these issues in order to finalize the Doha Round of trade negotiations.

2.8. Geographical Indications and Trademark Linkage
The relationship between trademarks and geographical indications was one of the most heatedly debated issues in public international intellectual property law. There are some differences between GIs and trademarks. Geographical Indications are also in a way similar to trademarks in that they function as source indicators. However, some believe that GIs should always be superior in right to a trademark. GIs prevent misuse of designation or presentation of a product, which indicates that the product originates in a place different from where it actually originates. At times this is considered to be far more damaging than depicting an inferior object of superior quality by misusing a trademark of a good quality product. It would also be essential to outline in brief the functions of Collective and Certification Marks, which fall within the family of Trademark rights. There is a point of contact between Collective, Certification and Trademarks vis-à-vis GIs. The same will be looked at in detail below.

**Certification marks** are marks which indicate the goods or services on which they are used have specific qualities, produced in a particular way, have met a service standard and maybe, though not necessarily, of certain geographical origin. Certification marks may be defined as “a mark indicating that the goods and services in connection with which it is used are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics.”

As a general rule the owner of a certification mark does not ‘use’ the mark but licenses it to other enterprises and certifies that the goods or services carrying the mark are of a certain quality. These are frequently used by bodies certifying industrial standards and are used by anybody that meets the standards set by the owner of the certification mark. Examples include the “Woolmark” certification mark and the Bureau Veritas mark to signify sea-worthiness. In India “Agmark” is certification mark used for food items including spices, milk products etc.

**Collective marks** are owned by a collective body like a trade association and serve to indicate that goods or services displaying the mark are produced by an enterprise that is a member of the collective body. Collective marks are defined as “marks which
are used to indicate that the goods or services so identified have been produced, distributed or performed by members of a certain group of persons.”

As membership to the association entails some qualifying standards, the collective mark is a distinctive sign conveying the said standards (i.e. quality, origin, etc.) of the trade association. Examples include the mark “CPA” to indicate members of the Society of Certified Public Accountants. A Collective mark is not owned by any individual manufacturer or member of the association. It is collectively owned and possessed by the association of persons, which could be in the form of any legal entity.

Trademarks (TMs) and Geographical Indications (GIs) are different, equal, and independent categories of distinctive marks and signs used to denote specific products, classes of products, or, in the case of TMs only, services. These two domains of intellectual property rights (IPRs), among others, are subject to domestic and multilateral laws, regulations, and administrative procedures.

A crucial difference between trademarks and geographical indications is that, even though both distinguish products, the trademark distinguishes only the objects that are sold by one producer from those that are marketed by others. Geographical indications show the similarities of a group of products and differentiate them from others that cannot benefit from them.

Another element of differentiation is the very nature of the two symbols, while trademarks arise from the creative genius of man, geographical indications occur due to the existence of human and natural factors.

Another difference stems from the fact that, unlike the case of trademark, social recognition must already exist in order to protect geographical indications. Geographical indications are not created; they are there, in nature, and the characteristics differentiating them should already be recognized before the idea and need for their protection arise.

There are also some similarities between Trademarks and Geographical Indications. At the first instance both trademarks and GIs are distinctive symbols. Another similarity stems from the fact that, both Trademarks and GIs differentiate
some products from others, although, as has already been mentioned, trademarks differentiate the products made by different producers, and a geographical indication differentiate one group of products from others that don’t come from the region it protects.

Some of the differences are quite striking and serve to illustrate why a separate intellectual property instrument is needed:

(i) A geographical indication must have been in use before an application is made; fanciful names or made-up names cannot be registered as GIs;

(ii) A geographical indication must refer to or describe a specific product that owes its characteristics to a geographical place. The place name is often the key element of the geographical indication.

(iii) But signs that only serve to indicate geographical origin are normally refused as trademarks;

The geographical indication regulation has a built-in express right of use, applying to all persons trading in product that has been made in accordance with the specification. It is difficult to identify a single owner or controller of most geographical indications: varying rights of ownership are enjoyed by the entire class of persons able to produce trade or sell the designated product geographical indication protection is generally held to be a wide form of protection.

(iv) Protection is given against uses of the registered name on non-originating product, as well as against 'misuse, imitation or evocation', even if the protected name is translated.

(v) A registered geographical indication cannot become generic;

(vi) The geographical indication conveys to the consumer a guarantee of quality. In essence, registration of a geographical indication and use of the acronyms or logos, informs the consumer that the product has an intrinsic link with its geographical origin and that it has been produced in accordance with a written specification.
2.9 Article 27(3) (b) of the TRIPS Agreement and Protection of Traditional Knowledge

Article 27 establishes what can be patented and the scope for exceptions:

1. Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application. … patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced.

2. Members may exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect ordre public or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law.

3. Members may also exclude from patentability:

(b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, Members shall provide for the protection of plant varieties either by patents or by an effective sui generis system or by any combination thereof. The provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement.

This provision contains several elements. The first is the presumption that patents are to be available for any invention meeting the substantive conditions. Secondly, patent rights are to be enjoyed without discrimination. Thirdly, a general exception to this presumption is provided for inventions whose commercial exploitation would violate ordre public, public morality or would seriously prejudice the environment. A key term in that paragraph is “necessary”; GATT/WTO jurisprudence suggests that
this may set a high threshold. Fourthly, a set of specific exceptions from patentability is provided: plants, animals and essentially biological processes. Plant varieties may be protected by patents or “effective” *sui generis* systems. No definition of “effective” is provided, and some commentators have suggested that to meet this threshold, the minimum principles of the TRIPS Agreement must be respected. Finally, the provision stipulates that the WTO was to review Article 27.3(b) in 1999.

In addition to Article 27.3(b), the TRIPS Agreement contains two general provisions that may limit patent rights. One is specified in Article 30, which allows Member to provide limited exceptions to the exclusive rights conferred by patents "provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking into account the legitimate interests of third parties.” Secondly, Article 31 allows Members to issue "compulsory licenses", whereby use is made of the subject matter of the patent without the authorisation of the rights holder. Several conditions are placed on the use of this instrument, including:

(i) Such an authorisation should be based on a consideration of individual merits;

(ii) The proposed user will have made efforts over a reasonable period of time to secure a voluntary license on reasonable commercial terms, except in cases of national emergency, extreme urgency or public non-commercial use

(iii) The right holder will be paid adequate remuneration

(iv) The legal validity of the license and the remuneration will be subject to judicial or other forms of independent review.

There is little practice in implementing these limitations for purposes relating to the conservation of genetic resources. It should be emphasised, however, that in conformity with general rules of international law, such limitations and exceptions are to be interpreted narrowly so as not to interfere with the object and purpose of the treaty

2.9.1 Review of Article 27.3 (b) of TRIPS Agreement

This review has begun but, so far, has not produced any specific outcome. The general dynamic has emerged, whereby developed countries seek to ensure strong
The protection of intellectual property, while developing countries seek to broaden the flexibility of the standards. There are, however, nuances and differences from within these groupings. The EC, for example, seeks to maintain existing standards, but has indicated its willingness to be flexible in applying the patent system in support of achieving the objectives of the CBD. The United States has sought to tighten up the provision, so as to eliminate the exclusion for plants and animals, and to incorporate the UPOV 1991 (discussed below) standards into TRIPS.

Developing country submissions have sought to change the paragraph to allow them greater flexibility. For example, Brazil argued that Article 27.3 (b) should contain an interpretative note that discoveries or naturally occurring materials are not patentable. It further called for flexibility for members to decide on the most effective *sui generis* systems to be retained (i.e. not necessarily UPOV). The African Group sought to add a footnote to Article 27.3(b) providing for the protection of community rights and the flexibility to protect farmers' rights and traditional knowledge in *sui generis* systems for plant varieties. It also called for IPRs to be consistent with the CBD, the FAO International Undertaking and the OAU Model Law on Farmers', Breeders' and Community Rights. Venezuela called for introducing a mandatory system of IPR protection for traditional knowledge, based on recognised collective rights.

*Protection of Traditional Knowledge*

Intellectual property right that might eventually be attractive to holders of traditional knowledge are Geographic Indications (GIs). GIs are those which identify a good as originating from a Member or a region or locality in the territory of a Member, where a "given quality, reputation or other characteristic of the good is essentially attributable to its geographic origin". In other words, they do not focus on individual inventions, but rather reward a community adhering to traditional practices. These are considered attractive because the rights are held in perpetuity and the holders of the GI cannot assign the right to non-local producers. However, a major drawback is that the knowledge itself is not protected, and therefore GIs cannot prevent misappropriation. These are currently limited to select products – mainly beverages and foodstuffs – although there is now a debate going on in the WTO about extending
the coverage. So far, the positions are wide apart. Some attention is now being paid to the potential to link the mechanisms for establishing geographic indications, especially appellations of origin, with criteria aimed at enhancing conservation. This is an area where further empirical research is necessary, so as to develop proposals on enhancing the potential synergies.

Article 27 of the TRIPs Agreement lays down the terms of mandatory patent protection in general by defining “patentable subject matter. Apart from laying down that patents should be made available for any inventions, products and processes, as long as they are new, involve an inventive step and are capable of industrial application, exceptions to patentability are set out in Articles 27(2) and 27(3). An exception to mandatory patent protection as laid out under Art. 27(3) is Article 27(3)(b) that allows for “effective” sui generis system for plant variety protection. Member States have the option to determine what an effective sui generis system for plant variety protection would look like, subject to the general restrictions of the Agreement.

Although a strict reading of Article 27(3)(b) suggests that a sui generis system is contemplated only for plant varieties, the TRIPs Agreement establishes “minimal standards” only. As a result, it is possible for countries to create laws that protect traditional knowledge in general, through appropriate sui generis laws. The other exceptions contained in Article 27 regarding patents on life forms, namely, Article 27(2) and Article 27(3)(a) can help countries make a case for the protection of traditional knowledge, as long as the exercise of other rights in the Agreement is not affected. By virtue of Art. 27(2), an exception on grounds of animal, human, plant life and the environment is established. But the Agreement has not defined the terms “ordre public” and “morality”. It has been argued that the implementation of Art. 27(2) at the national level mandates the resolution of the meaning of the term “ordre public”- which could either be interpreted as being mainly linked to security reasons (as under the Guidelines for Examination of the European Patent Office) or as general public order or public interest. A limitation of the exception under Art. 27(2), however, is that Members are not allowed to refuse patent to a commercial invention merely because it is prohibited under national law. The diagnostic, therapeutic and surgical methods for the treatment of humans or animals can be excluded.
While contemplating protection for either plant varieties or traditional knowledge, the general restrictions of the TRIPs Agreement contained in Article 8 should be taken into account by developing countries. The 'Public Interest' Principle embedded in Art. 8(1) allows Member States, when formulating or amending their national laws and regulations on intellectual property, to adopt measures necessary to protect public health and nutrition; and to promote the public interest in sectors of vital importance to their socio-economic and technological development. But at the same time, the flexibility Article 8 allows countries on grounds of “public interest” is extremely limited since it does not allow any amendment of the minimum standards of the Agreement. From Article 8, it follows that any sui generis right on traditional knowledge has to be in compliance with the minimum standards of intellectual property rights as set out under the Agreement.

From this it follows that if the sui generis intellectual property right created to protect traditional knowledge does not comply with the minimum standards of the TRIPS Agreement, it will be in violation of Article 8 of the Agreement. But at the same time, this caveat does not automatically preclude sui generis community intellectual property rights on traditional knowledge. Any right can be created by countries for this purpose as long as it does not, as Art. 8(2) prescribes, “...result in any complications that may result in a lesser compliance with the terms of the Agreement, as such.”

Whether or not a community intellectual property right ends up complicating and obstructing other forms of intellectual property rights that the TRIPS Agreement protects depends mainly on the definition of “invention” in the traditional context, especially since many proposals relating to traditional knowledge protection are very broad-based. The legal situation is complicated and not free of ambiguity. According to Article 30 of the Vienna Convention on the Law of Treaties, the TRIPS Agreement would prevail over the CBD since it is the latter Agreement and the more detailed one for intellectual property protection. The counter argument to this is that the CBD prevails on the basis of being lex specialis, since it is more specific than TRIPS on addressing IPRs in the context of biodiversity conservation. In addition, the provisions of CBD Article 22(1) may also merit consideration in the event of actual conflict between the CBD and TRIPS. If a country determines that implementing the
TRIPS Agreement will result in serious damage or threat to biological diversity, this provision would appear to grant the CBD with priority. Such a situation, however, would be very exceptional. A more nuanced and potentially more likely argument could be that the TRIPS Agreement may in some cases prevent a country from taking action to protect indigenous and local knowledge in an appropriate and effective manner. However, it is ambiguous whether CBD Article 22(1)I applies in this situation.

2.10. Geographical Indications and Traditional Knowledge

Traditional knowledge is collective knowledge. Sometimes, due to the parallel development or due to the exchange of knowledge, communities with similar ecosystems have the same or similar knowledge. For those indigenous or local communities that did not have a written tradition, traditional knowledge takes the form of stories, songs, folklore, proverbs, cultural values, beliefs, rituals, community laws, local language, culinary recipes and agricultural practices, including the development of plant species and animal breeds. The individuals that form part of the communities are not the owners but only titleholders of the knowledge. It is extremely difficult to determine with accuracy which communities are the rightful owners of certain knowledge or the relationship between individuals with community and traditional knowledge.

Traditional knowledge, developed from experience gained over the centuries and adapted to the local culture and environment, has always played, and still plays, an important role in the daily lives of the majority of people and considered to be an essential part of their cultural identities. It is vital to the food security and health of millions of people in the developing world. In many developing and least developed countries, traditional medicines provide the only affordable treatment available to poor people.

Protection and recognition of the traditional knowledge has been sought by the international community not very long ago. Only in 1981 WIPO and UNESCO adopted a Model Law on Folklore. The concept of Farmers’ Rights was introduced in 1989 by the FAO into its International Undertaking on Plant Genetic Resources and in
1992 the Convention on Biological Diversity (CBD) highlighted the need to promote and preserve traditional knowledge.

Traditional Knowledge (TK) and Geographical Indications (GIs) share a common element insofar as they both protect accumulated knowledge typical to a specific locality. While TK expresses the local traditions of knowledge, GIs stand for specific geographical origin of a typical product or production method. GIs and TK relate a product (GIs), respectively a piece of information (TK), to a geographically confined people or a particular region or locality.

Traditional Knowledge (TK) mainly expresses the exploitation by individuals or communities of plant genetic material resourceful for humans and the processes of extracting from nature the genetic resources, as well as the skill and practices of preserving this knowledge for future generations. In addition, the creation of clothing and tools, the construction and maintenance of shelter, the orientation and navigation on land and sea, the interpretation of climatic and meteorological phenomena, dies and weaving patterns, design, spiritual beliefs and expressions of culture also constitute TK.

The discoveries, transmitted from one generation to the next, document the skills and practices assembled over time, which are often upgraded by subsequent innovations in the course of history. TK is not static. Rather, it expresses a continuous process of devising strategies for the survival of humankind and insofar a viable complement to formal science.

Local indigenous knowledge competes and complements the rational, expert led scientific world view, the latter which, until the end of the 20th century was unquestionably considered the universal keeper of scientific knowledge and the only truth for development aid.

TK is “traditional” not because it is old, but because the knowledge is created, preserved and disseminated in the cultural traditions of particular communities. It is different from formalized, scientific and industrialised R&D efforts.

Access to and use of TK within and outside communities is generally governed by a wide variety of unwritten customary laws. This seems to be true whether or not
notions of ownership and property would be strictly applicable to traditional societies. Indeed many traditional communities express preference for words like stewardship and custodianship, which imply responsibilities as well as rights. Proprietary systems exist in many traditional societies. But any assumption that there is a generic form of customary regulations governing TK use and dissemination ignores the intricacies and diversity of traditional systems.

TK is valuable not only to those who depend upon it for their survival but also to modern industry and agriculture, and to sustainable development more generally. According to the World Health Organization (WHO), up to 80 per cent of the world’s population depends on traditional medicine for its primary health needs.

Geographical indications have certain characteristics that are more in line with the ways in which traditional communities use their knowledge. Some developing countries are interested in exploring the use of geographical indications for TK-based products such as kava from the South Pacific.

GIs are similar to traditional knowledge in their focus on old creativity and community ownership, rather than on the new knowledge and individual ownership usual in intellectual property law.

In contrast to most traditional knowledge, geographical indications are industrial property rights recognized and given limited protection in the WTO Agreement on TRIPS. GIs are economically as well as culturally significant, as confirmed by the resumption of the United States' request for consultations with the EC regarding the EC regulation of geographical indications which has been joined by an Australian request for consultations.

Given the potential value of GIs and differences regarding the relationship between geographical indications and trademarks, as well as between GIs and generic names for foods, this form of industrial property has become a contentious topic within the Doha Development Agenda, where the topic has been followed carefully by several African countries, including Kenya, Mauritius, and Nigeria. African coffees, teas, seafood, and spices are among the foods of potential interest. While some governments see a market advantage in the use of GIs, others believe that their limited availability creates an obstacle to international trade.
Currently, the use of a label to promote the geographical link between a food and a locale is common to commodities (e.g., rice and salt), semi-processed products (e.g., coffee and tea) and processed foods (e.g., beverages, fruit marmalades, preserves, and sauces). While the values and volumes of foods processed and sold using a GI is small in comparison to the use of trademarks or in comparison to the European Communities' use of GIs, they could nevertheless bring significant benefits to rural communities and small businesses, whether used alone or in combination with trademarks.

At the first sight the use of geographical indications for the protection of traditional knowledge seems to be particularly suitable. Geographical indications are not intended to reward innovation, but rather to reward members of an established group or community adhering to traditional practices belonging to the culture of that community or group. They are designed to reward the good will and reputation created or built up by a group of producers over many years or even centuries.

Geographical indications can create economic rewards for producers who use traditional methods in the region where the product has been traditionally produced. Geographical indications may be used to enhance the commercial value of natural, traditional and craft products of all kinds if their particular characteristics may be attributed to their geographical origin. A number of products that come from various regions are the result of traditional processes and knowledge implemented by one or more communities in a given region.

The special characteristics of those products are appreciated by the public, and may be symbolized by the indication of source used to identify the products. Better exploitation and promotion of geographical indications would make it possible to afford better protection for the economic interests of the communities with traditional knowledge.

2.10. Conclusion

The transnational integration that globalization fosters has led to increased demand for GI protection through robust legislative measures. Prior to the TRIPS Agreement a bundle of direct and indirect legislations contained provisions for the protection of
‘indication of source’ and ‘appellation of origin’ but this proved to be insufficient. Even though some of the treaties like Paris Convention, the Madrid Agreement and the Lisbon Agreement contained strong provisions for the protection of geographical indications, but their practical results were negligible. But the TRIPS Agreement was with a number of characteristics not seen before in the drafting of international instruments in the field of geographical indications. The inclusion of GIs in the TRIPS Agreement is part of a larger strategy by European states to shield their agricultural producers from increasing New World price-based competition.

The international disagreements on geographical indications not only reflect obvious conflicts of economic interest but also profound cultural differences. It is now clear that the conflict on GIs is no longer just a conflict among developed countries but also concerns many developing countries. For instance, many countries are requesting extending protection to handicrafts and traditional knowledge. The situation has changed and question to the answer related to the issue is shifting radically and the future remains very uncertain.

Passing-off stands out in the world of tort law as a protector of economic interests, directly those of traders, and indirectly those of consumers too. Moreover as it is created by the courts and developed by them, it has an inherent flexibility which is not a quality normally associated with statutory provisions. The analysis of the cases on passing off makes it clear that the courts are now using this remedy to protect the owner of the mark against the dilution of its reputation. Indian courts have, like their English counterparts, disapproved consistently the dishonest attempt by Indian trade and industry to bask in the warmth of, and make illicit profit from, the reputation not earned legitimately by their own efforts, but built by others elsewhere, by the short-cut of trickery and passing off, and thus protected not only private rights but public interest, especially that of consumers. But the law making by the judiciary has its limitations and cannot be substitute to robust legislative framework which brings certainty and all concerned are sure of their rights and obligations. Legislative process has to respond to the concerns both, national and international, especially when at international level consensus has been arrived at to promote international trade without barriers and at the same time rights of stakeholders in IPRs have been recognized and legal frameworks for their protection emphasized.