

Cancun Agenda: Geographical Indications and Developing Countries

The geographical indication (GI) has emerged as one of the contentious issues at WTO. The EU, Switzerland and India, among many others, regard the extension of strong protection to other products 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 others), which fiercely oppose GI extension. The informal consultations led by DG, WTO have not yielded significant results so far.

Doha Agenda

The various provisions of TRIPs Agreement covering geographical indications, have attracted a considerable debate in the TRIPs Council. The additional product coverage has remained confined to wine 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 provided for in Article 23, to products other than wines and spirits (paragraph 18). This is now being addressed in the Council for TRIPs.

Apart from this, the Doha Declaration also called for establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Ministerial Conference, to be held in September 2003 at Cancun. However, there is some confusion about interpretation of the Doha declaration. While some countries, including Bulgaria, the EU and India among others, insist that the Doha Declaration contains a clear mandate for negotiations, others, such as Argentina, dispute this interpretation.

Concept of GI and Differences with Appellations of Origin

There were three important international treaties, viz. Paris Convention, Madrid Agreement and the Lisbon

Agreement which had provisions to protect indications of source and appellation of origin but they could not become effective international instruments because of the fact that either they had only general provisions or had very limited membership. As the term itself indicates, the Geographical Indications are any designation, expression or sign which aim at indicating that a product originates from a country, region or locality. They generally cover agricultural goods but include industrial goods as well. Now there are discussions if they may include services as well.

The term 'geographical indications' is a rather new addition to the literature on intellectual property rights. It was first introduced by WIPO during the discussion on a treaty for protection of names and symbols indicating geographical origin. The trade related intellectual property rights came under the ambit of a multilateral trade agreement for the first time in the Uruguay Round. The TRIPs agreement has been described as "the most influential international agreement ever subscribed to on intellectual property rights". TRIPs consist of seven parts ranging from copyright, patents, undisclosed information, trade marks, industrial design, integrated circuits and geographical indications. The Agreement sets out for each area minimum standards of protections, requiring governments to provide procedures and remedies to enforce. Several developed and developing countries such as NAFTA and ASEAN members have opted for advanced versions of TRIPs. There are now discussions bringing in 'TRIPs plus' to cover new areas like databases etc.

The Section 3 of Part II of the TRIPs Agreement deals with the geographical indications. The related articles are from Article 22 to 24 of the Agreement on TRIPs. GIs are defined in the TRIPs Agreement of 1994 as "indications which identify a good as originating in the territory of a Member (of the WTO), or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin". The concept of geographical indication as evolved during negotiations on the TRIPs Agreement attempts

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to cover the “appellations of origin” (AO) and “Indications of Source” (IS). However, there are certain differences between AO and GI as defined under TRIPs.

AO are defined in the 1958 Lisbon Agreement for the Protection of Appellations of Origin. It covers products that have a specific quality, that is, exclusively or essentially due to the *geographical environment* in which the products are produced. If a geographical term is used as the designation of a kind of product in a certain country, over a substantial period of time that country may recognize that consumers have come to understand a geographical term that once stood for the origin of the product - for example, “Kohlapuri Slippers” a style of slipper originally from the Indian town of Kohlapur - to denote now a certain kind of slipper, regardless of its place of production. The IS appears in the 1883 Paris Convention for the Protection of Industrial Property and the Madrid Agreement on Indications of Source of 1891 and can be defined as an indication referring to a country or a place in that country, as being the country or place of origin of a product. It may normally be preceded by words such as “made in...”; for instance labels such as ‘Swiss made’.

The protection of geographical indications may be at the national or regional level. For example, “Tuscany” for olive oil produced in a specific area of Italy, or “Roquefort” for cheese produced in France is protected in the European Union under Regulation (EC) No. 2081/92 and in the United States under US Certification Registration Mark No. 571.798. EU has signed a series of bilateral and plurilateral agreements with Australia, Mexico and South Africa for phasing out names of European wines being used by producers from these countries and in return accepting GIs as being protected by the respective countries.

Position of Developing Countries

The developing countries have submitted two major proposals at WTO on IPR issues where geographical indications have also been covered.

Some of the recent patents at US have triggered an intensive debate on linkages between IPR regime, traditional knowledge, and benefit sharing. Some of the patents are even based on GIs from developing countries; for instance, patents on basmati rice from India and jasmine rice from Thailand. After a patent on Basmati rice lines and grains granted by the USPTO to M/s. Rice Tec Inc. USA on September 2nd, 1997, India contested this patent. In a long litigation of almost five years, ultimately the title of the patent was changed in the year 2002. In order to avoid such situation, India has now set up a Basmati Development Fund, a watch agency to keep a worldwide watch for new trademark applications for Basmati Rice or its deceptive variations. The watch agency has identified a number

of attempted registrations of which 15 have been successfully challenged and concluded in India's favour. They were largely in UK, Australia, France, Spain, Chile, UAE, etc. The remaining cases are being pursued by Agricultural and Processed Foods Export Development Authority (APEDA)

The Doha Ministerial Declaration had suggested to consider extra protection that WTO members already apply to wines and spirits and to other traditional high quality products that are just as deserving for such recognition such as Indian saris, oriental carpets, specialty teas such as Darjeeling (India), Jasmine rice (Thailand), cheeses such as Parmigiano Reggiano (Italy), Jamon de Huelva (Spanish ham), art paper (China), porcelain from Limoges (France) by the Fifth Ministerial Conference, to be held in September 2003 in Cancun.

The recent EU proposal of enhancing the coverage of Article 23 to products other than wines and spirits reflects the concerns emanating from developing countries. India, Cuba, Indonesia and others have been demanding for such an enhancement. The convergence of interests at this point would help in facilitating the establishment of a representative regime for protection of geographical indications. However, the proposal from US and others have raised some pertinent points regarding transparency in extending GIs. The point about the national treatment with respect to geographical indications and sufficient protection to pre-existing trademarks that are similar or identical to a geographical indication is also important. The demand that the multilateral system of notification should function mainly as a database, meaning that the whole exercise remains voluntary in nature, is to be negotiated at the TRIPs council.

World Trade, GI and WTO

As has been mentioned earlier, the concept of geographical indications broadly covered AO and IS. Though the importance of GI has grown over the years but very few data sets are there to substantiate this. WIPO has reported some data on AO which gives a very interesting picture on GIs to begin with. The Lisbon Agreement for AO, is administered by WIPO. It ties up a small number of countries (19) from Africa, Europe and Latin America. There are no Asian members to this treaty. It has 766 registered AOs currently in force belonging to 12 of the 19 countries. These registrations are largely with France (66.3 per cent), followed by Czech Republic (9.5 per cent). Table 1 provides a detailed account of the factual position. The data also show that three major economies France, Italy and Portugal account for 70 per cent of total AOs while all the European countries put together account for 95 per cent of registrations.

Out of 766 registrations, 61 per cent are for wines while only 9.5 per cent are for spirits. There are 84 per cent of the registrations which are for four major

category of products, viz. wines, spirits, agricultural products and cheese. Tobacco and cigarettes account for 4.3 per cent of the registrations. Several developed and developing countries have flooded the TRIPs Council with wide ranging proposals on GI. Article 24.2 of TRIPS, provides that the WTO members shall “review the application of the provisions of this Section...” This provision mandates a review of the application of provisions of Part II Section 3 of TRIPs which covers geographical indications. The current review has been underway since 1999. It is being conducted at two levels: an analysis of how geographical indication protection has been provided in individual countries, and debate about whether the TRIPs provisions should be renegotiated and revised. But little substantive progress has been possible on the review to date. This is partly a result of a lack of clarity concerning the methodology for carrying out the review. The current TRIPs Council debate concerning geographical indications is focussed on two mandates contained in TRIPs:

- a. review of the application of the TRIPs geographical indication provisions (Article 24.2); and
- b. negotiations concerning a multi-lateral register for geographical indications for wine and spirits (Article 23.4).

The issue of geographical indications is being discussed at both the regular and special sessions of the Council for Trade- related Aspects of Intellectual Property Rights (TRIPs). The suggested target date for submitting proposals on this issue was the special session of the TRIPs Council on 20 September of this year, with negotiations scheduled to be finalised by the Fifth WTO Ministerial Conference in September 2003.

A number of countries, including the US, Australia, Argentina, Canada, New Zealand, and Uruguay thought it was inappropriate at this stage to put forward proposals or modalities for negotiations as no negotiating mandate existed. They also questioned the benefit of extending GI extensions, arguing that they had been very reluctant to accept the additional protection for wines and spirits during the Uruguay Round and were not prepared to take on any further obligations.

The division was very much evident during the Special Session of TRIPs Council meeting. The members were divided, over whether countries would have to protect the terms in the multilateral system — as advocated by the EU and others — or whether it should be left to each country to decide — as favoured by Australia, Canada, Japan and the US, who envisage the multilateral system to function mainly as a database. Similar divisions were also apparent with regard to participation in the system. Members disagreed over whether the “voluntary” nature of the system should only mean that the notification and registration of GIs was voluntary, or whether the

Table 1: Appellations of Origin registered under the Lisbon Agreement arranged by country of origin (2001)

Country of origin of AO	Number of registrations	Per cent of registrations	Accumulated number of registrations	Per cent of accumulated registrations
France	508	66.3	508	66.3
Czech Rep.	73	9.5	581	75.8
Bulgaria	49	6.4	630	82.2
Slovak Rep.	38	5.0	668	87.2
Hungary	28	3.7	696	90.9
Italy	26	3.4	722	94.3
Cuba	18	2.3	740	96.6
Algeria	7	0.9	747	97.5
Tunisia	7	0.9	754	98.4
Portugal	6	0.8	760	99.2
Mexico	5	0.7	765	99.9
Israel	1	0.1	766	100.0
Total	766	100	766	100.0

Source: WIPO statistics on appellations of origin under the Lisbon Agreement.

protection of registered terms should also be voluntary. The US and others have also raised the issue of foreign persons wishing to obtain protection for their GIs in the EU itself face a non-transparent process that appears to come into some conflict with the EU’s TRIPs obligations. Meanwhile EU has strengthened its retaliatory capabilities on the pretext of IPR violations. Some of such instances have been seen as trade barriers.

Initiatives at EU

The European Commission (EC) introduced a major trade instrument in 1996 called the Trade Barrier Regulation (TBR). Its main purpose is to provide EC industries with a weapon against obstacles faced by community firm in third countries or within the EC. The EC has established a database to provide an overview of the TBR and its application, including instructions to community enterprise on how to lodge a formal complain and the summary of the procedures involved. The database also contains a list of cases launched under the TBR. As of now, 18 cases have been dealt with under the TBR, 9 have involved some resort to WTO dispute settlement proceedings, 7 were suspended or appear to have been settled and other cases are up, to be fully resolved. One of the unresolved cases is against Canada, concerning geographical indications. In May 1999, the Consorzio del Prosciutto di Parma (an association of 201 Prosciutto di Parma producers) lodged a TBR complaint against Canadian lack of protection of the geographical indication of “Prosciutto di Parma”. The Consorzio claimed that there is an absence of appropriate legal remedies to redress effectively the unfair competition generated by the use of the trademark “Parma” by the Canadian producers.

The Commission initiated an examination procedure in June 1999, and presented its investigation report to the TBR Committee in the year 2000, where it

was unanimously endorsed by Member States. Therein the Commission found that the degree of protection of the geographical indication, Prosciutto di Parma, would only be clear after the conclusion of the court proceedings commenced in Canada by the Consorzio. The Commission declared that if these proceedings resulted in a lack of protection for the geographical indication, WTO action would have to be seriously considered. Therefore, this case is on hold pending the outcome of the Canadian court proceedings.

Policy Initiatives

The growing acceptance of GIs as an instrument has widened the concept and apart from agricultural products more and more industrial goods are also being included. It is important that all the WTO member countries work towards development of a comprehensive mechanism for a more effective protection of geographical indications. In this regard the recommendation of Doha Declarations for establishment of a multilateral system of notification and registration of geographical indications is an important initiative.

In December 1999, the Indian Parliament passed the Geographical Indications of Goods (Registration and Protection) Act, 1999. Prior to this, there was no rule in India to specifically deal with GIs. This Act seeks to provide for the registration and better protection of geographical indications relating to goods in India. The Act would be administered by the Controller General of Patents, Designs and Trade Marks who is the Registrar of Geographical Indications. The term of protection is initially for ten years and then can be renewed from time to time. The salient features of this legislation include definition of several important terms like "geographical indication", "goods", "producers", "packages", "registered proprietor", "authorized user", etc. The Act also has provisions for the maintenance of a Register of Geographical

Indications in two Parts – Part A and Part B – and use of computers etc. for maintenance of such Register. The Part A contains all registered geographical indications while the Part B contains particulars of registered authorized users.

Apart from legislative changes in the relevant intellectual property laws, the Government has also undertaken some initiatives for major upgradation and modernisation of the administrative framework covering Patents, Designs, Trade Marks and Geographical Indications. Projects to modernise the Patent Office, the Design Offices, the Trade Marks Registries and the establishment of a new Geographical Indications Registry costing over Rs. 850 million have been initiated. The modern Geographical Indications Registry (GIR) has been established at Chennai, in July 2001, under the Geographical Indications of Goods (Registration and Protection) Act, 1999. The GIR has commenced basic work to receive and process applications. A Website has already been launched and it is proposed to upgrade it to an integrated, interactive IP portal by the end of 2002.

The geographical indications have emerged as one of the important feature of IPR regime across the countries. It is interesting to note that the awareness among the developing countries has also increased manifold. Series of proposals to widen the list of geographical indications is a clear evidence of this. However, apart from getting their GIs protected, they would also have to take care of maintaining and insuring quality of their GI protected products. For instance, Darjeeling Tea would be more acceptable in the market if it bears the distinctive certification mark alongwith the seal of approval from the concerned Tea Board. A separate and distinguishable packaging would also add a distinct marketability to the product. The developing countries in general would have to take into account these factors while exporting GI protected agricultural and other commodities.

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