2.1. Introduction

Man is curious by nature. His inherent thirst for socio-economic development has led him to find out new ways as a source of all round progress. The anxiety of man to lead happy and prosperous life has also played a vital role in the course of development. Consequently, the standard of living has also increased considerably. He has therefore, devoted himself to make the life more happy and prosperous. The scientists invent new technology, the researchers are engaged in searching new things, the authors are producing new literature in the various fields of study, industrialists are producing best products by newly invented procedures and techniques and the businessmen are engaged in spreading their respective business. The thing that a man presents for the use of society can be originated only through the use of skill, labour, intellect and endeavour of his own. Therefore, all that what is produced or originated by human skill, intelligence, labour and efforts are called the Intellectual Property. ¹ Intellectual Property can be loosely defined as creations of the human mind. ² These could be incorporated in creative or inventive works, including distinctive signs or marks. Examples are books, paintings, or other literary and artistic works, inventions, designs and trademarks. Intellectual Property Rights (IPRs) are legal rights governing the use of such creations. This term covers a bundle of rights, such as patents, trademarks or copyrights, geographical indications, plant varieties, each different in scope and duration with a different purpose and effect. However, all IPRs generally exclude third parties from exploiting protected subject-matter without explicit authorisation of the right holder or authorised user and registered proprietor for a certain duration of time. ³ This enables Intellectual Property Right owners to use or

¹ VIKAS VASHISHTH, LAW AND PRACTICE OF INTELLECTUAL PROPERTY IN INDIA 1 (3rd ed. 2006-07).


³ In the case of Trademarks, Geographical Indications and Trade Secrets, this may mean unlimited time under certain circumstances in JAYASHREE WATAL, INTELLECTUAL PROPERTY RIGHTS IN THE WTO AND DEVELOPING COUNTRIES, 1 (2001).
disclose their creations without fear of loss of control over their use, thus helping in their dissemination. In the case of protection of distinctive signs like trademarks the objective is to avoid confusion among free riders and deception of consumers of different goods and services.

The primary purpose of Intellectual Property Laws is to ensure a rich, diverse and competitive market place. To achieve this purpose, Intellectual Property (IP) doctrines provide property rights as incentives to individuals who create new products, services or works of art or literature. Property rights in the fruits of creativity increase the chances that the creator can recoup his investment in the creation process and make a profit from his work. By making creative endeavors financially feasible and potentially rewarding to large numbers of people, IP laws facilitate provision of a variety of creative products and services to the public.\(^4\)

In addition to economic incentives, however, a competitive market place requires free access to innovation. Competitors need the freest possible use of other’s intellectual creations in order to copy and improve on them. Requiring competitors to “re-invent the wheel” is highly inefficient.

Obviously, the goals of giving creators’ property rights in their works and ensuring that competitors and the public have free use of those works can conflict. Each Intellectual Property doctrine seeks to achieve the optimal balance between provision of private property right and retention of public access to the products of creativity, in order to enhance the competitive market place to the fullest possible extent. Each intellectual property doctrine grants property rights to provide an incentive to create, but limits those rights, seeking to provide the greatest public access possible without undermining the incentive.\(^5\)

\(^4\) MARGRETH BARRETT, INTELLECTUAL PROPERTY CASES AND MATERIALS, 2 (2 ed. 2001).
\(^5\) Id. at 3
The present research work is confined to the study of Geographical Indications as Intellectual Property. As the Geographical Indications (GIs) has its roots embedded in the trademarks, it is desirable to trace the history of “mark” to look into the origin of GIs.

2.2. History of the Legal Protection of “Mark”

In the earliest times traders applied marks to their goods to indicate ownership. These are called proprietary or possessory marks. For example, farmers commonly branded cattle and earmarked sheep as a way of identifying their livestock. In a similar way, merchants also marked their goods before shipment so that in the event of a ship wreck, any surviving merchandise could be identified and retrieved. From medieval times, marks were used for a slightly different purpose within guild structures. Guilds were trade organisations that had control over those who could make certain goods or provide certain services. They were also concerned to ensure that the goods were of a satisfactory quality. In order to be able to identify the source of unsatisfactory goods, the guilds required their members to apply identifying marks or signs to the goods.⁶

With the demise of the guilds, it was no longer obligatory for traders to apply particular marks or signs to goods. However, with the growth of regional (as opposed to local) trading and the rise of factory production that accompanied the Industrial Revolution, many traders continued to apply their marks to the goods they manufactured. Moreover, with the growth of mass media and the reading public, traders started to advertise their goods by reference to these marks. In turn, purchasers of goods started to rely on the signs the goods bore as truthful indications of the source of the goods. Importantly they began to use them to assist their purchasing decisions. Over the time, as consumers started to

realise that some marks indicated a particular manufacturer, and in turn goods of a certain standard, the nature of the mark changed from being a source of liability to become an indicator of quality.⁷

Another important change in the role played by marks took place around the beginning of the twentieth century. During this period trademarks changed from being indicators of origin (and hence a basis on which the consumers could assume consistency of quality) to become valuable assets in their own right.⁸ Thus, it is said that some marks, by virtue of their distinctiveness or appeal were able to convey some sort of emotional allure to potential consumers. Literally the sign attracted customer, not as a result of some idea or assumption of origin or quality, but as a result of so called “advertising” quality. Indeed, the mark itself (re-inforced by advertising) gave rise to a desire for the product that was distinct from a desire based on a belief that the product would be of a particular quality. The trademark serves more as a marketing tool and less as a means of identifying a product’s source or sponsorship. This change in the function of trademarks has been described as a transformation from “signals” to “symbols”.⁹

In so doing “the mark become a symbol, a poetic device, a name designed to conjure up product attributes whether real or imagined.”¹⁰ When the consumer purchases a product bearing a mark they purchase an “experience envelope” which helps to construct their identity. While the definition of brands vary in both marketing and legal analysis, it normally extends beyond a word or device mark to encompass the personality, style or aura associated with a particular product.¹¹

As modern capitalism has grown, the drive to sell products and services by means of some mark, brand or name has invaded more and more fields. Some

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⁹ Bently and Sherman, Supra note 7.
¹⁰ Id. at 656-57.
¹¹ Ibid.
foods and a few other staples are still frequently sold to the consumers without branding but the tendency is consistently towards labeling to indicate source.\textsuperscript{12} Before industrialisation, there were, of course instances of traders or trade groups who deployed marks of various kinds to distinguish their products. The hallmarks of goldsmiths and silversmiths and the marks of Sheffield Cutlers are English examples which have survived as distinct systems.\textsuperscript{13} But the demand for general legal protection against unfair imitation of marks and names is a product of the Commercial Revolution that followed upon factory production and the growth of Canals and Railways. That demand has swelled immensely with the development of modern advertising and large-scale retailing. Most advertising teaches the consumer to buy a product mark or house name and it keeps reiterating its message in the hope of stopping buyers from defecting to rivals. Trademarks and names have become nothing more or less than the fundamental of most market place competition.

\textbf{2.3. History of Geographical Indications}

From the earliest trade between different societies, certain goods have been linked to specific regions or localities. This is often due to conditions like climate, soil or other conditions that contribute to the quality, characteristics or reputation of the goods. It may also be the skills of the local farmers or craftsmen that are essential to the reputation of the goods. It may even be that there are long traditions of producing specific products even though none of the prerequisites mentioned above are fulfilled.

The issue of Geographical Indications (GIs) is an issue of growing significance in commercial policy. Higher standards and demands for quality among consumers leads to an increasing demand for products of a certain geographic

\textsuperscript{12} W.R. Cornish, Intellectual Property: Patents, Copyrights, Trade Marks and Allied Rights 392 (5th Indian Reprint, 1999).

\textsuperscript{13} British hallmarks are regulated by the Hallmarking Act, 1973. Cutler’s Mark was dealt in Trade Marks Act, 1938(now Trade Marks Act, 1994). See, e.g., James J. Holloway, The Protection of Trade Mark Goodwill Canada: Where we were, Where we are and where we Should Be Going, 17 I.P.J. 1, 40 (2003).
origin and quality, which eventually leads to an increasing interest in protection in the countries of origin. Many governments across the globe are also realising that the economic potential of Geographical Indications (GIs) is far from being fully exploited, and various means are used to stimulate trade and industry to a more intensive exploitation of these values.

The commercial value of Geographical Indications (GIs) is closely related to their function as individualising symbols of a specific geographical origin, and their value in marketing. The traditional function of Geographical Indications is principally to serve as a designation of origin. The Geographical Indication (GI) immediately involves association with the geographical origin of the product. It is the association to the place of origin that individualises the product. The consumers are able to distinguish a product from similar products of another origin through the Geographical Origin.\(^\text{14}\)

A consequence of the use of Geographical Indications as individualising designations is that they are recognisable among consumers. This effect may, if the product has a reputation for a certain quality or otherwise satisfies the customers, lead to repeat purchases. The product and the Geographical Indication will develop good will. Through this process, the Geographical Indication develops into a designation of quality which may be decisive in a purchase situation, and thus becomes an advertising asset. However, there is seldom an objectively measurable connection between the quality of the product and its origin. It is often a matter of opinion, coloured by consumer’s conscious or subconscious notions. The manufacturers are aware of this commercial potential. Large amounts of money are spent on promoting the highest possible degree of recognition.\(^\text{15}\)

Abuse of Geographical Indications is a recurring problem. Manufacturers from other places than the place of origin take advantage of the commercial value of


\(^{15}\) Ibid.
the designations. They may not only be simple forms of abuse, such as plain usage of the designation on products without the geographical connection, but also more sophisticated forms of abuse of the commercial value and goodwill connected to the Geographical Indications. The abuse may occur through free riding on the reputation or diluting the designations through the use of delocalising or correcting additions, or through use of the Geographical Indication on goods from the right area but with a lower quality.

In addition to the problem of the misuse of Geographical Indications by other manufacturers, there is a problem that Geographical Indications may degenerate into generic designations. Degeneration means that a Geographical Indication no longer is recognised as a Geographical Indication, but merely as a description of specific kinds of goods (a common noun). This is a major problem for famous Geographical Indications such as Champagne or Cognac.

The protection of GIs is not only about the protection of names, it is about the protection of a certain quality and reputation that is attributable to a product which is made in a defined place. A mere name does not necessarily capture that concept of quality. And, further, the GI may involve more than a taste or a consistency or a smell. It might include the look, the presentation or the shape of the product as well; even as the means of selling.

Laws protecting GIs have existed for hundreds of years in Europe. In the past, these rules were largely issued by local regional authorities. In Yugoslavia, for example, a Charter of Steven I governed the sale of wine as early as 1222 A.D. In the middle ages, so-called “guild marks” were a common means to indicate the geographical origin of products. Many of these remain common today; for example, Murano glass from the island of Murano near Venice, Italy.

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16 Ibid.  
19 MOLLERUP, MARKS OF EXCELLENCE, supra note 6, at 27.
Marks indicating the geographical origin of the goods were the earliest type of trademark. Historically, the products of particular regions were more saleable than comparable products from other regions because of a particular quality trait.\textsuperscript{20} The quality resulted either from natural geographical advantages, such as climate and geology, indigenous raw materials or manufacturing skills or food processing techniques local to a region.\textsuperscript{21}

The manner in which the protection of Indications of Geographical Origin (IGOs) has evolved in different national and international laws has varied considerably. As a result, there is still no generally agreed terminology in the field. The English terms “Indication of Source” (IOS), “Appellation of Origin” (AO) and “Geographical Indications (GIs)” come from different international legal instruments. Rights and obligations created by these International Agreements exist only in relation to the specific term to which the Agreement in question refers.

Geographical names are normally protected in accordance with national laws in the context of a wide range of legal disciplines, such as:

- Laws against Unfair Competition;
- Consumer Protection Laws;
- Laws for the Protection of Certification Marks; or
- Special Laws for the Protection of Geographical Indications (GIs) or Appellations of origin (AO).

The term “Geographical Indication” has been chosen by World Intellectual Property Rights Organisation (WIPO) to describe the subject-matter of a new treaty for the international protection of names and symbols which indicate a certain geographical origin of a given product. In this connection the term is intended to be used in its widest possible meaning. It embraces all existing

\textsuperscript{20} Holloway, \textit{The Protection of Trade Mark Goodwill in Canada, Supra} note 13, at 22.
\textsuperscript{21} \textit{Ibid.}
means of protection of such names and symbols, regardless whether they indicate that the qualities of a given product are due to its geographical origin (such as Appellations of Origin), or they merely indicate the place of origin of a product (such as Indications of Source). This definition also covers symbols, because Geographical Indications are not only constituted by names, such as the name of a town, a region or a country (direct Geographical Indications), but may also consist of symbols. Such symbols may be capable of indicating the origin of goods without literally naming its place of origin. Examples of such indirect Geographical Indications are the Eiffel Tower for Paris, the Matterhorn for Switzerland, Tower Bridge for London and Taj Mahal, Peacock or Bengal Tiger for India so on and so forth.  

“Champagne”, “Cognac”, “Roquefort”, “Chianti”, “Pilsen”, “Porto”, “Sheffield”, “Havana”, “Tequilla”, “Darjeeling”, “Carpets”, “Shawls”… are some well-known examples for names which are associated throughout the world with products of a certain nature and quality. One common feature of all those names is their geographical connotation, that is to say, their function of designating existing places, towns, regions or countries. However, when we hear “Champagne” today, we rather think of sparkling wine than of a French region, “Cognac” we associate with eau de vie aged in oak barrels rather than with a small French town, “Chianti” makes us think of a red Italian wine rather than of a region in the South of Florence, “Pilsen” reminds us of beer but not of a town in the Czech Republic and “Tequila” of a liquor distilled from a Cactus rather than of a town in Jalisco State, Mexico, Shawls remind us of Kani or loom shawls, Amli Shawls, Jamawar and the Ring Shawls (Pashmina), Shahtoos with traditional motifs of Jammu & Kashmir in India and Carpets remind us of beautiful carpets from Jammu & Kashmir, Oman and Shiraz.

2.4. Geographical Indications and Developing Countries

The importance of Geographical Indications (GIs) has increasingly grown over the past decades. Geographical Indications (GIs) represent collective goodwill of a geographical region, which has built up painstakingly over centuries. However, uneven level of protection under the divergent legal systems of various countries and double standard protection adopted by Trade Related Intellectual Property Rights (TRIPs) are posing uncertainties in the international legal regime for the protection of Geographical Indications (GIs). The past decade has witnessed emergence of Geographical Indications (GIs) as one of the most important instruments to protect quality, reputation or other characteristics of goods essentially attributable to their geographical origin. Geographical Indications (GIs) are being recognised as the most effective Intellectual Property Right (IPR) for developing countries because of its potential to localise economic control, reward holders of traditional knowledge and encourage indigenous social development.23

GIs serve as a marketing tool that can add economic value to agricultural products and handicrafts by conveying a cultural identity using the region of origin, acknowledging the value of specific human skills and natural resources in the production process and creating a unique identity for the products. The main advantage of GIs as a means of protection for informal innovation is the “relative impersonality” of the – right – it is not dependent on a specific right holder”. Producers and processors as a group hold exclusive right, which means they also receive any additional economic value that results from their investment in the quality, authenticity, reputation, and goodwill associated with their Geographical Indication (GI) product. GIs reward the collective traditions and collective decisions while allowing for continued product evolution. GIs

also allow producers to pool resources to target consumers willing to pay for attributes not found in generic commodity products.24

Developing countries’ u-turn from the earlier philosophy of bringing about peaceful social and economic revolution is now tormented by the changing global scenario which projects an attitude of laissez faire but does not minimise the importance of protecting intellectual property of individual creators. Developing countries are amidst very remarkable movements in history when many dramatic developments have taken place in the last few generations, to introduce tectonic shifts in the industrial scene and the nature of commercial activities. Though geography is of some significance, thanks to the communications revolution; it has retained its indication to remain in place by exporting product of earth washed away by the natural rivers and climatic conditions that are unique to their location. Thus, there is an admixture of God-made and man-made creativity giving a touch to the product that confers a speciality, quality and purity, which a discerning consumer will cherish.25

The GIs has emerged as one of the contentious issue at World Trade Organisation (WTO). The European Union (EU), Switzerland and India, among many others, regard the extension of strong protection to other products such as agricultural products, handicrafts and products involving traditional knowledge than wines and spirits as an “outstanding implementation issue” subject to the “single undertaking” negotiations. This view is not shared by countries such as Argentina, Australia, Chile and the United States among

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others, which fiercely oppose GIs extension. The informal consultations led by Director General, WTO have not yielded significant results so far.\textsuperscript{26}

We live in an era where national markets are increasingly beginning to acquire an international semblance with products from every nook and corner of the world occupying our supermarket shelves; a phenomenon caused by rapidly shrinking international trade barriers, thanks to the World Trade Organisation (WTO). For consumers, while there is a wide choice and variety, there is also a great risk of deception as to quality and other characteristics professed by the brand under which a product is sold. It is not unusual that consumers often miss or skip the fine print that attempts to project the truth about the product, albeit in a diminutive manner. Part of the job of a trade mark lawyer lies in this minefield of consumer innocence, because one of the basic premises upon which brand or trade mark protection is based is that the consumer has a right not to be deceived as to origin, source or quality of the product purchased.\textsuperscript{27}

\textbf{2.5. Doha Agenda}

Various provisions of TRIPs Agreement covering GIs have attracted a considerable debate in the TRIPs Council.\textsuperscript{28} The additional product coverage has remained confined to wines and spirits. Several developing countries including India have been highly critical of this approach because of its adverse trade implications. The issue was raised at the Doha Ministerial Conference. The Conference took note of these concerns. Accordingly, the Doha Ministerial Declaration refers to the issues related to the extension of protection of Geographical Indications (GIs) provided for in Article 23 (Paragraph 18) of the TRIPs Agreement, to products other than wines and spirits. This is now being addressed in the Council for TRIPs.


\textsuperscript{27} Latha R. Nair, \textit{Fitting a Square Peg in a Round Hole: Can Trade Marks Protect Geographical Indications?} IGNLU L. Rev. 21, 22-41(2008).

\textsuperscript{28} See, e.g., Daniel Gervais, \textit{The TRIPs Agreement: Drafting History and Analysis} 290-319 (3d ed.1998).
Apart from this, the Doha Declaration also called for establishment of a multilateral system of notification and registration of GIs for wines and spirits by the fifth Ministerial Conference, held in September 2003 at Cancun. However, there is some confusion about the interpretation of the Doha Declaration. While some countries including Bulgaria, the European Union and India among others, insist that the Doha Declaration contains a clear mandate for negotiations, others such as Argentina, dispute it.29

The developed countries contend that GIs registration should not act as a trade barrier. They are aware of the fact that developing countries are the hub of such products which deserve being registered as GIs. This will give a new boost to the economies of such countries. They oppose registration of the GIs and pick up technical issues relating to the registration with an object to force intellectual recession in developing countries. They give prime importance to their value-added products and ignore the human skill which is involved in the manufacture, production and processing of products of developing countries which have demand in the international market. Though they give thrust on quality and competitiveness by utilising resources of developing countries as raw materials for their products yet they are not ready to share the benefits with the developing world. The developing countries have special skill, labour and creative intellect which appeals to aesthetic sense of the consumer that cannot be overlooked.

2.6. Need for Protection

The rationale behind protection of GI is two-fold:

2.6.1. The protection of consumer’s interests

A reputed brand reduces consumer’s search cost. The protection of GI protects consumers from deception and prevents counterfeiting and imitation. A survey conducted among European Union consumers reveal that they highly

29 Nair, Supra note 27, at 25.
appreciate GIs and generally 40% of consumers are ready to pay a 10% premium price for origin-guaranteed products.\textsuperscript{30}

“European” perceptions of high quality, added value, authenticity, and social responsibility have created small niche markets on the U.S. East and West Coasts. The European Union expanded in 2004 (and beyond), and several non-members of E.U. are adopting E.U. food policy. As a result, niche markets based on European perceptions are likely to expand.\textsuperscript{31}

Because both producers and processors belong to the organisations that control and promote GI products, price premiums generally benefit both groups, giving GIs the potential to revitalise rural areas by improving returns to small and medium-sized enterprises.\textsuperscript{32}

2.6.2. Secondly, protection of GIs also protect producer’s interests

GIs provide added-value to the producers. For example, most of the benefits of increased protection for GIs are expected to flow primarily to European producers. After all, the vintners, cheese makers, and sausage makers who immigrated to the New World brought the foods and food-processing techniques from their native cultures, often adapting them to the ingredients and conditions available in the North and South America.

In India registered proprietor and authorised user have right to deal with the products which bear Geographical Indication logos. Such products include goods which are agricultural goods, natural goods or handicrafts or industrial goods. The registered proprietors and authorised users can initiate infringement actions. The authorised user can exercise the exclusive right subject to any condition and limitation of the registration to use the GI.

\textsuperscript{30} Frank Fay, EU System for Geographical Indications for Agricultural Products and Foodstuffs, WORLDWIDE SYMPOSIUM ON GEOGRAPHICAL INDICATIONS, WIPO/GEO/SOF/09/4 (E), 1, 7-9 (June 11, 2009).

\textsuperscript{31} Sanders, Supra note 14.

\textsuperscript{32} Ibid.
Much like trademarks, GIs act as a signaling device that helps producers differentiate their products from competing products in the market, and enables them to build a reputation and goodwill around their products, which often fetch a premium price. Given its commercial potential, legal protection of Geographical Indication assumes enormous significance. Without such protection, competitors not having legitimate right on a GI might ride free on its reputation. Such unfair business practices result in loss of revenue for the genuine right-holder of the GI and also misleads consumers. Moreover, such practices may eventually hamper the goodwill and reputation associated with the GI.  

2.7. The Philosophy of Protection of Geographical Indications

There are many arguments supporting the Protection of GIs.

2.7.1. Moral Argument

The Holy Bible says, “Thou shall not steal”. Taking something that belongs to someone else was considered as a wrong from the primitive days. GIs are intangible properties built up, preserved and protected over centuries by the concerned communities or countries. Goodwill of their business or the earned reputation of a product is their incorporeal asset built up painstakingly over the years. Others should not misappropriate it. Misappropriation of a GI leads not only to consumer deception but also to passing off.

World is constantly changing. Apart from the physical phenomenon, this change is attributed to various inventions, advertising materials, books, etc. which are the products of human mind backed by intellectual labour. The fruits of hard sustained intellectual labour of the inventors, authors and first adapters do create wealth directly or indirectly among nations and are thus termed as “a scarce factor of production” for the purpose of creating further wealth; this has

33 Biswajit Dhar & Kasturi Das, Operationalisation of GI Protection in India: A Preliminary Exploration, CENTAD WORKING PAPER ON PROTECTION OF GEOGRAPHICAL INDICATIONS, 1(March 15, 2015), http://www2.warwick.ac.uk/...das.pdf
34 See Supra note 22, at 213.
been the philosophy for the protection of the fruits of intellectual labour or property.\textsuperscript{35}

\subsection*{2.7.2. Cultural Arguments}

Intellectual Property is not some alchemist’s magic stone which will automatically turn a leaden, losing business into a golden success. Like any other business property, it must be used properly in order to help the proper use which depends on many factors such as the type of business, its size, and current income, access to capital, business strategy and long-term plans.\textsuperscript{36}

GIs are a matter of national pride and cultural patrimony. It is part and parcel of the unique cultures and age-old traditions of the countries. Each reputation was carefully built up and painstakingly maintained by the masters of that region, combining best of Nature and Man, traditionally handed over from one generation to another for centuries.\textsuperscript{37} Since they contribute to the reputation of products and create goodwill amongst the consumers, they are of considerable importance for countries. Adequate protection is inevitable to safeguard the reputation, goodwill, quality and originality of the products.\textsuperscript{38}

India has a diversity of cultures and there is a blend of various cultures in the production of goods which is depicted in their form. This cultural diversification is depicted in traditional crafts, architecture and other industrial products. Buddhist, Hindu and Muslim culture had tremendous effect on the lives of every cultural group. Therefore, to protect their identity and the labour which they employ in the creation of objects or products of industrial application, the intellectual property should undoubtedly play a substantial role. For this GI will serve an important purpose and play a profound role.

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\textsuperscript{35} J.S. SARKAR, TRADE MARKS: LAW AND PRACTICE 545(5th ed.2008).
\textsuperscript{36} HILLARY E. PEARSON AND CLIFFORD G. MILLER, COMMERCIAL EXPLOITATION OF INTELLECTUAL PROPERTY ix–4 (Indian Reprint, 1997).
\textsuperscript{37} Holloway, supra note 13, at 1–4.
\textsuperscript{38} Ibid.
2.7.3. Social Arguments

When all the other forms of Intellectual Property are labelled as property of the rich, GI is considered as the property of the poor. While lion’s share of granted Patents and Trade Marks are held by big companies, most of the GIs are held by small scale producers from villages. For example, the GI Pochampally is registered to protect the handloom cluster of Pochampally, a small town in Nalgonda district of Andhra Pradesh. It has about 5,000 weavers who weave the handloom with traditional, unique and famous design called Ikat Pochampally ikat tie-and-dye sari. This is evident from the fact that 97% of the granted patents belong to the developed countries and 80% of patents granted in developing countries also belong to the former. But, GI is regarded as community property i.e., the product of community bond and collaboration. The protection of GI can play a very important role in the rural development and can foster rural employment generation.39

The greatest challenge before developing countries is to provide employment to their population and feed them. There is no question of adding value to the food products and exporting them to other countries which include both developing and the developed world. Rather their emphasis is to provide vocational training to that chunk of population who are unable to afford sending their children to schools due to poverty. This will act as a means of passing traditional traits through generation after generation. This will result in the production of goods with indigenous, traditional and cultural tinge. However, there should be no compromise on quality. Prescribing of minimum quality standards will result in the increase of their market value. GI will act as the best means to ride free on their reputation.

39 See Supra note 33.
2.8. Characteristic Features of GIs

Geographical Indications (GIs) have been used in International Trade to convey a certain quality or reputation based on the geographical origin of the product. Contemporary evidence of protected GIs either under the Lisbon Agreement\(^\text{40}\) or under EEC Regulation 2081/92\(^\text{41}\) is testimony to a geographical specialisation across product categories. The later in its second recital made express mention of the Common Agricultural Policy (CAP), in fulfilling its objective of contributing to “the diversification of agricultural production… so as to achieve a better balance between supply and demand on the markets;…[and benefitting]the rural economy, in particular… less-favoured or remote areas, by improving the incomes of farmers.”\(^\text{42}\)

Indications of Geographical Origin (IGOs) or in other words GIs, one of the earliest types of trademarks, were used by traders to exploit local reputation through the use of distinctive signs evoking a particular geographical origin.

“Geography is at the heart” of GIs which is a distinctive sign identifying goods with a particular quality as originating from a specific geographical area. Clearly, GIs are not limited to any particular enterprise and thus enjoyed by all

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\(^\text{40}\) Lisbon Agreement for the Protection of Industrial Property- Appellations of Origin and their International Registration, October 31, 1958.

\(^\text{41}\) In view of the strength of the GIs’ relationship with the land, the European Commission in 1992 took the decision to protect the high-quality agricultural products based on geographical origin using designations of GIs which resulted into the EEC Regulation 2081/92.

\(^\text{42}\) The Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, EEC Regulation No. 510/2006, 182(L.N.2004). The Regulations 2081/92 and 510/2006 provided protected background for Geographical Indications and Designations of Origin. Further, in exercise of the powers conferred by article 38 of the Product Safety Act, the Minister of Finance, the Economy and Investment has, on the advice of the Malta Standards Authority made the Geographical Indications and Designations (Amendment) Regulations, 2008 and they shall be read and construed as one with the Geographical Indications and Designations Regulations 2004 hereinafter referred to as the “principal regulations.” These regulations implement the provisions of Council Regulation (EC) No.510/2006 and any reference to Regulation (EEC) No.2081/92 shall be construed as a reference to Council Regulation (EEC) No. 510/2006. This is clearly laid down in Recital 2(2) of the Amendment 2008. The initiative progressed further under the Regulation No.1151/2012 which is known as “Quality Package”. Under this Regulation the European Union strengthens the new role of the protection consortiums, which acquire a more strategic function. See e.g., infra note 46.
enterprises within the demarcated geographical area that qualify for use of the indication.\textsuperscript{43}

The issue of Geographical Indications (GIs) has been around for many years and has long been the subject of heated debate in a number of international fora. GI is a name or sign used on goods that have a specific geographical origin and possess qualities or a reputation that are due to that place of origin. Hence, all GIs correspond to some specific geographical location. It acts as a certification that the product possesses certain qualities and carries certain reputation exclusively owing to its place of origin. It conveys an assurance of quality and distinctiveness, which is essentially and exclusively attributable to the fact of its origin in that peculiar geographical locality, region or country. Court of Appeal in \textit{Re Usines Chimiques Application},\textsuperscript{44} through Sir W. Greene, M.R., held that “distinctive” is defined as meaning:

\begin{quote}
“\textit{adapted to distinguish the goods of the proprietor from those of other persons}.”
\end{quote}

Normally, a Geographical Indication consists of the name of the place of origin of the goods, e.g., \textit{Darjeeling tea}, \textit{Kancheepuram sarees}, \textit{Agra petha}, \textit{Mysore silk}, etc. However, it need not necessarily be a geographical name, e.g., \textit{Alphonso mangoes} from Ratangiri District of Maharashtra, India. It can also be any noun or adjective that indicates geographical location and would tend to be regarded by buyers as descriptive of the geographical location of origin of goods.\textsuperscript{45} Because a GI is not owned by an individual or single company, a consortium or similar type of organisation comprised of producers and processors normally sets standards to control product quality and integrity, ensure appropriate use of GI identifiers and sub-brands and promote the GI

\textsuperscript{43} See \textit{Supra} note 24.
\textsuperscript{44} [1937] 4 Eng. Rep. 28 (C.A.)
product. An example of such an organisation is the Consorzio Tutela Formaggio Asiago in Italy.\footnote{Consorzio Tutela Formaggio Asiago is the consortium for the protection of Asiago Cheese. This is an association composed of dairy producers, cheese makers and seasoners. It is tasked with protection, promotion, and development and consumer information with regard to Asiago DOP Cheese. Specifically, the consortium monitors the produce, from the incoming raw material through production in dairies to packaging, labeling and sale, verifying compliance with the rules of production. This consortium also promotes the brand, denomination and product of Asiago Cheese in Italy and abroad. Further, it spreads knowledge and accurate information about the specific nature of this great DPO production, an important heritage for Italy’s agricultural and food industry. The consortium has also the task of safeguarding the denomination from improper or illegal use, in Italy and abroad. Every wheel of Asiago DOP Cheese is therefore, guaranteed by the consortium itself.}

Many of the GIs have acquired valuable reputation over centuries, which if not adequately protected, may be misrepresented by dishonest commercial operators. False use of GIs by unauthorised parties is detrimental to consumers and legitimate producers. If there is no protection, then anybody can market a product as if it originates from a particular territory when it is actually not. The consumer will be deceived and led into believing to buy a genuine product with specific qualities and characteristics, while they in fact get a worthless imitation. The legitimate producers will suffer damage because valuable business is taken away from them and the established reputation for their products and goodwill of their business will be in danger. Lack of protection will dissolve a GI into generic good. A GI becomes generic when it is identified with the entire type of goods or has become the “colloquial description” for a particular class of goods. By the common widespread use in the market place the GI rights are diminished or lost. A generic/common use of a GI presents an inherent risk to the effective protection and enforcement of GI.\footnote{Somewhat paradoxically the PGS framework can be posited as both a protectionist move against global agro-economic policy, and a market-based neo-liberal tool of agricultural governance. This makes it an equally important battle-ground for both the anti-globalisation movement, and the free-trade proponents. A number of criticisms have been put forward in relation to either.}

### 2.9. Method of Protection of GIs

Although there was no legal recognition, GIs had earned global recognition even from the medieval and colonial period. There are many examples to
illustrate this. Indian spices impelled Christopher Columbus to sail all the way from Europe to India. Scotch Whisky, Arabian Horses, Dhaka Muslin, Kashmiri Carpets, Kashmiri Shawls and Papier Machie products, Chinese Clay Pots, Indian Rubber, Damsk tablecloth, etc. are a few to name the age-old examples of globally renowned products representing the fame of certain regions. In past centuries, countries have been protecting trademarks used in relation to food products and other goods identified with a particular region using laws against false trade descriptions, unfair competition or passing off which generally protect against indications/suggestions that a product is from a certain region or has a quality or association when it does not have. Since times immemorial people have been using the term GI with reference to goods but the term as such was not coined to establish an association between a determinate place and a certain good. It signified that a product originating from a particular region had certain qualities peculiar to that region. The term echoed the geographical origin of a given product as in case of Basmati for certain aromatic rice from India and Pakistan, Champagne for sparkling wine from the Champagne district of France and Habana for Tobaccos from Havana, Cuba.

Before looking at the various forms of protection of GIs, it seems to be useful to briefly explain what is meant by “Protection” of GIs. First of all, protection means the right to prevent unauthorised persons from using GIs, either for products which do not originate from the geographical place indicated, or not complying with the prescribed quality standards. Furthermore, there is a second aspect related to the issue of protection, namely the question of protecting Geographical Indications against becoming generic expressions. Once a Geographical Indication has turned into a generic expression, it has lost all its distinctiveness and, consequently, will lose its protection. The question whether a GI is a generic term and devoid of any protection is, in the absence of an international agreement, to be determined by national law. It might well be that
a geographical name is regarded in one country as a GI and is protected accordingly, whereas it is considered to be a generic or semi-generic term in another country. Notorious examples for such diverging treatment of geographical names are the French names “Champagne” and “Chablis” which, in France, are only allowed to be used for products originating from a certain geographical area and produced according to certain quality standards, whereas, in the United States of America for example, they are being regarded as semi-generic names, and therefore, may be also used for wines not originating from the French area of production. This aspect of protection is especially important in the context of international protection of GIs.\footnote{See Supra note 24.}

2.9.1. The International Protection of GIs

Originally, GIs were protected in accordance with national or local laws with limited geographical scope. The most comprehensive system for the protection of GIs was developed in France. However, like all intellectual property protection, national protection had weaknesses as products were often imitated outside the Country of Origin. It soon became obvious that international cooperation was required to ensure that these GIs were protected internationally and that there was reciprocity in the level of protection between States.

2.9.1.1. The Paris Convention

The very legal concept of GIs as a form of intellectual property can be traced from the Paris Convention for the Protection of Industrial Property, 1883.\footnote{This is the year that Johannes Brahms composed his third symphony, Robert Louis Stevenson wrote Treasure Island and John and Emily were completing construction of New York’s Brooklyn Bridge, in BERNARD O’ CONNOR, THE LAW OF GEOGRAPHICAL INDICATIONS 27(2004). See infra note 97.} Several Provisions of the Paris Convention deal specifically with “Appellations of Origin”: 

\footnote{See Supra note 24.}

\footnote{This is the year that Johannes Brahms composed his third symphony, Robert Louis Stevenson wrote Treasure Island and John and Emily were completing construction of New York’s Brooklyn Bridge, in BERNARD O’ CONNOR, THE LAW OF GEOGRAPHICAL INDICATIONS 27(2004). See infra note 97.}
Article 1 (2) of the Paris Convention uses the expression “Indications of Source” (IOS) and “Appellations of Origin” (AO) in a referential manner in the list of objects of Industrial Property. Article 10 deals with the protection of “Indications of Source” (IOS) but it does not refer to “Appellations of Origin” (AO) explicitly, however, it should be understood that they are covered by the expression “Indication of Source”, because:

i. the Convention originally treats both expressions as synonymous; and

ii. Conceptually speaking all Appellations of Origin (AO) constitute an Indication of Source.

Article 10 of the Paris Convention also prevents false indication of the source of goods, but it does not define the term. Article 10 (1) is the basic provision of the Paris Convention on Indications of Source. It provides that the sanctions prescribed by Article 9 in respect of goods unlawfully bearing a trademark or trade name apply to any use of a “false Indication of the Source” of a product. This means that no Indications of Source may be used that refers to a geographical area from which the products in question do not originate. For the provision to be applicable there is no need for the false indication to appear on the product, since any direct or indirect use, for example in advertising, is sanctionable. However, Article 10 (1) does not apply to indications which, without being false, may mislead the public, 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 products, the use of that name in connection with products originating from another area may be misleading).

As regards the sanctions in the case of the use of a false Indication of Source there is seizure upon importation, or at least prohibition of importation or
seizure inside the country but, if those sanctions do not exist in a particular country, the actions and remedies available in such cases are to be applied.\textsuperscript{50}

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 may make such request.

Article 10 (2) defines what is meant by “interested party”, stipulating that “any producer, manufacturer, or merchant, whether a natural person or a 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.”\textsuperscript{51}

Article 10 \textit{bis} concerns the protection against unfair competition and as such provides a basis for protection against the use of confusing, false or misleading GIs. Article 10 \textit{bis} obliges countries, of the Paris Union to assure effective protection against unfair competition, sets a general definition of what constitutes an act of unfair competition and contains a non-exhaustive list of three types of acts which, in particular, must be prohibited.

Article 10 \textit{bis} provides the base for the protection against misleading Indications of Source, though it does not provide any remedies in case of its violation.\textsuperscript{52}

The Paris Convention makes a distinction between GIs and trademarks but does not define either concept. A clear distinction between the two is apparent

\textsuperscript{50} The Paris Convention for the Protection of Industrial Property, Art.9, March 20, 1883.

\textsuperscript{51} Id. Article 10 ter is also relevant in as much as it obliges countries of the Union to provide, on the one hand, appropriate legal remedies and to permit, on the other, federations and associations representing interested industrialists, producers or traders to take action, under certain conditions, with a view to the repression of false Indications of Source.

\textsuperscript{52} WIPO Background Reading Material on Intellectual Property, \textit{Supra} note 22, at 215.
in the treatment given to trademarks; first, in relation to the protection given under Article 1(2), and second, from the prohibition on the registration of trade marks, or possibility to invalidate trademarks, when they are:

i. devoid of any distinctive character; or

ii. consists exclusively of signs or indications which may serve, in trade to designate the kind, quality, quantity, intended purpose, value, place of origin of the goods, or the time of production; or

iii. have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed.53

A trademark aims at identifying the manufacturer, not the geographical source of the goods. GIs, on the other hand, are not limited to a single producer but to any number of producers coming within the qualifying specifications.

Thus, the emphasis is on geographical origin, as opposed to the commercial origin or trade source of the product, traditionally considered to be the communicative domain of a trademark. Examples include the name of a place on a product, or expressions such as “product of Papua New Guinea” or “Made in Macedonia”. An “indication” is a fairly broad signifier, covering place names such as “Darjeeling” associated with a tea-growing region in Eastern India, iconic images such as the Bird’s Nest Stadium, Sphinx or Shamrock, or it may even be a distinctive barrel or bottle shape. In principle, any symbol used on materials associated with the sale of a product and which communicates a specific geographical origin for that product should qualify to be a GI. Regarding the area indicated, this could be a country, region, city or town or even smaller unit. Thus, the ontological question of identifying which

53 The Paris Convention, Supra note 50, Art. 6 quinquies (B) (2).
signs are Indications of Source is answered by drawing on principles first developed in the context of trademark law.\textsuperscript{54}

While the argument that the Indications of Source (IOS) was more relevant for consumer protection did occasionally resurface at subsequent revision conferences, this exchange emphasises the intertwined reasoning of protecting the intangible value associated with a reputation by preventing fraud and finds resonances within the evolution of trademark law. Taking the British experience as a comparison, it has been pointed out that the principal objections to trademarks being included within the intellectual property canon were that while the law of patents or copyright was concerned with the creation and protection of intangible artefacts, trademarks merely sought to prevent falsehoods and were more akin to the criminal law prevention of forgery or fraud.\textsuperscript{55} The underlying goodwill that trademarks symbolised gradually came to be seen as the object of intangible property and, in the British case, the impetus to label this as property arose from the need to attain injunctive relief.\textsuperscript{56}

The result was that the IOS and trademark were perceived to share similar justifications for protection. The very first volume of the International Association for the Protection of Industrial Property (AIPPI) Year Book (1897) includes a comparative survey of IOS legislation. The objectives identified were the protection of domestic consumers against deception concerning the nature and quality of the goods, the protection of all producers belonging to the region reputed for the product as well as the protection of both domestic industry and honest foreign producers against foreign fraudsters.

Having considered the evidence that the IOS was included within the Paris Convention on the basis of collective reputation protection, it is useful to consider why it was excluded from registered trademark protection of the time,

\textsuperscript{54}DEV GANGJEE, RELOCATING THE LAW OF GEOGRAPHICAL INDICATIONS 27-28 (2012).
\textsuperscript{56}GANGJEE, Supra note 54, at 38, 39.
despite apparent similarities in communication functions and the nature of the intangible interest. The IOS differs from a standard trademark in two significant respects:

- There is a collective interest in its availability as well as use by those from the designated place; and

- By definition, it involves the use of a geographical sign, considered prima facie descriptive and thus unsuitable subject matter under internationally accepted trademark registration rules. Each of these aspects made these signs effectively unregistrable as trademarks.

If exclusive use by a single trader was the pre-condition for a sign becoming distinctive and therefore, deemed worthy of registered protection, how would a shifting cloud of collective users be accommodated? Trademark doctrines such as acquired distinctiveness or secondary meaning, where the relevant public is taught that a descriptive term, has come to indicate a particular trade source for specific goods, would not be of any assistance, since there were multiple users to begin with. There was also a countervailing interest to keep geographical signs accessible to other legitimate producers in future. Could such phrases as “Pennsylvania wheat”, “Kentucky hemp”, “Virginia tobacco” or “Sea Island Cotton” be protected as trademarks; could anyone prevent all others from using them, or from selling articles produced in the districts they describe under those appellations, it would greatly embarrass trade, and secure exclusive rights to individuals in that which is common right of many. The name of the locality of origin of goods is not in most countries registrable as a trade mark under the law as being descriptive, as well as being a mark which might rightfully be used by others. This principle of exclusion would find a place in the Paris Convention as part of Article 6 quinquies (B), which states that trademarks may be denied registration or invalidated ‘when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin of
the goods’. Therefore, revisiting the history of the IOS proves instructive because it begins to account for the swarm of disparate institutional mechanisms claiming to regulate origin marking and reveals a collectively generated reputation to be the valuable intangible that is the object of the industrial property right while identifying the conceptual and pragmatic reasons for treating them as a distinct category from trademarks.57

The International Protection for Geographical Indications is primarily based on three International Agreements:

The Madrid Agreement for the Repression of False or Deceptive Indications of Source and the Lisbon Agreement for the Protection of Appellations of Origin both concluded as special agreements under the Paris Convention, and the TRIPs Agreement as a special agreement within the World Trade Organisation.

Each of these three International Systems proceed from a different term of Geographical Indication and has its own rules as to the requirements and content of protection. The protection under all the agreements is related to the term “indication”. The indication for a product is the subject matter of this protection not the product itself.

2.9.1.2. The Madrid Agreement for the Repression of False and Deceptive Indications of Source on Goods, 1891

By the end of the nineteenth century, the limitations of protection premised on the communicative content of a sign became acutely obvious to IOS proponents and these limitations persist to date. If the test for infringement turns on whether prospective purchasers are confused or misled, it cannot apply where the sign in question is considered generic for a category (as champagne is in the US), where the relevant public are unfamiliar with the original home country product (such as traditional Bangladeshi textiles replicated externally and sold on the Australian market) or where the use of the sign is qualified to

57 Ibid.
avoid falsely indicating origin (such as “Swiss champagne” or “Roquefort-style cheese”). The vector of the AOO and its undergirding terroir logic are subsequently mobilised in response to the limits of a truth-telling model. The term most related to Geographical Indications (GIs) is terroir. Terroir is a group of vineyards or even vines from the same region, belonging to a specific appellation, and sharing the same type of soil, weather conditions, grapes and wine-making savoir-faire, which contribute to give its specific personality to the wine. Terroir means soil in French and is used in the phrase “gout de terroir” or “taste of the soil” or “taste from the soil”. It is thus an essential link between the location in which a food or beverage is produced and its quality or other consumer attributes. Used in this sense the notion has an obvious geographical meaning. The Madrid Agreement represents the beginning of this transition.

The scope of protection

The Madrid Agreement for the Repression of False or Deceptive Indications of source on Goods, 1891 was established under Article 19 of the Paris Convention, which allows for special agreements within its membership. It was born out of dissatisfaction with the original Article 10 of the Paris convention. While the intention was to protect “celebrated goods” manufactured in a place well known for them, it has not quite proved the runaway success that was initially hoped for, with membership currently at thirty five contracting parties. Yet deliberations under its aegis reveal a fascinating series of epistemic shifts in the basis for GI protection. Based on this, a draft agreement was presented for discussion at the Madrid Conference of 1890. The aspiration was to reach beyond the “false and fraudulent requirement” and prevent false or distorting indications in any form. While this ambition met with limited success, it remains significant for introducing special provisions for wines, the arche-typal subject matter of sui generis GI protection. The notion was formally introduced that certain products possess a special and possibly even unique link to their
place of origin. This proved influential in not only shaping TRIPs standards but continues to buttress present day proposals favoring the extension of GI protection.\textsuperscript{58}

The Madrid Agreement improves upon the Paris convention in a number of ways. Compared to the restrictive original text of Article 10, the Madrid Agreement addresses a broad range of misleading conduct.\textsuperscript{59}

According to the Madrid Agreement, a Geographical Indication is any sign that indicates – directly or indirectly – a member state or a certain place therein as being the geographical origin of a product. Geographical Indications falling under this definition are protected in all member states against any false or misleading use for products having another origin. This protection does not depend on any formal requirements, such as registration or notification of the GIs.\textsuperscript{60}

In principle, the protection afforded by the Madrid Agreement covers all direct and indirect GIs, without requiring any link between the geographical region and the product for which the indication is used. Direct GIs are names of a specific place, region or country, for example, the indication “Omani Carpets” qualifies as a direct Geographical Indication for carpets knotted in Oman. Indirect Geographical Indications are non-geographical designations as well as emblems or symbols indicating a specific place, region or country. For example, “Mola” is a traditional appellation for a textile design produced by the native Kuna Communities in Panama. As this indication has no direct geographical meaning it could qualify as an indirect GI for products bearing this design and made in the Panamanian region.\textsuperscript{61}

\textsuperscript{58} Id. at 65, 66.

\textsuperscript{59} Madrid Agreement, Art. 1(1) provides: All goods bearing a false or deceptive indication by which one of the countries to which this agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said Countries.

\textsuperscript{60} SILKE VON LEWINSKI (ed.), INDIGENOUS HERITAGE AND INTELLECTUAL PROPERTY: GENETIC RESOURCES, TRADITIONAL KNOWLEDGE AND FOLKLORE 228 (2004).

\textsuperscript{61} Id. at 139.
In order to enjoy the protection afforded by the Madrid Agreement, the indication or sign must be geographical in terms of indicating the geographical origin of a certain product. It is not sufficient that an indication which originally had been the name for a product coming from a specific geographical area has later become the generally used name for such products even if they come from other regions. In this case the name is a generic term that cannot be protected as a GI. For example, the names of plants from certain regions, such as “Kava”\(^{62}\) as the term for a shrub originating in the Pacific region, with root stocks having reportedly relaxing and healing effects, or “Rooibus”\(^{63}\) for a shrub native to South Africa with leaves which are widely used for tea, are not GIs per se as they have no direct geographical meaning. If these plants are cultivated in other regions or if products made from these plants are produced in other geographical areas, their names become generic terms free for use and without any meaning as to the geographical origin of the products. Protection as a GI under the Madrid Agreement requires that the term in question has a geographical meaning with respect to the products for which it is used by indicating their origin or place of production.\(^{64}\)

The protection under the Madrid Agreement is based on the principle of the Country of Protection. In other words, the judicial or quasi-judicial authorities of each member state are entitled to decide on the basis of conditions in their states whether an indication is a GI for the products protected under the Madrid Agreement or whether it is precluded from protection as a generic term that can be used for products having another geographical origin.\(^{65}\) Only regional


\(^{63}\) Gangjee, *Supra* note 54, at 22.

\(^{64}\) Lewinski (ed.), *Supra* note 60, at 228-29.

\(^{65}\) The Madrid Agreement does not add much to the protection already given by the Paris Convention. Nevertheless, it extends protection to deceptive Indications of Source in addition to false Indications. The Madrid Agreement does not protect “generic appellations”. A specific provision gives competence to the appropriate courts of each signatory to determine which Indications of Source does not fall within the provisions of the agreement, because of their generic character.
appellations for products of wine are excluded from this country of protection rule. These regional appellations of wine must be protected in all member states of the Madrid Agreement according to the principles of the Agreement.\textsuperscript{66}

The protection under the Madrid Agreement is further limited by the fact that only a false or misleading use of a GI is prohibited. Whether the use of a GI is false or misleading is considered according to the circumstances in the country of protection, rather than in the Country of GI in question. A finding that a use is false or misleading and is, therefore, prohibited must be made with regard to the public understanding in the area where the indication is used. For example, the addition of delocalising terms may have the effect that the use of a GI is not considered as misleading.\textsuperscript{67}

For these reasons the protection of a GI under the Madrid Agreement may vary from country to country. There is no guarantee for harmonised protection within the member states of the Agreement.\textsuperscript{68}

\textbf{2.9.1.3. Madrid Protocol: The Protocol Relating to the Madrid Agreement concerning the International Registration of Marks}

The absence from the Madrid Agreement of some of the major countries in the trade mark field – including the United States of America, the United Kingdom and Japan was a long standing problem that WIPO had been trying to solve. Different attempts had been made to create a new system concerning the International Registration of Marks in the last decade. This was highly

\textsuperscript{66} LEWINSKI (ed.), \textit{Supra} note 60, at 229.
\textsuperscript{67} Ibid.
\textsuperscript{68} Article 1 of the Madrid Agreement protects Indications of Source against vague wording and references, which could be misleading. It provides that all goods bearing a false or deceptive indication by which one of the countries to which the Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or the place of origin shall be seized on importation into any of the said countries. It means that the protection covers indications, which directly or indirectly attribute the product of a signatory country to a location within that country. Seizure shall also be affected in the country where the false or deceptive indication has been applied or into which the goods bearing that false indication have been imported. Any State, which is a party to the Paris Convention for the Protection of Industrial Property, 1883 may become a party to the Madrid Agreement on condition that it undertakes to protect on its territory the Indications of Source on Goods recognised and protected as such, in the Country of Origin and registered by the International Bureau of WIPO.
demanding since United States and several other countries protect their Geographical Indications through trademark law. Finally, it was decided to try to amend the Madrid system to make it acceptable to more countries.

In June 1989, the Diplomatic Conference for the conclusion of a Protocol relating to the Madrid Agreement concerning the International Registration of Marks, convened and organised by WIPO, was held at Madrid. The Diplomatic Conference unanimously adopted on June 27, 1989, the “Protocol relating to the Madrid Agreement Concerning the International Registration of Marks.”

The main changes introduced by the protocol to the Madrid system are as follows:

- The Protocol allows that, at the option of the applicant, international registration be based on national application (and not only on national registrations);\(^69\)

- The Protocol allows, an option for the contracting parties, 18 months (instead of one year) for refusals and an even longer period in the case of oppositions;\(^70\)

- The protocol provides that the office of a designated Contracting party may, if it so desires, receive the amount of the fees that it charges for national (or regional) registration or renewal, the said amount being diminished by the savings resulting from the international procedure;\(^71\)

- The protocol allows the transformation of a failed international registration, for example, because of central attack into national (or regional) applications in each designated Contracting party, and such

\(^69\) The Madrid Agreement for the Repression of False and Deceptive Indications of Source on Goods, Art. 2(1) (a), April 14, 1891.

\(^70\) *Id.* Art. 5(2) (b) - (d).

\(^71\) *Id.* Art. 6 (7).
applications will have the filing date and, where applicable, the priority date of the international registration.\textsuperscript{72}

These changes are intended to remove certain impediments to a wider acceptance of the Madrid system. Another objective of the protocol is usually referred to as “the establishment of a link” between the Madrid System and the future regional trademark system of the European Communities. The Community Trade Mark will be a mark registered in the Community Trade Mark Office, and each registration in that office will have effect in all the member countries of the European Communities. The link would mean that a Madrid registration could be based on a Community application or registration and that the European Communities could be designated in a Madrid registration. This results from Article 2 of the Protocol. In order to make the participation of the European Communities in the Madrid system full and to put the Community Trade Mark Office in exactly the same position as the national offices of the member countries, the protocol provides that not only states but also certain intergovernmental organisations can become party to the protocol.\textsuperscript{73} The European Communities is such an organisation.

It has to be noted that the Protocol contains an Article entitled “Safeguard of the Madrid (Stockholm) Agreement.” The reason for the safeguard clause resides in the often repeated statements of the governments of present Member States of the Madrid Union, and the representatives of the Private associations using the present Madrid System, that the present system fully satisfies them as it is and that they wish that it continue, among them.

The safeguard clause provide that where the office of origin of an international application or registration is the office of a State that is party to both the Protocol and the Madrid Agreement, the provisions of the Protocol have no effect (i.e., the protocol is not applicable and, consequently, only the Madrid

\textsuperscript{72} \textit{Id.} Art. 9 quinquies.

\textsuperscript{73} WIPO Background Material on Intellectual Property- Part II, WIPO Pub. No. 476 (E), 430 (Oct. 11, 1995).
Agreement that represents the status quo, applies) as regards a State that is also party to both the protocol and the Madrid Agreement. In other words, territorial extensions with respect to such states are governed by the Agreement and not by the Protocol. It is to be noted that, naturally, the protocol does apply in the relations between a State that is party to both the Protocol and the Madrid Agreement and any State or organisation that is party to the Protocol but is not party to the Madrid Agreement (organisations cannot become a party to the Madrid Agreement). Among the consequences of such a maintaining of the status quo between parties to both the Madrid Agreement and the Protocol are the following:

- An international application cannot be based on a national application (but only on a national registration);\(^75\)
- The time limit of the refusal cannot be longer than one year;\(^76\)
- The designated office cannot receive an “individual fee” (but only a share in the revenue produced by supplementary and complementary fees);\(^77\) and
- One cannot “transform” an international registration into national applications.\(^78\)

It should finally be noted that the Assembly of the Madrid Union may, by a three-fourths majority, repeal the safeguard clause or restrict its scope, after the expiry of a period of ten years from the entry into force of the Protocol, but not before the expiry of a period of five years from the date on which the majority of the countries party to the Madrid Agreement have become party to this protocol.

\(^{74}\) Ibid.
\(^{75}\) The Madrid Protocol Concerning the International Registration of Marks, Art. 2 (1), June 27, 1989. The Protocol was amended on October 3, 2006 and on November 12, 2007.
\(^{76}\) Id. Art. 5(2) (6) (cc).
\(^{77}\) Id. Art. 8 (2).
\(^{78}\) Id. Art. 9 quinquies.
2.10. The International Wine Organisation

Before the end of the 19th century, most agricultural products bearing a GI were generally not distributed very far from their area of origin, mainly because existing technology did not allow for the lengthy transport of perishable goods. The exceptions were mainly wines and spirits, and some other products, such as, for example, tea or coffee. European wine and spirit producers did not compete with producers from outside of Europe, because wine production was only beginning in what are now known, in wine terms, as the New World. In any case, many producers considered that their appellations were sufficiently protected by the conditions of international trade themselves.79

Nevertheless, wine and spirit producers continued to seek the establishment of national and then international system of protection against misuse of their GIs. Some progress was made with the Madrid Agreement of 14 April, 1891 relating to Repression of False Indications of Source.80 Then in 1922, the French Society for encouraging agriculture proposed the establishment of the International Wine Organisation. International Conferences were held in Geneva (Italy) in 1923 and in Paris (France) in 1924 without result. Finally, on 29th November 1924, Spain, Tunisia, France, Portugal, Hungary, Luxembourg, Greece and Italy signed an agreement establishing the “International Office of Vine and Wine (IWO-OIV) in Paris.81 The OIV came into existence on 3rd December 1927 after ratification of the Agreement by five countries.82 The

79 Most archaeologists agree that grape wine has probably been made for the last 10,000 years and is thought to have originated in the Greek Islands around the 16th century BC. It is argued that some other wines, namely palm and date, which originated in the region of Mesopotamia, pre-dated Grape Wine. It is not known exactly when and where wine was first discovered. The origin of the word “wine” dates back to the Greeks, whose word “oinos” referred not only to fermented Grape Juice, but to the fermentation of any other fruit, as well. Oinos is a general term for wine in Greek.

80 GANGJEE, Supra note 54, at 24.

81 The Organisation is most often referred to by its French abbreviation “OIV” (Office International de la vigne et du Vin). It is an Intergovernmental Organisation made up of Member States. This was in 1874, after the Phylloxera disaster which almost completely destroyed European Viticulture, when the wine growers of France, Italy, Switzerland, Austria and Germany, held a Congress in Montpellier which lasted from 26 to 30 October 1874 to develop future plans to prevent attack by such type of insects on European Viticulture industry.

82 The five countries include France, Italy, Switzerland, Austria and Germany.
OIV deals, inter alia, with Appellation of Origin and Designation of Wine and Brandies. It has been drafting and issuing recommendations and resolutions on the definition of Appellation of Origin since 1924.\(^{83}\) The OIV defines a GI as:

“A geographical name used to designate a wine or wine-based spirit which possesses a quality and/or characteristic due to the geographical environment, including natural and human factor.”

The term “GI” is a separate category of intellectual property somewhere between the two terms “Indication of Source and “Appellation of Origin”. This distinction in no way reflects the level of protection. It is recommended by the Resolution 2/92 of ECO that recognised GIs should receive the same protection internationally as that recognised by recognised Appellation of Origin.\(^{84}\)

A geographical name applied to an OIV product can, therefore, mean three different things.

- An Indication of Source, with no special implication in terms of the product’s characteristics;
- An Appellation of Origin, which implies that the product possesses a quality and/or characteristic due to the geographical environment, including natural and human factors; and
- A Geographical Indication, which also implies that the product will have a quality, or characteristics attributable to its place of origin.

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\(^{83}\) Resolution OIV-ECO 492-2013(1).
\(^{84}\) Resolution ECO 3/99 replacing Resolution 2/92 called on Members “to take appropriate steps to ensure that their laws afforded equal protection to recognised appellations of origin, recognised GIs, recognised traditional names and trademarks. This Resolution further dealt with GIs and homonyms an issue that had already been addressed in the TRIPs Agreement (Article 23.3). Homonyms are words that are spelled and pronounced alike but are different in meaning. It is recommended that for cases of Homonyms, member states of OIV should, when setting differentiation rules of these Homonymous names, consider:
- the official recognition used in the country of origin;
- the length of time the name has been in use;
- whether the usage is in good faith;
- the importance of presenting the homonymous labels to marketing; and
- encouraging mentioning sufficient distinguishing information to avoid confusion of consumers.
The International Wine Organisation is having the limited membership and is confined to designations of wines and spirit, so, it has limited implications.

2.11. The Stresa Convention of 1951

It was not until the 1950s that the positive regulation of GIs, defined according to their dual identity of Appellation of Origin and Indications of Source, was introduced into international law. On June 1, 1951, an International Convention on the use of Appellations of Origin and Demonstration of Cheeses (known as the Stresa Convention) was signed in the northern Italian town of Stresa.85

The Stresa Convention applies specifically to cheeses. It concerns the use of Designations of Origin and names of cheeses. The signatory countries committed themselves to prohibiting the use of false Designations of Origin on their territory and to take all necessary measures to ensure the application of the Convention.

A higher level of protection is granted under the Stresa Convention for the four GIs considered to be Appellations d’Origine: Gorgonzola,86 Parmigiano-Reggiano,87 Pecorino Romano88 and Roquefort.89 These are listed in Annexure A of the Convention. They can only be produced in the specified place of origin.

A second group of products, such as Comembert, Danablu, Edam, Emmental, Gruyere, Pinzganer Berkäs or Samsō, are listed in Annexure B of the Convention. The protection for these products is not as extensive as for the Annexure A products. Cheese products produced in a signatory country or state

86 Strong-flavoured Italian Cheese with bluish-green veins and is named after the Italian Village of Gorgonzola.
87 US-Certification Marks for Parmigiano-Reggiano (registered in 1993), are Reggiano Parmigiano-Reggiano. The Certification mark, as used by persons authorised by a certifier, certifies that the goods originate in the Parma-Reggiano Region of Italy, specifically the zone comprising the territory of Parma, Reggio Emilia, Modena and Mantua.
88 Pecorino Romano is a hard, salty, Italian Cheese, often used for grating, made out of sheep milk (the Italian word pecora, from which the name derives, means sheep).
89 Roquefort is a sheep milk blue cheese from the south of France.
may use these names so long as they comply with certain specifications mainly for the shape, weight, size, type and colour of the rind and curd, as well as to the fat content of the cheese.\footnote{International Convention on the Use of Appellations of Origin and Denomination of Cheeses (Stresa Convention), June 1, 1951.} This approach was adopted as it was considered at that time that these names had become quasi-generic and were being used outside their geographic origin.

However, this aspect of the Stresa Convention has now been supplanted by the EC rules on the protection of GIs,\footnote{EEC Regulation 2081/92, July 14, 1992. According to this Regulation, which entered into force in July 1993, Geographical Indications and Designations of Origin for agricultural products and food stuffs can be protected within the European Community. Geographical Indications within the meaning of this Regulation are defined similarly to Geographical Indications in terms of the TRIPs Agreement, but in a more detailed manner.} under which some cheese types referred to in Annexure B, such as Danish Danablu and Esram, Italian Asiago, Fiore Sardo and Fontina and Swedish Svecia are now on the list of protected Designations of Origin and GIs in EC. This means that Danablu may no longer be produced in any country other than Denmark.

The compatibility of the Stresa Convention with EC Rules on the free movement of goods and EC Rules on the protection of GIs was the subject of rulings by the European Court of Justice.

The Stresa Convention only attracted a limited number of signatories and thus cannot be considered as effective. However, the idea of protection of the use of Appellations of Origin and Denominations of Products was confirmed in 1958 by the signature of the Lisbon Agreement.

2.12. The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration

Substantially broader than the protection provided by the Madrid Agreement is the protection for GIs under the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, 1958, which entered into force in 1966. In contrast to the Madrid Agreement, the Lisbon
Agreement allocates this protection less to the GIs themselves than to the products marketed under these indications. The products are the basis for the protection of GI under the Lisbon Agreement. The indications covered by the Agreement are called “Appellations of Origin” (AOO).  

The Lisbon Agreement for the Protection of Appellations of Origin (AOO) and their International Registration binds a small number of contracting states on the specific matter of Appellations of Origin (AOO). The members of the Lisbon Agreement include developed countries, least developed countries, developing countries and economies in transition.

Lisbon Agreement is the first Agreement to define the notions Appellations of Origin and Country of Origin. The objective of the Lisbon system is to facilitate the International Protection of Appellations of Origin. Lisbon Agreement governs the system of international registration of Appellations of Origin. The countries to which the Agreement applies constitute a Special Union. The Union has an Assembly. Every State member of the union, which has adhered at least to the administrative and final clauses of the Stockholm Act, 1967, is a member of the Assembly.

Article 2 of the Lisbon Agreement provides:

“An Appellation of Origin is 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 use of an Appellation of Origin is lawful only for a certain circle of persons or enterprises located in the geographical area concerned and only in connection with the specific products originating in that area (for instance, “Bordeaux”, “Champagne”).

92 LEWINSKI (ed.), Supra note 60, at 229-30.
Also, among the types of commercial designations are Indications of Source. It should be noted that Indications of Source and Appellations of Origin\textsuperscript{93} together form what are sometimes called the “Geographical Indications”.

An Indication of Source (IS) is constituted by any denomination, expression or sign indicating that a product originates in a country, a region or a specific place. As a general rule the false or deceptive Indication of Source is unlawful.

An Appellation of Origin (AO) is constituted by the denomination of a country, a region or specific place that serves to designate a product originating therein, the characteristic qualities of which are due exclusively or essentially to the geographical environment, in other words, to natural and / or human factors.

The protection does not depend on deception of the public in the country of protection, nor can the protection in any member State be refused because the Appellation of Origin has become a generic term. As long as an Appellation of Origin registered pursuant to the Lisbon Agreement is protected in its country of origin, such appellation cannot be deemed to have become generic.

If the qualitative link is insufficient, that is, if the characteristic qualities are not due essentially, but only to a small extent, to the geographical environment, the name is not an Appellation of Origin but merely an Indication of Source. The geographical environment includes natural factors, such as soil or climate, and human factors, such as the special professional traditions of producers established in the geographical area concerned.

\subsection*{2.13. International Register of Appellations of Origin}

The Lisbon Agreement is notable for establishing a register of AO and represents a functioning multilateral registration system. At the heart of the

\footnotesize{\textsuperscript{93} Even if interpreted broadly, the definition of “Appellation of Origin” in Article 2 (1) of the Lisbon Agreement has a serious drawback for countries whose denominations typically do not apply to agricultural products or products of handicraft but to products of industry. The difficulty arises from the fact that Article 2 (1) requires the existence of a qualitative link between the geographical environment and the product, even though the presence of purely human factors would be considered sufficient.}
system is the desire to magnify the effects of national recognition by projecting this across its Membership. A closer examination of its operational mechanics reveals that the system does work. However, it does so with caveats, qualifications and curls not otherwise apparent from its text. Considering that it was established as a haven for those in favor of enhanced IGO protection, the degree of dissent is remarkable.

There are two basic requirements for an Appellation of Origin to be internationally protected, in accordance with the terms of the Lisbon Agreement:

i. Appellation of Origin should be protected in its country of origin; and

ii. The Appellation of Origin should be registered in the International Register of WIPO.\(^94\)

The International Bureau of WIPO notifies other parties immediately when an application for registration of an Appellation of Origin is made. Signatories must protect the Appellation of Origin for which international protection was requested by the applicant, except if a contracting party declares, within a period of one year, that it cannot ensure the protection for a particular application, indicating the grounds.\(^95\) Grounds for refusal are not specified in the Agreement. Article 5(5) of the Agreement provides that interested parties may resort, in the refusing country, to all judicial and administrative remedies available to nationals of that country when the office of any such country declare that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, such a declaration should however be notified to the International Bureau. The International Bureau shall then notify the office of the Country of Origin of any such declaration.

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\(^{94}\) The Lisbon Agreement for the Protection of Appellation of Origin, Supra note 40, Art.3.

\(^{95}\) Id. Art. 5 (3).
Thus, the Lisbon Agreement provides for a strong and comprehensive protection of GIs. However, the protection is open only to a limited number of GIs:

First, the indication must be a direct GI;

Second, a link must be established between the product and the geographical origin; and

Finally, the indication must be recognised and protected as an Appellation of Origin in its country of origin.

In other words, the Lisbon Agreement requires a national system of protection for Appellation of Origin that corresponds to the International system provided by the Agreement itself. The link between the product and its geographical origin under the Lisbon Agreement together with the condition that the Member States operate national protective systems that are in line with the Agreement and thereby recognise and protect Appellations of Origin in terms of the Agreement, have had the effect that only a small number of countries acceded to the Agreement. The limited territorial scope of application of the Lisbon Agreement has considerably reduced the importance of this international system of protection. For this reason, the Lisbon Agreement cannot form an appropriate basis for a broad protection of Geographical Indications which was desirable.  


Amidst the competing agendas during the journey from Paris to TRIPs, certain underlying themes are evident. The glimpses of the strategy is evident in Lisbon to such an extent that the protected status in the home country could be exported, to avoid the vagaries of protection contingent upon the meaning of the sign. Other desirable (or tolerable) features of an international regime had also been considered in the period between Lisbon and the conclusion of

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96 LEWINSKI (ed.), Supra note 60, at 230.
TRIPs. Two developments are of particular interest, viz., the incremental progress towards a broad definition of a GI and the appropriateness of two levels of protection.

In the mid-1970s, WIPO established a Committee of Experts to consider four potential avenues of progress for the improved international protection of IGO:

- revising the Lisbon Agreement to make it more attractive to prospective members;
- merging the Madrid and Lisbon Agreements;
- drafting an entirely new treaty for GI protection; and
- Analysing the teachings from existing bilateral agreements.

During these deliberations, the concept of a Geographical Indication was first introduced as an umbrella term, to gather up the existing terminology.

In 1974, the WIPO started work on the preparation of a new International Treaty for the Protection of Appellations of Origin and Indications of Source. During the first session of a Committee of Experts, in 1974, the International Bureau of WIPO prepared a draft treaty, which was issued by WIPO in 1975.

The draft treaty established a new definition of GIs for the purpose of a system of International Registration. It provides for the protection of both Appellations of Origin and GIs. The new definition of Appellation of Origin was broader than the definition of Appellation of Origin under the Lisbon Agreement and did not require signatories to have domestic laws for their protection.

The substantive provisions of the draft treaty are in two chapters. The first chapter contains a provision according to which the use of denominations, expressions or signs, which constitute or contain, directly or indirectly, false or deceptive GIs as to the source of a product must be prohibited.

The second chapter provided for a system of international registration in respect of any GI that fulfills the following conditions:

- the GI consists of the official or usual name of a State (the “filing State”) or of the name of a major circumscription of States or of a denomination which serves to indicate a source of product;
- the indication is declared by the filing State to be a reference to itself as the State of Origin;
- the indication is used in the course of trade in relation to products originating in the State; and
- The said State certifies such use.\(^{98}\)

The system of the draft treaty was otherwise similar to the Lisbon Agreement. In particular, the procedure for international registration included the possibility of objections and provided for protection in all signatory States. This protection was unlimited in time once the international registration had become effective.

However, unlike the Lisbon Agreement, the grounds for objection to a registration were limited to the following:

- The subject of the application for international registration consists neither of the official or usual name of the filing State or of that of a major circumscription of that State, nor of a denomination which serves to indicate the source of a product;
- the denomination in question does not refer to the filing State as the state of origin;
- in the filing State, the denomination in question is used in the course of trade in relation to products originating in any state;

\(^{98}\) *Ibid.*
• in the objecting State the denomination in question is regarded as a
generic term by the public and is used as such in the course of trade; and
• Certain requirements concerning the application have not been
fulfilled.”

Although unlimited in time, continued protection would depend on the
payment of maintenance fees. In addition, the Draft Treaty contained a chapter
on sanctions, the rights to bring an action and the settlement of disputes
through diplomatic channels. Work on the Draft Treaty was not continued,
when it became obvious that further work on GIs would require the revision of
provisions of the Paris Convention.

In 1990 WIPO issued a memorandum affirming the continuing need for a treaty
on GIs. This was considered by the Committee of Experts on the International
Protection of GIs. However, the Committee did not reach a common position.
At the end of the first Session of the meeting, the chair concluded that a
number of delegations were willing to take part in the preparation of a new
treaty, whereas the others had expressed reservations. These reservations
concerned, in particular, the question of whether the new treaty should provide
for a registration system for the establishment of lists of GIs protected by
contracting parties. The work establishing a new treaty was not continued.99

2.14.1. The WIPO Model Law on Geographical Indications

In 1975, WIPO issued a proposal for a Model Law on GIs.100 A Model Law is
not a Draft International Treaty. It is intended for use in national laws as a
standard or template, which can be adjusted or adopted to local conditions.101
The Model Law has five parts. The first part comprises the general provisions,
which contain some definitions, provide for the applicability of international

99 Id. at 42.
100 Committee of Experts on the International Protection of GIs: The Need for a New Treaty and its
Possible Contents, 1st Session, Geneva, (May 28- June 1, GEO/CE/12(1990).
101 The WIPO Model Law for Developing Countries on Appellations of Origin and GIs, WIPO
conventions and regulate the position of third country nationals in the absence of an international convention.

The Model Law defines an “Appellations of Origin” as:102

“…the geographical name of a country, region or specific place which serves to designate a product originating therein, the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural factors, human factors or both …; 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.”

The Model Law defines an “Indication of Source” as:103

“…any expression or sign used to indicate that a product or service originates in a country or region or a specific place.”

This definition embraces symbols, such as an Egyptian Pyramid or the Eiffel Tower, as well as, for example birds such as Peacock, Ostrich, Kiwi and animals such as Tiger, Kangaroo etc. associated with a place. However, expressions covering a group of countries (or a global region such as Caribbean) are not included in the definition of Indications of Source.

The scope of protection under the Model Law includes any natural or agricultural product or any product of handicraft or industry. The term “Producer” means not only producers of agricultural products, handicraft or industry, but also any other persons exploiting natural resources or any trader dealing in the said products. According to the Model Law, foreigners have the same rights as the nationals.

The second part of the Model Law lays down the special rules governing Appellations of Origin (AOO). According to the Model Law, AOO are protected only if they have been registered. Foreign Appellations of Origin could be registered if an international convention or a law applying such a

102 The WIPO Model Law, Id. Section 1.
103 Ibid.
convention provides so. Appellations of Origin that are not registered should be protected as Indications of Source or treated as registered by virtue of an International Convention.

Section 5 excludes from protection:

- appellations which do not correspond to the definition provided by the Model Law;
- appellations which are contrary to morality or public order and those which, in particular, are liable to deceive the public as to the nature, the source, the manufacturing process, the characteristic qualities, or the suitability for their purpose, of the goods concerned; and
- appellations which are generic names of products, a name being understood as generic from the time when it is generally considered as such by experts on the subject and by the public.

An application for registration could be made by:

- natural persons or legal entities carrying on an activity as a producer in the geographical area specified in the application, with respect to the products specified in the application, as well as groups of such persons;
- groups of consumers; and
- Any competent authority.

Section 7 sets out the particulars to be included in an application:

(a) The name, address and the nationality of the natural person or legal entity filing the application, and the capacity in which the applicant is applying for registration;
(b) The appellation for which registration is sought;
(c) The geographical area to which the appellation applies;
(d) the products for which the appellation is used, in terms sufficiently precise to show, in particular, whether the products are raw materials, semi-finished products or finished products; and

(e) Where feasible, the essential characteristic qualities of the products for which the appellation is used.

It is indicated that the details of the application could be fixed by the Special Rules or Regulations. The Rules may also prescribe fees for the filing of an application and for the registration of an Appellation of Origin.

Section 10 of the Model Law establishes a system for the registration of Appellation of Origin.

The office responsible for the registration examines the application with respect to the right to file and as to the content and form of the application. After the formal examination, the office proceeds to the examination of the application as to its substance, in order to determine:

- Whether the appellation filed is eligible for protection;
- Whether the appellation filed covers the whole of the geographical area specified in the application;
- Whether the product’s essential characteristics or qualities, as specified in the application, are sufficient.

Where the office considers that the requirements have not been fulfilled, it shall notify the application accordingly, stating the grounds on which the application appears unacceptable and giving the applicant a time limit of three months from the date of notification in which to submit his observations or to restrict or withdraw his application. Where the applicant does not reply within the time limit prescribed or where the application is not withdrawn and office considers that registration should be refused, the application shall be rejected. If the office considers that the application should be accepted, it publishes the application.
Within 3 months from the date of publication of the application, any person showing a legitimate interest or any competent authority may give notice of opposition to such registration. The opposition must be in writing and has to state the grounds on which it is based. The rules may provide that opposition shall be admissible only upon payment of an opposition fee. In the event that an opposition is made, the office notifies the applicant, identifying the opponent and stating the grounds. The applicant has a time limit of three months from the date of notification in which to submit his observation or to restrict or withdraw his application. On the expiry of the time limit, the office would decide on the opposition and notify its decision to the applicant and the opponent can either register the Appellation of Origin or reject the application. Any person showing a legitimate interest or any competent authority may appeal a final decision of the office in the national courts. If no opposition were lodged within the time, the Appellation of Origin would be registered. The office notifies the application of the registration and publishes it.\(^{104}\)

A registration of an Appellation of Origin may be cancelled or rectified according to the judgment of a court on the grounds that:

- the geographical area specified in the registration does not correspond to the Appellation of Origin;

- The indication of the products for which the Appellation of Origin is used or the indication of the essential characteristic qualities of such products is unsatisfactory.

Upon registration, appellations are only protected if used by producers of products conducting business in the area described by the appellation.

Finally, the Model Law provides that:\(^{105}\)

“It shall be unlawful to use, in the course of trade a registered Appellation of Origin or similar name, with respect to the products

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\(^{104}\) CONNOR, *Supra* note 97, at 45- 46.

\(^{105}\) The WIPO Model Law, *Supra* note 101, Section 14(4).
specified in the register or similar products, even if the true origin of the product is indicated, or if the appellation is in the form of a translation or is accompanied by terms such as “kind”, “type”, “make”, “imitation”, or the like.”

The national authority may order that the quality of products put on the market under a registered Appellation of Origin would be subject to control and that the use of such an appellation for products of inferior quality would be unlawful. Sections 15 and 16 sets out the civil and penal sanctions against unlawful use.

The third part of the Model Law governs the protection of Indications of Source. Since they are protected without any registration, one general provision is sufficient to establish their protection. It provides that the direct or indirect use of an Indication of Source that is false or that is likely to mislead the public is considered to be unlawful and the civil and penal sanctions would apply to such use.

The fourth part relates to the competence of the courts and the rules for the application of the Model Law and the final, fifth part concerns entry into force of the law and contains transitional provisions. An Annexure to the Model Law sets out two further alternatives for regulating the protection of Appellation of Origin whereas; the protection under the Model Law itself is based on registration. An alternative A provides for protection on the basis of individual legislation (special orders), and an alternative B provides for a combination of the registration systems with the system of special orders.

2.15. The TRIPs Agreement

The TRIPs Agreement is probably one of the most significant International Treaties in the development of Intellectual Property Law in the 20th century. It has 71 Articles in a most comprehensive manner and is the most important

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106 CONNOR, Supra note 97, at 46.
107 Chile adopted that approach.
multilateral agreement in its field till date. The TRIPs Agreement talks about the need to establish minimum standards of protection and mutually supportive relationship between the WTO and WIPO as well as with other relevant international organisations.\[108\] This is the first international system of protection for GIs with an almost world wide scope of application. As a part of the WTO Agreement, the TRIPs Agreement is binding on all WTO members.

The definition of GIs under the TRIPs Agreement cover all 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 characteristics of the good is essentially attributable to its geographical origin.” Hence the term “Geographical Indication” according to the TRIPs Agreement is narrower than the term “Geographical Indication of Source” under the Madrid Agreement, but broader than the term “Appellations of Origin” under the Lisbon Agreement. The TRIPs Agreement covers indirect GIs and also applies to products the reputation of which is due to their geographical origin. The link between the product and its geographical origin must not be as strong as under the Lisbon Agreement. Under the Madrid Agreement such a link is not required at all.

For all GIs, with the exception of Geographical Indications for wines and spirits, the TRIPs provisions provide protection only against deception. Under TRIPs, protection must be granted against any misleading appropriation or use by non-local residents, i.e., persons having no connection to the respective geographical region. Article 22 (2) of the TRIPs Agreement prohibits the misleading use of GIs and Article 22 (3) prohibits the registration of misleading GIs as trademarks. According to Article 22 (2) and (3), registered trademarks, as well as non-registered product signs, must not mislead as to the geographical origin of the products designated thereby. The TRIPs members are obligated to protect GIs of other member countries against any use for products

contravening these provisions. They are also required to refuse registration of misleading Geographical Indications as trademarks or to cancel their registration at the request of any interested party.

The obligation of the TRIPs members to protect GIs does not exist if a GI is not or ceases to be protected in its country of origin. This principle applies, for example, if a Geographical Indication has become a generic term. Protection under the TRIPs Agreement requires that the countries of origin afford protection for their GIs. The content and scope of this protection is, however, up to the countries of origin alone. Unlike the Lisbon Agreement, the TRIPs Agreement does not oblige the countries of origin to recognise and as such protect their GIs by using specific legal measures or systems.

Under the TRIPs Agreement, the two product categories of wines and spirits enjoy broader protection of their GIs. GIs for wines and spirits of any TRIPs member state must only be used for products originating in the place indicated by the GI in question.\(^\text{109}\)

This additional protection is afforded to GIs for wines and spirits of all TRIPs members without any formal requirements, such as a registration.\(^\text{110}\)

A major advantage under the TRIPs Agreement is the prescription of Dispute Settlement within the framework of World Trade Organisation (WTO). It prescribes minimum standards of protection in an express fashion which is to be implemented by members of the WTO towards settling disputes arising as a result of a member’s alleged failure to observe the provisions of TRIPs. This mechanism is contained in the Dispute Settlement Understanding (DSU), the provisions of which are contained in Annexure 2 of the Marrakesh Agreement.

\(^\text{109}\) The use of GIs for wines and spirits not originating in that area can be prohibited independently of any deception on the part of public. According to the same principle of protection, trademarks containing a GI for wines or spirits may only be registered for wines and spirits originating in the place to which the indication refers.

\(^\text{110}\) The establishment of a multilateral system of notifications and registration of GIs for wines, which is provided in the TRIPs Agreement is to facilitate the operation of this system; however, this registration will not have any constitutive effect for the protection of GI for wines.
2.16. National Level Protection of GIs

In addition to International protection GIs are protected in accordance with national laws such as laws against Unfair Competition, Consumer Protection Laws, and Laws for the Protection of Certification Marks or Special Laws for the Protection of GIs or Appellation of Origin etc.

2.16.1. Systems based on Trade mark Laws

Many important trading nations do not have sui generis systems for the protection of Geographical Indications. Even many States that have enacted statutory or regulatory provisions since the effective date of the TRIPs Agreement have not created a system that is unique to Geographical Indications. This is probably in part the consequence of their conclusion that their economic and social interests in GIs does not justify the added administrative structure and costs that a sui generis system implies. In addition, when there is a debate about the appropriate path, the stronger voices might be the voices of those who consider Geographical Indications a disguised form of protectionism, an overly rigid legal structure for a constantly and rapidly changing global market, or an unwarranted (or inappropriate) focus on small producers and rural areas.¹¹¹

The choice of how to implement Article 22 of the TRIPs Agreement probably is a strong indicator—but not necessarily a conclusive one—of the country’s position regarding the importance of Geographical Indications and regarding the discussion of added GI protections in the Doha Round of multilateral trade negotiations. The choice might also reflect the country’s interest in wines and spirits, with countries exporting wines and other alcoholic beverages opting for a special rule even if it is not a GI law.¹¹²

¹¹² Ibid.
For the purpose of present study it is highly desirable to have reference to the laws of United States and European Union for the protection of Geographical Indications since being the common law and civil law countries, these have a tremendous impact on the development of case law on same lines in India as it exists in these two systems. The United States relies on its Trade Mark law system for protecting GIs rather than the Sui Generis protection afforded by the European Union. The Trademark Regime, however, does not ensure protection as comprehensive as that offered by the EU-type system for a number of reasons. In Trademark Law, protection is determined by the strength of the mark. This in turn depends on the classification of the Mark as one among arbitrary, descriptive, suggestive or generic. In line with this approach, the United States provides a multi-tiered approach to GI protection that differentiates between certain terms as being generic, semi-generic or non-generic designations of geographical significance. Examples of names that have become generic terms for types of beverages are “Vermouth” and “Sake”. A semi-generic designation is one that uses a GI, but with a corrective that indicates the true place of origin of the product. An example is “California Burgundy”, which indicates that the wine has some similarity to the wine produced in Burgundy—a place in Europe; but that the wine is actually produced in California. Non–generic names are distinctive designations of specific grape wines, that is, wines that comport with the European ideal of AOO. Some examples are Chateau Y’quem, Chateau Margaux, Pommard, Montrachet, Schloss Johannisberger and Lacryma Christi.”

2.16.1.1. Protection of Geographical Indications: The US Study

The United States system presents the paradigm of the preference for a trade mark system and private rights as the legal means to recognise, protect and enforce Geographical Indications. This approach is clearly directed at private

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rights, rather than community rights, although it is flexible enough to encompass both. In the scheme of agricultural production in the United States, the food products that are connected to certification and collective marks have much less importance than the commodities-like corn, soya beans and wheat, that fall under Agricultural Support Programmes. A Vidalia Onion, an Idoha potato or a Brooklyn beer might be crucial to the well-being and to the reputation of a local community, but neither is considered so special that a completely unique or sui generis approach to Geographical Indications should be carved out for them.\footnote{ECHOLS, Supra note 111.}

The United States Trade Mark Office believes that this approach is the better one. One of its justifications focus on the administrative and budgetary benefits of overlapping the Trademark and Geographical Indications’ systems. Protecting GIs, trademarks, collective or certification marks employ the existing trademark regime, a regime that is already familiar to businesses, both foreign and domestic.

A country’s use of its existing trademark regime to protect Geographical Indications involve the use only of resources already committed to the trademark system for applications, registrations, oppositions, cancellations, adjudication and enforcement. Furthermore, the system easily accommodates Geographical Indications that are not merely place names, but signs such as words, slogans, designs, three-dimensional marks, colours or even sounds and scents.\footnote{Ibid.}

On the other hand, the United States wine and spirit industries do benefit from their own nomenclature rules, as well as from Article 24 of the TRIPs Agreement.

Domestically, Geographical Indications for Wines and Spirits are regulated by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) in the
Department of Justice. ATF reviews and approves labels and brand names, determines varietal designations, defines viticultural areas and determines whether a name is generic, semi-generic, an Appellation of Origin, or a recognisable geographical name. A name of geographic significance, which has not been found by the appropriate ATF officer to be generic or semi-generic may be used only to designate Wines of the Origin indicated by such name, but such name shall not be deemed to be the distinctive designation of a wine unless the Director finds that it is known to the consumer and to the trade as the designation of a specific wine of a particular place or region, distinguishable from all other wines.\textsuperscript{116}

State Law also protects wine names. In Branco Wine Co. v. Jolly\textsuperscript{117}, the Supreme Court of California upheld the State’s truth in wine labeling law, which states that no wine produced or marketed in California may use a brand name or have a label bearing the word “Napa” (or any federally recognised viticultural area within Napa County) unless at least 75% of the grapes from which the wine was made were grown in Napa County.

The United States legal structure does not include a sui generis approach to Geographical Indications. The United States legal system does not use the expressions Geographical Indications, Indications of Origin or Appellations of Origin. Instead, United States Federal Law affords recognition and protection under its trademark laws. They may be registered in the same manner and with the same effect as trademarks. In addition, the various labeling, consumer protection, unfair business practice and common law theories apply to protect the rights of the holder of the mark.

Geographical Indications per se are not recognised, because of the decision of the Supreme Court of the United States. Instead United States Law affords

\textsuperscript{116} Id. at 135-36.

\textsuperscript{117} 33 Cal. 943 (2004). The 2004 opinion was followed by several procedural rulings. The most important was the refusal by the Supreme Court of the United States to hear an appeal of the rulings by the California Supreme Court in Branco Wine Co.v.Jolly.,163 L.Ed.2d 1129(2006).
recognition for Geographical Indications for foods and non-alcoholic beverages under its statutory and common law trademark laws. In *Canal Co. v. Clark*\(^\text{118}\), the Supreme Court refused to afford trademark protection to “Lackawanna Coal” when the expression was used for coal from the Lackawanna Valley of Pennsylvania. The Court ruled that there must be distinctiveness in the phrase’s original significance, or distinctiveness by association. Lackawanna was not distinctive. As a result of the ruling, Certification and Collective Marks are the options available under trademark law for protecting Geographical Indications. The Supreme Court said:

> “Could such phrases as “Pennsylvania wheat”, “Kentucky hemp”, “Virginia Tobacco”, or “Sea Island Cotton”, be protected as trademarks; could anyone prevent all others from using them, or from selling articles produced in the districts they describe under those appellations, it would greatly embarrass trade, and secure exclusive rights to individuals in that which is the common right of many.”

This prohibition operated to prevent a single producer from appropriating the name of a particular place or area in which he was located to the exclusion of other and similarly situated producers. If the name was to be found in an atlas…that was sufficient to preclude registration.\(^\text{119}\) This approach continued until the 1946 Lanham Act.\(^\text{120}\)

The Lanham Trade Mark Act recognises and protects traditional trademarks and two relevant sub categories: Certification Marks and Collective Marks. A trademark is “any word, name, symbol or device, or any combination thereof used to identify the goods or services and includes any Certification Mark or Collective Mark entitled to registration…” All are privately owned and are designed to identify a source-usually corporate-not a geographical origin or connection.

\(^{118}\) 80 U.S. 311 (1872).

\(^{119}\) Community of Roquefort v. William Fachndrich, 133U.S.P.Q.633 (2\(^{nd}\) Cir.1962).

The intent of the Federal Trade Mark Act is stated to be the regulation of commerce within the control of the Congress by making actionable the deceptive and misleading use of marks in such commerce, to protect registered marks from interference, to protect persons engaged in such commerce from unfair competition, to prevent fraud and deception, and to provide rights and remedies stipulated by the treaties and conventions regarding Trade Marks and Similar Marks which are entered into between the United States and foreign nations. The Act put Federal Trade Mark Law upon a new footing, creating rights uniform throughout the nation, in the interpretation of the courts not limited by local law, but may be guided by it. It does not constrict prior law or deprive courts of jurisdiction previously exercised.

Although registration under the Lanham Act is declared to constitute prima facie evidence and constructive notice, the registration thereunder is clearly made subject to pre-existing rights under State law, at least those acquired in good faith before the effective date of the Act.

Among the new substantive rights recognised and created by the Lanham Trade Mark Act, the Collective Mark and Constructive Notice of the claim of ownership by virtue of registration and of the exclusive right to use are some.\textsuperscript{121}

2.16.1.2. Generic Words and Terms

It is a general rule that a generic word or term is not subject to exclusive appropriation as a trademark or trade name. A word commonly used in other countries to identify a kind of product, and there in the public domain as a descriptive or generic name, may not be appropriated in the United States as a trademark on that product, even by the person introducing the product here when the word had no general significance.\textsuperscript{122}

\textsuperscript{121} 74 Am. Jur. 710(2d).
\textsuperscript{122} Saxlehner v. Wagner, 216 U. S. 375 (1910).
The fact that a word used as a trademark or trade name becomes generic by use may operate to terminate the right to the exclusive use thereof. Thus, where a word which may have properly been the subject of a trademark originally becomes so associated in the public mind with the article to which it is applied as to become indicative of a class of articles in general, and not of a particular article, the word will no longer be protected as a trademark for a particular article or of the class of articles to which it relates.

Although, an arbitrary term applied to an extensive line of products cannot be generic, it can become of generic significance where it is descriptive of a particular article or type of article. A generic word or term may, however, by usage, acquire a secondary, special, or trade meaning as indicating the goods or business of a particular person, so as to entitle him to protection against any unfair or piratical use or simulation thereof by another.

2.16.1.3. Geographical, locational, or place names

Mere Geographical names are ordinarily regarded as common property, and it is a general rule, subject to certain qualifications and exceptions that such a name cannot be appropriated as the subject of an exclusive trademark or trade name, especially when the article to which it is applied is produced at the place signified, although when so used as to acquire a secondary meaning, the user may be entitled to protection against unfair use thereof by a competition. Such names, by reason of their nature, are not ordinarily indicative of personal origin or ownership of the articles of trade to which they may be applied. Usually, they point only to the place of production, not to the producer, and if they could be appropriated exclusively, the appropriation would frequently result in mischievous monopolies. A distinction has been made in certain cases, however, in this connection, between the use of a geographical name indicating a particular manufacture of a certain person and its use in describing a natural product of a particular locality. In the latter case it has been held that such a name may, under some circumstances, be protected as a trademark or as a
trade name. Thus for instance, the name of a place may be selected and protected where it is used to indicate the origin and ownership of spring or mineral waters. But where a name has become a genuine one of mineral waters of a certain type, coming from a more or less extensive district, it seems that it cannot be the subject of exclusive use. There are cases which have declared that a geographical name may be appropriated by a resident of that locality, or for a product of that locality, so as to entitle it to protection as a trademark against its use by a resident of another place, or on a product not of such locality. Other cases, however, deny that any trademark right exists under such circumstances.\(^{123}\)

It is generally agreed that one who is in the exclusive ownership or possession of the place where his goods are produced or where his business is conducted is entitled, ordinarily, to the exclusive use of the name or designation of such place as against competitors.

A geographical name may be protected as a trademark if included in a combination of words the whole of which make the trademark or if used not to indicate any product of the place named but arbitrarily as a mere fancy name.\(^{124}\)

Where the right to the use of a geographical, locational, or place name as a trademark or trade name is not subject to exclusive appropriation, the original user may not ordinarily complain of the use thereof by competitors, in the absence of fraud or unfairness. Especially relief will be denied where there is no conflict of interest or opportunity for the public to be deceived. Relief is, however, in many cases afforded on the ground of unfair competition, where the name has been so used as to acquire a secondary meaning indicating not only the place of production but the name of the producer. Thus, where a geographical trade name has come to be accepted as meaning the manufacture of a certain person, or of a certain named locality, the use of such name by

\(^{123}\) See Supra note 121.

\(^{124}\) Id. at 738.
persons carrying on business elsewhere constitutes unfair competition against the resident manufacturer. In such case the later user is required to distinguish his goods or wares from those of the original user of the name. In *New York and R. Cement Co. v. United States Watch Co.*

125, it has been held:

“...Geographically descriptive terms when registered as a trade mark is not quite distinctive. That is rather treated as a restraint of trade. Descriptive terms, of course, have to earn their place at the trademark table. Since geographically descriptive terms are not regarded as inherently distinctive, the law requires that they must acquire consumer association or “secondary meaning for legal protection. This in other words means that the senior user must prove that customers have come to use a geographically descriptive word in a new and secondary sense of indicating only one source and quality of goods or services. Thus, the doctrine of secondary meaning requires that a geographically descriptive term, like any other descriptive symbol, be associated with a particular source in buyer's minds before any trademark significance may be attached to them. Thus, the right of a manufacturer to use the geographical name in relation to goods manufactured by him at that place is merely a right in common, and such manufacturer cannot maintain a suit for injunction or for damages against one whose right to the use of the name of a place for the purpose of describing articles uses the name or articles manufactured at a different place, such injury being damnum absque injuria.”

The right to protection in the use of a geographical or place name may be lost by such adverse or general use thereof as to render it generic. It has been held in *Kansas Milling Co. v. Kansas Floor Mills Co.*

126 as:

“Whether the name embodying a descriptive geographical term, adopted by a dealer, is so similar to one under which a business has already been established as to warrant an injunction against its use, depends upon the character of the business and its relation to the geographical term, but when these are determined, the question becomes one of law, turning

126 89 Kan. 855,188 Pac.542, Ann. Cas. (1915 A).
upon the likelihood of deception resulting to persons exercising reasonable care.”

Part of the corporate name, the “Kansas Company”, was not exclusively that of the older corporation. Perhaps a hundred Kansas Corporations lawfully use those words in their corporate title. The other words of their respective titles, “Milling” and “Flour Mills,” are as different as they could well be and still comply with the provisions of law that the corporate title shall be indicative of the Corporate business.

_The Supreme Court of Kansas further held:_

“...But we do not think it should be said broadly that proof of intentional fraud is essential to the granting of injunctive relief. While the existence of a wrongful intent might justify the interference by a court of equity upon a less showing of injury than would otherwise be required, the absence of such specific intent ought not to stay the hand of the court where a name is adopted so similar to that already in use by a business rival that injury to the first user will obviously and inevitably result.”

Thus, to conclude, the United States incorporates protection of GIs by its Trade Mark Law. The right to the use of a geographical, locational, or place name as a trademark or a trade name is not subject to exclusive appropriation. Where a resident of a particular geographical locality uses a particular geographical name as a trade name, any other person residing at some other place cannot use such geographical name as a trade name. If the later does so, it will amount to unfair competition against the former. In such case the later user is required to distinguish his goods or wares from those of the original user of the name.

**2.16.1.4. Registration of Collective Marks or Certification Marks**

The protection of a given GI may not only be based on a public or administrative act, but may also result from a private initiative. With regard to the later approach, collective marks or certification marks provide a means for the protection of GIs independent from statutory or judicial measures. The concepts of collective mark and certification mark (or, in some countries,
guarantee mark) differ from country to country. Depending on the applicable national law, a collective mark or certification mark may serve to indicate, inter alia, the origin of goods or services, and, therefore, may to some extent be suitable for the protection of a GI.\textsuperscript{127} Typically, the owner of the collective mark is an association of members. A Certification mark ‘is a special creature created for a purpose uniquely different from that of an ordinary service mark or trademark.’ The term ‘certification marks’ means any ‘word, name, symbol, or device, or any combination thereof-

- used by a person other than its owner; or

- which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by the Act, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person’s goods or services or that the work or labour on the goods or services was performed by members of a union or other organisation. Certification marks are source identifying in the sense that they identify the nature and quality of the goods and affirm that these goods have met certain defined standards.\textsuperscript{128}

A certification mark differs from a trademark in several ways. For one thing, a trademark gives the owner exclusive rights. A certification mark must be made available to any one that meets the applicable criteria or standards. Another difference is that a certification mark is not used by its owner. Also a certification mark neither indicates commercial source nor distinguish the goods of one person from those of another person, but rather informs purchasers that the goods or services of a particular person possess certain characteristics or meet certain qualifications or standards.

\textsuperscript{127} Supra note 60 at 244. See e.g., 10 T.M.Rep. 540(1915).

\textsuperscript{128} Tea Board of India v. Republic of Tea, 80 U.S.P.Q. 2d 1881 (TTAB2006). The purpose of requiring control over use of a certification mark… is twofold: to protect the value of the mark and its significance as an indication of its source, and to prevent the public from being misled or deceived as to the source of the product and its genuineness.
2.16.1.5. Collective marks

Collective marks are another feature of US trademark law that can be used to protect Geographical Indications. Collective marks are owned by a collective body rather than an individual owner. Also unlike certification mark owners, collective mark owners are not barred from using the mark themselves. Finally, the protection of collective marks is enforced under general trademark law by the owner.

The term “collective mark” means a mark used by the members of a cooperative, an association, or other collective group or organisation. The group may have a bonafide intention to use it in commerce. It is owned and adopted by a collective, an association, union, cooperative, fraternal organisation, or other organised collective group for use only by its members, who in turn use the mark to identify their goods or services and distinguish them from those of non-members. The “collective” itself does not sell goods but it may promote them. Only members of the group who meet the group’s requirements may use the mark, which acts as a guarantee to consumers that the product meets certain criteria, e.g., regarding quality, nature and/or origin. The registration process normally involves the filing of criteria for the use of the mark.

2.16.1.6. Source – Identifying Trademarks

Under the US regime, it is possible to protect Geographical Indications as trademarks. Pursuant to well-established US trademark law, geographic terms or signs are not registrable as trademarks if they are geographically descriptive or misdescriptive of the origin of the goods. If a sign is misdescriptive, consumers would be mislead and/or deceived by the use of the sign. However, if a geographic sign is used in such a way as to identify the source of the goods/services and over time, consumers start to recognise it as identifying a particular company or manufactures or group of producers, the geographic sign describes the “source” of the goods. At that point, the sign has “secondary
meaning” or “acquired distinctiveness”. The primary meaning to consumers is the geographic place; the secondary meaning to consumers is the producing or manufacturing source. If a descriptive sign has “secondary meaning” to consumers, the sign has a source-identifying capacity and is protectable as a trademark.

2.16.1.7. Regional Certification Marks

United States law also accepts the possibility of a regional certification mark under state common law. An illustration is easily drawn from the spirits sector. “Cognac” is recognised as a common-law (unregistered) certification mark in the United States.\(^{129}\) It is a valid, common law, regional certification mark, recognised by purchasers in the United States as referring to brandy that originates in the Cognac region of France, and not to brandy product elsewhere. It is protected from a likelihood of confusion with a competing indication. Likelihood of confusion encompasses confusion about the source, sponsorship, affiliation or connection, as well as confusion about the product. In the Cognac case, the Trademark Trial and Appeal Board was asked to decide whether the drink “Canadian Mist and Cognac” infringed the common law mark held by Cognac, but the Board first had to decide a procedural motion. The Board decided that there was a question of fact about whether that is connected to genuine Cognac or the holder of the Certification mark.

The Trademark Trial and Appeal Board rejected arguments by the Brown Forman Corporation, which had sought to register the trade mark “Canadian Mist and Cognac”. The Board extended trademark protections to the Cognac certification mark. It refused to agree that the likelihood of confusion analysis does not apply to certification marks, that certification marks have less protection under the confusion test and that the applicant’s use of genuine

Cognac brandy as an ingredient in its product precludes, as a matter of law any finding of likelihood of confusion.

As stated in a Roquefort opinion,

“[i]t is our opinion that as long as a person is free to purchase “Roquefort” cheese on the open market without any restriction on use…, he is free to use as much as he wants of it in formulating a salad dressing for commercial sale so long as he does not misrepresent the contents thereof on the label and/or sells it as a “Roquefort Cheese Dressing” or under a mark confusingly similar to “Roquefort”.130

2.16.1.8. USDA and FDA labeling for Geographical origin

In United States both the Department of Agriculture (USDA) and the Food and Drug Administration (FDA) use their labeling provisions to regulate Labeling for Origin. USDA has the more explicit rules. Terms having geographical significance with reference to a locality other than that in which the product is prepared may appear on the label only when qualified by the word “style”, “type”, or brand”,… provided, that a geographical term which has come into general usage as a trade name and which has been approved by the administrator as being a generic term may be used without the qualifications provided for in this regard as aforesaid.131

The US Food and Drug Administration has a simpler rule that among representations in the labeling of a food which render such food misbranded is any representation that expresses or implies a geographical origin of the food or any ingredient of the food except when such representation is either a truthful representation of geographical origin or exists for “a name whose market significance is generally understood by the consumer to connote a particular

131 7 C.F.R. 2.18.C.F.R. (The Code of Federal Regulations govern food and drugs within the United States for Food and Drug Administration, the Drug Enforcement Administration (DEA) and the Office of National Drug Control Policy(ONDCP).The Regulation prescribes a country of origin statement on the label of any meat “covered commodity” as defined in the said Regulation. As per 7 C.F.R. part 65, sub part A, that meat covered commodity is to be sold by a “retailer” as defined in 7 C.F.R. 65.240.Such retailer has to comply with the requirements in 7 C.F.R. 65.300 and 65.400.
class, kind, type, or style of food rather than to indicate geographical origin. In relation to former the rule goes on to permit severe terms including a “trade mark or trade name provided that as applied to article in question its use is not deceptively misdescriptive”.132

A trademark or trade name composed in whole or in part of geographical words shall not be considered deceptively misdescriptive if it has been so long and exclusively used by a manufacture or distributor that it is generally understood by the consumer to mean the product of a particular manufacturer or distributor or is so arbitrary or fanciful that it is not generally understood by the consumer to suggest geographic origin. The terms “frankfurter”, “vienna, “bologna”, “Lebanon bologna”, “braunsch weiger”, “thuringer”, “genoa”, “leona”, “berliner”, “holstein”, “goteborg”, “milan”, “polish”, “italian”, and their modifications, as applied to sausages, the terms “burns wick” and “irish” as applied to stews and the term “boston” as applied to pork shoulder butts need not be accompanied with the word “style”, “type”, or “brand”, or a statement identifying the locality in which the product is prepared”.

**2.17. Protection in European Communities**

The European Communities use a sui generis system for the recognition and protection of Geographical Indications. Its regulatory structure offers a paradigm of an approach that is more closely related to agricultural, rural development and environmental protection policy than it is to intellectual property. It is a structure that has permitted notions of communal property to dominate over the private property concepts and individualism of Intellectual Property Law. With these community interests underlying its approach to Geographical Indications, the TRIPs Rules and Intellectual Property Law is a tool. The paramount EC interests are in agriculture for food security, maintaining- then reinforcing-an economically and socially viable countryside with a younger population and linking agriculture to the protection of the

132 21 C.F.R. 101.18 (c) (2). See e.g., Section 101.18 pertaining to misbranding of food.
environment. There is at least some popular support for policies that promote these basic interests.\textsuperscript{133}

Another aspect of the European Communities is that, in spite of the increase in urbanisation and globalisation, its citizens retain an emotional link to local culture and products. A cheese or another food made with artisanal techniques and quality, as it was made 300 years ago in the same place, is greatly appreciated.

Many of the GIs from EC Member states were recognised long before the creation of the European Communities.

The consumer’s appreciation for the product extends to the person(s) who grew the food and prepared it for the market place. The product name is associated with the product, the locality and anyone who makes the product. The name is not connected to a particular person but, rather, is available to everyone in the producing group.

The law on Geographical Indications was written while taking these interests into account. It has evolved from pre-TRIPs Regulations 2081/92 and 2082/92 to the current Regulations 510/2006 as amended in 2008 and 1151/2012 which in turn repealed the Regulation 510/2006. The European Communities’ Law on Geographical Indications is the epitome of a sui generis system. Moreover, the fact that the law is one aspect of a multidisciplinary approach to food, agriculture, rural development and environmental protection adds weight and content to its technical provisions. At the same time, the Regulation must be in accord with the European Communities’ obligations under the Agreement on Trade Related Aspects of Intellectual Property (TRIPs).

Undoubtedly, given the experience of the TRIPs negotiations, the European Union has the influence to shape the future direction of International protection for GIs. More than a decade of experience in the Transnational Regulation of

\textsuperscript{133} ECHOLS, \textit{Supra} note 111.
GIs allows the European Union to speak with singular authority in advancing the International extension of its own model of protection. In so far as European Negotiators are concerned, the two-tiered protection of the TRIPs Agreement represents but a partial victory. Europe’s objective during the Uruguay Round Negotiations had been to protect all food stuffs, including wine, to the same high level, prohibiting use of such GIs in question even when accompanied by words such as “type” or “style” and in the absence of “misleading use”. While the EC succeeded in having GIs recognised as a distinct category of intellectual property rights within Article 3 of the TRIPs Agreement and in securing additional protection for wines and spirits, member states have generally the freedom to determine the legal means of protection for GIs. Nonetheless, Europe’s negotiating position during the Doha Round of Trade Negotiations remains constant to its desire to see correspondingly higher standards of international protection.

The autonomous protection of GIs across the European Economic Area became an early feature of the Commission’s Agricultural Policy. In February 1979, in Cassis de Dijon, the European Court of Justice (ECJ) in Rewe-Zentral AG v. Bundesmonopolverwaltung für Branntwein held that products legally produced and marketed in one Member State could be marketed in another. The Court’s affirmation of the principle of free movement of goods within the community thereby removed any protection the agricultural and food producers

135 TRIPs, Art. 22(2) and Art. 1.
137 “EU: C: 1979:120”, Case 120/78 (ECJ).
might have enjoyed in respect of measures equivalent to quantitative restrictions between member states.

Cognisant of the need to replace production based subsidies to farmers with an instrument that would facilitate their ability to compete in International commodity market, the European Commission saw GIs as having the capacity to provide small to medium agricultural producers with a means to achieve both product differentiation and financial stability. GIs were perceived as a means of changing from quantity – based exports by creating a system that would allow consumers to recognise and pay a premium for high-quality products produced only by traditional raw materials or methods and only within the regions with which the products originally were associated.

GIs have been considered public goods with rights extending to anyone in the EC geographical region whose product met the specifications. This view was reflected as early as in 1975 in EC. In Commission of the European Communities v. The Federal Republic of Germany (Sekt)138, the EC challenged a German restriction on imports of sparkling wines as a contravention of Article 30 of the EC Treaty139 that was not justified under Article 36 of the

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139 Treaty establishing the European Community (The Maastricht Treaty established the European Union under its current name in 1993 and its evolution can be traced to European Economic Community in 1958). Articles 28-30 EC deals with free movement of goods and mutual recognition. European Court of Justice in Procureur du Roi v.Dassonville ( Dassonville formula Case 8/74) [1974] E.C.R.837 laid down that all trading rules enacted by Member States which are capable of hindering, directly or indirectly, actually or potentially, intra-community trade are to be considered as measures having an effect equivalent to quantitative restriction. For example, barriers to trade were German purity law for beer which rules banning additives in beer, cheese must have a prescribed minimum fat content and Margarine must be sold in cubic packing so as to distinguish it from butter. However, restrictions imposed by the Member State of import are possible, provided that they are justified by the reasons given in Article 30 of EC or by the mandatory requirements recognised by the European Court of Justice. The aforesaid case was a case in the European Court of Justice, in which a distinctly applicable measure of equivalent effect to a quantitative restriction of trade in the European Union was held to exist on a Scotch Whisky imported from France. In this case the Court held that the Belgian Legislation requiring the certificate of authenticity represented a measure having equivalent effect of restricting trade and in breach of Article 28 of the EC Treaty (now Article 34 TFEU). The restriction meant that it was perfectly possible for a French seller of Scotch Whisky to sell the Whisky, but a short distance away in Belgium, a trader selling the same Whisky would be subject to restrictions that would effectively create a restriction on their ability to compete with the French Trader. The Court ruled that all trading rules enacted by Member States which are capable of hindering, directly or
Treaty. Germany reserved certain “indirect” appellations of origin to domestic products and/or to wines produced in Germany from German Grapes, unless German was an official language throughout the country of export. In its opinion the Court of Justice recognised community law on appellations of origin as fostering objectives such as safeguarding the interests of the producers concerned against unfair competition and protecting consumers from misleading information.140

The Court ruled against Germany, since it could not find a special method of production that contributed to quality and characteristics peculiar to German sparkling wine and making them typical German products (generic), in contrast to Germany’s assertions.141 The registered Designations of Origin and indirect Indications of Origin referred to in that directive always describe at least a product coming from a specific geographical area. The Appellations of Origin only fulfill their specific purpose if the product which they describe does in fact possess qualities and characteristics which are due to the fact that it originated in a specific geographical area. As regards Indications of Origin in particular, the geographical area of origin of a product must confer on it a specific quality and specific characteristics of such a nature as to distinguish it from all other products.

Sometime after Sekt, the Court of Justice began to refer to Appellations and Indications in the context of Intellectual Property (i.e., as private rights), as it considered more fully the Article 36 exception to the free movement of goods.

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140 Article 30 of EC Treaty provides that the provisions of Articles 28 and 29 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States.

141 See Supra note 139.
In the *Exportur case*[^142], the Court reviewed a bilateral agreement between France and Spain for the reciprocal protection of certain Indications of Provenance, which the Court said were also entitled to protection. Such names may nevertheless enjoy a high reputation amongst consumers and constitute for producers established in the places to which they refer an essential means of attracting custom.^[143]

“The aim of the [Franco-Spanish] Convention is to prevent the producers of a Contracting State from using the geographical names of another State, thereby taking advantage of the reputation attaching to the products of the undertakings established in the regions or places indicated by those names. Such an objective, intended to ensure fair competition, may be regarded as falling within the sphere of the protection of Industrial and commercial property within the meaning of Article 36 of the EC Treaty[^144], provided that the names in question have not, either at the time of the entry into force of the Convention or subsequently, become generic in the country of origin. Accordingly, where the protection afforded by a State to names indicating regions or places in its territory is justified under Article 36 of the Treaty that provision does not preclude such protection from being extended to the territory of another Member State.^[145]

The shift in the focus of case law also contributed to the shift of focus towards Industrial property concepts.

After the TRIPs Agreement, a dispute on GIs was arbitrated by The Dispute Settlement Body of The World Trade Organisation (WTO), which resulted


[^143]: *Id.* Para 28.

[^144]: Articles 36 of the EC Treaty provides that the provisions of the Chapter relating to rules on competition shall apply to production of and trade in agricultural products only to the extent determined by the Council within the framework of Article 37(2) and (3) and in accordance with the procedure laid down therein, account being taken of the objectives set out in Article 33. The Council may, in particular, authorise the granting of aid(a) for the protection of enterprises handicapped by structural or natural conditions; and (b) within the framework of economic development programmes.

[^145]: See *Supra* note 142.
from European Regulation 2081/92 of 14 July 1992 (hereinafter the European Regulation). In June 1999, the United States\textsuperscript{146} (and Australia in April 2003)\textsuperscript{147} requested consultations with the European Communities (EC) in respect of certain aspects of the European Regulation that the United States deemed went against the dispositions of the General Agreement on Tariffs and Trade 1994 (GATT) and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs Agreement). The United States contented that the EC Regulation does not provide for National Treatment with respect to GIs and does not provide sufficient protection for pre-existing trademarks that are similar or identical to European GIs. The consultations did not result in any agreement between the parties on this issue. In August 2003, the United States and Australia requested the Dispute Settlement Body to set up a panel to investigate the issue. In March 2005 the Panel’s report was circulated to members. Neither party appealed nor the panel’s report was adopted by the Dispute Settlement Body on 20\textsuperscript{th} April 2005.

An original feature of the dispute on GIs is that it was not provoked by a GI from outside the EC; rather, the EC Regulation was challenged by the United States and Australia “as such”. The economic stakes should not be underestimated. For instance, the United States is an important producer of “American” as well as “Non-American” cheeses. In this context, there are two aspects that are of interest. First, American definitions of “Non –American” cheeses can differ greatly from European definitions for the same cheeses; second, American production of “Non-American cheeses” since 1988 has been systematically and increasingly greater than American production of “American Cheeses”. Furthermore, this dispute was concomitant to the ongoing International Negotiations on GIs held within the Doha mandate. Although these negotiations may concern different issues (the creation of a multi-lateral register for wines and spirits), these constitute an area for strong

\textsuperscript{146} WT/DS 174.
\textsuperscript{147} WT/DS 290.
opposition between the United States and the European Union and their different conceptions of the legal means to protect GIs, and what is considered to be an adequate degree of protection. It is interesting to note that both parties were satisfied with the outcome of the dispute on GIs.¹⁴⁸

National Treatment occupies an important part of the Panel Report. National Treatment in the context of this dispute means that the EC Regulation should afford a foreign GI producer treatment no less favorable to that afforded to EC Nationals. The positive side of this means that compliance with National Treatment allows a member to develop internal regulations that are not protectionist. National Treatment in particular ensures that access to a given domestic market for a foreign producer is not conditional on the internal regulation choice of his government. This concept is central to international law and maintains a discipline on the internal policies of WTO Members. Another important part of the Panel Report deals with the co-existence of GIs and similar pre-existing trademarks. The compatibility of two broad models for protecting Intellectual Property Rights (IPRs) for Agricultural products is therefore questioned. An example here is the prolonged struggle over the name “Budweiser” involving the Czech brewer “Budejovicky Budvar”, and American Trade Mark Budweiser, which set a precedent that attracted the attention of the press.¹⁴⁹

The Panel concluded that the European Regulation gives non-EC WTO Member Nationals less favorable treatment than it affords to EC Nationals. Indeed, EC Member States are obliged, under EC Law, to forward any admissible GI application for registration to the European Commission, whereas for a third country this is voluntary. Furthermore, a third country should not be required to be conversant with the European Regulation, or to

judge whether its own legislation is in line with the dispositions of the European Regulation.\textsuperscript{150}

Given this outcome, at the end of the dispute, the European Authorities declared that the decision of the WTO Panel would enable the European Union to promote its system of protection of GIs. This opinion was optimistic and that given the affirmation of National Treatment and the important differences among countries in the degree of protection of GIs, the countries with less rigid protection regulation will be tempted to free ride on the harmonisation of the protection rules for GIs. This will allow them to benefit from the positive externalities created by the European System of protection for GIs. A policy designed to increase quality and product differentiation in agriculture would likely be needed if the United States is to be attracted towards adoption of the European System of GI protection.\textsuperscript{151}

\textbf{2.17.1. Impact of WTO decision on the European Regulation}

Regulation 2081 was repealed by amended Regulation 510/2006 which was adopted on March 20\textsuperscript{th}, 2006.\textsuperscript{152} It is designed to ensure that the Community Regulation on registering GIs and Designations of Origin implements the recommendations of the WTO Dispute Settlement Body. Accordingly, the EC was required to amend the Regulation with respect to the equivalence and reciprocity conditions so for as those conditions apply to the procedures for registration of GIs located in other WTO Members.\textsuperscript{153}

\textbf{2.17.2. Problems concerning the European harmonisation of GIs}

Since the introduction of the EC Regulation in 1992, European small to medium agricultural producers have adopted GIs with increasing readiness.

\textsuperscript{150} Report of the Panel, paragraph 7.341.

\textsuperscript{151} See Supra note 136.

\textsuperscript{152} Ibid.

Over 700 foods and beverages have been approved by the Commission for GI registration, with another 320 applications under consideration and which are competitively well placed to leverage the benefits of GI protection.

Despite its success within the European Economic Area, prior to the further internationalisation of protection for GIs, due consideration should be given to the increased potential for disputation within both the private and public spheres. In the decade since the European Regulation was implemented, recurrent litigation bears witness to a number of technically thorny issues that might well be replicated and similarly comprehensive protection be adopted on an International scale.

2.17.3. Conflicts over the definition and specification of GIs

The history of the Regulation shows that definitional questions attached to the specialisations for PGIs and PDOs are likely to be the subject of recurrent challenge. Article 2 defines both PGIs and PDOs as ‘the name of a region, specific place or, in exceptional cases, a country, used to describe an agricultural product or foodstuff. In both cases the Regulation provides that the production, processing or preparation should take place within the “defined geographical area.”

The case of Northern Foods Plc v. The Department for Environment, Food and Rural Affairs has emerged as a ground-breaking case over the problems the EC System for the protection of GIs can pose for competing producers outside the defined geographical area. Complainant Northern Foods seek to challenge
the decision of the UK Department of the Environment, Food and Rural Affairs (DEFRA) to forward to the European Commission, the application of the “Melton Mowbray Pork Pie” as a PGI.

Northern Food’s objection is based on the claim that the description of the Geographical area given in the specification constitutes an artificially large zone that would disproportionately benefit one producer alone. At issue is an area covering approximately 1800 square miles, a region comprising parts of Leicestershire, Nottinghamshire and Northamptonshire. The proposed designated area includes Leicester, where trade rival Samworth Brothers make 62% of Britain’s Melton Mowbray pie, compared with the 28% share held by Northern Foods. Northern Foods Production, however, situated in Shropshire and Wiltshire, finds itself situated outside the designated area.

On 21 December 2005, the UK High Court dismissed Northern Foods’ objection concerning the proposed “region” of 1,800 square miles going far beyond Melton Mowbray, as misconceived. As a matter of precedent, European Case Law indicates that when considering the grant of a defined geographical area, the size of the area is immaterial.

2.17.4. Conflicts over the scope of specifications

The fact that only associations of producers are entitled to apply for registration of a PGI or PDO, coupled with the potential breadth of the specification means that GIs constitute a species of collective monopoly right. Former Regulation No.2081/92 was intended to meet consumer’s expectations as regards products of quality and an identifiable geographical origin and to enable producers, in conditions of fair competition, to secure higher incomes in return for a genuine effort to improve quality.\textsuperscript{157} However, where the terms of the specification give the association of producers full control over the chain of supply and

distribution, the tension between the Intellectual Property Rights of the collective and free movement of goods becomes all the more acute.

The case of Consorzio del Prosciutto di Parma and Salumificio v. Asda Stores Ltd. and Hygrade Foods Ltd.\(^{158}\) provides an apposite illustration. Prosciutto di Parma is registered as PDO in respect of “meat-based Products”. The Consorzio is registered as an inspection body for the PDO under Article 10 (2) of former Regulation No. 2081/92. In addition, Italian Law No. 26 on protection of the Designation of Origin “Proscuitto di Parma”\(^{159}\) of 13\(^{th}\) February 1990 reserves the designation “Proscuitto di parma” exclusively to ham marked with a distinguishing mark allowing it to be identified at any time, obtained from fresh legs of pigs raised and slaughtered in mainland Italy, produced in accordance with provisions laid down in the law. Article 25 of The Italian implementing Regulations\(^{160}\) prescribed that the slicing and packaging of Parma ham must take place at plants in the designated area, which are approved by the Consorzio responsible for monitoring Parma Ham production.

Defendants Asda Stores Ltd. operates a chain of supermarkets in the United Kingdom. The dispute concerned the sale of “Prosciutto di Parma” by Asda Stores Ltd. bearing the description “parma ham” that had been purchased pre-sliced from Hygrade Foods Ltd, in packets that bore the words ASDA-A taste of Italy “PARMA HAM Genuine Italian Parma Ham”. The second defendant Hygrade, having purchased the ham boned from an Italian producer who was a member of the Consorzio, undertook the packing, labeling and slicing for the Asda Supermarkets.

The Consorzio brought proceedings in the United Kingdom against the defendant companies, seeking injunctions to prohibit their activity on the ground that it was contrary to the specification for the “PDO Prosciutto di

\(^{158}\) EU: C: 2003; Case C-108/01(ECJ).

\(^{159}\) Legge, 13 febbraio 1990, n.26, Tutela della denominazione di origine “prosciutto di parma” (Implementing Regulation on the hygiene of production and sale of foodstuffs and beverages).

\(^{160}\) Decreto, 12 Ottobre 1993, n.572 (1) “Regolamento di esecuzione della legge notarile” (Government Regulation for protected Designations of Origin).
Parma”. In the first and the second instances, Asda and Hygrade successfully opposed the motion. Thereafter on appeal to the House of Lords, proceedings were stayed in favour of a preliminary reference to the ECJ concerning the ability of the Appellants under the EC Regulation, to restrain the retail sale of Parma ham which had not been sliced, packaged and labelled in accordance with the specification.

With regard to the nature of the enforceable right conferred by the registration of the PDO, the ECJ noted that Article 8 provides that the PDO may appear only on products which comply with the Regulation and Article 4.1 provides that to be eligible to use a PDO; a product must comply with the Specification. Thus, the specification not only lays down for authorised producers within the designated area, the standards that they must observe in producing the product, but also for those outside the designated area, defines the product in respect of which the producers have the exclusive right to use the PDO. In accordance with Article 4(e), the specification for “Prosciutto di Parma” set out the terms of slicing and packaging of the product within the region of production for ham marketed in slices. The ECJ therefore, concluded that the former regulation no. 2081/92 must be interpreted as not precluding the use of a PDO from being subject to the condition that operations such as the slicing and packaging of the product take place in the region of production, where such a condition was laid down in the specification.

Secondly, as a matter of restrictive trade practices, the defendants argued that the effect of the slicing, packaging and labeling provisions was to confine those activities to the Parma area and to prevent firms elsewhere, in Italy or in other Member States, from carrying on what should be legitimate slicing and packaging activities. This, they claimed, amounted to a quantitative restriction on exports from Italy or imports of unsliced hams into other member states.
within the meaning of Article 29 of the EC Treaty.\textsuperscript{161} However, the ECJ concluded that if control of slicing and packaging is in furtherance of a legitimate Community Objective of guaranteeing the authenticity of sliced Parma ham brought under the PDO, the measure could not be impugned as having a disproportionately adverse effect upon trade between member states.

In sum, the decision teaches that PGO’s and PGIs are a form of Intellectual Property protection, conferring upon producers in a certain area the exclusive right to use their regional name as descriptive of the product, provided such conditions are laid down in the specification that the protection in respect of the agricultural products in question may extend to operations such as slicing and packaging, despite its ostensibly trade restrictive nature.

\textbf{2.17.5. Conflicts over the repatriation of semi-generic names}

EC Regulation, Article 3(1), defines a “name that has become generic” as the name of an agricultural product or a foodstuff which, although relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff.\textsuperscript{162}

Throughout the development of international protection, geographic names which have become generic have proven a repeated stumbling block. European migration in the Eighteenth and the Nineteenth centuries to the colonies of the new world invariably resulted in new entrepreneurs hoping to capitalise on the success of their traditional European food products and processes. Two popular American foods, hamburger and frankfurters, reveal much about the culinary and cultural history of the United States.

\textsuperscript{161} Article 29 of The EC Treaty states that quantitative restrictions on exports, and all measures having equivalent effect, shall be prohibited between member states. Under Article 30 of the Treaty, Article 29 does not preclude prohibitions or restrictions on exports justified inter alia on grounds of the protection of industrial and commercial property. \textit{See Supra} note 140.

\textsuperscript{162} For instance, the names “Mozzarella” and “Camembert” for cheeses are not currently protected as “Geographical Indications” in the EC or elsewhere and are, therefore, not entitled to protection in third countries under TRIPs provisions.
The problem is no less an issue in the European Union. Among some 700 GIs registered under the European Regulation, a considerable number comprises of formerly generic terms. Moreover, the issue becomes urgent for competitors outside the designated area, since, in contrast to trademark law, registration insures GI from further attack on grounds of generic use. The Regulation itself prevents any protected name from becoming generic by statutory enactment. These statutory enactments include Sui generis legislations. Under these legislations the applications are sent to the relevant national authorities responsible for registration of GIs. In some EC member States such as Italy, Spain, Greece, Ireland and Finland, the competent authorities are the Ministries of Agriculture, which have a principle role with the European Commission in verifying applications. After receiving the application, the competent authority of the Member State examines the application to check that it is justified and whether the application meets the conditions of the EC Regulation. Thus, we may conclude that it is not only the European Union which has the Sui generis system at place to protect the GIs and PDOs which are associated with its Member States. India is one of the forerunners though of late.

It may further be concluded that the European Union uses both Trade Mark Law and a separate legislation to protect GIs. Here a unitary trademark right with legal effect for the whole community can be acquired on the basis of the Community Trademark Regulation (CTMR).

With the EC Regulation No. 2081/92, (In March 2006, this Regulation was repealed and replaced by Council Regulation (CE)n 510/2006 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs) the EC almost 10 years ago established a

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163 The grounds for absolute refusal of trademark registration are listed in Article 7 (1) CTMR. Pursuant to that provision, a trademark shall not be registered as a Community Trade Mark (CTM) if it is devoid of distinctive character, if it consists exclusively of descriptive or generic signs or indications, if it is contrary to public policy or to accepted principles of morality, if it is of a nature to deceive the public, if it must be refused according to article 6ter of the Paris Convention, or if the mark include badges, emblems or escutcheons other than those covered by Art. 6ter, which are of particular public interest, unless the consent of the appropriate authorities has been given.
supranational system of protection for certain GIs. According to this Regulation, which entered into force in July 1993, GIs and Designations of Origin for agricultural products and foodstuffs can be protected within the European Community. This Regulation became a contentious issue between the European Community on the one side and the United States and Australia on the other side which was arbitrated by the Dispute settlement Body of the WTO.164

The EC Regulation 510/2006 prohibits the registration of GI when it is a generic term. Names that have become generic may not be registered. The text does not mention invalidation. It defines a generic name as the name of an agricultural product or a foodstuff which, “although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff in the community.”165

The EC protected well-known and established trademarks against a subsequent GI. A GI could not be registered when, “in the light of a trademark’s reputation and renown and the length of time it has been used”, registration is liable to mislead consumers about the true identity of the product.166

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164 The dispute between WTO Member Countries (US as main contender for seeking consultations of WTO Panel while as Australia, Argentina, Brazil, Canada, China, Chinese Taipei, Colombia, Guatemala, India, Mexico, New Zealand and Turkey as third parties) and European Communities-protection of trademarks and geographical indications for agricultural products and foodstuffs is a highest contentious issue which opposes the European Regulation 2081/92 of 14 July 1992 (the European Regulation). This dispute has two important issues. First, the panel has demonstrated the European Regulation does not comply with the national treatment promulgated by the Agreement on Trade-Related Aspects of intellectual property Rights (TRIPs) and the General Agreement on Tariffs and Trade, 1994. Second, the panel affirmed the possibility of some co-existence between GIS and identical prior trademarks. At the DSB meeting on 21 April 2006, the European Communities said that they had fully implemented the DSB’s recommendations and rulings by adopting a new regulation which entered into force on 31 March 2006. Australia and the United States disagreed that the European Communities had fully implemented the DSB’s recommendations and rulings and invited the European Communities to take account of their comments and revise the newly promulgated regulations. See WT/DS 174 and WT/DS 290.

165 EC Regulation 510/2006, Art. 3.

166 EC Regulation 2081/92 Art. 14. 3.
Chapter – 2

An Analysis of Law Relating to Geographical Indications:

When the use of a trademark led to an Article 13 situation and whether registration had been applied for, existed or was established first, it could continue to be used notwithstanding the registration of a Geographical Indication, under certain conditions. The European Community has taken the position that trademarks may co-exist Geographical Indications. The principle of “first in time”, “first in right” is applicable here.

This outline of the national protection of Geographical Indications shows that the protection of Geographical Indications in countries outside the countries of origin is based on a multi-faceted net of international and national provisions.

2.17.6. Special Titles of Protection

The protection of Indications of Source (IS) against false or deceptive use was insufficient. In addition, the need for the protection and the encouragement of local, traditional methods of production emerged. It was in France where the first statute was enacted which provided for the protection of GIs through a special title of industrial property, namely Appellations of Origin (AO).

The French Law of May 6, 1919, recognised the existence of Appellations of Origin and laid down conditions for their protection. According to this law, an Appellation of Origin consists of the name of a country, region or locality that serves to designate a product originating therein, the quality and characteristics of which are due to the geographical environment, including both natural and human factors. This means that only such products are protected under this special title which originate from a specific area and which owe their specific quality to their place of origin. In other words, a special link between the goods

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167 Article 13(b) protects registered geographical indications against any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as “style”, “type”, “as produced in”, “imitation” or similar. See, e.g., MARSHA A. ECHOLS, GEOGRAPHICAL INDICATIONS FOR FOOD PRODUCTS: INTERNATIONAL LEGAL AND REGULATORY PERSPECTIVE, 83-85 (2008).
and their place of origin, i.e., natural and human factors which are to be found exclusively in the respective area, must be established.  

2.18. Geographical Indications in the U.K.

Geographical Indications assumed importance internationally in the form of appellations of origin only in the year 1958. Even prior to that, however, in the context of trademarks, the use of geographical names had given rise to a distinct jurisprudence, which in many ways can be considered the basis for modern-day law relating to Geographical Indications of Origin. It is also to be noted that because of this interplay between trademarks and Geographical Indications at such an early stage, the modern Geographical Indication bears a considerable resemblance to a trademark.

The object of a trademark, being essentially to allow an entrepreneur to distinguish his goods and services from those of his competitors, it is but rudimentary that the trademark be unique. This is usually described as the “distinctiveness” of a trademark. The mark must be such as would make it possible to distinguish the entrepreneur when it is used in conjunction with his goods or services. If, on the other hand, a mark is one that merely recognises an entire category of goods or services as such, then it is no longer “distinctive”. The mark then is said to have become “descriptive”. When a mark becomes descriptive, no producer or supplier can claim exclusive use of the same and, as a consequence, its registration is also not permitted. The only circumstance when a descriptive mark is granted registration or is recognised as representing

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168 LEWINSKI (ed.), See Supra note 60, at 243. In order to ensure that the products possess the specified qualities, a control mechanism has been set up by the competent authorities and quality controls are carried out regularly. Only products which comply with the quality standards are protected by an Appellation of Origin. Initially, Appellation of Origin only concerned wines and spirits, but later the concept of Appellation of Origin was extended to include other products (such as dairy products mainly cheeses and butter, poultry and plant products).

a single manufacturer or producer is when the mark acquires a “secondary meaning”.\textsuperscript{170}

A geographical name, viewed from this perspective is usually a descriptive name in the sense that it does not represent any single user in the territory but rather refers to a class of goods or services; those originating from a particular region. From the beginning of the twentieth century, therefore, one begins to see in the Common Law several cases where the use of a geographical name as a trade mark is forbidden by the courts of law. The restriction is not on the use of the name as such, but merely on the claim to exclusivity in relation to the name as a trademark.

One of the earliest cases of importance in this regard is that of \textit{Re The Application of the Societe des Usines Chimiques Rhone-Poulenc}.\textsuperscript{171} The Appellants were manufacturers of a tonic, which they decided to name, “Livron” combining the words “liver” and “iron”. They sought to register the same as their trade mark. At the same time however, there existed a town in France by the name of Livron where the respondents owned a factory with a similar business. The Court ruled that the mark as such was incapable of distinguishing the goods of the Appellants and was, therefore, not distinctive.\textsuperscript{172} Since there existed a company in the Livron area, the mark was considered to be one calculated to deceive and its registration was denied. Here, “Livron” was clearly not a word invented by the Appellants. The issue came up for consideration by the House of Lords in \textit{Re Clark, Son and 170} 


\textsuperscript{171} \textit{Re THE APPLICATION OF THE SOCIETE’ DES USINES CHIMIQUES RHONE-POULENC Re TRADE MARK, “LIVRON” OF BOOTS PURE DRUG CO., Ltd., [1937]4 Eng.Rep. 23 (K.B.D.)} The evidence was such that the Registrar ought to have refused registration because the mark was calculated to deceive. The mark was not adapted to distinguish the goods of the proprietor. Per SIR WILFRID GREENE, M.R., and MACKINNON, L.J., the word “Livron” was a geographical word and could not, therefore, be an invented word. Per ROMER,L.J., a word with no signification whatever to the ordinary Englishman cannot be a geographical word, and the fact that such a word is in fact a geographical name does not prevent it from being an invented word.

\textsuperscript{172} Id. at 26-27, “… a foreign place-name has an existence and it has an existence not only for foreigners, but also for Englishmen because, if any Englishman wished to refer to that place, that name is the only name which he could use.”
Morland Ltd. ‘s Trade mark. Here both the appellant and the respondent were traders in Glastonbury, trading in articles made of sheepskin. The respondents registered the word “Glastonbury’s” as their trademark. The appellants sought to have the mark expunged arguing that it was incapable of distinguishing the respondent’s goods from theirs. The Court held that the registration by the respondent had the effect of preventing other manufacturers from selling their products as those from Glastonbury when they were actually so. The mere addition of “s” did not render the mark distinctive and accordingly the use of the word was expunged.

A similar question arose for consideration before the same Court in Yorkshire Copper Works Limited v. Registrar of Trade Marks. In this case the appellants, manufacturers situated in Leeds, applied for the registration of the name “Yorkshire” in respect of the solid drawn tubes and fittings which they made. The Court held that the word was a “descriptive epithet” and has not been “inherently adopted” to distinguish the appellant’s goods. Accordingly the registration was denied. The Registrar refused the application following the decisions in Liverpool Cables Case and the Glastonbury’s case and Appeals

173 [1938]2 Eng.Rep. 377 (H.L.). As per LORD MAUGHAM, L.C., “My Lords, this appeal raises a question in relation to a registered trademark, “Glastonbury’s”, which had been registered by the respondents in class 38 under no.546,401 in respect of “slippers, slipper-shoes and motor overshoes.” The trial judge, then Clauson, J., ordered the Trademark to be expunged from the register. The Court of Appeal, taking another view of the facts, overruled that decision. Hence the present appeal. I have had the advantage of reading the opinion of my noble and learned friend LORD RUSSEL OF KILLOWEN, who has sufficiently stated the facts, which is unnecessary for me to repeat.

174 An important consideration in this case was the fact that Glastonbury was a city famous for its sheepskin products. This comes across in the following words of the Court:

“...the town of Glastonbury enjoys a reputation connected with sheepskin slippers arising from the fact that it is famous for its efficient tanning of the sheepskins with the wool on, which are used in the manufacture of slippers.”


176 “…just as a manufacturer is not entitled to a monopoly for a laudatory or descriptive epithet, so he is not to claim for his own a territory, whether country, county or a town, which may be in the future, if it is not now, the seat of manufacture of goods similar to his own.

177 See Supra note 175 at 811.

178 Liverpool Electric Cable Co. Ltd.’s Application (2). (1929) 46 R.P.C. 99 (C.A.). As per the view expressed by LORD RUSSEL: “It appears to me to be, from one aspect, a stronger case for refusing registration than that of Re Liverpool…that decision laid down no new law. It was based upon the view, well established by previous authority, that distinctiveness in fact is not conclusive upon the question whether a mark is “distinctive” as defined in section 9, and whether it ought to
against this decision were dismissed by the High Court and the Court of Appeal. On further appeal to the House of Lords, it was held that in deciding the distinctiveness of a mark the Registrar must consider both whether it is inherently adopted to distinguish and whether it is in fact distinctive and that the mark “Yorkshire”, although it had become in fact distinctive, was not inherently adapted to distinguish the goods of any trader and was, therefore, not distinctive and that the application was rightly refused. The Court observed:

“Just as a manufacturer is not entitled to a monopoly of a laudatory or descriptive epithet, so he is not to claim for his own a territory whether county, country or town, which may be in the future if it is not now, the seat of manufacture of goods similar to his own... A geographical name can only be inherently adapted to distinguish the goods of “A”. When you can predicate of it that is such a name as it would never occur to “B” to use in respect of his similar goods. Of such names the classical examples are “Monte Rosa” for “Cigarettes” or “Teneriffe” for “boiler plates.”

Before this period, one sees the protection of geographical attributions primarily through a system of negative protection, i.e., through the process of denying any party the rights to exclusive use of the name in question. A non-exclusive use was permitted, and in fact encouraged. With this, however, emerged the realisation that a non-exclusive use was capable of being misused. Producers and suppliers having no connection whatsoever with a geographical region began taking advantage of the goodwill and reputation that came to be associated with products originating from such a region. The intrinsic value of
a geographic name thus came to be recognised and evolved into a system where courts used the doctrine of passing-off to prevent such unscrupulous misuse.\(^{180}\)

The first few cases where this approach came to be observed related to Internationally reputed products having a geographical connotation, such as “Champagne”, Scotch Whisky and Sherry. In *J. Bollinger v. Costa Brava Wine Co. Ltd.*\(^{181}\), the Chancery Division, for the first time, granted an injunction to prevent the misuse of the name “Champagne”. Here, the plaintiffs were producers of wine from grapes grown in the Champagne District of France, through a special process. They sought to restrain the defendants from selling their Spanish wine, as “Spanish Champagne” when the wine so sold had no connection with the District of Champagne. It is pertinent to note that the action they initiated was not an individual action but a collective one, i.e., they sued for themselves and on behalf of all wine producers in the Champagne District. The Court found in favour of the plaintiffs and granted the injunction, under the broad heading of “unfair competition” and “passing–off”. The Court went on to observe:

> “…it ought not to matter that the persons truly entitled to describe their goods by the name and descriptions are a class producing goods in a certain locality, and not merely an individual. The description is part of their goodwill and a right of property.”

The expansive approach does seem to have been diluted to a large extent in the subsequent case of *Vine Products Ltd. v. Mackenzie and Co. Ltd.*\(^{182}\)

### 2.18.1. Common law Action for Passing Off

The trademarks law in most countries of the world, both in letter and spirit, is laid upon the premise that, while it encourages fair trade in every way and aims to foster and not to hamper, competition, no one, especially a trader, is justified

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\(^{180}\) SHERMAN AND BENTLY, *See Supra* note 55 at 195.


in damaging or jeopardising another’s business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built up by another.

The law of passing off is based on the principle that unfair competition is calculated to destroy honest business and should not be allowed. The object of the law is to restrain commercial piracy. The law is not limited to case of pure trademarks, but is based on a “much wider principle, the principle being that the court will always interfere by injunction to restrain irreparable injury being done to the plaintiff’s property.”\(^\text{183}\) The form of injunction depends on the nature of the passing off. The usual form of injunction is to prohibit the use of the marks or name “without clearly distinguishing” the defendant’s goods or his business from the goods or the business of the plaintiff. In a few exceptional cases, where the defendant could not clearly distinguish his goods or business from the plaintiff’s, injunction in absolute terms will be granted.

**2.19. SUI GENERIS SYSTEMS**

Sui generis protection of GIs emphasises the element of production quality, which is not so evident with the protection of GIs as trademarks. It requires checks on the quality and specific characteristics of the products with GIs. Therefore, the reputation and the market competitive ability of the products with GIs are enhanced. The sui generis protection is also important for the development of local communities, the marketability of products with GI and the establishment of production standards and conditions.\(^\text{184}\)

In countries where there is a sui generis system that provides for the registration of GIs, producers of GI product do not encounter major difficulties. The difficulties arise when GI producers have to rely on unfair competition and


\(^{184}\) Irina Kireeva and Bernard O’Connor, *Geographical Indications and the TRIPs Agreement: What Protection is provided to Geographical Indications in WTO Members?* 13 J W.I. P.293 (2010).
consumer protection laws, passing off actions, or when they seek protection via
the registration of a trademark, collective mark or certification mark.

Most commonly associated with wines, cheeses and other agricultural products,
GIs are known to be powerful marketing tools that enable consumers to
differentiate between goods and make rational choices about price, quality and
product characteristics. Like trademarks, GIs are signs whose function is to
provide information about the origin of the product. Asserting one’s position on
a global market through branding encapsulating local products and its
associated knowledge on production and cultural expression may lead to self
discovery and a restatement and even preservation of traditions. It is in the light
of this background that countries have developed their own legal systems for
safeguarding the interests of producers and protecting the goodwill of the
genuine products which are origin – guaranteed. India has followed the same
trend.

India is a developing country that has put into place an elaborate legal system
to recognise at home and to demand recognition overseas for food and other
products that are special to traditions and location in the country. The legal
approach is sophisticated and multi-part under the Geographical Indication of

2.20. The Law of Unfair Competition

The use of a certain Geographical Indication for goods or services not
originating from the respective area may be misleading and thus may result in a
deception of consumers. Furthermore, such use may constitute a
misappropriation of the goodwill of the person who is truly entitled to use the
Geographical Indication. An action for unfair competition which, depending on
the national law, is either based on statutory provisions, as interpreted by Court
decisions, or on Common Law can be instituted in order to prevent competitors
from resorting, in the course of trade, to such misleading practices.
2.20.1. Protection against unfair competition

Protection against unfair competition has been recognised as forming part of industrial property protection for almost a century. It was in 1900, at the Brussels Diplomatic Conference for the Protection of Industrial Property, that this recognition was first manifested by the insertion of Article 10 in the Paris Convention.

In the wake of recent political developments, a number of countries are currently in the process of adopting market economy systems, which allows free competition between industrial and commercial enterprises within certain limits defined by law. These developments are taking place not only in Central and Eastern European Countries, but also in a number of developing countries. Free competition between enterprises is considered the best means of satisfying supply and demand in the economy and of serving the interests of consumers and the economy as a whole. However, where there is competition, acts of unfair competition are likely to occur. This phenomenon has been discernible in all countries and at all times regardless of prevailing political or social systems.

All countries that have established market economy systems have devised some kind of safeguard against unfair business practices. In doing so, however, they have chosen quite different approaches. While in other areas of industrial property law, such as those dealing with patents, designs or marks, it is generally agreed that protection is best afforded by a specific, comprehensive statute, the legal basis for the repression of unfair competition can range from a succinct general tort provision to detailed regulation in a special statute. The reason for this diversity of approaches is often purely historical. For instance, in India the Monopolies and Restrictive Trade Practices Act, 1969 was the first post–independence legislation to specially curb unfair competition. This Act classifies unfair trade practices in the genus of monopolistic and restrictive trade practices.
In the pursuit of globalisation, India has responded by opening up its economy removing controls and resorting to liberalisation. The natural corollary of this is that the Indian market should be geared to face competition from within the country and outside. The Monopolies and Restrictive Trade Practices Act, 1969 has become obsolete in certain respects in the light of international economic developments relating more particularly to competition laws and there was a need to shift focus from curbing monopolies to promoting competition. A new law in India called the Indian Competition Act, 2002 was enacted to replace the MRTP Act, 1969.

2.21. Protection of GIs in India: Pre-and Post- 1999 Scenario

2.21.1. Geographical Indication Protection in India

Geographical Indications of goods are defined as that aspect of industrial property which refers to the GIs referring to a country or to a place situated therein as being the country or place of origin of that product. Typically, such a name conveys an assurance of quality and distinctiveness which is essentially attributable to the fact of its origin in that defined geographical locality, region or country. Under Articles 1(2) and 10 of the Paris Convention for the Protection of Industrial Property, GIs are covered as an element of Intellectual Property Rights (IPRs).

GI has become a major policy issue in international economic relations and a term recognised by the general public the world over. As a public policy instrument, GIs have potentially positive implications towards the protection of indigenous knowledge and as a means for generating livelihood and income. It is important to recognise that protection of GI requires more than the mere protection of geographical names because of the triple association between product, place of origin and quality-related factors.

GIs deal with local issues. Their protection generates an original scheme of governance. GIs were first protected in France and they were later harmonised
in the European Union (EU) and then included in the TRIPs Agreement, which was the basis for the enactment of the GI Act in India.\footnote{Delphine Marie-Vivien, From Plant Variety Definition to Geographical Indication Protection: Search for the link between Basmati Rice and India/Pakistan, 11 J. W.I. P. 321 (2008).}

As GIs deal with local issues, their protection generates an original scheme of governance. Contrary to other intellectual property laws, GIs are less homogenised in the international legal framework. GIs are based on twin policies of:

i. Consumer protection through the expression of frauds and unfair competition; and

ii. Rural development through revival of traditional knowledge and traditional genetic resources.

Different legal approaches have been adopted in different countries of the world. These legal approaches reflect the relationship between their own traditions and heritage which correspond to different periods of implementation of their legal framework.\footnote{Ibid. See e.g., Gaurav Malani, India Wants Special Status to Basmati on Par with Scotch, Champagne, THE ECONOMIC TIMES, Aug. 15, 2003, at 3.}

\subsection*{2.21.2. Protection of GIs in India Prior to 1999}

GIs are understood by consumers to denote the origin and quality of products. Many of them have acquired valuable reputation, which, if not adequately protected, may be misrepresented by dishonest commercial operators. False use of Geographical Indications by unauthorised parties is detrimental to consumers and legitimate producers. The former are deceived and led into believing to buy a genuine product with specific qualities and characteristics, while they in fact get a worthless imitation. The latter suffer damage because valuable business is taken away from them and the established reputation for
their products is damaged. Implicit in this statement are the two central legal principles within the common law tradition that enable the protection of GIs:

i. Protection against misleading use of a protected indication – a measure aimed primarily at consumers; and

ii. Protection against the dilution of an indication – a measure aimed primarily at the producers.

It is a matter of serious concern that misuse continues in the garb of manipulation and phrases like “Designed in America”, “Made in Japan”, “Styled in Germany”, “Murshidabad Pattern”, “Assam Type” and the like are being used to mislead the consumers.

Prior to the enactment of the Geographical Indications of Goods (Registration and Protection) Act, 1999, there was no separate legislation in India which could specifically deal with GIs. However, there were three different ways. These three types of protection were:

i. Consumer Protection Laws:
   a. These include Monopolies and Restrictive Trade Practices (M.R.T.P.) Act, 1969; and
   b. Consumer Protection Act, 1986;

ii. Consumer Law action of passing off (a Common Law remedy); and

iii. The Trade Mark Laws.

2.21.3. Protection of GIs under Consumer Laws

The scope of protection for Geographical Indications is largely based on the principles postulated for protection against the use of indications in a manner

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189 Ibid.
that might either mislead the public or be construed as deceptive and protection against the use of indications in a manner that are acts of unfair competition. In addition to this, the consumer protection ethos offer protection to the consumers from the deceptive use of Geographical Indications on wrong products. The principle on the basis of which protection is guaranteed to GIs is protection against unfair competition. In order to be successful in such an action, the plaintiff must show that the use of a given GI by an unauthorised party is misleading and as the case may be, that damage or likelihood of damages, result from such use. Consumer Protection Laws included MRTP Act, 1969 and Consumer Protection Act, 1986.

2.21.4. MRTP Act, 1969

Sections 36 – A to 36 – E of the Monopolies and Restrictive Trade Practices Act, 1969 pertain to Unfair Trade Practices and were inserted into the MRTP Act by an Amendment Act in 1984, w.e.f. 1 August, 1984. The Sachar Committee recommended an exhaustive list of unfair trade practices which should be totally prohibited subject to certain exceptions.

In *Manju Bhardwaj v. Zee Tele Films Ltd.*191, the MRTP commission has held, that the matters relating to IPRs fall within its purview and the commission has complete and unfettered jurisdiction to entertain a complaint in regard thereto and deal with it. If there was a misuse of an idea generated by the complainant on the part of the respondent, by manipulation, distortion, contrivances and embellishments, the respondent lends itself open to action under section 36-A(1) for having indulged in unfair trade practice.192

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190 The Act has been replaced by the Competition Act, 2002.
192 M.R.T.P. Act, Sec. 36 A defines an Unfair Trade Practice as a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any services adopts any unfair method or unfair or deceptive practice. The section then includes a list of practices in its various sub-sections which are declared unfair trade practices.
2.21.5. Consumer Protection Act, 1986

The Consumer Protection Act, 1986 seeks to provide for better protection of the interests of the consumer and, for that purpose, to make provision for the establishment of consumer councils and other authorities for the settlement of consumer disputes and for matters connected therewith.

It seeks, inter alia, to promote and protect the rights of consumers, such as:

a. right to be protected against marketing of goods which are hazardous to life and property;

b. right to be informed about the quantity, potency, purity, standard and price of goods to protect the consumers against unfair trade practices;

c. right to be assured, wherever possible, access to variety of goods at competitive prices;

d. right to be heard and assured that consumers’ interests will receive due consideration at appropriate forums;

e. right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers; and

f. right to consumer education.

Section 2 (1) (r) of the Consumer Protection Act, 1986 has made the expression “Unfair Trade Practice” contained in Section 36 A of the Monopolies and Restrictive Trade Practices Act, 1969 applicable to the Consumer Protection Act, but shall not include an unfair trade practice adopted by the owner of an undertaking to which part A of Chapter III of that Act applies.¹⁹³

2.21.6. Common Law Action of Passing off

The object of the law of passing off is to protect some form of property-usually the goodwill of the plaintiff in his business or his goods or his services or in the

¹⁹³ M.R.T.P. Act, 1969, Part A of Chapter III, applies to an undertaking if the total value of the assets of such undertaking is not less than 100 Crores of rupees. Previously it was 20 Crores but the words 100 Crores were substituted by the Act 30 of 1985.
work which he produces or something of that kind. The goodwill of the business is ordinarily represented by a mark, name, getup or other badge. Passing off is a form of tort. The substantive law of passing off is almost entirely based on Common Law. “The test of passing off involves a misrepresentation made by a trader to his prospective customers calculated to injure, as a reasonably foreseeable consequence, the business or goodwill of another which actually or probably causes damages to the business or goodwill of the other trader.”

Goodwill, misrepresentation and damage are the three elements of the tort of passing off, which is often referred to as the “classical trinity” of passing off. The law of passing off amounts to unfair competition by misrepresentation.

No man is entitled to represent his goods or business as being the goods or business of another whether such representation is made by the use of any mark, name, sign or symbol, device or other means. It is, therefore, an actionable wrong for any person to pass off his goods or business as the goods or business of another by whatever means that result may be achieved. This has been held in number of cases.

2.21.6.1. Essential Characteristics of a Passing off action

The essential characteristics which must be present in order to create a valid cause of action for passing off as stated by Lord Diplock in Erven Warnink v. Townend and Sons are:

i. misrepresentation;

ii. made by a person in the course of trade;

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195 Holloway, See Supra note 13.
196 Singer v. Loog (1881) 18 Ch. D. at 412
iii. to prospective customers of his or ultimate consumers of goods or services supplied by him;

iv. which is calculated to injure the business or goodwill of another trader (in the sense that this a reasonably foreseeable consequence); and

v. which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so… It does not follow that because all passing off actions can be shown to present these characteristics and will give rise to a cause of action for “passing off”. No claim could however succeed, in the absence of all five.

What is relevant is whether the plaintiff’s goodwill has suffered or likely to suffer damage and not whether the defendant has reaped any positive benefit from a misrepresentation of goodwill. In Reckitt and Colman v. Borden Inc. and others products Ltd.200 (jif Lemon Case), Lord Oliver of Aylmerton reduced the aforesaid five essential elements evolved by Lord Diplock. He summarised the law of passing off as follows:

“The law of passing off can be summarised in one short general proposition – no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed.

The above preposition has three ingredients:

i. The plaintiff must have an established goodwill or reputation attached to the goods or services which he supplies. The purchasing public must be able to identify the get-up (whether it exists simply of a brand name or a trade description, or the individual features of labeling or packaging) under which his particular goods or services are offered to the public. The said get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services;

ii. The plaintiff must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, so long as they are identified with a particular source which is in fact the plaintiff’s. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it does not matter at all that there is little or no public awareness of the identity of the proprietor of the brand name; and

iii. He must demonstrate that he suffers or, in a quia timet action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as of the source of those offered by the plaintiff.

The same three ingredients were also identified for a passing off action in *Consorto di Prosciutto di Parma v. Marks and Spencer.*

Nourse, L.J., observed:

> “Although the well-known passages in the speeches of Lord Diplock and Lord Fraser of Tullybelton in *Erven Warnink v. Townend* are of

\[\text{201}\] In the matter of Star Industrial Company Limited v. Yap Kwee Kor (1976) FSR 256 at 269, which says: Whatever doubts there may have previously been as to the legal nature of the rights which were entitled to protection by an action for passing off in courts of law or equity, these were laid to rest more than 60 years ago by the speech of Lord Parker of Waddington in *A.G. Spalding and Bros. v. A. W. Gammage Ltd.* With which the other members of the House of Lords agreed. A passing off action is a remedy for the invasion of a right of property not in the mark, name or getup improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing off one person’s goods as the goods of another. Goodwill as the subject of proprietary right is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and divisible; if the business is carried in several countries a separate goodwill attaches to it in each. So when the business is abandoned in one country in which it has acquired goodwill, the goodwill in that country perishes with it although the business may continue to be carried on in other countries.”

\[\text{202}\] Lord Fraser of Tullybelton expressed the requirements in a different form. The plaintiff must show:

1. that his business consists of or includes selling in England a class of goods to which the particular trade name applies;
2. that the class of goods is clearly defined, and that in the minds of the public, or a section of the public in England, the trade name distinguishes that class from other similar goods;
the highest authority, it has been my experience, and it is now my respectful opinion, that they do not give the same degree of assistance in analysis and decision as the classical trinity of,

i. a reputation (or goodwill) acquired by the plaintiff in his goods, name, mark etc.;

ii. a misrepresentation by the defendant leading to confusion (or deception) causing;

iii. damage to the plaintiff.”

The Courts in India have also adopted and applied the same criteria in determining the act of passing off. A survey of decided cases reveals that Indian Courts have maintained the action of passing off to protect GIs. It is evident from the decision of Scotch Whisky Association v. Pravara Sahakar Karkhana Ltd., that the judiciary in India has consistently extended the umbrella of legal protection to GIs even in the absence of any legislation in force at that point of time. In India, GIs have hitherto been governed by Common Law Principles, which enable an aggrieved person to file an action of “Passing off” for protection of his rights. In other words it is based on usage and common knowledge about the characteristic features and quality or reputation that the product has already earned in the market either by publicity or by its presence in the market. Since there was no enacted law to protect the products or a procedure for registration of registrable products, there was no occasion to make allegation for infringement. For instance, Scotch whisky enjoyed better protection even under pre-existing law in India because it had been covered by specific legislation known as Scotch Whisky Act, so much so that Indian Courts went to the extent to say that advertising or offering for sale or distributing in any country whisky which is not Scotch whisky is prohibited.

3. that because of the reputation of the goods, there is goodwill attached to the name;

4. that he, the plaintiff, as a member of the class of those who sell the goods; is the owner of the goodwill in England which is of substantial value; and

5. that he has suffered, or is really likely to suffer a substantial damage to his property in the goodwill by reason of the defendant’s selling goods is attached. Provided these conditions are satisfied. I consider that the plaintiff is entitled to protect himself by a passing off action.”

AIR 1992 Bom 294.
It was prohibited to use a well-known symbol of Scottish origin on Indian whisky by the manufacturer since it evokes the sense of Scottish origin which is not the case and therefore, it is capable of wearing a deceptive look.

In *Mohan Meakin v. Scotch Whisky Association*, applicant’s trademark consisted of the device of the head and shoulders of a gentleman dressed in Scottish Highland Costume wearing, inter alia, feather bonnet and plaid and edge with tartan, a well-known symbol of Scottish Origin and the word “Highland Chief”. The mark was proposed to be used on whisky made in India. The Delhi High Court decisively affirmed the finding of the Registrar of Trademarks that its use amounts to false trade description and accordingly application for registration of trademark was refused. It was held that the registration of such a mark would misleadingly convey the idea of Scottish Origin.

### 2.22. Protection through Certification Marks (Trade Marks)

Unlike an “individual” or “ordinary” trademark, a Certification Trade Mark (CTM) does not indicate commercial origin by identifying the manufacturer, producer or provider of the goods or services to which it is attached. Instead it conveys the message that the goods or services, to which it is attached, have been examined, tested or in some way certified by the registered proprietor of the mark. Certification by the proprietor of the mark may be in respect of origin, material, and mode of manufacture of the goods or performance of services, quality, accuracy or other characteristics. Importantly, the registered proprietor of a CTM is not permitted to undertake trade or business involving the supply of goods or services of the kind to which the CTM concerned is attached. The proprietor can only authorise third parties to use the CTM; once checks have been undertaken to ensure that the third Party’s products and services meet the requirements guaranteed or certified by the mark. CTMs are generally found in Common Law countries. The verification by the owner of a
CTM of compliance with specific standards means that this instrument in the Common Law system comes closest to the sui generis system established in some countries regarding “Appellations of Origin”. When a geographical term is to be registered as a Certification Trade Mark, the national legislation usually assigns to the applicant the task of defining, in the regulation governing the use of the proposed mark, the delimitation of the area of production of the good on which the CTM is to be used and any applicable standard of production. In India, both the word “Darjeeling” and the logo associated with Darjeeling (tea) have been registered by the Tea Board of India as CTMs.

2.23. Mark Indicating Geographical Origin

The name of a place when applied to an article of commerce will, in general, serve to indicate only that the article is manufactured at a particular place and not that it is manufactured by a particular trader. Prima facie, therefore, most geographical names, though not all, are incapable of serving the purpose of a trademark which is to indicate trade source. This disability is not so serious for service marks. GIs cover only goods. Some place names, particularly names of obscure islands, places unfit for human occupation, certain mountains, peaks and places like North Pole and South Pole (Antarctica) are also free from this objection.

Under Section 9 (1)(b), a mark which indicates geographical origin is an absolute ground for refusal of registration. However, such a mark can be registered if it has acquired a distinctive character as a result of its use or as a

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206 Once a GI is protected as a Collective or Certification Mark, it can be enforced in accordance with the applicable rules of Trademark Law. The question whether a geographical term may be registered as a Collective mark or a CTM, however, depends entirely on a given national law.

207 ITC Ltd. v. Registrar of Trademarks AIR 1977 Cal. 413 (DB).

208 Section 9 (1) (b) of the Trade Marks Act, 1999 provides that “The trademarks which consists exclusively of marks or indications which may serve in trade to designate the kind, quantity, quality, intended purpose, values, geographical origin or the time of production of the goods or rendering of the services or other characteristics of the goods or services shall not be registered provided that a trademark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trademark.”
well-known trademark. However, names of places of industrial and commercial importance may not be registrable even upon proof of extensive user.

The proviso to Section 9(1)\textsuperscript{209} which applies to geographical names states that a trademark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trademark. It remains to be seen how it can be implemented in the case of names of well-known industrial or commercial centers.\textsuperscript{210}

A common abbreviation of a geographical name has to be considered on the same basis as geographical name. In *Euro-lamb Tm*,\textsuperscript{211} “Euro-lamb” for lamb meat was refused registration by Registrar. Appeal was dismissed in this case. “Euro-lamb” was an abbreviation of European Lamb and hence not registrable under sections 3(i)(b) and (c) of Trade Marks Act, 1994 of the U.K. corresponding to Sections 9(1)(a) and (b) of the Indian Trade Marks Act, 1999.

Names of places which are of industrial or commercial importance are by their very nature incapable of distinguishing and may not be registrable even upon proof of 100% distinctive character acquired by use.

In *Imperial Tobacco Co. v. Registrar Trade Marks*,\textsuperscript{212} the Calcutta High Court explained the concept of “geographical term” in the following manner:

“Geographical terms are words in common use; designate a locality, a country or a section of country which cannot be monopolized as trademarks; but a geographical name not used in geographical sense to denote place of origin, but used in an arbitrary or fanciful way to indicate origin or ownership regardless of location, may be sustained as a valid trademark.”

\textsuperscript{209} Id. Proviso to Section 9 (1) of the Trade Marks Act, 1999.

\textsuperscript{210} See Supra note 202.


\textsuperscript{212} AIR 1977 Cal 413.
Earlier, the court observed that a geographical name according to its ordinary signification is such mark inherently or otherwise incapable of registration under the trademark law but only subject to minor exceptions.\textsuperscript{213}

In this case, the Imperial Tobacco Co. applied for registration of a label, used as a wrapper for packets of cigarettes bearing a design of snow-clad hills outlined with the word “Simla” written prominently on various panels of the label with small inscription that the context is a product of the appellant company. The Registrar rejected the application for registration. On Appeal, the Calcutta High Court while disallowing the Appeal laid down the following principles:

i. The mark “Simla” was a geographical name and the snow-clad hills in outline in the mark indicated its use in ordinary or geographical signification, so that the mark was neither a fancy or invented word nor the one with a secondary meaning. A word was not debarred from registration under Section 9(1) (e)\textsuperscript{214} as a distinctive word merely because it was geographical. However, some geographical names can be inherently adopted to distinguish the goods of particular traders, only if they can be predicated that they are such names as it would never occur to any other trader in such goods to use. At the other extreme, the name of a major industrial area or city will be totally un-registrable in respect of almost any goods. Although, it may tip the balance that the applicant is able to show that he has a natural or legal monopoly of the production of concerned goods in the place concerned; that alone will not make a geographical name registrable without substantial evidence of distinctiveness.

ii. No trademark shall be allowed to be registered which may hamper or embarrass the traders. Neither such trademark should be registered which


\textsuperscript{214} Trade and Merchandise Marks Act, 1958.
may hamper the trade at present or in future in a particular place or country in which it is proposed to be registered.

iii. In view of the imprint of snow-clad hills in outline in the trademark “Simla”, the ordinary or geographical signification was obvious and patent even though it had no reference to the quality or place of origin of the goods. Registration of such trademark may hamper or embrace the trade or traders in or around the locality in future as held by judicial authorities in similar cases. Also, as “Simla” was too prominent a city, well-known in the country and abroad and in its ordinary or geographical sense its significance was inherently neither distinctive nor adopted to distinguish the goods of appellant as a particular trader from those of others, and also hit by the provisions of Section 9(1)(b) of the Trade and Merchandise Marks Act, 1958.

2.23.1. Registration of Geographical Names

Although a geographical name or a word indicating geographical origin is not prima facie capable of distinguishing the goods to which it is applied, it may be considered for registration upon evidence of acquired distinctive character by use of the word as a trademark in relation to particular goods or services. The name of a place when applied to any good will on the face of it indicates that the goods are manufactured in that particular place; in other words it is descriptive of the place of manufacture. Thus, the principles to be applied to the registration of a geographical name are analogous to those for the registration of descriptive words and vice versa.\textsuperscript{215}

Just as a manufacturer is not entitled to a monopoly of laudatory or descriptive epithet, so he is not to claim as his own a territory, whether country or district or town, which is not now, but may be in the future, the seat of manufacture of goods as his own. A geographical name can only be prima facie capable of distinguishing the goods of one person from those of others when one can

\textsuperscript{215} Yorkshire (1954) 71 R.P.C. 150 at 154 (H.L.).
predicate of it that it is such a name as it would never occur to others to use as a trademark in respect of his similar goods or services.\(^{216}\)

The prohibition in the case of a geographical name is not confined to the noun substantive, but extends to the adjectival form also. Thus, American Indian, African, or Chinese have a geographical signification.

### 2.23.2. Fanciful Associations not Objectionable

A mere figurative or fanciful suggestion of association with a geographical location which the public would accept as such is unobjectionable. Thus, “Scotsman” was not considered a geographical name in the case of Scotsman.\(^{217}\) Similarly “Evening in Paris”, “Roman Holiday” were not considered objectionable as indicating geographical origin.\(^{218}\)

### 2.23.3. Ordinary Signification

A word is not a geographical name simply because some place upon the surface of the earth is called by it. It must, in the absence of special circumstances, be interpreted so as to be in accordance, in some degree, with the general popular meaning of the word. For example, the word “Monkey” is not proved to be a geographical name, by showing merely that a small and by no means generally Known Island has been called by that name.

If, however, in its primary and obvious meaning, the word has reference to a locality, it may well be a geographical name. If the name is really a local name with no primary geographical signification, however little known the locality may be, and the name is given because of the connection of the article with the locality, then it may be a geographical name within the meaning of Section 9(1)(b) of the Trade Marks Act, 1999. That name may be real or imputed only by those who give the name.

\(^{216}\) See Supra note 211.


\(^{218}\) Roman Holiday Tm. [1964] R.P.C. 129.
It is evident from various decisions that the judiciary in India has consistently extended the ambit of legal protection to GIs even in the absence of any legislation in force at that point of time. It is significant to note that such protection was afforded much before the TRIPs Agreement came into force. But this kind of legal protection does not make a difference between trademarks and GIs and the protection available were purely judge-made. Thus, there was a need for a separate legislation which would clearly demarcate these two distinct branches of law.

2.24. Legislative Protection of GIs in India: The Post – 1999 Scenario

The protection of GIs has, over the years, emerged as one of the most contentious intellectual property right issue in the realm of the WTO. It is an issue, which is still generating significant controversies, the outcome of which involves enormous significance for a country like India, which has in its possession a number of world renowned GIs including Darjeeling Tea, Madurai Songudi, Kashmiri Kani and Pashmina Shawls… and much more.

Although, an effective protection for GIs was of considerable importance for a country like India, which is richly endowed with natural and agricultural products and which already had in its possession renowned geographical names such as “Darjeeling (Tea), Alphonso (Mango), Basmati (Rice), etc. there was no separate legislation on GIs until the enactment of the Geographical Indications of Goods (Registration and Protection) Act, 1999. Prior to 1999, the protection which was afforded to GIs was far from adequate to provide effective protection to precious GIs in our country. This becomes evident from the manner in which innumerable foreign companies and traders have been found to be free-riding on the goodwill and reputation associated with such renowned geographical names, for years.

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219 See Supra notes 212, 213, 215, and 217.
For instance, tea produced in countries like Kenya, Sri Lanka, have often been passed off around the world as “Darjeeling Tea” which originally denotes the fine aromatic produce of the high altitude areas of North-Bengal, from where it derives the name. Corporations in France and the US have been producing rice based on “Basmati” varieties in those countries, and registering trademarks that refer to “Basmati”, thereby seeking to gain from this renowned geographical name. The US patent on ‘Basmati Rice Lines and Grains’ granted to Texas-based Rice Tec Inc., which triggered a lot of controversy in the recent past, is a glaring example of wrongful exploitation of a renowned GI from India so on and so forth.\(^{221}\)

It is in such a scenario, that the GI Act\(^{222}\) was enacted as part of the exercise in the country to set in place national IPR Laws in compliance with India’s obligations under the TRIPs Agreement. Under this Act, which has come into force with effect from 15\(^{th}\) September 2003, the Central Government has established the ‘GIs Registry’ with All India jurisdiction at Chennai, where the right-holders can register their respective GIs.

The Act provides registration of GIs and better protection relating to goods. It was designed to discourage malpractice and misuse by unscrupulous persons, of the products of producers, manufacturers and thereby protect the consumers from being deceived by the falsity of geographical origin leading to loss of economic prosperity of the real producer of such goods and to promote goods bearing GI marks in export market. Unless a GI is protected in the country of its origin, there is no obligation (under Article 22 of the TRIPs Agreement) on other countries to extend reciprocal protection.

The Act provides for registration in two parts, Part A is related to the registration of GIs; Part B relates to the registration of authorised users/

\(^{221}\) Ibid.

\(^{222}\) Geographical Indications of Goods (Registration and Protection) Act, 1999.
proprieters, such as, names, addresses and descriptions. Some important provisions of the Act are discussed as follows:

2.24.1. Definition of Geographical Indications

“Geographical Indication” in relation to goods means the following –

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

For the purpose of the definition any name which is not the name of a country, region or locality of that country will also be considered as a Geographical Indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality as the case may be. For instance, Alphonso mangoes from the Ratangiri District of Maharashtra, Pashmina for woollen Shawls from Kashmir. This definition though based on the definition given in the TRIPs Agreement is more explanatory.

The definition of goods has been provided in the Act which is different from the definition as provided in the Sale of Goods Act, 1930. It says that “Goods” means –

“any agricultural, natural or manufactured goods or any goods of handicraft or of industry and includes food stuff.”

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223 Id., Section 2(e).
224 Id., Explanation to Section 2 (e).
225 Id. Section 2 (f).
The term “Indication” includes any name, geographical or figurative representation or any combination of them conveying or suggesting the geographical origin of goods to which it applies.\(^{226}\) For instance, Taj Mahal to represent the goods of Indian origin, the Statue of “Liberty” to represent goods from the USA.

### 2.24.2. Registration of Geographical Indications

Chapter III of the Act prescribes the procedure for registration and duration of registration.

An application for registration of a GI may be made to the Registrar of GIs by any association of persons or producers or any organisation or authority established by or under any law for the time being in force representing the interest of the producers of the concerned goods, who are desirous of registering a GI in relation to such goods. The application should be made according to the prescribed manner in writing. It should be accompanied by prescribed fees.\(^{227}\)

The application shall contain—\(^{228}\)

- a. a statement as to how the GI serves to designate the goods as originating from the concerned territory of the country or region or locality in the country, in respect of specific quality, reputation or other characteristics which are due exclusively or essentially to the geographical environment, with its inherent natural and human factors, and the production, processing or preparation of which takes place in such territory, region or locality;
- b. the class of goods to which the GI shall apply;
- c. the geographical map of the territory of the country or region or locality in the country in which the goods originate or are being manufactured;

\(^{226}\) *Id. Section 2 (1) (g).*  
\(^{227}\) *Id. Section 11 (1).*  
\(^{228}\) *Id. Section 11 (2)*
d. the particulars regarding the appearance of the GI as to whether it is comprised of the words or figurative elements or both;

e. a statement containing such particulars of the producers of the concerned goods, proposed to be initially registered with the Registrar of the GI as may be prescribed; and

f. such other particulars as may be prescribed.

A single application may be made for registration of a GI for different classes of goods and fee payable, therefore, shall be in respect of each such class of goods.229 Every application shall be filed in the office of GI Registry within whose territorial limits, the territory of the country or the region or locality in the country to which the GI relates is situated:

Provided that where such territory, region or locality, is not situated in India, the application shall be filed in the office of the GIs Registry within whose territorial limits the place mentioned in the address for services in India as disclosed in the application, is situated.230

Every application shall be examined by the Registrar in such manner as may be prescribed.231

The Registrar may refuse the application or may accept it absolutely or subject to such amendments, modification, conditions or limitations as he thinks fit. This is however, subject to the provisions of this Act.232

In the case of refusal or conditional acceptance of application, the Registrar shall record in writing the grounds for such refusal or conditional acceptance and the materials used by him in arriving at his decision.233

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229 Id. Section 11 (3).
230 Id. Section 11 (4).
231 Id. Section 11 (5).
232 Id. Section 11 (6).
233 Id. Section 11 (7).
On acceptance of this application, the Registrar of GIs\textsuperscript{234} shall advertise it in a prescribed form. Such acceptance may be absolute or subject to conditions or limitations which should also be advertised.\textsuperscript{235}

When after the advertisement of an application an error has been corrected in the application or the application is permitted to be amended under section 15 of the Act, the Registrar may cause the application to be advertised again or instead of causing the application to be advertised again, notify in the prescribed manner, the correction made in the application. It is the discretion of Registrar.\textsuperscript{236} Any person may oppose the application within three months from the date of its advertisement or re-advertisement for registration or within such further period, not exceeding one month, in the aggregate, as the Registrar allows. The person has to give notice of opposition of Registration in writing to the Registrar.\textsuperscript{237}

The Registrar shall serve a copy of the notice on the applicant for registration and, within two months from the receipt by the applicant of such copy of the notice of opposition, the applicant shall send to the Registrar a counter statement of the grounds on which he relies for his application, and if he does not do so, he shall be deemed to have abandoned his application.\textsuperscript{238}

If the applicant sends such counter-statement, the Registrar shall serve a copy on the person giving notice of opposition.\textsuperscript{239}

Any evidence upon which the opponent and the applicant may rely shall be submitted to the Registrar, and if they desire the Registrar shall give an opportunity to them to be heard.\textsuperscript{240}

\textsuperscript{234} Id. Section 3 (1) provides that the Controller-General of Patents, Designs and Trade Marks is also the Registrar of GIs.

\textsuperscript{235} Id. Section 13 (1).

\textsuperscript{236} Id. Section 13 (2).

\textsuperscript{237} Id. Section 14 (1).

\textsuperscript{238} Id. Section 14 (2).

\textsuperscript{239} Id. Section 14 (3).

\textsuperscript{240} Id. Section 14 (4).
After hearing the parties the Registrar shall upon considering the evidence, decide whether the registration is to be permitted, and may take into account a ground of objection whether relied upon by the opponent or not. This is however, subject to conditions and limitations.  

Where a person giving notice of opposition or an applicant sending a counter-statement after receipt of a copy of such notice neither resides nor carries on business in India, the Registrar may require him to give security for the costs of proceeding before him, and in default of such security being duly given, may treat the opposition or application as abandoned.

The Registrar may, on request, permit correction of any error in, or any amendment of, a notice of opposition or a counter statement on such terms as he thinks just.

When an application for registration of a GI has been accepted and either the application has not been opposed and the time for notice of opposition has expired or the application has been opposed and the opposition has been decided in favour of the applicant the Registrar shall, unless the Central Govt. otherwise directs, register the said GI and the authorised users mentioned in the application. The GI and the authorised users when registered shall be registered as of the date of the making of the said application and that date shall, subject to the provisions of section 84, be deemed to be the date of registration. This is of course subject to Section 12.

On the registration of a GI, the Registrar shall issue to the applicant and the authorised users, a certificate of registration sealed with the seal of the Geographical Indications Registry.

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241 Id. Section 14 (5).
242 Id. Section 14 (6).
243 Id. Section 14 (7).
244 Id. Section 14 (7).
245 Id. Section 16 (1).
Where registration of a GI is not completed within twelve months from the date of the application by reason of default on the part of the applicant, the Registrar may, after giving notice to the applicant treat the application as abandoned unless it is completed within the time specified in that behalf in the notice.  

The Registrar may amend the register or a certificate of registration for the purpose of correcting a clerical error or an obvious mistake.

Following GIs are not registrable under the Act. A GI –

a. the use of which would be likely to deceive or cause confusion; or

b. the use of which would be contrary to any law for the time being in force; or

c. which comprises or contains scandalous or obscene matter; or

d. which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India; or

e. which would otherwise be disentitled to protection in a court; or

f. which are determined to be the generic names or indications of goods and are, therefore, not or ceased to be protected in their country of origin, or which have fallen into disuse in that country; or

g. which although literally true as to the territory, region or locality in which the goods originate, but falsely represent to the persons that the goods originate in another territory, region or locality as the case may be, shall not be registered as a GI.

For the purposes of this section, “generic names or indications”, in relation to goods, means the name of goods which, although relates to the place or the region where the goods were originally produced or manufactured, has lost its original meaning and has become the common name of such goods and serves

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246 Id. Section 16 (3).
247 Id. Section 16 (4).
248 Id. Section 9.
as a designation for or indication of the kind, nature, type or other property or characteristic of the goods.\textsuperscript{249}

In determining whether the name has become generic, account shall be taken of all factors including the existing situation in the region or place in which the name originates and the area of consumption of the goods.\textsuperscript{250}

2.24.3. Registered Proprietor and Authorised User

According to the scheme of the Act, a GI is registered in the name of any association of persons or producers or any organisation or authority established by law representing the interest of the producers of the concerned goods. The producers of the goods are the “persons who actually use the mark on the goods or in relation to them.” The registered proprietor authorises the producers of the goods to use the mark to indicate the territory, region or locality as the origin of the goods. The Act provides provisions for the registration of such authorised users to ensure that only genuine producers are allowed to use the indication and to prevent its fraudulent use.\textsuperscript{251}

Any person claiming to be the producer of the goods in respect of which a GI has been registered may apply in writing in a prescribed manner to the Registrar for registering him as an authorised user of such GI. The application shall be accompanied by a statement and such documents of facts as may be prescribed and required by the Registrar to determine as to whether such person is the producer of the goods. The application shall be accompanied by the prescribed fee.\textsuperscript{252}

The provisions relating to –

a. the filing and examination of the application;

b. the refusal and acceptance of registration;

\textsuperscript{249} Id. Explanation I to Section 9.
\textsuperscript{250} Id. Explanation II to Section 9.
\textsuperscript{251} Id. Section 17, rr. 56-59
\textsuperscript{252} Id. Sections 17 (1) and (2).
c. withdrawal of acceptance of application;
d. advertisement of application;
e. opposition to registration;
f. correction or error in an amendment of the application; and
g. registration.

shall be applied in respect of the application for registration of authorised users in the same manner as they apply in respect of application for registration of the Geographical Indication.

The registration of a GI shall be for a period of ten years but may be renewed from time to time for an indefinite period.\(^{253}\)

The registration of an authorised user shall be for a period of ten years, or for the period till the date on which the registration of the GI in respect of which the authorised user is registered expires, whichever is earlier.\(^{254}\)

The Registrar shall, on application made by the registered proprietor or by the authorised user, renew the registration of the GI or authorised user for a period of ten years from the date of expiration of the original registration or of the last renewal of registration, (which date is referred to as the expiration of the last registration).\(^{255}\)

At the prescribed time before the expiration of the last registration of a GI or the authorised user, the Registrar shall send notice to the registered proprietor or the authorised user, of the date of expiration. The conditions as to the payment of the fees and those upon which a renewal of registration may be obtained, and, if at the expiration of time prescribed in that behalf those conditions have not been duly complied with, the Registrar may remove the GI or the authorised user from the register:

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\(^{253}\) Id. Section 18 (1).

\(^{254}\) Id. Section 18 (2).

\(^{255}\) Id. Section 18 (3).
Provided that the Registrar shall not remove the GI or the authorised user from the register, if an application is made within six months from the expiration of the last registration of the GI or the authorised user and shall renew the registration of GI or the authorised user for a period of ten years.\textsuperscript{256}

Where a GI or authorised user, has been removed from the register for non-payment of the prescribed fee, the Registrar shall, after six months and within one year from the expiration of the last registration of the GI or the authorised user on receipt of an application if satisfied that it is just so to do, restore the GI or the authorised user to the register and renew registration of the GI or authorised user either generally or subject to such condition or limitation as he thinks fit to impose, for a period of ten years from the expiration of the last registration.\textsuperscript{257}

\textbf{2.24.4. Rights Conferred by Registration of a GI}

It is mandatory to get a GI registered in order to claim any rights in respect of such indication under the Act.\textsuperscript{258} No infringement action will lie in respect of an unregistered GI.\textsuperscript{259} But the provisions of the Act will not affect the right of the owner of a GI to institute a passing off action against the infringer.\textsuperscript{260}

The rights conferred on a registered proprietor of a GI and the authorised user are as follows:

a. The right to obtain relief in respect of infringement of a GI;

b. The exclusive right to the use of the GI in relation to the goods in respect of which it is registered. Such exclusive right will be subject to any condition and limitation to which the registration is subject;

c. The authorised user has the exclusive right to the use of the GI in relation to the goods in respect of which the GI is registered. This is,
however, subject to any condition and limitation to which the registration is subject; and

d. Where two or more persons are authorised users of GIs which are identical or similar, each of them has concurrent rights.

2.24.5. Infringement of the Registered Geographical Indication

A registered GI is infringed by a person who is not an authorised user:

a. Uses such GI by any means in the designations or presentation of goods that indicates or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which misleads the persons as to the geographical origin of such goods; or

b. Uses any GI in such a manner which constitutes an act of unfair competition including passing off in respect of registered GI.

An act of unfair competition means any act of competition contrary to honest practices in industrial or commercial matters. The following acts will be deemed to be acts of unfair competition:

i. All acts which create confusion by any means whatsoever 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. GIs, the use of which in the course of trade is liable to mislead the persons as to nature, manufacturing process, the characteristics, the suitability for their purpose of the quality of the goods; and

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261 Id. Section 21 (2).
262 Id. Section 21 (3).
263 Id. Section 22 (1).
iv. Use another GI to the goods which, although literary true as to the territory, region or locality in which the goods originate, falsely represent to the persons that the goods originate in the territory, region or locality in respect of which such registered GI relates.

The Central Government may if necessary notify providing additional protection to certain goods or classes of goods.264

Any person who is not an authorised user of a registered GI in respect of the goods, or any class or class of goods notified for additional protection, uses any other GI to such good or classes of goods not originating in the place indicated by such other GI or uses such other GI to such goods or classes of goods even indicating the true origin of such goods or uses such other GI to such goods or classes of goods in translation of the true place of origin or accompanied by expressions such as “kind”, “style”, “imitation” or the like expression, shall infringe the registered GI.265

2.24.6. Acts Constituting no Infringement

Where the goods in respect of which a GI has been registered are lawfully acquired by a person other than an authorised user of such GI, further dealings in those goods by such person including processing or packaging will not constitute infringement of such GI, except where the condition of goods is impaired after they have been put in the market.266

2.24.7. Remedies for Infringement of a GI

Two types of remedies are available for the infringement of a GI:

i. Civil Remedies; and

ii. Criminal Remedies.

264 Id. Section 22 (2).
265 Id. Section 22 (3).
266 Id. Section 22 (4).
2.24.8. Civil Remedies

The Act provides for the following civil remedies for infringement of a registered GI:

i. Injunction subject to terms if any;

ii. Either damages or account of profits at the option of the plaintiff; and

iii. Delivery-up of infringing labels and indications for destruction or erasure.  

These remedies are inclusive; not exhaustive and the court may provide some other remedies in addition to the aforesaid, such as Anton Pillar order.

The order of injunction may include an ex-parte injunction or any interlocutory order for any of the following matters:

a) For discovery of documents;

b) Preserving of infringing goods, documents or other evidence which are related to the subject matter of the suit; and

c) Restraining the defendant from disposing of or dealing with his assets in a manner which may adversely affect the plaintiff's ability to recover damages, costs or other pecuniary remedies which may be finally awarded to the plaintiff.

The remedy of injunction is more effective and can prevent a greater harm to the plaintiff. In any suit for infringement the court shall not grant relief by way of damages (other than nominal damages) or account of profits in any case-

a. Where in a suit for infringement the defendant satisfies the court –

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267 Id. Sections 67 (1), (2) and (3).
268 Id. Section 67 (2).
269 Id. Section 67 (3).
i. that at the time he commenced to use the Geographical Indication complained of in the suit he was unaware and had no reasonable ground for believing that the GI of the plaintiff was on the register;

ii. that when he became aware of the existence and nature of the plaintiff’s right in the GI, he forthwith ceased to use the GI in relation to good in respect of which it was registered; or

b. Where in a suit for passing off, the defendant satisfies the court-

i. that at the time he commenced to use the GI complained of in the suit he was unaware and had no reasonable ground for believing that the GI relating to the plaintiff was in use; and

ii. that when he became aware of the existence and nature of the GI relating to the plaintiff he forthwith ceased to use the GI complained of.

Thus, the remedy of damages or account of profits is not cumulative but alternative. The plaintiff has to elect one of the two remedies at an earlier stage of the suit.

Delivery-up of the infringing labels and indications is in the discretion of the court. The court may order the defendant to deliver up the infringing labels and indications for destruction or erasure. The court by taking relevant circumstances into account may or may not order for such remedy. All the aforesaid remedies are available for passing off also.

2.24.9. Criminal Remedies

Criminal remedies are more effective than civil remedies because the former can be disposed off quickly. The pendency of a civil suit does not justify the stay of criminal proceedings in which the same question is involved. Since criminal proceedings directly strike at the honour and social status of an infringer, and in some cases he comes for a settlement out of court to save his prestige. Chapter VIII of the Act deals with offences and penalties for such
offences. It is an offence to falsify and falsely apply GI and to sell goods with such false GI. The punishment is:\textsuperscript{270}

a. Imprisonment for a term not less than six months but which may extend to three years and in no case should it exceed beyond three years; and

b. Fine not less than fifty thousand rupees but which may extend to two lakh rupees and in no case should it exceed beyond two lakhs.

The court has however, discretion to reduce the term of imprisonment to less than six months and fine to less than fifty thousand rupees. These exceptions are:

a. If the accused proves that he had taken all reasonable precautions against committing an offence.

b. He had at the time of commission of the alleged offence no reason to suspect the genuineness of the GI or that any offence had been committed in respect of the good.

c. He on demand by or on behalf of the prosecutor gave all the information in his power with respect to the person from whom he obtained such goods or things.

d. He had acted innocently.

\textbf{2.24.10. Second or Subsequent Conviction}

In the case of a second or subsequent conviction the punishment will be enhanced to imprisonment for a term not less than one year which may extend to three years and in no case more than three years. A fine varying from one lakh to two lakhs will also be imposed. The Court has, however, discretion to reduce the imprisonment to less than one year and fine to less than one lakh of rupees.\textsuperscript{271}

\textsuperscript{270} \textit{Id.} Section 40.

\textsuperscript{271} \textit{Id.} Section 41.
2.24.11. Penalty for falsely representing a GI

A false representation of a GI as registered or registered in respect of goods for which it is in fact not registered, or to the effect that registration gives an exclusive right omitting the conditions and limitations to which it is subject will invoke a punishment of imprisonment not exceeding three years or with fine or with both. Where the word or symbol or sign is used to refer to registration outside India which is in force or used in relation to goods solely for export to that country it will not invoke the provision for punishment.272

The element of mens rea is essential for conviction. If mens rea is lacking, the accused may be acquitted. The court may, however, where a person is convicted of an offence under Sections 39 or 40 or 41 or is acquitted under Sections 39 or 40 on proof that he acted without intent to defraud or under section 40 on proof of the matters specified in clauses (a), (b) or (c) of that section, the court convicting or acquitting him may direct the government to forfeit all goods and things by means of, or in relation to which the offence has been committed,273 or would have been committed but for such proof.

2.24.12. Improper description of a place of business as connected with GI Registry

Any person using words in connection with his business which will make people believe that he is connected with the GI Registry is punishable with imprisonment for a maximum term of two years or with fine, or with both.274

2.24.13. Penalty for falsification of entries in register

Any person making, causing to be made, a false entry in the register or produces, tenders or causes to be produced or tendered, in evidence any such

272 Id. Section 42.
273 Id. Section 46.
274 Id. Section 43.
writing, knowing the entry or writing to be false, will be punishable with imprisonment upto two years, or with fine or with both.\footnote{275}{Id. Section 44.}

2.24.14. No offence in certain cases

No act or omission under Sections 39, 40 and 41 will be deemed to be an offence if –

   a. the alleged offence relates to a registered GI and the act or omission is permitted under the Act; and

   b. the alleged offence relates to registered GI and the act or omission is permitted under any other law for the time being in force.\footnote{276}{Id. Section 45.}

2.25. Homonymous Geographical Indication

“Homonymous” means a word having the same spelling or sound as another but of different meaning. In Concise Oxford Dictionary it means a “namesake”. Homonymous Geographical Indication would, therefore, indicate a name which is phonetically similar to a geographical name having a different meaning.

A homonymous GI may be registered if the Registrar is satisfied, after considering the practical conditions under which the homonymous indication in question shall be differentiated from other homonymous indications and the need to ensure equitable treatment of the producers of the goods concerned, that the consumers of such goods shall not be confused or misled in consequence of such registration.\footnote{277}{Id. Section 10.}

The Customs Authorities have recently promulgated guidelines known as the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, under which the rights holder can record its registered GIs with the Customs Authorities. These guidelines authorise the customs officials to seize goods infringing the GIs of the rights holder at the border without obtaining any
orders from the court. Under these rules, the Customs Authorities have initiated a recordation system using which the rightsholder may give a notice in writing to the Commissioner of Customs or any other Customs Officer authorised by the Commissioner at the port of import of infringing goods requesting the suspension of clearance of goods suspected to be infringing the GIs of the rights holder. Subsequent to the filing of such notice, the Commissioner is bound to notify the rights holder within the prescribed time regarding the acceptance or rejection of this notice. In case of acceptance of the notice, the normal period of validity of such registration is one year during which assistance will be rendered by the Customs Authorities to the rights holder to prohibit the importation of goods that infringe the right holder’s GIs, and are deemed to be prohibited, as has been defined under the Customs Act, 1962. The Customs Officers have the authority to suspend the clearance of such prohibited goods either at the information received by the rights holder or by initiating suo moto action, provided that they have prima facie evidence or reasonable grounds to believe that the imported goods are infringing the GIs of the rightsholder. After the clearance of the suspected goods is suspended, the Customs Authorities have to inform the rights holder should the rights holder not execute the requisite bond and join the proceedings against the importer. Within the prescribed period, the Customs Authorities will release the suspended goods. These rules also empower the Customs Officers to destroy the suspended goods under official supervision or dispose them outside the normal channels of commerce after it has been determined that the goods detained have infringed the GIs of the rights holder and that no legal proceeding is pending in relation to such determination. These rules also prohibit the re-exportation of the goods infringing GIs in an unaltered state.

2.26. Basmati Controversy-A Precursor to Initiate GI Registration in India

Indian farmers may not understand the Lockean or the Hegelian justification for intellectual property. Neither do they understand the politics of the
negotiations of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs). Many of them had no idea that in September 2003 their fate might have been decided in the Cancun Ministerial meeting of the World Trade Organisation (WTO) Member Countries. But they do understand simple economics, i.e., if the American Company which has registered a patent for Basmati Rice continues to sell rice as American-style Basmati Rice, it may hurt their exports. If the Indian Government had an eye on the past, they would have definitely re-negotiated TRIPs to protect $350 million export market of Basmati Rice. Even if we opprobrium TRIPs and characterise it as an instrument of exploitation used by developed countries to protect their own interest, the fact of the matter is, that there is no escape from it. Withdrawing from TRIPs entails too many implications for the Indian economy, and it would be cynical to suggest such an idea. Developing and Least-developed countries have fallen to the economic and political pressure of the developed countries, and the former group of countries will never be able to convince the latter to renegotiate TRIPs to bring a balance to it, even if their call is eloquent, justified and reflects reality. It would be like knocking on the lid of a coffin: knock, as much as you like, you will not wake him. Post-Cancun (WTO Ministerial Meeting and including now Doha), it is vital for the Indian government to formulate strategies to protect its interest in TRIPs. The strategy should focus on the options available within the TRIPs framework. We might have lost advantage in the field of patents to western pharmaceutical companies, but if a proper strategy is formulated we will be able to protect our Basmati exports.278

Throughout history, rice has been one of the man’s most important foods. This unique grain helps sustain two-thirds of the World’s population. Archaeological evidence suggests that rice has been the staple food of mankind

278 Harsh V. Chandola, Basmati Rice: Geographical Indication or Mis-Indication, 9 J.W.I.P. 166, 174-75 (2006).
for more than 5000 years.\footnote{Gaurau Malani, \textit{Slim Chances of Special Status for Basmati}, \textit{THE ECONOMIC TIMES}, Sep. 14, 2003, at 3.} Today, Basmati rice, in particular, is an object of intellectual property. It was beyond imagination, prior to 1997, to conceive that this grain, which forms the staple diet for half the population of the world, would be an object of “intellectual property’s” battles which would be fought within the framework of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs).\footnote{Ibid.}

First discovered thousands of years ago in the foothills of the famous Himalayas, Basmati rice has made its way around the world and is enjoyed by countless people.\footnote{Ibid.} Basmati rice is an aromatic variation of rice, grown mostly in India and Pakistan. The word “Basmati” means the “Queen of fragrance”, and its aroma distinguishes the rice from other varieties of rice.\footnote{Ibid.} However, the above notion dispersed pursuant to the granting of Patent No. 5,663,484 on September 02, 1997 to the Alvin Texas-based Company Rice Tec by the United States Patent and Trade Mark Office (USPTO) for “New Lines and Grains” in the name of Basmati rice. These new Lines and Grains can be successfully grown in specified geographical areas in North America. Further, it had been using the trademarks “Texmati”, “Kasmati” and “Jasmati” for several years to sell its version of “Basmati” rice. This created a monopoly on farm-bred Indian/Pakistani Basmati varieties with any other varieties in the Western Hemisphere, as well as proprietary rights on the seeds and grains from any crosses.\footnote{Ibid.} The Patent also covered the process of breeding Rice Tec’s novel rice lines and the method to determine the cooking properties and starch content of the rice grains. The grant of the said patent witnessed an emotional outburst associated with the term Basmati rice in India, terming it as yet

\footnote{See Supra note 278.}
another attempt of bio-piracy by the West. Some believe that the theft involved in the Basmati Patent is three-fold:

- a theft of collective intellectual and biodiversity heritage of Indian farmers;
- a theft from Indian traders and exporters, whose markets are being stolen by Rice Tec Inc; and
- finally deception of consumers since Rice Tec is using a stolen name, Basmati, for rice that is derived from a variation of Indian rice but not grown in India, and hence of a different quality. The controversy, therefore, was two-fold:

Firstly, according to India, the grant of Patent was invalid; and

Secondly, marketing of rice by Rice Tec Inc. in the name of “Basmati” which according to India was a GI in India should not be allowed.

It is noteworthy that after the establishment of WTO, there is a substantial duty cut on the “Indian Basmati rice” in Europe, which has the World’s highest demand for premium rice. Consequently, the competitiveness of Indian Basmati rice has increased greatly. India’s Basmati Exports to Europe rose from 30,000 tonnes to 1,30,000 tonnes. If, therefore, Rice Tec Inc was allowed to market its rice variety in the name of “Basmati”, India might have to lose a vast market.

As far as the grant of patent was concerned, the contention of Rice Tec Inc was that its patent covered new “Basmati Lines” and “Grains” which were an improvement over the previous varieties. With reference to the use of GI “Basmati” the contention of Rice Tec Inc was that it was a “Generic name” for types of aromatic rice and not a specific variety of rice that was native to India. It was claimed that this term had been used for decades in a generic way describing this variety from other sources such as “American Basmati”,

Ibid.
“Uruguayan Basmati” and “Thai Basmati.” No new patent rights were given to Rice Tec, neither was any right given to market their varieties as equivalent to or superior to Basmati. Rice Tec was forced to give up its far-reaching and false claims to have invented a very broad range of Basmati Rice Lines and Grains.

The question is now whether present protection of Article 22 of TRIPs is sufficient to protect Basmati and will Article 23 provide a better solution. Given the history of evolution of protection of GIs dating back to the Paris Convention 1883 through the Madrid and Lisbon Agreements, the definition of GIs under TRIPs is flexible enough to include non-geographical origin names that evoke a geographical origin as long as it meets the requirements of Article 22, i.e., the link between the quality, reputation or other characteristics of a good and its geographical origin.

The above definition envisages that a product bearing a GI originates in a region or a country thereof. It does not anticipate a situation where a product originates in a region that is spread in two or more countries. Basmati is one such unique example, where India and Pakistan share joint rights. Basmati is a non-geographical name traditionally applied to the long-grain, aromatic rice grown and cultivated in the sub-Himalayan region of the Indian sub-continent and would qualify as a GI within the definition of Article 22.\(^{285}\)

The Rice Tec Inc., however, contended that even if the term did fit in the TRIPs definition at one point of time, it has fallen into the public domain and has become generic through lack of efforts to protect the name internationally. It was further contended that Rice Tec clearly labels its products as “American Type Basmati Rice”. This is a practice which is prohibited under TRIPs Agreement for GIs relating to wines and spirits only.

\(^{285}\) Id. at 174.
After a hard work of two and a half years, India put together the data and challenged the patents of Rice Tec Inc in April 2000. The US Patent and Trade Mark Office (USPTO) issued patents to only three strains of hybrid “Basmati” grain out of 20 claims developed by the Rice Tec while rejecting a more sweeping claim by the company. The three strains of “Basmati” to which protection was afforded were patently and noticeably different.\(^\text{286}\)

As far as the use of GI “Basmati” by Rice Tec Inc was concerned, the patent office stated that Rice Tec could use the “Basmati” appellation because it was not a trademarked name or a geographical indicator, unlike “Champagne” or “Port” which were specific to a region. It was further stated that “Basmati” was not a GI even in India. It was grown all over India, Pakistan and even Thailand. It was also stated that the “Basmati” saga had a turbulent history ever since the perceived transgression in the mid-1990s when “Texmati” and “Jasmati” hit the shelves of grocery chain stores.\(^\text{287}\) This USPTO ruling goes against Indian interest so far as GI “Basmati” is concerned.

Currently, the Agriculture and Processed Food products Export Development Authority (APEDA) has retained worldwide watch agencies that monitor the registers of trademarks in all major jurisdictions for conflicting trademark applications for words and logos, which may be identical or deceptively similar to Basmati. All such marks which are found to be harmful to India’s interest are being opposed and/or sought to be cancelled within the framework of the existing domestic laws of the relevant jurisdictions. The primary ground in all such proceedings has been the likelihood of public deception and confusion arising from the use of disputed marks on similar or dissimilar products. The evidence submitted to support this ground has involved proof of reputation and


goodwill of Basmati among members of the relevant public or trade in these jurisdictions.²⁸⁸

2.26.1. Ordinance to Amend APEDA ACT APPROVED

On September 18, 2008 the Union Cabinet approved the promulgation of an ordinance to amend the Agricultural and Processed Food Products Export Development Authority (APEDA) Act, 1985, empowering the Authority to register and protect intellectual property rights or similar rights including ‘GIs’ for certain special agricultural products such as “Basmati” rice in India and elsewhere.

The decision is to counter a move in Pakistan to register the trademark “Basmati Rice” to the Basmati Growers Association in Lahore. The Registrar of Trade Marks in Karachi is reported to have rejected the contention of the APEDA and others while allowing the registration of Trade Mark “Basmati” in Pakistan.

Union Commerce Secretary said that there was no GI Act in Pakistan, so Basmati could not be registered there as GI. There had only been registration of Trade Mark, against which India had filed an Appeal.

The Trade Mark Ordinance 2001, implemented through Trade Mark Rules 2004, defines GI in Article 2:

“Geographical Indication in relation of goods originating in a particular country or in a region or locality of that country means a mark recognised in that country as a mark indicating that the goods-

a. originated in that country, region or locality;

b. have a quality, reputation or other characteristic attributable in that geographical region.”

The definition is not like the one in TRIPs, which provides that the quality, characteristic or reputation shall be essentially attributable to its geographical

²⁸⁸ See Supra note 278.
origin. In Pakistan’s Law there is no mention of the word “essentially” meaning that the link with the place of origin might be quite weak.289

The protection of traditional knowledge and national pride were the reasons for the battle of India’s and Pakistan’s Government against the Patent for the ‘New Lines of Basmati rice,’ marketed under the Trademarks Texmati and Kasmati by Rice Tec.290

2.26.2. Basmati a Certified Seed

The first legal definition of Basmati is given in the Seed Act, 1966 under the Department of Agriculture and Cooperation, Ministry of Agriculture. The objective of the Seed Act is to provide for regulating the quality of certain seeds for sale. Moreover, it is to minimise dealing in spurious seeds in order to guard against consumer deception. Eleven Basmati varieties are notified under the Seed Act and thus correspond to the definition of a “Seed”.291

Basmati is a commodity largely exported with a lucrative market. In India two-thirds of Basmati rice is exported. Basmati is an increasing export commodity, as exports from India increased ten fold (in quantity) between 1995 and 2005.292

In India, since 1990 in order to be exported, Basmati rice has to be notified under the Export (Quality Control and Inspection) Act, 1963. The Export Act, under the Department of Commerce, Ministry of Commerce, provides for the creation of the Export Inspection Council of India (EIC). EIC is an advisory body to the Central Government, which is empowered to notify commodities that will be subject to quality control and / or inspection before export, to establish standards of quality for such notified commodities, and to specify the

289 See Supra note 113, at 327.
290 Id. at 326.
291 Id. at 328.
292 Ibid.
type of quality control and/or inspection to be applied to such commodities. For each product, there are notifications to implement new rules.\(^{293}\)

The inspection for Basmati was first conducted through notification SO 2538, dated 14th September 1990\(^{294}\) which subjected Basmati Rice for the first time to mandatory quality control and inspection before export in order to develop the export trade of India. The notification specifies the type of quality control and inspection that shall be applied to such Basmati Rice before export, recognises the national standards of importing countries and international standards and recognises the contractual specifications agreed to between the foreign buyer and the exporter, provided that such specifications are not below the minimum specifications stipulated in the notification and recognise the grade distinction formulated under Basmati Rice (Export) Grading and Marketing Rules, 1990. In this notification Basmati Rice (Oryza sativa) refers to Basmati raw-milled rice, parboiled rice and de-husked and unpolished (brown) Basmati Rice produced in India. There exists another problem in respect of Basmati, i.e., the term Basmati might be filed for registration with respect to dissimilar goods. Currently, the use of well-known GIs on dissimilar goods would need to be pursued through the legal means envisaged under Article 22, requiring proof of public recognition of the GI in the country of disputed use and the likelihood of public deception and confusion in such countries.\(^{295}\)

**2.27. TRIPs Article 23 Protection**

It has become a central stage of debate that the present protection available under Article 22 of the TRIPs Agreement is insufficient to protect GIs. In fact,

\(^{293}\) *Id.* at 329.

\(^{294}\) Based on the experience gained and keeping in mind the objective of the development of export trade of India, the above notification superseded by Ministry of Commerce notification SO 67(E) and SO 68(E) dated 23 January 2003. In pursuance of Rule 4 of the Export of Basmati Rice (Quality Control and Inspection ) Rules, 2003 Executive instructions were issued for compliance by the Export Inspection Agencies as well as the exporters of Basmati Rice when they avail services of the Export Inspection Agencies for Consignment Wise Inspection (CWI) system and IN-Process Quality Control (IPQC SYSTEMS).

\(^{295}\) *See Supra* note 278, at 175.
India had joined hands with the EU, demanding an extension of Article 23 protection to all products. An analysis of Article 23 with respect to Basmati reveals that the term Basmati is covered under Article 23. There is a single definition for both Articles 22 and 23. Basmati falls under the definition of Article 22. Therefore, there is no doubt that it qualifies for Article 23 protection.

TRIPs provides for two levels of protection for GIs. At the basic level all GIs must be protected against use that would mislead the public or constitute an act of unfair competition. In addition to this, Article 23 of TRIPs obliges Members to provide a higher level of protection for GI for wines and spirits, without requiring any test of confusion or likelihood of deception to be met: in the special case of translations of GIs or attachment of expressions such as “kind”, “type”, “style” and “imitation” to products not originating from the place indicated, even where the true origin is clearly indicated. The practical effect of this provision is to permit interested parties to take steps to prevent the public from being misled, without having to prove that the public is misled or that there is an act of unfair competition.

What seems to be widely accepted is that the traditional areas for cultivating Basmati are the Indo-Gangetic plains of India and Pakistan. Looking at the different views on Basmati, it does not seem that there is a huge conflict on the geographical areas that comprise the areas where Basmati has been traditionally grown. The history of cultivation of Basmati and the knowledge associated with the cultivation of Basmati are located in that area of Northern India and Punjab in Pakistan. The reputation of Basmati is linked with its origin in India, as even Rice Tec acknowledges this traditional area of cultivation when it is using the symbol of Taj Mahal together with the labeling “Indian Style Basmati Rice” to sell its rice. The history of Basmati rice cultivation would be sufficient to draft the hypothesis that high-quality Basmati shall be

296 Id. at 175, 176.
only for the rice cultivated in such an area. Indeed, the Indian GI Act considers the historical proof as an important criterion to register a GI.\textsuperscript{297}

In India, the precise delimitation of geographical area was only made by a statement of the Ministry of Commerce in Parliament in 2000, followed by a statement of the Minister of Agriculture. The Export Basmati Rice (Quality Control and Inspection) Rules, 2003 mention the Indo-Gangetic Plains as geographical area without details. It is thus, surprising that the legal protection of the geographical area of production is so undermined for the case of Basmati, in spite of the enactment of the GI Act, which has brought many applications in front of the GI Registry.

Indeed, APEDA did not move inspite of the clear request of the Ministry of Commerce to go for registration of a GI. Since then, there has been the filing of an application by the NGO “Heritage” based at Haryana in 2004, which is delayed and faces many burdens. The argument is that this application is not genuine and that Basmati application has to be a joint application with Pakistan. This argument is very respectable as Basmati is cultivated in the two countries. However, regarding the possible joint collaboration with Pakistan, the notification of “Super” in mid-2006 has provoked the anger of Pakistan, thus threatening the already and weak and laborious process of joint application.\textsuperscript{298}

Following this controversial registration of Super Basmati, APEDA in 2007 notified Basmati 320, parental Line of Super as a Land Race or a traditional

\textsuperscript{297} See Supra note 185, at 338.

\textsuperscript{298} On 24 May 2006, Indian Super Basmati was notified as an approved evolved Basmati for the purpose of Export by the Ministry of Commerce under the Basmati Rice (Quality Control and Inspection) Amendment Rules, 2006, following the proposal of APEDA. This would allow Indian Exporters to export this variety to the EU at zero duty, as Super Basmati is listed in the Agreement between the EU and India. This notification was not supported by the Ministry of Agriculture due to its doubtful parentage. Indeed Basmati 320, one of the Parental Lines of Super Basmati together with IRRI 662, is not a Land Race from India and thus has not been notified under the Seed Act, 1966. Moreover, this notification attracted the anger of Pakistan, as Super Basmati is an evolved variety developed in Pakistan. Pakistan fears that its market of Super Basmati which was only cultivated in Pakistan will be reduced by such a move from India.
Basmati variety to legitimise Super as a Basmati variety. Again this was not supported by the Ministry of Agriculture.\textsuperscript{299}

However, given the demand for Basmati to meet the export market and augment farmer’s income, the Ministry of Agriculture itself decided in July 2007 to notify under the Seed Act, “improved Pusa Basmati-1”, an evolved variety developed by the Indian Agricultural Research Institute.\textsuperscript{300}

To assume overarching power to recognise, certify and regulate Basmati rice export from the country, the Commerce Ministry wanted to amend the Basmati Rice Rules. The proposed amendments conclusively show that the Commerce Ministry would automatically arrogate to itself the work of listing and notifying Basmati Rice varieties and would delete adherence to the Seed Act, 1966. One of the most relevant amendment is on the removal of the embargo of one traditional parent clause in the definition of Basmati Rice for notification purposes for export.\textsuperscript{301}

The scientists themselves are supporting the expansion of the definition of Basmati in the interest of the farmers. Indeed, in a letter to Commerce Secretary G.K. Pillai Indian Council for Agricultural Research (ICAR), Secretary and Director General, Dr. Mangala Rai cautioned against continuing with the narrow definition of Basmati and asked to remove the embargo of one traditional parent clause in the proposed modification to facilitate improvement in Basmati to effectively compete internationally. His motivations were the consideration of the scientific viewpoint in the national interest and the benefit of Indian farmers.

In September 2007, the Ministry of Agriculture supported the expansion of the definition of Basmati by removing the direct parentage criterion, referring to the criteria that the family history (Genealogy) includes a Basmati variety

\textsuperscript{299} Anil Swarup, \textit{We’re Going on a Marketing Offensive}, \textsc{The Economic Times}, April 15, 2002, at 3.
\textsuperscript{300} Latha R. Nair, \textit{Indispensable Names: Time to Register}, \textsc{The Economic Times}, Dec. 23, 2003, at 3.
\textsuperscript{301} \textit{Ibid.}
(traditional or evolved) notified under the Seed Act, 1966 to pass the “Basmati quality genes” into the newly evolved varieties. It seeks to declare that all varieties of Basmati Rice notified as Basmati Rice under the Seed Act, 1966 (54 of 1966) and any future variety notified as Basmati under the same Act, are construed as Basmati Rice. This position allows the Ministry of Agriculture to retain the leadership in notifying new evolved Basmati varieties under the Seed Act, and to release the varieties obtained by the Research Institutes.  

Finally by December 2007, after negotiations, both Ministries (Commerce and Agriculture) agreed to expand the definition. Newly evolved Basmati varieties if not defined only through direct parentage, shall have the characteristics and the genes of the traditional Basmati such as aroma, length and elongation in cooking to comply with the expanded definition.

Since the Basmati affair against Rice Tec, APEDA is very active in defending Basmati under the GI concept and, in particular, in preventing exporters from registration of trade mark comprising the word Basmati. Indeed, APEDA recommends that a trade mark comprising the word Basmati, not descriptive, i.e., with a fancy word or a logo attached, shall be used only for rice sold/proposed to be sold under the trade mark of being genuine Basmati rice and the description of goods in the application should be limited to Basmati rice only. A short study at the Indian level shows how the task is hard; many trade marks being registered in India and in the export market includes the word Basmati.

In January 2003, APEDA was identified by the Ministry of Commerce as to be the legitimate applicant for the GI on Basmati and was advised to draft out the requisite application for the registration of Basmati Rice. This recommendation came at the same time as the notification on the varieties through the Export of

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302 Ibid.
303 This definition will allow, for example, Pusa 1121, an evolved variety having only a grand-parent as a traditional variety but said to present all the characteristics of the Basmati and with a very high yield. According to All India Rice Exporters Association President, Mr. Vijay Setia, Pusa, 1121 represents more than 50% of Basmati Production in India for the year 2007.
Basmati Rice (Quality Control and Inspection) Rules 2003. However, APEDA focused on the notification of varieties and the control based on varieties, without paying much attention to the issue of the geographical environment and the cultivation practices necessary to confer Basmati Rice its qualities. Thus, APEDA did not apply for GI registration.

Others then took the initiative to protect Basmati Rice as a GI. Indeed, there has been one application on Basmati Rice from a Non-Governmental Organisation (NGO), “The Heritage”, filed on 19 August 2004 at the GI Registry. The application is still pending and has yet to be advertised in the GI journal. After examination by the Consultative Group in November 2006, the defects noticed were on several aspects:

- the status of the association where the rights of the farmers are not properly secured as there are some contradicting statements in the status;
- the area identified is not exhaustive and only illustrative; the list of varieties is only illustrative and not exhaustive;
- there are many factual errors in the description of the varieties such as plant height, duration, grain length;
- the application lacks clarity and comprehensiveness in the agro-climatic parameters embracing the entire Basmati growing area; and
- the statement of case that Basmati Rice represents the collective intellectual and bio-diversity heritage on Indian farmers is missing.\(^\text{304}\)

To comply with the recommendations of the Consultative Group, a new application was filed. The varieties listed in the new GI application are the varieties notified under the Seed Act, 1966, and the Export of Basmati Rice (Quality Control and Inspection) Rules 2003. The geographical area was Punjab, Haryana, Rajasthan, J&K and Uttar Pradesh/Uttarakhand.

\(^{304}\) See Supra note 249, at 335.
Amendments of the status of the NGO “Heritage” according to the requirements of the Consultative Group were also made. The Inspection Body proposed by the applicant is the EIC, according to the standards of the Export Basmati Rice (Quality Control and Inspection) Rules, 2003. The application mentions that control should be carried out by any genetic tests as per the specification and requirement of importer in a foreign country.

Thus, inspite of the little documented assertion in the first application, the application has been amended without delay following the requirements of the Consultative Group. However, the application is still not advertised, unofficially because of the necessity to go for a common GI between India and Pakistan, thus leaving the Legal Protection of Basmati according to Indian GI Act in a great deal of uncertainty.