

Geographical Indications under TRIPS Agreement and Legal Framework in India: Part I

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Geographical indication is one of the instruments of protecting the quality, reputation or other character of goods essentially attributable to their geographical origin. TRIPS Agreement prescribes minimum standard of protection for geographical indications. This paper is in two parts. Part I examines the basic issues of protection of geographical indications relating to TRIPS Agreement. It describes concepts of geographical indications, controversy of additional protection extended to wines and spirits, multi-lateral system of registration of geographical indications, and approaches for resolution of conflict between geographical indications and trademarks. Part II of the paper dealing with law and practices relating to protection of geographical indications in India will appear in the next issue of this journal.

Keywords: Geographical indication, TRIPS Agreement, Trademarks, Wines and spirits

The importance of geographical indications has emerged with the Trade-Related Intellectual Property Rights Aspects of (TRIPS) Agreement, which came into force with effect from 1 January 1995. The TRIPS Agreement prescribes minimum standard of protection for geographical indications and additional protection for wines and spirits. It requires WTO members to provide legal means to prevent the use of a geographical indication that misleads the public to the geographical origin of the goods or constitutes an act of unfair competition.

Articles 22 to 24 of Part II, Section III of the TRIPS Agreement prescribe mini-

imum standards of protection of geographical indications that WTO members must provide. According to Article 22 of the TRIPS Agreement unless a geographical indication is protected in the country of its origin there is no obligation under this Agreement for other countries to extend reciprocal protection. But Article 23 of the Agreement provides additional protection to geographical indications only in cases of wines and spirits which means they should be protected even if there is no risk of misleading or unfair competition. Article 23 imposes an obligation upon member countries to legislate to prevent the use of geographical indications regarding wines or spirits, which do not originate in the place indicated. The imbalance of protection is the

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focal point around which the issues of geographical indications revolve. However, under the TRIPS Agreement WTO members are not required to extend protection to the geographical indications if it becomes generic for the goods. This provision is likely to be abused. The danger is that the goods well-known by its geographical origin having reputation and/or characteristics may be termed 'generic' and thereby it may cease to get protection of geographical indications. Be that as it may, Article 24 sets out certain exceptions to this protection.

Another basic issue arising out of Article 23(4) of the TRIPS Agreement relates to multilateral system of geographical indications. There is a sharp division among the WTO members about the model.

The conflict between trademarks and geographical indications and its resolution has also been debated which has given rise to various conflicting proposals.

This paper seeks to examine the basic issues relating to TRIPS Agreement in Part I and the law and practice relating to protection of geographical indications in India in Part II.

Concept of Geographical Indications

The geographical indication owes its origin from the Paris Convention, 1883. Even though the Convention did not use the said expression, Article 1(2) of the Convention used the expressions 'appellation of origin' and 'indications of source'. The scope of the aforesaid expression has been delineated in Lisbon and Madrid Agreements. The former de-

lineates the appellation of origin to mean:¹

"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 geographic environment, including natural and human factors."

The country of origin is the "country whose name, or the country in which is situated the region or locality whose name constitutes the appellation of origin which has given the product its reputation."²

The latter defines the expression 'indications of source' to mean:³

"Goods bearing a false or deceptive indications by which one of the countries to which this agreement applies, or a place situated therein, directly or indirectly indicated as being the country or place of origin".

However, the expression 'geographical indications' under the TRIPS Agreement has been defined as "indications which identify a good as originating in the territory of a member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin."⁴

Let us turn to examine the controversy about the additional protection provided under Article 23 of the TRIPS Agreement.

Current Controversy about Higher Level of Protection Given only to Wines and Spirits

Article 23 of the TRIPS Agreement raises three important issues, namely:

- 1 Why higher level of protection has been provided only for wines and spirits under Article 23?
- 2 Whether the aforesaid higher level of protection under Article 23 be extended to some other goods or products?
- 3 What administrative cost is involved in giving higher level of protection to other products and goods?

In order to understand the aforesaid issues it would be desirable to mention the advantages flowing from Article 23. The additional protection under Article 23 have several distinct advantages as compared to Article 22: (1) The protection is absolute and unqualified. It even prohibits the translation of geographical indications or attachment of the expression such as 'kind', 'type', 'style' or 'imitation.' (2) There is an obligation to refuse or invalidate the registration of trademark, which constitutes or consists of geographical indications. (3) There is an obligation to enter into negotiation to increase protection. In the light of above we propose to examine the aforesaid issues.

Issue No 1

In order to examine this issue it would be pertinent to refer to the report of UK Commission on Intellectual Property Rights. The Commission in its report has given the true picture of the negotiation process involved on the geographical indications section of the TRIPS Agreement which according to it "were among the most difficult" ones⁵. Indeed "this stemmed from clear divisions between the main proponents of the TRIPS

Agreement –the US and EU. [Such] divisions also existed among other developed countries and among developing countries..." The final text of the Agreement reflects these divisions and, in mandating further work, recognizes that agreement could not be reached in a number of important areas⁶. Whatever may be the explanation, the outcome was that the current text of TRIPS Agreement provides a basic standard of protection and a higher standard specifically for wines and spirits. The inclusion of higher standard does not refer to the unique characteristics of wines and spirits but was rather a compromise reached in negotiations⁷. Be that as it may, the negotiation reveals the success story of EU.

Issue No 2

Whether the higher level of protection of geographical indications given only to wines and spirits under Article 23(1) of the TRIPS Agreement be extended to other products? This issue arose as pointed out in previous section due to imbalances in protection under Article 23. India, therefore, sought additional protection for geographical indications of their goods such as *basmati* rice, Darjeeling tea, alphonso mangoes and *Kolhapuri chappals* (shoes), etc., as in case of wines and spirits under the TRIPS Agreement. It argued that the additional protection would deliver enhanced benefits via increased trade opportunities for members and producers and, more effective protection for consumers and ultimately would promote export of such products.

In a paper submitted jointly by India along with Egypt, Indonesia, Cuba, Do-

minican Republic, Honduras, Nicaragua, Pakistan, Kenya, Mauritius and Sri Lanka in the General Council of the World Trade Organization (WTO), it has been pointed out that Article 23 of the TRIPS Agreement which grants such additional protection only for wines and spirits should be extended to cover other products of special interest to the concerned member countries. They contended that the protection of geographical indications is an industrial property measure, which makes it possible to protect all products that are distinguished by the quality, reputation or other characteristics, which are essentially attributed to their geographical origin.

The aforesaid demand to extend the scope of protection of Article 23 has been opposed by Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay and the United States⁸. They argue that an extension of the scope of Article 23.1 to products other than wines and spirits would entail a re-opening of the TRIPS Agreement. According to them there is no mandate in any of the existing TRIPS Agreement, which may form the legal basis for negotiating such an extension⁹. They asserted that the countries pleading for higher protection must address to the following three questions¹⁰:

- (i) What costs for members are associated with altering the existing provisions?
- (ii) What is the effect on trade?
- (iii) What is the effect on consumers?¹¹

We now turn to examine the issues raised above.

Reopening of TRIPS Agreement

It is difficult to support the argument that the scope of Article 23.1 cannot be varied, modified or extended particularly as the Commission, as mentioned earlier, when higher standard does not refer to "unique characteristics of wines and spirits, but was rather a compromise reached in negotiation."¹² One may add that any such agreement, which is discriminatory, against the principles of equality, detrimental to the interest of one or more parties to the agreement or confined to protect a particular product, may be subject to review. Denial of the same on the ground that there is no mandate would not only run counter to just and equitable principle but would also be against the rule of law. Quite apart from this one may refer to Article 24 of TRIPS Agreement which provides for exceptions to the protection of geographical indications which take due account of the need to balance the interests of the various parties that have an interest in the protection of geographical indications. However, the use of a geographical indication for products not from the place of origin indicated and not qualifying for one of the exceptions in Article 24 should be prevented. Otherwise, free riding is encouraged¹³.

Need to Give Evidence for Additional Protection for Other Goods

In order to appreciate the need for additional protection for certain goods as pleaded by India and several other countries it may be necessary to know the situation prevailing therein. In India, tea has been cultivated in the district of Darjeeling since 1835 due to its unique and complex combination of agro-climatic

conditions. Such tea has a distinctive and naturally occurring quality and flavour. Darjeeling tea has since long acquired an international reputation and is a clearly identifiable geographical indication. Complaints were received from time to time from all over the world that tea sold as 'Darjeeling' did not always originate from the Darjeeling plantation district of India and hence the consumers were being deprived of the special quality and flavour that they expect from Darjeeling tea as a product of geographical indication. Quite apart from this, another glaring instance of naked misuse of geographical indications is the incidence of patenting *basmati* rice by RiceTec Inc in United States on 2 September 1997, which supports the case of the country pleading for additional protection of certain goods under Article 23(1).

Our view is fortified by the communication sent to WTO on 14 September 2001 from the permanent mission of Switzerland and supported by several other members of WTO. In the said communication it is stated that "one of the key reasons for advocating extension is a desire to prevent more geographical indications from becoming generic through their use in translated form or by the use of a corrective or de-localizing indications for products which are not from the place of origin mentioned by the geographical indications used or do not possess the particularities and quality characteristics owed to that origin. In document IP/C/W/289, it is maintained that such use and the fair imitation of a product often enhances the intrinsic value of a geographical indication or the genu-

ine product. However, this reasoning is rejected. Again, such a line of argument seems to lead to dangerous ... consequences when applied to other fields of intellectual property rights. There is no valid argument why it should be different for geographical indications. The example of 'feta' cheese cited in document IP/C/W/289 (and *basmati* rice) may serve as an example of the potential danger of a famous geographical indication becoming a generic if it is widely used with a de-localizing indication.¹⁴"

Non-effectiveness of Article 22 Protection

It has been argued by countries opposing the move for extending the scope of Article 23.1 that the TRIPS Agreement already obliges members to facilitate the protection of geographical indications for all goods. It also provides members with the flexibility to implement their obligation in a manner most appropriate to their individual legal system and practice¹⁵. They have cited some examples as to how Article 22 operates to ensure effective protection for geographical indications for products other than wines and spirits include¹⁶:

— 'Darjeeling' (India) for tea¹⁷; 'Stilton' (Great Britain) for cheese¹⁸; 'Swiss' (Switzerland) for chocolate¹⁹; and 'Roquefort' (France) for cheese²⁰ - protected by the United States as registered certification marks.

— 'Suisse/Swiss' (Switzerland) for chocolate; 'Indian Spices' (India) for spices; 'Ceylon' (Sri Lanka) for tea; 'Florida' (US) for oranges; 'Freiburger' (Switzerland) for cheese; 'Stilton Cheese' (Great Britain) for cheese - pro-

tected by Canada as registered certification marks.

A perusal of the aforesaid examples reveals that while one product is protected in one country the same is not protected in other country. Quite apart from this even these countries permit expressions such as 'style', 'kind' and 'American grown' which reduces the efficacy of such protection but is not on the lines of protection provided under Article 23.²¹ Needless to emphasize that there is a basic difference between the protection provided by Article 22 and the one required by Article 23. Unlike Article 22, Article 23 does not require evidence of the public being misled or the presence of an act of unfair competition in order to prevent the use of a geographical indication in respect of a product from a place other than the indicated region. Further, the use of accompanying expressions such as 'style', 'type', 'kind', 'imitation' or the like are prohibited, and protection is also provided when the indication is used in translated form²².

Issue No 3

It has been argued by some WTO members who oppose the extension of existing provisions of Article 23(1) of the TRIP Agreement that this would involve certain costs and shifts in burdens among members. These new costs and burdens including administration costs, trade implications for producers, increased potential for consumer confusion, potential producer conflicts within the WTO Members and a heightened risk of WTO disputes²³. According to them extension of Article 23.1 would create new obliga-

tions which would require implementation of new laws and administrative mechanisms. Further, it would require implementation at the national level by all members (both developed and developing), that do not already provide 'additional protection' for products other than wines and spirits²⁴.

It is difficult to support the aforesaid viewpoint of the Australian mission supported by some other countries. The response to this has been best explained in IP/C/W/308/Rev.1 of the permanent mission of Switzerland in its communication to WTO on 14 September 2001, which reads as follows:

"...In accordance with Article 23 of the TRIPS Agreement, Members (least-developed country, Members excepted in accordance with Article 66.1 of the TRIPS Agreement), whether producers of wines and spirits or not, are already required to grant additional protection to geographical indications for wines and spirits as well as protection for geographical indications for other products in accordance with Article 22. Extension therefore does not imply the setting up of any new mechanism or scheme of protection, but would merely extend the level of protection required by Article 23 of the TRIPS Agreement for geographical indications for wines and spirits to geographical indications for other products. Thus, as for other intellectual property rights such as patents, trademarks or copyright, the TRIPS Agreement would provide for a more coherent and transparent solution for the protection of geographical indications."²⁵

It is submitted that there is also no force in the argument of the countries opposing the move for extension of Article 23 on the ground that the demand, if accepted, would require amendment in the law or require issuance of notification by the concerned government. Even assuming that the arguments have some force one would have expected to know as to how many countries have taken legislative steps in compliance of Art 23-1 of the TRIPS Agreement. The countries opposing the move for any change in Article 23 have not addressed this point.

Quite apart from above it may be added that in the absence of any reliable economic assessment it is difficult to answer the issues raised by such members. In this connection it would be relevant to refer to the observations made by the UK Commission on Intellectual Property Rights that the administrative burden in giving effect to new legislation for those countries without current protection would not appear that great²⁶. Further TRIPS Agreement does not require any formal national registration system for geographical indications, and therefore the burden and costs of compelling enforcement falls on the holders of the geographical indications, not upon the Government.²⁷

Policy Debate on Multilateral System of Registration of Geographical Indications

The Context

One of the most pressing issues of geographical indications arising out of Article 23(4) of the TRIPS Agreement is

regarding the purpose, nature, scope, procedure, cost and effect of the proposed multi-lateral system for the notification and registration of geographical indications. This issue has received momentum since the Ministerial Conference at Doha in November 2001. Thus, Para 18 of Doha Round, *inter alia*, declares:

With a view to completing the work started in the Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPS) under the implementation of Art 23.4 we agreed to negotiate the establishment of a multi-lateral system of notification and registration of GIs for wines and spirits by the 5th Session of the Ministerial Conference....

The matter was taken up, as a follow up action, in the Trade Negotiation Committee. The Committee agreed on 1 February 2000 wherein it was resolved to take up the matter in the Sixth Special Session of the TRIPS Council. Accordingly, the matter was taken up in the Special Session of the TRIPS Council on 29-30 April 2003. However, the Special Session witnessed 'widely divergent proposals'²⁸, *inter alia*, on the issues discussed below:

The Basic Issues

A perusal of the debates²⁹ on multi-lateral system for the notification and registration of geographical indications in the various sessions of TRIPS Council suggests the following issues relating to Article 23(4) of TRIPS Agreement:

- (i) What is meant by the expression "in order to facilitate the protection" occurring under Article 23(4)?

- (ii) What is meant by the expression a “system of notification and registration”?
- (iii) What should be the procedure for registration?
- (iv) What would be cost involved in registration to the government, procedure, consumer and administrative bodies?
- (v) What would be the legal effect of the proposed registration?³⁰
- (vi) What would be the mechanism for settling differences regarding geographical indications?³¹
- (vii) What would be the role of Secretariat?

Models for Multi-lateral System for the Notification and Registration of Geographical Indications

The multilateral system of notification and registration is key to the geographical indications. However, there is a sharp division among the WTO members about the model. There are four different proposals. Let us now turn to examine them.

EC Model

European Community and their member States envisage a system of full registration. Under the Scheme member States are required to notify their domestic geographical indications together with copies of any regional, bilateral or multi-lateral agreements protecting such geographical indications along with proof of compliance with the definition of GIs under Article 22(1) of the TRIPS to the WTO Secretariat.³² Thereupon, the Secretariat will notify all the members of WTO about such submission. Any member of the

WTO may challenge the registration within a period of 18 months on any one of the four grounds, namely, (i) non-compliance with the definition of geographical indications under Article 22(1); (ii) absence of protection in the country of origin; (iii) genericness within the meaning of Article 24(6), and (iv) use of geographical indication is misleading under Article 22(4). After expiry of the stipulated period, the geographical indications would become fully and indefinitely protected in all member States.³³ This proposal has also been supported by Hungary³⁴.

US Model

The joint proposal of United States, Canada, Chile and Japan provides a system of voluntary registration that is binding only on those seeking to participate in the system. Participating members would make use of the register while examining trademark applications containing or consisting of geographical indications. Non-participating WTO members would be encouraged to make similar use of register.³⁵ Since then the proposal has been supported by Argentina, Australia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Namibia, New Zealand, Philippines and Chinese Taipei³⁶.

Hong Kong Model

Hong Kong, China envisages a registration system at WTO level to which member States may communicate their respective geographical indications. The notification of the geographical indication will be examined only on formal grounds at WTO level, i.e. whether or not the

formal requirements for the notification are complied with. However, no substantive examination of the geographical indication will be undertaken at WTO level.³⁷

International Trademark Association's Scheme

The International Trade Mark Association (INTA) pleaded for a system based on Madrid-like or PCT-like approach. According to it, the proposed Model should include the following key elements:

- (a) Notification/registration through an international body to the participating States.
- (b) *Ex-officio* examination of protectability in the country of protection.
- (c) Refusal/opposition on the basis of prior trademark right.
- (d) Ability to challenge the registration in the national courts of origin.

INTA system built on these concepts will facilitate the protection of geographical indications. At the same time it will recognize that geographical indications are what they are deemed to be under TRIPS, an intellectual property right, the importance and value of which equals trademarks and patents.

An Appraisal

A perusal of the aforesaid proposals reveal that there is wide divergence of opinion regarding the model for multilateral system of notification and registration of geographical indications, *inter alia*, on the following:

- (a) Nature of registration, namely, whether it should be compulsory or voluntary.
- (b) Grounds for challenging registration.
- (c) Legal effects of registration.
- (d) Enforcement.
- (e) Procedure for registration.
- (f) Adjudication system and role of court

However, in an attempt to resolve the conflict in the fifth meeting of the Special Session, it was proposed that the registration on the multilateral system would provide *prima facie* evidence to prove three issues:

- (a) ownership;
- (b) the indication is within the definition of geographical indications under Article 22.1 of the TRIPS Agreement; and
- (c) it is protected in the country of origin.

Whatever may be the impact of the aforesaid proposal, it is hoped that the WTO members would be able to evolve an acceptable system of notification and registration in the best interest of the WTO members of developing and developed countries.

Approaches for Resolution of Conflict between Geographical Indications and Trademarks

The genesis of the conflict between geographical indications and trademark lies in Article 24(5) and Article 16 of TRIPS. It is, therefore, necessary to examine them.

Article 24(5) of the TRIPS provides that implementation of the protection for geographical indications pursuant to the TRIPS Agreement shall not prejudice the eligibility or the validity of the registration or the right to use a trademark which is identical with or similar to a geographical indication of the trademark which has been used in good faith either: (i) before the date of the application of the relevant TRIPS provisions in that member; or (ii) before the geographical indications is protected in its country of origin.

An analysis of the aforesaid provisions reveals that in order to seek protection of trademark, the following conditions must be satisfied:

- (a) the trademark must be identical or similar to the geographical indications;
- (b) trademark has been used in 'good faith'; and
- (c) it has been used either: (i) before the date of application of the relevant TRIPS provision in that member; or (ii) before the geographical indications is protected in its country of origin.

On the other hand Article 16 of TRIPS Agreement which delineates the scope of protection of a trademark provides:

"The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trademark identical or similar, for goods or services which are identical with or similar to those in respect of which the trademark is registered where such use

would result in a likelihood of confusion. In the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of members making rights available on the basis of use."

An analysis of the aforesaid provisions reveals:

- (a) The owner of a registered trademark shall have the exclusive right to prevent all third parties to use same or similar trademark.
- (b) This right shall not prejudice any existing prior rights.
- (c) It shall not affect the possibility of members making rights available on the basis of use.

The perusal of the aforesaid Articles reveals that while Article 24(5) seeks to protect the then existing trademarks and thereby makes an exception Article 16 is absolute.

Areas of Conflict

- (a) Whether geographical indications protected in a country of origin would debar registration of identical trademark in any other member countries.
- (b) The exception created under Article 24(5) raises the following issues:
 - (i) What is meant by "good faith"?
 - (ii) Who will determine "good faith"?
 - (iii) Is registration of geographical indications necessary for getting the protection?

- (iv) Can unregistered trademarks claim protection?
- (v) What amount of proof would be sufficient to get exemptions under Article 24(3)?
- (c) Can the member country enter into an agreement in respect to protection of trademark where it comes in conflict with geographical indications?

Principles for Resolution of Conflicts between Trademarks and Geographical Indications

The basic question is how to resolve the conflict between trademark and geographical indications? Wide divergence of opinion and legislation exist on this issue. Let us turn to examine the approaches and legislation on the subject.

European Community

According to European community “trademark should be abolished which contains wording that is identical to a geographical name used to describe a table wine.”³⁸

WIPO’s Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications

The WIPO Standing Committee while dealing with the conflict between trademark and geographical indications observed:

“a geographical indication is best protected under trademark and unfair competition law. Trademarks having acquired in good faith had to be protected against conflicting geographical indications.”³⁹

International Association for the Protection of Intellectual Property (AIPPI)

AIPPI suggests that when conflict arises between a trademark and geo-

graphical indication following action need be taken:

- (a) the trademark office should *ex officio* refuse the registration of the mark;
- (b) third parties may –
 - (i) oppose the application to register as a mark, and
 - (ii) bring proceedings for cancellation of the registration of the mark and for prohibition of use thereof.
- (c) Any national or regional legislation relating to geographical indications should include provisions for the resolution of conflicts between trademarks and geographical indications in accordance with the following principles:
 - (i) Such legislations should take into account existing bilateral and multilateral agreements.
 - (ii) Interested parties must have the opportunity to intervene directly in any proceedings, which may affect their intellectual property rights.
 - (iii) If a question arises as to the validity of a mark, such question should be decided only by the competent courts or authorities according to the national or regional laws relating to marks.

Position in UK

Section 3(1)(c) of the Trade Marks

Act, 1994 provides that trademarks that consist exclusively of signs or designation which serve to indicate geographical origin should not be registered. Sections 49 and 50 provide for the registration of geographical names as certification and collective marks.

Position in India

In India, the Trade Marks Act, 1999⁴⁰, and the Geographical Indications of Goods (Registration and Protection) Act, 1999, modelled on the lines of TRIPS Agreement contain specific provisions for the resolution of conflict between trademark and geographical indications. Thus Section 9 of the Trade Marks Act, *inter alia*, provides that the trademarks which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service shall not be registered. However, a trademark shall not be refused registration before the date of application for registration if it has acquired a distinctive character as a result of the use made of it or is well-known trademark.

The Registrar shall, while determining whether a trademark is a well-known trademark, follow the following norms:

- (i) the knowledge or recognition of that trademark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark;
- (ii) the duration, extent and geo-

graphical area of any use of that trademark;

- (iii) the duration, extent and geographical area of any promotion of the trademark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trademark applies;
- (iv) the duration and geographical area of any registration of or any publication for registration of that trademark under this Act to the extent they reflect the use or recognition of the trademark; and
- (v) the record of successful enforcement of the rights in that trademark; in particular, the extent to which the trademark has been recognized as a well-known trademark by any court or registrar under that record.⁴¹

Where a trademark has been registered in good faith disclosing the material information to the Registrar or where right to trademark has been acquired through use in good faith before the commencement of this Act, then, nothing in this Act shall prejudice the validity of the registration of that trademark or right to use that trademark on the ground that such trademark is identical with or similar to a well-known trademark.

The Geographical Indications of Goods (Registration and Protection) Act, 1999, contains special provisions relating to trademark and prior user. Thus Section 25 prohibits registration of geographical indications as trademarks. However, Sec-

tion 26 protects a trademark which contains or consists of a geographical indication which has been applied for or registered in good faith under the trademarks law or where such trademarks have been used in good faith before the commencement of the proposed legislation or before the date of filing of an application for registration of a geographical indication. It also provides that this Act shall not apply to geographical indication with respect to goods or class or classes of goods, which have become the common name of such goods in India on or before 1st January 1995. It protects the right of any person to use his name or the name of his predecessor in business except where such name is liable to cause confusion or mislead the public. It further provides that no action in connection with the use of registration of a trademark shall be taken after five years from the date from which such use or registration which infringes any geographical indication registered under this Act has become known to the registered proprietor or the authorized user.

Conclusions

There is lot of resentment among several members of WTO regarding Article 23 of the TRIPS Agreement, which grants higher status only to wines and spirits and excludes other goods and products out of its purview. This discrimination or imbalance in protection has led to demands for additional protection to other goods and products from a number of countries including India, Pakistan, Mauritius, Sri Lanka, Kenya, Egypt, Indonesia, Cuba, Dominican Republic of Honduras and Nicaragua followed by Bangladesh, Bul-

garia, The Czech Republic, Georgia, Hungary, Iceland, Jamaica, the Kyrgyz Republic, Liechtenstein, Moldova, Nigeria, Slovenia, Switzerland and Turkey by communication dated 14 September 2001.⁴² Be that as it may, the attempt of patenting *basmati* rice by RiceTec Inc in the United States and thereby misleading the consumer as to the geographical origin of goods and false labeling of Darjeeling tea by producers (as in the case of wines and spirits) have already caused serious damage to India, and raised the eyebrow of several members of WTO including India. However, several other members of WTO have objected to such a move. In order to justify the demand of WTO members asking for extension of the coverage of Article 23 one may refer to the following remarks of the UK Commission of Intellectual Property Rights on giving higher protection to wines and spirits under Article 23 of the TRIPS Agreement:

- (i) It has no legal basis.
- (ii) It does not refer to unique characteristics of wines and spirits.
- (iii) It is merely a compromise reached in negotiation.

It is a story of success of European Community and failure of other countries to gain anything but subjected to the additional burden in case of wines and spirits. Indeed the demands of the WTO members of giving higher protection to *basmati* rice, Darjeeling tea and other products are based on continued infringement of geographical indications by some countries. What is more disturbing is that even countries such as US, which gives protection to Darjeeling tea, etc. allows

unlike Article 23 of TRIPS Agreement, use of the expression 'style', 'kind' and 'American grown' and thereby reduces the efficacy of such a provision. Whatever may be the explanation there is undoubtedly a mood of frustration among several members developing and some developed nation over the issue of additional protection to other goods and products. It is high time that the demands of such countries should have been met. Needless to emphasize that the extension would prevent further geographical indication from becoming generic and would go a long way to protect the interest of WTO members.

Quite apart from the above the issue of multilateral system for notification and registration of geographical indication has also figured in WTO. However, there is a clear division among the members on the nature of registration, namely, whether it should be compulsory or voluntary, grounds for challenging registration, legal effects of registration, enforcement, and procedure for registration and role of courts. Be that as it may, it has led to the emergence of four different proposals, which will figure again in the next WTO meeting.

Another issue which is being debated relates to resolution of conflict between geographical indications and trademarks. Attempts have been made to resolve the conflict. But again there is a divergence of opinion and variance in legislation among the members of WTO.

Quite apart from this there is also resentment among the members of WTO about the application of the term 'generic'. It has been felt by several member

countries that there is no uniformity in regard to use, adoption and application of the term 'generic'. The approach adopted by some developed countries appears to be 'subjective' rather than 'objective'. A group of countries feel that there exists a practice of abusing the term 'generic' to deny protection of geographical indications to certain products or goods.

The Cancun Ministerial Conference of WTO held during 10-14 September 2003 at Cancun, Mexico, which could have debated and resolved some of the aforesaid issues under the TRIPS Agreement ended abruptly without any tangible outcome. Whatever may be the reasons for such a failure there is undoubtedly a mood of frustration among the members of WTO both developed and developing. It is hoped that the deadlock would be resolved and a way would soon be found out for the resolution of the above-mentioned controversies.

Notes and References

- 1 Article 2(1)
- 2 Article 2(2)
- 3 Article 1(2)
- 4 Para 1
- 5 Report of the UK Commission on Intellectual Property Rights
http://www.iprcommission.org/papers/text/final_report/chapter4htmfinal.htm
- 6 *Ibid*
- 7 *Ibid*
- 8 WTO, Communication dated 15 June 2001 from the Permanent Mission of Australia
http://www.dfat.gov.au/ip/aus_joint_paper.pdf
- 9 *Ibid*
- 10 *Ibid*
- 11 Elaborating further the aforesaid issues they wanted those countries to address on the following:
 - (i) *The costs of extending the scope of Article 23.1* - These costs are likely to fall

- disproportionately on Members that do not already have TRIPS-plus laws and administrative mechanisms for the protection of GIs
- (ii) *No evidence of failure of Article 22 to protect* - The countries that have promoted extension of Article 23.1 have not sufficiently demonstrated how existing TRIPS rules fail to provide sufficient protection for GIs
- (iii) They have not provided examples of cases where interested parties have sought to enforce TRIPS-consistent Article 22 level protection, and have failed
- (iv) Nor have their analyses examined the effect of TRIPS GI provisions as a whole. Instead, Article 23.1 has been the focus of attention
- (v) *No discussion of potential downsides of extension of scope* - Further there has not been any consideration of the potential downsides of extension including:
- (vi) The costs of implementing new laws and administrative mechanisms that would be necessary to fulfill the new TRIPS obligations;
- (vii) The administrative and financial burden of providing "additional protection" to a large number of other Members' GIs;
- (viii) Possible closing-off of future market access opportunities for emerging industries, and uncertainty concerning the continued use in existing markets;
- (ix) Differential impact on Members (and industry), particularly Members that do not already have elaborate TRIPS-plus systems in place;
- (x) Consumer confusion caused by re-naming and re-labeling of products;
- (xi) Heightened risk of disputes over GIs between WTO Members and between producers in WTO Members
- 12 *Supra note 6*
- 13 WTO Communication dated 14 Sept 2001 received from the Permanent Mission of Switzerland IP/C/W/ 308/Rev. http://www.ige.ch/D/jurinfo/pdf/ip_c_w_308_rev1_e.pdf
- 14 *Supra note 12*
- 15 *Supra note 7*
- 16 *Ibid*
- 17 US Registration No. 1,632,726. <http://tarr.uspto.gov/>
- 18 US Registration No 1,959,589
- 19 US Registration No 1,570,455
- 20 US Registration No 571,798
- 21 Rangnekar Dwijen "The Pros and Cons of Stronger Geographical Indication Protection", *Bridges between Trade and Sustainable Development*, 6(3) March–April 2002
- 22 *Supra note 12*
- 23 *Supra note 7*
- 24 *Ibid*
- 25 *Supra note 12*
- 26 *Supra note 4*
- 27 *Ibid*
- 28 See the Report by the Chairman Ambassador Eui-Yong-Chung to the Trade Negotiations Committee, WTO, Sixth Special Session, TN/IP/6, 5 May 2003
- 29 WTO Document No. IP/C/W/107/Rev.1. Source: <http://docsonline.wto.org/DDF/Document/t/tn/ip/w7r1.doctm&skp>
- 30 *Supra note 36*
- 31 *Ibid*
- 32 Burkhart Goebel, "Geographical Indications and Trademarks-The Road from Doha," a paper submitted in the World Symposium on Geographical Indications organized by the WIPO & USPTO on July 9-11, 2003 at San Francisco, California, USA
- 33 *Ibid*
- 34 *Ibid*
- 35 Report of the UK Commission on Intellectual Property Rights http://www.iprcommission.org/papers/text/final_report/chapter4htmfinal.htm.
- 36 *Supra note 40*
- 37 *Ibid*
- 38 Wine Resolution – Recital 12 – Council Regulation (EC) No. 2393/89 of July 24, 1989: General Rules for the Description and Presentation of Wines and Grapes Musts
- 39 Draft Report of the International Bureau of WIPO, Geneva, 13-17 July 1998 at p2
- 40 This Act has not yet come into force
- 41 Section 11(6)
- 42 *Supra note 12*