

# GEOGRAPHICAL INDICATIONS

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**Abstract**— Geographical indications have appeared quite recently in the landscape of Intellectual Property Rights (IPR's) in comparison with more classical concepts such as trademarks, patents and copyright. GI has evolved in order to provide protection for the indigenous knowledge in the agrifood sector without hampering the culture of free trade. This paper seeks to establish some clarity regarding the protection that can be provided through GI by providing theoretical justifications. Also has explained the rationale behind the official recognition of GI i.e. to reduce the asymmetry of information between the producers and the consumers. This paper has also dealt in detail, the policies adopted by the countries like European Union and United States in relation with providing protection and implementing the policies related with GI.

**Index Terms**— Geographical Indication, European Union, Special Regimes, United States, Producer Protection, TRIPS, WTO, Trademark, Certification Mark, Collective Mark

## 1 INTRODUCTION

THE Geographical Indications of Goods are defined as that aspect of industrial property which refers to the geographical indication referring to a country or to a place situated therein as being the country or place of origin of that product. Typically, such a name conveys an assurance of quality and distinctiveness which is essentially attributable to the fact of its origin in that defined geographical locality, region or country. From this definition it can be deduced that GIs are, first of all, signs and indications, necessarily linked to a particular territory. These are mostly geographical names. Traditional and historical non-geographical names can nevertheless be protected if they are linked to a particular place. The most famous example of such a GI is "Feta", which is not a place in Greece but is so closely connected to Greece as to identify a typical Greek product. There are three major conditions for the recognition of a sign as a geographical indication:

- a) It must relate to a good (although in some countries services are also included, for example in Azerbaijan, Bahrain, Croatia, Jamaica, Saint Lucia, Singapore and others);
- b) These goods must originate from a defined area;
- c) The goods must have qualities, reputations or other characteristics which are clearly linked to the geographical origin of goods [1].

GIs are given different names such as appellations of origin, designations of origin, origin signs, etc., in different national laws [2].

It is used to identify the origin and quality, reputation or other characteristics of products (for example, "Champagne", "Tequila" or "Roquefort") [3]. The use of geographical indications is not limited to agricultural products. They may also highlight qualities of a product which are due to human factors associated with the place of origin of the products, such as specific manufacturing skills and traditions [4]. The use of a

GI may act as a certification that the product possesses certain qualities, or enjoys a certain reputation, essentially attributable to their geographical origin. The reference of GI can have the agricultural produce, natural products or products manufactured or processed [5]. These goods are expected to have a reputation and quality which is attached to the place of origin, environment and various other inherent natural and human factors. Through registration the protection is granted to GI. The registration of GI is not given to any individual. It is considered as a national property, and generally it is granted to associations of persons or producers or an organization or authority representing the interest of the producers of goods [6]. After a GI is first registered in the name of association of persons, Separate and individual registration is granted in the names of actual users for geographical indication.

## 2 EUROPEAN UNION

The main proponent of this cultural rationale is the EU, who has also broadened the cultural argument to apply to developing countries, claiming that GIs "are the key to EU and developing countries cultural heritage, traditional methods of production and natural resources" [7]. The EU is providing better safeguard to the geographical indications throughout the world due to the growing number of violations in the international world. Three European Union schemes of geographical indications and traditional specialties known as protected designation of origin (PDO), protected geographical indication (PGI), and traditional specialties guaranteed (TSG) promote and protect names of quality agricultural products and foodstuffs [8]. They are based on the legal framework provided by the EU Regulation No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs [9]. This Regulation (enforced within the EU and being gradually expanded internationally via bilateral agreements between the EU and non-EU countries) ensures that only products genuinely originating in that region are allowed to be identified as such in commerce. The legislation first came into force in 1992. The purpose of the law is to protect the reputation of the regional foods, promote rural and agricultural activity, help producers

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obtain a premium price for their authentic products, and eliminate the unfair competition and misleading of consumers by non-genuine products [10]. The EU is active in multilateral and bilateral negotiations protecting EU geographical indications.

### 2.1 At a multilateral level[11]

The Agreement on Trade-Related aspects of Intellectual Property Rights contains a specific section on geographical indications. It enhances their protection and expands it to a significantly higher number of countries than previous international agreements.

- The EU continues to be one of the principal supporters of negotiations on Geographical indications in the WTO's Doha Development Agenda.
- Negotiations have focused on: the establishment of a multilateral Register for geographical indications and the extension to all products of the level of protection currently granted to wines and spirits.
- Geographical Indications remain one of the most contentious intellectual property rights issues in the WTO and Members have not made substantive progress.

### 2.2 At a bilateral level[12]

- The EU is negotiating GIs protection under two different frameworks: specific Stand Alone agreements on GIs (e.g. China) and broader trade agreements (Free Trade Agreements) such as:
- Negotiations for an EU-Canada Comprehensive and Trade Agreement
- DCFTA negotiations with Moldova and Georgia
- Negotiations for an EU-Vietnam Free Trade Agreement
- Negotiations for an FTA with Japan are expected to start in spring 2013

## 3 SPECIAL REGIMES

The protection of geographical indications for wines and other alcoholic drinks was historically the first to be developed at both national and Community level. It is also the only protection which is recognized by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), administered by the World Trade Organization.

### 3.1 WINES

European Union rules governing the production of wine ("the product obtained exclusively from the total or partial alcoholic fermentation of fresh grapes, whether or not crushed, or of grape must") are considerably longer than Community trade mark law: the main text, the Regulation on the common organisation of the market in wine [13], runs to over 46,000 words. To be considered as a "quality wine", the wine must come from a specified region and be associated with a "geographical indication".

Because of the traditional importance of appellations for wine, there has been little harmonization of national provisions within the European Union. Member States delimit the specified areas of production and determine the rules and appellations which apply: the European Commission restricts itself to

publishing the information provided by the Member States. Appellations are usually the geographical name of the area in which the wine is produced.

### 3.2 SPIRITS

The Regulation laying down general rules on the definition, description and presentation of spirit drinks [14] provides for a double system of protection of spirit descriptions. Spirits are divided into 21 categories, which each have rules for fabrication and minimum strength. Within these categories, certain names are reserved for drinks from particular countries. The Regulation also defines a number of geographical designations, which are reserved for drinks which "acquired their character and definitive qualities" in the area denominated.

### 3.3 AROMATIZED DRINKS

The Regulation laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine-based drinks and aromatized wine-product cocktails [15], institutes a system of protected denominations for aromatized drinks which is very similar to that for spirits. The protected geographical designations are:

- Vermouth di Torino (vermouth original: 1757) (Italy)
- Nürnberger Glühwein (Germany)
- Vermouth de Chambéry (France)

## 4 DIFFICULTIES FACED BY THE EUROPEAN PRODUCERS IN PROTECTING GIS OUTSIDE THE EU

European GI producers have been pushing for better protection of GIs at the international level due to the increasing number of misappropriations they face throughout the world. The abuse of EU GIs has a strong adverse economic impact. The abuses limit access to certain markets and undermine consumer loyalty. Moreover, the fight against these abuses is extremely costly. The more famous the GI product is the more misappropriations it faces, the more important the need for GI protection is, the more costly it becomes.

Most countries have a legal framework for the protection of GIs. However, the legal instruments and the level of protection available vary considerably from one country to another. The first difficulty for EU producers is to understand what legal framework is available in the country where protection is sought as well as the level of protection that they will enjoy. This is an important first step as the level and modalities of protection differ widely if the producers have to rely on unfair competition and consumer protection acts, passing off actions, trademark laws or a sui generis protection of GIs with or without registration.

Many EU GI producers have secured the protection of their name outside the EU. Wine and spirits producers have done so mainly thanks to bilateral agreements concluded between the EU and some countries. These agreements have brought positive results for EU producers, although some problems remain for famous EU GI wines which continue to face abuses in some of these countries. These GIs still struggle to secure protection in many countries, as they are considered generic or semi-generic names, hence not entitled to protection. The other EU GIs have not been protected via bilateral agreement

signed by the EU. As a result, the protection of these names outside the EU has been left entirely in the hands of producers themselves.

The experience of many EU GI producers shows that it is extremely difficult and often very costly for GI producers to protect their GIs via trademark systems, passing off actions or on the basis of unfair competition and consumer protection acts. In the past years more and more countries around the world have established sui generis protection systems for GIs. This process is ongoing and will certainly facilitate the protection of EU GIs outside the EU..

## 5 RECOMMENDATIONS AND SUGGESTIONS (FOR ALL PRODUCERS OF PRODUCTS WITH PDO AND PGI SIGNS)

Each producer will have different requirements and problems to be resolved. Each country is different. However, there are some basic steps that an EU GI producer can take to limit the practical difficulties that they may face in protecting their GIs in third countries.

- Get good advice from experts in GI and TM law and practice. Experience shows that it is often easier to identify and work with a law firm from your country that will manage all the necessary contacts and take the required steps on your behalf. This is an option that can be cost-efficient and can simplify the work of the GI holder (dealing with a number of different third country systems).
- Consider a double registration: both as a GI and as a trademark. You should try to register the basic geographical name as a GI and logos, combinations of colours, figures, etc. as trademarks.
- Remember that registration of GIs as certification trademarks may prevent you using the registered names on promotional materials. Therefore, for the use of the names on promotional materials also advisable to register a figurative trademark containing the geographical indication.
- Conduct a preliminary trademark search if registration as a trademark is sought.
- Producers of composed GI names need to be aware of the specific problems in seeking trademark protection, as it does not always cover individual terms of the composed name.
- When the language of origin of the GI is different from the official language of the place of registration, translation is needed. In most of the countries with a sui generis system of protection, the required documents for the application are similar to those used for the registration in the European Union. Therefore, these documents could form the basis of a new application to the extent that the requirements are similar.
- Do not hesitate to contact Intellectual Property Offices for further information in the countries where the protection is sought. Often the standard application forms are available on line or upon the request. Most administrators are helpful and welcome practical enquiries.
- Consider the timeframe of registration and protection granted, you might have to renew your registration at least a few months before the expiry date, as protection may only be provided for a limited number of years.

- In those countries where no ex officio protection is provided, institute a regular monitoring of the markets and the registers where your name is protected.
- Be prepared to launch all necessary legal actions (opposition to trademark registration for instance) to protect your intellectual property right.
- Search existing registered GIs in the country where protection is sought.

## 6 PROTECTION OF GEOGRAPHICAL INDICATIONS BY U.S

The United States has found that by protecting geographical indications through the trademark system - usually as certification and collective marks - the United States can provide TRIPS-plus levels of protection to GIs, of either domestic or foreign origin. The United States has provided protection to foreign and domestic GIs since at least 1946, decades prior to the implementation of the TRIPS Agreement (1995) when the term of art "geographical indication" came into wide use. Examples of geographical indications from the United States include: "FLORIDA" for oranges; "IDAHO" for potatoes; and "WASHINGTON STATE" for apples.

The United States does not protect geographic terms or signs that are generic for goods/services. A geographic term or sign is considered "generic" when it is so widely used that consumers view it as designating a category of all of the goods/services of the same type, rather than as a geographic origin. As an example, the word "apple" cannot be protected as a trademark for apples because the word "apple" is the generic name for the fruit. They do not protect generic indications because they are believed to be incapable of identifying a specific business source (or a specifically defined collective producing source). Once a geographic designation is generic in the United States, any producer is free to use the designation for its goods/services.

Another feature of the United States trademark/GI system is that it provides the trademark or GI owner with the exclusive right to prevent the use of the mark/GI by unauthorized parties when such use would likely cause consumer confusion, mistake or deception as to the source of the goods/services. In this way, a prior right holder has priority and exclusivity over any later users of the same or similar sign on the same, similar, related, or in some cases unrelated goods/services where consumers would likely be confused by the two uses.

Protecting GIs as trademarks, collective or certification marks employs the existing trademark regime, a regime that is already familiar to businesses, both foreign and domestic. Moreover, no additional commitment of resources by governments or taxpayers (for example, personnel or money) is required to create a new GI registration or protection system. A country's use of its existing trademark regime to protect geographical indications involves the use only of resources already committed to the trademark system for applications, registrations, oppositions, cancellations, adjudication, and enforcement. Furthermore, the system easily accommodates geographical indications that are not merely place names, but signs such as words, slogans, designs, 3-Dimensional marks, colors or even sounds and scents.

In addition to fulfilling all of the requirements of substantive GI and trademark obligations in TRIPS, this system meets the requirement for national treatment and the obligations in TRIPS regarding enforcement. Also, the system is self-policing: competitors, businesses in the geographic area, or mark owners will undoubtedly raise issues of infringement, and failure to comply with certification standards, among other things. Thus, governments do not have to commit additional enforcement resources to ensure compliance. Moreover, private owners are not forced to wait for their government to take action against infringement or address unauthorized use. The owner can determine when to take action and may do so immediately, at the first sign of infringement, thus preserving profits before they are channeled towards a competitor [16].

## 7 GIS AS CERTIFICATION MARKS

The U.S. Trademark Act provides that geographic names or signs—which otherwise would be considered primarily geographically descriptive and therefore un-registrable as trademarks or collective marks without a showing of acquired distinctiveness in the United States—can be registered as certification marks. A certification mark is any word, name, symbol, or device used by a party or parties other than the owner of the mark to certify some aspect of the third parties' goods/services. There are three types of certification marks used to indicate: 1) regional or other origin; 2) material, mode of manufacture, quality, accuracy or other characteristics of the goods/services; or 3) that the work or labor on the goods/services was performed by a member of a union or other organization. The same mark can be used to certify more than one characteristic of the goods/services in more than one certification category.

The U.S. Trademark Act differentiates certification marks from trademarks by two characteristics. First, a very important feature of a certification mark is that its owner does not use it. Second, a certification mark does not indicate commercial source nor distinguish the goods or services of one person from those of another person. This means that any entity, which meets the certifying standards, is entitled to use the certification mark. However, certification marks are source-identifying in the sense that they identify the nature and quality of the goods and affirm that these goods have met certain defined standards.

A certification mark may not be used by the owner of the mark because the owner does not produce the goods or perform the services in connection with which the mark is used. The mark may be used only by entities other than the owner of the mark, with authorization from the owner of the mark. The certification mark owner controls the use of the mark by others on the certified goods/services, such control consisting of the taking steps to ensure that the mark is applied only to goods/services that contain or display the requisite characteristics or meet the specified requirements that the certifier/owner has established or adopted for the certification.

The purpose of a certification mark is to inform purchasers that the goods/services of the authorized user possess certain characteristics or meet certain qualifications or standards. A certification mark does not indicate origin in a single commercial or proprietary source. The message conveyed by a certification mark, when it is applied to goods or used in connection with services, is that the goods/services have been examined, tested, inspected, or in some way checked by the certifier/owner who is not the producer of the goods/services, by methods determined by the certifier/owner. The placing of the mark on goods or its use in connection with services thus constitutes a certification by someone other than the producer that the prescribed characteristics or qualifications of the certifier for those goods/services have been met.

In the experience of the United States, in most instances the authority that exercises control over the use of a geographical term as a certification mark is a governmental body or a body operating with governmental authorization. When a geographical term is used as a certification mark, two elements are of basic concern: first, preserving the freedom of all persons in the region to use the term and, second, preventing abuses or illegal uses of the mark which would be detrimental to all those entitled to use the mark. Generally speaking, a private individual is not in the best position to fulfill these objectives satisfactorily. The government of a region is often the logical authority to control the use of the name of the region. The government, either directly or through a body to which it has given authority, would have power to preserve the right of all persons and to prevent abuse or illegal use of the mark.

As for the enforcement of the certifiers' standards, competitors and consumers—those with the greatest interest in maintaining accuracy and high standards—ensure that certifiers maintain the requisite quality. Of course, the U.S. government has agriculture inspectors for various types of food and beverages, but that is something completely different. With respect to protection of geographical indication certification marks, affected parties can oppose registration or seek to cancel registrations, all within the existing trademark regime in the United States. So, if a party believes that the certifier is not following its own standards or is discriminating by denying use of the mark to a qualified party, that party can file an opposition or cancellation proceeding against the certification mark or an action in federal court [17].

## 8 GIS AS COLLECTIVE MARKS

There are two types of collective marks in the United States: (1) collective trademarks or collective service marks and (2) collective membership marks. The distinction between these types of collective marks is explained by the Trademark Trial and Appeal Board (TTAB), a USPTO administrative tribunal, as follows:

1. A collective trademark or collective service mark is a mark adopted by a "collective" use only by its members, who in turn use the mark to identify their goods or services and distinguish them from those of non-members. The "collective" itself neither sells goods nor performs services under a collec-

tive trademark or collective service mark, but the collective may advertise or otherwise promote the goods or services sold or rendered by its members under the mark.

2. A collective membership mark is a mark adopted for the purpose of indicating membership in an organized collective group, such as a union, an association, or other organization. Neither the collective nor its members uses the collective membership mark to identify and distinguish goods or services; rather, the sole function of such a mark is to indicate that the person displaying the mark is a member of the organized collective group.

*Aloe Creme Laboratories, Inc. v. American Society for Aesthetic Plastic Surgery, Inc.*, 192 USPQ 170, 173 (TTAB 1976).

Collective trademarks and collective service marks indicate commercial origin of goods or services just as "regular" trademarks and service marks do, but as collective marks they indicate origin in members of a group rather than origin in any one member or party. All members of the group use the mark; therefore, no one member can own the mark, and the collective organization holds the title to the collectively used mark for the benefit of all members of the group. An agricultural cooperative of produce sellers is an example of a collective organization, which does not sell its own goods, or render services, but promotes the goods and services of its members. The collective organization might conduct advertising or other promotional programs in which reference is made to the mark in order to publicize the mark and promote the business of the members, but this would be merely informational use or a publicity display of the mark[18].

## 9 GIS AS TRADEMARKS

Finally, under the U.S. regime, it is possible to protect geographical indications as trademarks. Pursuant to well-established U.S. trademark law, geographic terms or signs are not registrable as trademarks if they are geographically descriptive or geographically misdescriptive of the origin of the goods (or services). If a sign is misdescriptive for the goods/services, consumers would be misled and/or deceived by the use of the sign on goods/services that do not come from the place identified.

However, if a geographic sign is used in such a way as to identify the source of the goods/services and over time, consumers start to recognize it as identifying a particular company or manufacturer or group of producers, the geographic sign no longer describes only where the goods/services come from, it also describes the "source" of the goods/services. At that point, the sign has "secondary meaning" or "acquired distinctiveness." The primary meaning to consumers is the geographic place; the secondary meaning to consumers is the producing or manufacturing source. If a descriptive sign has "secondary meaning" to consumers, the sign has a source-identifying capacity and is protectable as a trademark. Because of this feature of U.S. trademark law, GIs can also be protected as trademarks or collective marks. There are many signs that meet the TRIPS definition of a GI that have been protected as trademarks in the United States for many years.

## 10 OPPOSITION AND CANCELLATION

If a party would be aggrieved by the registration of a trademark, service mark, certification mark or collective mark or would be damaged by the continued existence of a U.S. registration, that party may institute a proceeding at the TTAB, an administrative body at the USPTO. The TTAB has jurisdiction over opposition and cancellation proceedings as well as over appeals from an examining attorney's final refusal to register a mark in an application.

An opposition is a proceeding in which the plaintiff seeks to prevent the issuance of a registration of a mark on the Principal Register. "Any person who believes that he would be damaged by the registration" of a mark may file an opposition thereto, but the opposition may be filed only in response to the publication of the mark during the application in the Official Gazette of the USPTO. A cancellation proceeding is a proceeding in which the plaintiff seeks to cancel an existing registration of a mark. The proceeding may only be filed after the issuance of the registration. A petition for cancellation may be filed by "any person who believes that he is or will be damaged by the registration" of the mark.

The losing party at the TTAB level may appeal the TTAB's decision to the Court of Appeals for the Federal Circuit, a court with jurisdiction, inter alia, over intellectual property matters. From that court, the losing party may appeal to the U.S. Supreme Court [19].

## 11 CONCLUSION

The question of GIs and their protection under TRIPS has inevitably been subjected to WTO dispute settlement [20]. As of this writing, a WTO panel has issued a Report with regard to a challenge by Australia and the United States to the existing legislation of the European Union (EU) on GIs. The Panel Report, still subject to appeal, finds that significant components of the EU's GI legislation are TRIPS-inconsistent, while other aspects have been upheld by the panel as WTO-consistent [21]. There is a distinct cultural backdrop, however, often ignored or taken for granted: the assumption that beyond the private-interest and public-welfare effects of legal protection, GIs are required for the preservation of local traditions, national culture and cultural diversity. Arguably, this assertion is necessary to justify the inclusion of GIs in intellectual property disciplines that are usually aimed at encouraging the interests of innovation and individual creativity through the grant of temporary monopoly [22]. GI rights do not represent these values, as they express commonly used place-names, establish permanent communal rights and are ostensibly maintained to protect "old knowledge" [23].

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- [17] United States Patent and Trademark Office, Source: [www.uspto.gov](http://www.uspto.gov)
- [18] Ibid. at 21
- [19] Ibid. 21
- [20] European Communities - Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (EC-GIs)
- [21] The dispute dealt mainly with two issues: first, whether the EC's legislation on GI protection discriminates against non-EC GIs (by granting them less than national treatment); and second, whether a registered trademark and EC-recognized GI that are identical (e.g., Budweiser, see supra note 13) can coexist in EC commerce
- [22] Allyn A. Young, Increasing Returns and Economic Progress, 38 THE ECONOMIC JOURNAL 527 (1928); and Karl Shell, Towards a Theory of Inventive Activity and Capital Accumulation, AMERICAN ECON. REV. 56 (1966).
- [23] "Old Knowledge" is sometimes a euphemism for tradition and culture; moreover, some draw the distinction that knowledge becomes 'traditional' not because it is 'old', but rather because of the way it is gathered and used