

Trade related aspects of intellectual property rights: geographical indications

SUMMARY

- ▶ Geographical Indications (GIs) are place or country names that identify the origin, quality, reputation or other characteristics of products. Some GIs can therefore be of great commercial value.
- ▶ The TRIPs Agreement requires that WTO Members provide the legal means to prevent the misleading use of GIs, including when the origin indicated on a product is other than its true place of origin, or when the use of a GI in some way constitutes an act of unfair competition.
- ▶ Countries meet these obligations either through existing intellectual property or competition laws or by enacting legislation dedicated to the specific protection of GIs.
- ▶ Two items on the agenda of negotiations in the Doha Round, of particular relevance to developing countries, relate to GIs. These are negotiations on a multilateral system for notification and registration of GIs, and negotiations on the expansion of additional GI protection beyond wines and spirits into all other products.

Introduction

Article 22 of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) defines Geographical Indications (GIs) as place or country names that identify the origin, quality, reputation or other characteristics of products. Often, they are associated with and serve to distinguish a particular product from its competitors. In that sense, GIs can be a valuable rural development and marketing tool to the extent that they link a product to its place of origin. GIs can be a particularly useful tool for small and medium size enterprises involved in the production of niche high quality or popular commodities. Such enterprises are common in both developed and developing countries.

Legal framework

Article 22 of the TRIPs Agreement provides, *inter alia*, that in respect of GIs, WTO Members shall prevent the use of any means that indicate or suggest that a good originates in an area other than the true place of origin. Such an inappropriate use constitutes an "act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967)." A Member "shall [...] refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated", in particular if such use misleads the consumer. The TRIPs Agreement also provides higher protection for GIs relating to wines and spirits at Article 23. Article 24 spells out the exceptions to the rules, that is, situations when a WTO Member may decide not to protect GIs. A good example is in Article 25.5(b) which allows WTO Members not to protect GIs if a trademark was already registered prior to the protection of the GI in its country of origin.

Implementation

Many developing countries have encountered difficulties in complying with TRIPs obligations including those relating to GIs. Designing

appropriate legislation and getting the resources necessary for legal implementation has been a challenge. Another major difficulty involves monitoring to make sure that the quality of production methods matches the standards required in order to protect the GI's reputation and its economic value. Other problems include difficulties in fighting against illegal use of registered and protected GIs. The experiences of India ("Darjeeling Tea"), South Africa ("Rooibos Tea"), Jamaica ("Blue Mountain Coffee") and Georgia ("Kindzmarauli" and "Kvanchkara" wines), shows that it can be an expensive exercise, often involving costly litigation. On the whole these implementation challenges have limited the benefits that WTO Members might have obtained through GIs.

Negotiations

As part of the built-in agenda for further negotiations on GIs in the WTO, three provisions in the TRIPs Agreement lay a basis for the on-going negotiations. According to Article 23.4 WTO Members agreed that negotiations would be undertaken in the TRIPs Council "... concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system." Further, in Article 24.1, WTO Members agreed "... to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23." Lastly, in Article 24.2 it is required that the "Council for TRIPs shall keep under review the application of the provisions of this Section", with the reference here meaning section 3 which addresses GIs in its entirety. Hence, in addition to the general review foreseen in Article 24.2, there are two items on the negotiations agenda specific to GIs. These are negotiations on a multilateral system for notification and registration of GIs and negotiations on the expansion of GI protection.¹

Many proposals have been submitted on the issue of the multilateral register. The main ones,

presented in a recent document by the WTO Secretariat are those by Hong Kong (China)², by the European Communities³ and a joint proposal by 14 WTO Members⁴. Some Members would prefer a system built as a database to report GIs granted protection under national legislation. Others will take such information into consideration when granting their own protection. Another group of proposals includes obligations, subject to certain conditions, for Members to protect the names listed in the register.

Some WTO Members have proposed extending higher protection beyond wines and spirits to other products, such as handicrafts, agricultural products and other beverages. In preparing the Doha Ministerial Declaration, the discussions have considered whether there should be negotiations on this subject at all, or whether further study is needed before deciding to negotiate. In the *General Council Decision*⁵ of 1 August 2004 ("July Package") the Council requested "the Director-General to continue with his consultative process on ... issues related to the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits...".

The consultations by the Director-General seek to clarify what the scope of negotiations foreseen in Article 24.1 should be. In other words, the controversy revolves around the question whether the negotiations should extend the coverage of GI protection to products other than wines and spirits. In a 1999 submission by Turkey,⁶ it was proposed that GI protection should go beyond wines and spirits. This proposal was endorsed by the African Group. According to the African Group, GI protection should be extended "to other products recognizable by their geographical origins (for example handicrafts and agro-food products)."⁷

Capacity-building needs

There is potential to use GIs to protect traditional products such as certain types of liquors, sauces and teas. The link between GIs and the debate on traditional knowledge needs to be explored further. Related issues are addressed in the International Treaty on Plant Genetic Resources for Food and Agriculture, a binding international instrument which entered into force on 29 June 2004. Such issues include farmers' rights, and by extension,

knowledge in traditional farming systems, and the establishment of a multilateral system of access and benefit-sharing for plant genetic resources.

The extent to which GIs can enhance the marketability of a good quality product is clear. GIs can give an edge, especially to small and medium scale businesses, for promoting exports and rural development. However, the exact economic benefits of extending GI protection to products beyond wines and spirits are yet to be determined. An economic quantification of such benefits would be a useful contribution particularly to developing countries that are unsure as to what they stand to gain or lose by either side of the debate on the extension of GI protection.

Proposed action

Countries' negotiation skills should be strengthened on the above issues. In addition, legislators will benefit from independent advice when drafting the necessary legal instruments, both at national and regional levels.

To that effect, the FAO Legal Office could conduct training on the following items which are of specific relevance:

- ▶ Assessing the implications of legal protection for specific GIs;
- ▶ Reviewing the legal obligations and their implications when granting such rights;
- ▶ Assessing the various ways to protect the innovations of indigenous and local farming communities in developing countries;
- ▶ Assessing the potential ways to prevent anti-competitive practices that threaten the food security, especially of the resource poor in developing countries.

In order to satisfy the above capacity-building needs, assistance could be deployed by the FAO Legal Office with the aim to increase countries' capacities to devise appropriate legislative instruments to enforce regulations and standards and to formulate or revise national legislation related to GI and other related matters.

The target audience should be legal and policy specialists, trade specialists and other technical staff involved in the implementation of SPS/TBT and TRIPs and relevant NGO/CSO representatives.

¹ The *Doha Ministerial Declaration* of 14 November 2001 recognized both of these items in paragraph 12.

² TN/IP/W/8.

³ TN/IP/W/11.

⁴ TN/IP/W/10. The proposal was made by Argentina, Australia, Canada, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Mexico, New Zealand, Chinese Taipei, and the United States.

⁵ WTO Doc. No. WT/L/579 (2 August 2004).

⁶ WTO Doc. No. WT/GC/W/249 (13 July 1999).

⁷ WTO Doc. No. WT/GC/W/302 (6 August 1999).

Key challenges

- ▶ To establish a multilateral register of GIs with the possible extension of greater protection to a wider range of products, including food;
- ▶ To provide independent advice to developing country negotiators on the most appropriate legislative instruments;
- ▶ To propose protection for GIs at the WTO trade negotiations as a market issue for agricultural products.