

# **GEOGRAPHICAL INDICATIONS LAWS IN INDIA: ISSUES AND CHALLENGES**

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*"I do not feel obliged to believe that the same God who has endowed us with sense, reason, and intellect has intended us to forgo their use." - Galileo Galilee<sup>i</sup>*

## **INTRODUCTION**

Geographical Indications (GI) for Products are described as IPR type that typically refers to a nation's geographical indications. A name like this provides a sense of quality and uniqueness, primarily due to its roots in a specific geographical location, region, or nation. Geographic indicators are protected as an aspect of IPRs under Articles 1(2) and 10 of the Paris Convention regarding the Preservation of Industrial Property. They are also covered by Articles 22 to 24 of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, which was included in the Uruguay Round of GATT discussions' final agreements.<sup>ii</sup>

Perhaps as a signatory to the World Trade Organisation (WTO), India passed the Geographical Indications of Goods (Registration and Protection) Act in 1999. GI is an essential intellectual property right used in commerce to indicate the source of the goods. The inability to accomplish the goal is due to a lack of knowledge among GI stakeholders and the absence of qualitative check procedures.

## **NEED FOR LEGAL PROTECTION OF GI**

The legal protection of GI assumes enormous significance given its commercial potential. Without adequate legal protection, competitors who have no legal claim to the GI could freely

ride on its reputation. The real owners of the GI lose money as a result of these dishonest business practices, which also deceive customers. Furthermore, such actions may eventually damage the GI's reputation and goodwill.<sup>iii</sup>

## **INTERNATIONAL PROTECTION FOR GI UNDER TRIPS**

At the international level, TRIPS sets out minimum standards of protection that WTO members are bound to comply with in their respective national legislations.<sup>iv</sup> However, as far as the scope of protection of GI under TRIPS is concerned, there is a problem of hierarchy. This is because, although TRIPS contains a single, identical definition for all GI, irrespective of product categories, it mandates a two-level system of protection: (i) the basic protection applicable to all GI in general (under Article 22), and (ii) additional protection applies only to the GI denominating wines and spirits (under Article 23).

This kind of protection is challenging if Article 22 fails to provide sufficient intellectual property protection for the benefit of the genuine right-holders of a GI. A producer not belonging to the geographical region indicated by a GI may use the indication as long as the product's true origin is indicated on the label, thereby free-riding on its reputation and goodwill.<sup>v</sup>

## **HISTORY OF THE TRIPS PROVISIONS ON GI**

The Uruguay Round of the GATT negotiations began in 1986, precisely when India's development policy-making process was at a watershed. By the time India launched its massive economic reforms package in 1991, marking a paradigm shift in its policy, the Uruguay Round negotiations were well underway, paving the path towards Marrakesh in 1994 and the establishment of the WTO. India remained a cautious and somewhat passive player during the initial years of the Uruguay Round negotiations, given its long legacy of inward-looking development strategy and protectionist trade policy regime.

However, at Doha India wanted to extend protection under 'geographical indication' (GI) beyond wine and spirit, to other products.<sup>vi</sup> A number of countries like Bulgaria, the EU, Guinea, India, Jamaica, Kenya, Madagascar, Mauritius, Morocco, Pakistan, Romania, Sri Lanka, Switzerland, Thailand, Tunisia and Turkey wanted to negotiate extending this higher

level of protection to other products as they see a higher level of protection as a way to improve marketing their products by differentiating them more effectively from their competitors and they object to other countries “usurping” their terms. Some others opposed the move, and the debate has included the question of whether the Doha Declaration provides a mandate for negotiations.<sup>vii</sup>

Those opposing extension argue that the existing (Article 22) level of protection is adequate.<sup>viii</sup> They caution that providing enhanced protection would be a burden and would disrupt existing legitimate marketing practices. India, along with a host of other like-minded countries pressed for an ‘extension’ of the ambit of Article 23 to cover all categories of goods. However, countries such as the United States, Australia, New Zealand, Canada, Argentina, Chile, Guatemala, and Uruguay are strongly opposed to any ‘extension’. The ‘extension’ issue formed an integral part of the Doha Work Programme (2001). However, as a result of the wide divergence of views among WTO members, not much progress has been achieved in the negotiations and the same remains as an ‘outstanding implementation issue’.

### **THE INDIAN GI ACT**

India has put in place a sui generis system of protection for GIs with the enactment of a law exclusively dealing with the protection of GIs. The legislation which deals with the protection of GIs in India is ‘The Geographical Indications of Goods (Registration & Protection) Act, 1999’ (GI Act), and the ‘Geographical Indications of Goods (Registration and Protection) Rules, 2002 (GI Rules). India enacted its GI legislation for the country to put in place national intellectual property laws in compliance with India’s obligations under TRIPS. Under the purview of the GI Act, which came into force, along with the GI Rules, with effect from 15 September 2003, the central government has established the Geographical Indications Registry with all-India jurisdiction, at Chennai, where right-holders can register their GI.

Unlike TRIPS,<sup>ix</sup> in the GI Act does not restrict itself to wines and spirits. Rather, it has been left to the discretion of the central government to decide which products should be accorded higher levels of protection. This approach has deliberately been taken by the drafters of the Indian Act with the aim of providing stringent protection as guaranteed under the TRIPS Agreement to GI of Indian origin. However, other WTO members are not obligated to ensure

Article 23-type protection to all Indian GI, thereby leaving room for their misappropriation in the international arena.

The definition of GI included in Section 1(3) (e) of the Indian GI Act clarifies that for the purposes of this clause, any name which is not the name of a country, region or locality of that country “shall” also be considered as a GI if it relates to a specific <sup>x</sup>geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be. This provision enables the providing protection to symbols other than geographical names, such as ‘Basmati’.

## REGISTRATION

While registration of GI is not mandatory in India, Section 20 (1) of the GI Act states that no person “shall” be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an “unregistered” GI. The registration of a GI gives its registered owner and its authorized users the right to obtain relief for infringement<sup>xi</sup>. The GI Registry with all India jurisdictions is located in Chennai with the Controller-General of Patents, Designs and Trade Marks is the Registrar of GIs, as per Section 3(1) of the GI Act. Section 6(1) further stipulates maintenance of a GI Register<sup>xii</sup> which is to be divided into two parts: Part A and Part B. The particulars relating to the registration of the GIs are incorporated in Part A, while the particulars relating to the registration of the authorized users are contained in Part B (Section 7 of the Act).

A GI may be registered in respect of any or all of the goods, comprised in such class of goods as may be classified by the Registrar. The Registrar is required to classify the goods, as far as possible, in accordance with the International classification of goods for the purposes of registration of GI (Section 8 of the Act). A single application may be made for registration of a GI for different classes of goods and fee payable is to be in respect of each such class of goods<sup>xiii</sup>.

In India a GI may initially be registered for a period of ten years, and it can be renewed from time to time for further periods of 10 years<sup>xiv</sup>. Indian law place certain restrictions in that a registered GI is not a subject matter of assignment, transmission, licensing, pledge, mortgage or any such other agreement.

## **RIGHTS OF ACTION AGAINST PASSING-OFF**

The GI Act in India specifies that nothing in this Act “shall” be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof. In its simplest form, the principle of passing-off states that no one is entitled to pass-off his/her goods as those of another. The principal purpose of an action against passing off is therefore, to protect the name, reputation and goodwill of traders or producers against any unfair attempt to free ride on them. Though, India, like many other common law countries, does not have a statute specifically dealing with unfair competition, most of such acts of unfair competition can be prevented by way of action against passing-off. Notably, Article 24.3 of TRIPS clearly states that in implementing the TRIPS provisions on GIs, a Member is not required to diminish the protection of GIs that existed in that Member immediately prior to the date of entry. This flexibility has been utilised by India in the GI Act (Section 20(2)) in maintaining the right of action against passing-off, which has been a part of the common law tradition of India, even prior to the advent of the TRIPS Agreement.<sup>xv</sup>

Any lawsuit relating to infringement of a registered GI or for passing of an unregistered GI has to be instituted in a district court having jurisdiction to try the suit. No suit shall be instituted in any court inferior to a district court [Section 66 of the Geographical Indications of Goods (Registration and Protection) Act, 1999].

## **GI CHALLENGES IN INDIA**

India might just have unwittingly made it highly challenging for its agricultural growers to obtain GI protection. However, under Section 9 of the Act, which prohibits the registration of any GIs considered to be general labels or indications of products, an indication becomes generic when it returns to the common sphere and is not or no longer protected in its place of origination, or when it has fallen out of use in that nation.

It should be emphasised that TRIPS leaves it entirely to the decision of the nation of origin to determine whether a specific geographic name has become general or otherwise. Consequently, it will be up to the countries of WTO signatories to determine if such a particular GI has now turned general or ought to be preserved. It is argued that India must have limited the range of

genericide as strictly as possible, allowing its courts to assess which terms are generic and which are not based solely on the circumstances in India and not on their presence in consumer markets. Therefore, the more regions and situations we investigate, the more likely the word is generic, particularly given the zeal with which enterprises in the “*Age of exploration*” try to undermine GIs.

## GLOBAL GI CHALLENGE

IPR protection has recently taken centre stage. Established nations, which own the majority of intellectual property with regard to advanced expertise innovations, implement IPR agreements to protect their interests and frequently complain about the insufficiency of IPR protections in emerging regions, accusing them of IP piracy. Established countries, particularly those with GI goods, have passed legislation to safeguard their genetic resources. Thailand’s one-of-a-kind GI protection scheme aims to address the issue of origin-based identity exploitation. Thailand’s GI Act was created in response to the obligations of the international business system and in response to biopiracy involving the country’s well-known Thailand’s jasmine rice.<sup>xvi</sup> The fear of biopiracy was cited as the primary motivator for the passage of the GI law.

Growing commercial liberalisation via multilateral trade agreements with economies like the United States, as well as an effort to safeguard its national “resources” by securing a patent for rice genes from the USPTO, have produced a scenario that has begun to put GI protection in Thailand under threat. This is owing to the limited duration of protection for patents issued in the United States. Moreover, Thailand hasn’t ever advocated for the patent rights of living organisms in global economic deals on patents.

There are recommendations on ways to tackle such problems, such as beginning discussions that go beyond the current request for GI protection extension or updating its unique national system for protecting GI by including protection of GI plants’ genetic resources. Such proposals, however, come with a cost, and the intended consequence is uncertain. Addressing the problem of automated protection of GI plants’ genetic reserves inside the GI protection framework is considerably more difficult, while opposition to the unique system of GI protection is criticising it in a series of multilateral trade agreements. Issues such as whether

the government would be better served by focusing its energies on other aspects of growth that are more certain to provide long-term results. Although raising consumer knowledge regarding GIs, for instance, is usually a good idea, it should be remembered that GI advocacy is costly and does not guarantee long-term advantages. Given the societal, cultural, and economic significance of GIs in Thailand, it is vital and worthwhile to try and find win-win alternatives that satisfy both opponents and supporters of GI protection. Several Thai GIs are agriculture-based in nature and include a diverse range of stakeholders, from destitute rural people to GI exporters. Loss of “GI assets” owing to insufficient protection could have a significant influence on several of the rural poor’s livelihoods.

## CONCLUSION

Mostly on the world stage, the Geographic Indicators are still a work in progress given the reality that wines and spirits are currently protected under Article 23 under TRIPS, while additional products are not. Therefore, India must demand the expansion of Geographical Indications (GI) protection to additional products in addition to wines and spirits by modifying Article 23 of the TRIPS Agreement.

A licensed GI tag prohibits the owner from using GI’s registered mark or identity on any identical goods or deceiving the registered product. Since the passage of the TRIPS Agreement, there’s been a greater understanding of the importance of proper geographic indication protection, including all products. Furthermore, the World Trade Organisation debates in the sphere of industrial as well as agricultural goods highlight the growing relevance of raising the degree of geographical indication preservation of wines and spirits to all goods. Countries must recognise that protection for GIs is effectively supplied through national laws because it is the terms of the agreement, not the existing federal regulations, that offer protection for GIs. Since it increases the chances of accessing the market for such goods, such protection is a useful marketing tool that adds value to exports. The GI tag is a necessary component for developing and sustaining abstracts as well as the uniqueness of a product’s essentials and qualities. India isn’t far behind when it comes to pursuing intellectual property in a lawful manner.

## ENDNOTES

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- <sup>i</sup> Amikar Parwar, Importance of Geographical Indication in the Growing IPR World., 2009 (1<sup>st</sup> Edn.)
- <sup>ii</sup> <https://ipbulletin.in/geographical-indications-and-challenges/>, (Visited on 20.01.2023 at 11.00 PM)
- <sup>iii</sup> <https://www.altacit.com/gi/the-protection-of-geographical-indication-in-india/>, (Visited on 22.01.2023 at 5 PM)
- <sup>iv</sup> <https://www.altacit.com/gi/the-protection-of-geographical-indication-in-india/>, (Visited on 22.01.2022 at 7 PM)
- <sup>v</sup> <http://www.trademarkiso.com/geographical-indignation-registration/>, (Visited on 22.01.2022 at 6 PM)
- <sup>vi</sup> [https://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm/](https://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm/), (Visited on 22.01.2022 at 7PM)
- <sup>vii</sup> GI in the WTO & Doha Negotiations by Miguel Rodriguez Mendoza presented in Worldwide Symposium on GI. [www.wipo.int/edocs/mdocs/geoind/en/wipo\\_geo\\_bei\\_07/wipo\\_geo\\_bei\\_07\\_www\\_81777.doc](http://www.wipo.int/edocs/mdocs/geoind/en/wipo_geo_bei_07/wipo_geo_bei_07_www_81777.doc), (Visited on 22.01.2022 at 7 PM)
- <sup>viii</sup> TRIPS AGREEMENT – Article 23
- <sup>ix</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999 – Section 2 (e)
- <sup>x</sup> “Geographical indication”, in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristics of such goods is essentially attributable to its geographical origin and in the case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.
- <sup>xi</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999 – Section 21 (a)
- <sup>xii</sup> Section 6(1) states that: For the purposes of this Act, a record called the Register of geographical indications shall be kept at the Head office of the Geographical Indications Registry, wherein shall be entered all registered geographical indications with the names, addresses and descriptions of the proprietors, the names, addresses and descriptions of authorized users and such other matters relating to registered geographical indications as may be prescribed and such registers may be maintained wholly or partly on computer.
- <sup>xiii</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999 – Section 11(3)
- <sup>xiv</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999 – Section 18 (1)
- <sup>xv</sup> <https://opencasebook.org/casebooks/472-intellectual-property-law-the-information-society/resources/8.3.3.3-article-24-international-negotiations-exceptions-trips-agreement/>, (Visited on 26.01.2022 at 11PM)
- <sup>xvi</sup> <https://ipbulletin.in/geographical-indications-and-challenges/>, (Visited on 22.01.2022 at 4 PM)