

# GEOGRAPHICAL INDICATIONS REGISTRATION SYSTEM IN INDIA

Written by *Dr. Rekha Chavan*

*Assistant professor of law*

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## INTRODUCTION

Just as a patented product carries with it the reputation of its inventor the geographically indicated product carries with it the reputation of a region, locality, place of origin, country etc. Therefore the reasons for protection of geographical indication can be looked at essentially from two viewpoints. Firstly, to protect the interest of the consumer, who especially in products protected by geographical indicators, buys the product only because of its famous origin which indicates certain quality, and secondly, to provide economic incentive and protection to the producers of the products belonging to that particular region.

Geographical Indication indicates that particular goods originate from a country, region or locality and has some special characteristics, qualities or reputations, which are attributable to its place of origin. These special characteristics, qualities or reputation may be due to various factors, e.g., natural factors such as raw materials, soil, regional climate, temperature, moisture etc; or the method of manufacture or preparation of the product such as traditional production methods; or other human factors such as concentration of similar businesses in the same region, specialization in the production or preparation of certain products and the maintaining of certain quality standards.<sup>1</sup> The connection between the goods and place becomes so famous that any reference to the place reminds the goods being produced there and vice versa. For example, the reference to District of Champagne, France brings to mind the Wine ‘Champagne’ which is being produced there. Geographical indications are understood by consumers to denote the origin and the quality of products. Many of them have acquired valuable reputations

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<sup>1</sup> Surekha Vasishta and Amar Raj Lall, “Geographical Indications of Goods (Registration and Protection) Act, 1999” in A.K.Koul and V.K.Ahuja (ed), *The Law of Intellectual Property Rights: in Prospect and Retrospect*, Delhi: Faculty of Law University Delhi, 2001, p.248.

which, if not adequately protected, may be misrepresented by dishonest commercial operators. False use of geographical indications by unauthorized 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'.<sup>2</sup>

In view of their commercial potential, adequate legal protection of GIs becomes necessary to prevent their misappropriation. Although India has had in its possession a considerable number of products that could qualify for legal protection as geographical designators, the initiatives to exploit this protection began only recently when the country established a sui generis system of GI protection with the enactment of 'The Geographical Indications of Goods (Registration and Protection) Act, 1999' (GI Act 1999), coupled with the 'Geographical Indications of Goods (Registration and Protection) Rules, 2002 (GI Rules 2002). The Act, which became operational with effect from 15 September 2003, was drafted as a part of the exercise in the country to set in place national IPR laws as much in compliance with India's obligations under the agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) of the World Trade Organization (WTO) so as to take advantage of the 'minimum' standards of GI protection (alongside other IPRs) that the TRIPs set out for the WTO members to comply in their respective national legislations.

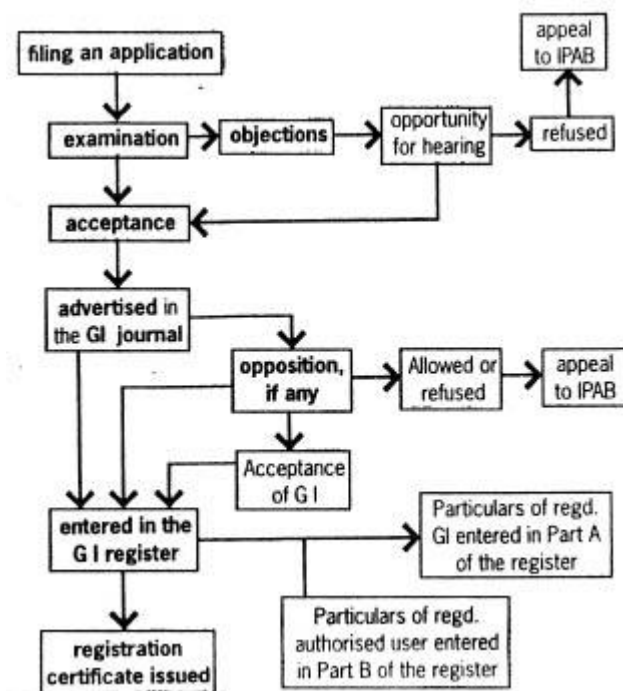
This Act seeks to provide for the registration and better protection of geographical indications relating to goods in India and to fulfil three key objectives:

- (1) Adequately protect the interest of producers of geographical indication goods and add to the prosperity of the producers of such goods;
- (2) Protect consumers from deception; and
- (3) Promote goods bearing geographical indication in the export market.

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<sup>2</sup> WIPO - International Bureau, 2002.

## GI REGISTRATION PROCESS IN INDIA



The Geographical Indication Act 1999 and Rules 2002 stipulate a specific and systematic procedure for registering a product in the country. As per the Act passed by Indian Parliament and implemented by Government of India, the responsibility of administering the Act has been given to the Controller General of Patents, Designs and Trademarks. The Controller General is appointed under Sub-Section (I) of Section (3) of the Trademarks Act, 1999 as Registrar of GI. By registering a geographical indication in India, the rights holder can prevent unauthorized use of the registered geographical indication by others and promote economic prosperity of producers of goods produced in a particular region. Registration of the geographical indication in India is not mandatory as an unregistered geographical indication can also be enforced by initiating an action of passing off against the infringer. It is, however, advisable to register the geographical indication as the certificate of registration is *prima facie* evidence of its validity and no further proof of the same is required.

Who can apply for registration?

- (i) any associate of persons;

- (ii) producers; or
- (iii) any organization or authority established by or under any law representing the interest of the producers of the concerned goods.

***Whom to apply?***

The application must be made to the Registrar under the Act, the Controller-General of Patents, Designs and Trademarks appointed under sub-section (1) of section 3 of the Trademarks Act, 1999 shall necessarily be the Registrar of Geographical Indications. He shall be assisted by such number of officer, which the central government may think fit.<sup>3</sup>

A full-fledged modern patent office and the country's first geographical indication (GI) registry was put up in Chennai which is really a good step forward in this field. This registry will satisfy the requirements mentioned in the Act further supplementing it.<sup>4</sup>

***Where to file the application?***

Every application shall be filed in the office of the Geographical Indications Registry within whose territorial limits, the territory of the country or the region or locality in the country to which the geographical indications relates is situated.

***Contents of the Application***

The application for registration must contain the following:

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

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<sup>3</sup> Section 11.

<sup>4</sup> The office website ([www.patent.office.nic.in](http://www.patent.office.nic.in)) provides information on patents and the geographical indications registry.

- (iv) the particulars regarding the appearance of the geographical indication as to whether it is comprised of the words or figurative elements or both;
- (v) a statement containing such particulars of the producers of the concerned goods, if any proposed to be initially registered with the registration of the geographical indication as may be prescribed; and
- (vi) such other particulars as may be prescribed.

On acceptance of this application the registrar of geographical indications<sup>5</sup> shall advertise it.<sup>6</sup> Any person may oppose it within three months from the date of advertisement or extended period of not more than one month.<sup>7</sup> The registrar shall, after hearing the parties, if so required, decide whether and subject to what conditions or limitations, if any, the registration is to be permitted.<sup>8</sup> Thus, where the application has not been opposed and the time for notice of opposition has expired; or the application was opposed and it has been decided in favour of the applicant, the registrar shall register the said geographical indication and the authorized users if any, so mentioned in the application.<sup>9</sup>

Once a geographical indication is registered, any producers of the concerned goods may apply to the registrar for registering him as an authorized user for such geographical indication.

## **PROHIBITION OF REGISTRATION OF CERTAIN GEOGRAPHICAL INDICATIONS**

Following geographical indications are not registrable under the Act: <sup>10</sup>

- (i) the use of which would be likely to deceive or cause confusion;
- (ii) the use of which would be contrary to any law for the time being in force;

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<sup>5</sup> Section 3(1) (The Controller-General of Patents, Designs and Trademarks is also the Registrar of Geographical Indications).

<sup>6</sup> Section 13.(1)

<sup>7</sup> Section 14 (1)

<sup>8</sup> Section 14 (5).

<sup>9</sup> Section 6 (6).

<sup>10</sup> Section 9



- (iii) which comprises or contains scandalous or obscene matter;
- (iv) which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;
- (v) which would otherwise be disentitled to protection in a court;
- (vi) 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;
- (vii) Which are determined to be 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. Generic name or indication means the name of goods which although relates to the place or the region where the goods was originally produced or manufactured, has lost its original meaning and has become the common name of such goods and serves as a designation for as indication of the kind, nature, type or other property or characteristic of the goods.

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.<sup>11</sup>

## **RIGHTS CONFERRED BY REGISTRATION**

It is mandatory to get a geographical indication registered in order to claim any rights in respect of such indication under the Act.<sup>12</sup> However, the rights of action against person for passing off goods as the goods of another person or the remedies in respect thereof shall remain unaffected.

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The registration of a geographical indication shall give:

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<sup>11</sup> Section 18 (1).

<sup>12</sup> Section 2 (1).

<sup>13</sup> Section 20 (2).

- (i) to the registered proprietor and the authorized user or users the right to obtain relief in respect of infringement of such geographical indication;
- (ii) to the authorized user the exclusive right to the use of the geographical indication in relation to the goods in respect of which the geographical indication is registered.

## **SIGNIFICANCE OF GEOGRAPHICAL INDICATION REGISTRATION**

- Such identification enables the product to gain a reputation and goodwill all over the world, consequently resulting in premium prices in national and international markets.
- Recognition of a particular commodity as a Geographical Indication also confers the right to protection under the Geographical Indication Act, 1999, thereby preventing an unauthorized use of the commodity registered as GI by any third party.
- Geographical Indication registration encourages community ownership and therefore it helps in proper distribution of the economic benefits accrued from commercialization of the commodity across a wider section of people in that territory.

## **INFRINGEMENT OF THE REGISTERED GEOGRAPHICAL INDICATION**

A person, who is not an authorized user of a registered geographical indication, infringes it when he:

- (i) uses a such geographical indication 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

- (ii) user any geographical indication in such manner which constitutes an ‘act of unfair competition’<sup>14</sup> including passing off in respect of registered geographical indication; or
- (iii) Uses another geographical indication to the goods which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the persons that the goods originate in the territory, region or locality in respect of which such registered geographical indication relates.

It is also an infringement to use a geographical indication in respect of goods not originating in the place indicated by such geographical indication, even if true origin of such goods is also indicated, and the geographical indication is accompanied by expression such as “kind”, “style”, “imitation” or the like expression.<sup>15</sup>

## **ADDITIONAL PROTECTION OF CERTAIN GOODS**

The Central government may by notification in the Official Gazette provide for additional protection for certain goods which are notified. A GIs once law fully acquired their dealing in such goods shall not constitute an infringement less the goods are impaired after they have been put in the market.

## **RECTIFICATION AND CORRECTION OF REGISTER**

The register or the Appellate Board may cancel or vary the registration of GIs or of an authorized user for the contravention or failure to observe the conditions entered on the register. It enable any person aggrieved by the absence or omission of any entry in the register without sufficient cause or any entry wrongly on the register by the error or defect, to apply to the Appellate Board or the register to pass appropriate orders. The Registrar and the Appellate

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<sup>14</sup> ‘Act of unfair competition’ means any act of competition contrary to honest practices in industrial or commercial matters.

<sup>15</sup> Section 22 (3).



board can *suo moto* after giving notice the parties concerned and hearing them, pass appropriate orders for cancelling, varying or rectifying the register.<sup>16</sup>

## **APPEALS TO THE APPELLATE BOARD**

Any person aggrieved by an order or decision of the Registrar under this Act, or the rules made there under, may file an appeal to the Appellate Board. Such appeal must be filed within three months from the date on which the order or decision is communicated to the aggrieved parties.<sup>17</sup>

## **DURATION OF A GEOGRAPHICAL INDICATIONS**

The term of a geographical indications registration is for a period of ten years. The renewal is possible for further period of 10 years each. If a registered geographical indication is not renewed, it is liable to be removed from the register.

## **REMEDIES FOR INFRINGEMENT OF A GEOGRAPHICAL INDICATION**

The remedies available for protection of geographical indications may broadly be classified into two categories.

- (i) civil remedies; and
- (ii) criminal remedies.

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<sup>16</sup> B.L.Wadehra, *Law Relating to Patents Trademarks Copyright Designs and Geographical Indications*, 2<sup>nd</sup> edn, Delhi: Universal Law Publishing Co.Pvt Ltd, 2000, p.513.

<sup>17</sup> Section 31.

## CIVIL REMEDIES

The Act provides for the following civil remedies for infringement of a registered geographical indication;

- (a) Injunction
- (b) Damages or account of profits
- (c) Delivery up of the infringing labels and indications.

These remedies are inclusive, not exhausting and the court may provide some other remedies in addition to the aforesaid, such as Anton Piller order.<sup>18</sup>

### (a) Injunction

Injunction includes- temporary injunction and permanent injunction. Further, the court may also order an ex parte injunction for-

- (i) discovery of documents;
- (ii) preserving of infringing goods, documents or other evidence which are related to the subject matter of the suit; and
- (iii) restraining the defendant from disposing of, or dealing with his assets in a manner which may adversely affect plaintiffs ability to recover damages, costs or other pecuniary remedies which may be finally awarded to the plaintiff.

The aforesaid remedy of injunction is more effective and can prevent a greater harm to the plaintiff.

### (b) Damages or account of profits

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. The remedy of damages (other than nominal damages) or account of profits may be denied where defendant

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<sup>18</sup> In appropriate cases the court may on an application by the plaintiff pass an ex parte order requiring the defendant to permit the plaintiff accompanied by solicitor or attorney to enter his premises and take inspection of relevant documents and articles and take copies thereof or remove them from the custody. The necessity for such an order arises where there is a grave danger of relevant documents and infringing articles being removed or destroyed so that the ends of justice will be defeated. (*Anton Piller v. Manufacturing Processes* (1976) Ch.55 (1976) R.P.C. 719). See also W.R. Cornish, *Intellectual Property*, 3<sup>rd</sup>edn., Delhi: Universal Law Publishing Co.Pvt. Ltd., 2001, p.246.

satisfies the court that he was unaware and had no reasonable ground for believing that the geographical indication of the plaintiff was registered when he connected to use it; and that when he became aware of the existence and nature of the plaintiffs right in the geographical indication, he forthwith ceased to use it.<sup>19</sup>

### **(c) Delivery-up of the infringing labels and indications**

It is in the discretion of the court to order the defendant to deliver up 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 also available for passing off action.<sup>20</sup> Passing off actions are initiated against the infringement of unregistered geographical indications.

### **(ii) 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 proceeding in which the same question is involved. Since criminal proceedings directly strikes at the honour and social status of an infringer, 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.

The Act contains penal provision for violation of various provisions relating to geographical indications given below.

- (i) Falsifying and falsely applying geographical indications to goods.<sup>21</sup>
- (ii) Selling goods to which false geographical indications is applied.<sup>22</sup>
- (iii) Falsely representing a geographical indication as registered.<sup>23</sup>
- (iv) Improperly describing a place of business as connected with the geographical indications registry.
- (v) Falsification of entries in the register.

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<sup>19</sup> Section 67 (3).

<sup>20</sup> Section 67 (1).

<sup>21</sup> Section 38 and 39.

<sup>22</sup> Section 40.

<sup>23</sup> Section 42.

The punishment prescribed for the aforesaid offences varies from six months to three years imprisonment and a fine of not less than rupees fifty thousand but may extend to rupees two lakh. However the court for adequate and special reasons in writing may impose lesser punishment.

The Act<sup>24</sup> also prescribes for enhanced penalty for second or subsequent conviction. The term of imprisonment in such cases shall not be less than one year but it may extend up to three years and fine of not less than one lakh rupees which may extend up to two lakh rupees. The discretion is vested with the courts to impose a lesser punishment after recording in the judgment adequate and special reasons for awarding such lesser punishment. No cognizance would be taken of any conviction made before the commencement of this Act. The offence under the Act is cognizable.

## **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 <sup>25</sup> 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. Any lawsuit relating to infringement of a

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<sup>24</sup> Section 41.

<sup>25</sup> (Section 20(2))

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.<sup>26</sup>

## CONCLUSION

A geographical indication does not simply identify a *quality, reputation or characteristic of a product*. It carries with it the entire production system rooted in a territory and associated with local stakeholders. This makes geographical indications a tool for local and sustainable development. Besides its “intellectual property” dimension, it also provides many other stimuli for social and economic development. Geographical indications reflect a system of production anchored to a territory and its local resources, and as such they can contribute to a process of adding value to the origin and its impact in terms of local sustainable development, by combining the economic and heritage dimensions. This involves considering a number of technical factors to implement and manage this at the local level. Because of these reasons the registration mechanism of GIs need to adopt “Linking people, places and products” approach. The Indian GI Act, which came into force, along with the GI Rules, with effect from 15 September 2003, has been instrumental in the extension of GI status to many goods so far. The central government has established the Geographical Indications Registry with all-India jurisdiction, at Chennai, where right-holders can register their GI. But this mechanism needs to be people friendly and eco-friendly in the days to come.

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<sup>26</sup>.S.66