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## **GEOGRAPHICAL INDICATIONS --- A LEGAL PERSPECTIVE**

**by**

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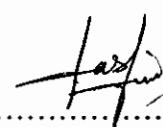
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## **LIST OF ABBREVIATIONS**

AO - Appellation of Origin	PDO - Protected Designation of Origin
AOC - <i>Appellation d'origine Contrôlée</i>	PGI - Protected Geographical Indication
EC – European Commission	PIPRO – Pakistan Intellectual Property
EU – European Union	Rights Organization
GATT – General Agreement on Tariffs and Trade	SME – Small and Medium Enterprises
GI – Geographical Indication	TM – Trade Mark(s)
GIIs – Geographical Indications	TRIPS – Agreement on Trade-Related Aspects of Intellectual Property
IP – Intellectual Property	TSG -Traditional Specialty Guaranteed
IPO – Intellectual Property Organization	UDHR Universal Declaration on Human Rights
IPRs – Intellectual Property Rights	US – United States
IS - Indication of Source	USA – United States of America
MFN – Most Favoured Nation	WIPO – World Intellectual Property Organization
NT – National Treatment	WTO – World Trade Organization
OECD – Organization for Economic Cooperation and Development	
OIC – Organization of Islamic Countries	

## **TABLE OF CASES**

- PLD 1983 FSC 125
- EC – Trademarks and Geographical Indications (DS174, 290)
- Basmati Rice Case

## **DEDICATION**

*The thesis is dedicated to my parents, husband and teachers*

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## **PREFACE**

This Dissertation has been written as a requirement for LLM Corporate Law Program. This Dissertation is throwing light on the issue of Geographical Indications, which has become a burning issue all over the world but the legislatures in Pakistan are not ready to pay heed on this issue, which in return, is causing many economical problems, including many legal issues as well. Though the subject of Geographical Indications, as is the part of Intellectual Property Law regime, has both economical and legal aspects, this Dissertation is highlighting on the legal aspects of the issue.

In many countries the protection afforded to geographical indications, by law, is as trademarks, and in particular, certification marks and collection or community marks. Geographical Indications Law restricts the use of the Geographical Indications for the purpose of identifying a particular type of product, the reputation, quality or other characteristics of which are attributed to geographical or human factor of particular area. Mostly these laws also stipulate that the product must meet certain quality tests that are administered by an association that get registration of the indication or a designated public body.

My focus is to address the legal issues involved and formulate proposals for the protection of Geographical Indications, especially in the context of Pakistani legal system.

**Beenish Aslam Shaikh**

**(2009)**

## **ABSTRACT**

Geographical Indications has become a hot debated issue all over the world and has transformed the Intellectual Property regime into a new scenario. The Geographical Indication is distinguished from other forms of Intellectual Property Rights represented in the TRIPS Agreement by its commercial character, as Geographical Indication is not the property of a single right-holder, but is rather an identifier that is held by a community of producers in a place. Although the TRIPS Agreement obliges WTO Members to protect rights in Geographical Indications, it leaves substantial discretion to each Member to determine the manner in which such protection will be afforded. I have worked on this issue specifically the impact of International Regime on Pakistan's economy. My focus is on critical analysis of the different models and systems of GI protection in a few selected developed and developing countries including existing Pakistani legislation on Geographical Indications, and to propose recommendations for best suitable system of law and practice.

## **INTRODUCTION OF THE THESIS**

### **GEOGRAPHICAL INDICATIONS -- A LEGAL PERSPECTIVE**

By

**Beenish Aslam Shaikh**

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Governments have been protecting trade names and trademarks used in relation to food products identified with a particular region since at least the end of the nineteenth century, using laws against false trade descriptions or passing off, which generally protect against suggestions that a product has a certain origin, quality or association when it does not.

In general, Geographical Indications are intended to designate product, quality, highlight brand identity, and preserve cultural traditions. Technically speaking, Geographical Indications identify a good as originating in the territory of a Member or a region or locality in that territory, which a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin. Agricultural products typically derive qualities from their place of production and are influenced by specific local

factors, such as soil and climate, or human factors or both. The use of geographical indications allows producers to obtain market recognition and offer a premium price. Geographical indications are also often associated with non-monetary benefits, such as the protection of traditional knowledge and community rights.

Chapter 1 deals with the general concept of intellectual Property the legal authenticity of intellectual property rights while taking in view the constitutional provisions relating to the issue, the subjects of Intellectual Property, their nature and scope in international law regime.

Chapter 2 deals with the concept of Intellectual Property Rights in Islamic Law whereby I've discussed the concepts of ownership and property rights n Islam, the opinions of the Muslim jurists, briefly, particularly the main schools of thought and then a brief analysis of the modern interpretations by the modern jurists.

Chapter 3 deals with the concept of Geographical Indications the main subject-matter of this dissertation. This term Geographical Indications came into negotiations in mid 70s and effectively entered into common usage with the conclusion of the TRIPS Agreement in 1994. On the other hand, the term is also used in the EC Council Regulation No. 2081/92 of July 14, 1992, which is now revised as EC Council Regulation No. 510/2006 of 20 March 2006 after Dispute DS 290 EC — Trademarks and Geographical Indications.

Chapter 4 deals with the rules envisaged in international agreements for the protection of Geographical Indications. A number of treaties administered by the World Intellectual Property Organization (WIPO) provide common rules for the protection of geographical indications, most notably the Paris Convention for the Protection of Industrial Property of 1883, the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration. Most importantly, Articles 22 to 24 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) deal with the international protection of geographical indications within the framework of the World Trade Organization (WTO).

Apart from multilateral international agreements, there are a number of bilateral agreements, which are binding on the respective contracting parties. Pakistan has not signed any bilateral agreement relating to Geographical Indications so far.

Geographical Indications as a subject of Intellectual Property Rights regime, has both legal as well as economic aspects. I have discussed the legal issues on the subject only. I have also briefly highlighted it's on the impact of International Regime on Pakistan's economy in Chapter 5. This Chapter is an important one, as the objective behind this dissertation is basically addressed in this chapter. It shows the situation analysis in

Pakistan regarding Geographical Indications Law and the inefficiency of the Pakistan's Law Ministry, which has failed to make law in Pakistan so far, even when certain initiatives, though quite late, were taken by the Ministry of Commerce. The failure on the part of the Law Ministry still persists and the agricultural products of Pakistan, being the agrarian country, and the interests of SME's are still at stake.

The concept of Geographical Indications has become a burning issue all over the world in the context of Doha Development Agenda. The basic study focused in this dissertation is on the existing situation of Pakistani legislation on Geographical Indication along with the comparative analysis of various countries having composite laws, such as USA, and countries having standalone laws, such as EU, and Indian legislations, and to suggest recommendations to make a comprehensive legislation on Geographical Indications in Pakistan, and to propose recommendations for best suitable system of law and practice, which are discussed in Chapter 6.

In Pakistan, the term was introduced in the Trademarks Ordinance 2001 as Collective Marks in Section 82 and Certification mark in Section 83 followed by First Schedule and Second Schedule and Trademarks Rules 2004 in Rules 39 to 48.

The debate on Geographical Indication protection started when the issue of Basmati Rice came into the scene. The debates regarding this issue are twofold: some advocates are of

the view that there is a need to have a separate comprehensive legislation on the issue, while others hold that Pakistan is already an over legislated country and since the issue was addressed in Trademarks Ordinance, that should be amended according to the emerging needs and there is no need to have a separate law.

There is a need to gain from experience of other countries to arrive at suitable conclusions for protection of Geographical Indications in Pakistan. This is necessary meet the challenges of market access in the emerging global trade liberalization scenario as a result of WTO and other factors.

## **CHAPTER 1**

### **THE CONCEPT OF INTELLECTUAL PROPERTY RIGHTS**

#### **1.1 BACKGROUND**

“Intellectual<sup>1</sup> Property<sup>2</sup> of whatever species is in the nature of intangible incorporeal property. In each case it consists of a bundle of rights in relation to certain material object created by the owner”<sup>3/4</sup>.

“The enormous technological development of transport and communication has resulted in the globalization of trade and commerce. This has its impact on intellectual property which is

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<sup>1</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 5

According to the Concise Oxford Dictionary, the word intellect means “the faculty of reasoning, knowing and thinking, as distinct from feeling” and the word Intellectual is used for a person possessing a highly developed intellect.

<sup>2</sup> *Words and Phrases Legally Defined*, Second Edition, 1969, Volume O-R, 200

The term ‘property’ has been defined in Words and Phrases Legally Defined as:

“Property is that which belongs to a person exclusively of others, and can be the subject of bargain and sale. It includes goodwill, trademarks, licences to use a patent, book debts, options to purchase, life policies, and other rights under a contract”.

<sup>3</sup> P. Narayanan, *Intellectual Property Law*, (Kolkata (Calcutta): Eastern Law House Pvt Ltd, Third Edition (Revised), Second Impression 2004), 2

<sup>4</sup> <http://www.icsi.edu/WebModules/Programmes/32NC/32CONV%20ARTICLES.PDF> last visited on May 18, 2009

becoming international in character”<sup>5</sup>. The concept and importance of intellectual property regime has greater impact in this globalized world with the awareness of protection measures in business world particularly in the context of extensive debate of rights and international trade issues. Rights are legally protected interests but at times this generalization has been challenged with a view to ascertain what if a right is not legally protected then what would be the sanctity of that right?

The debate of Intellectual Property is not new in the developed trading world. It has been there since the inception of business activities. Growing developments in science and technology have realized that intellectual property is a real and source of unlimited potential in capital accumulation and wealth creation. Such enormous importance of intellectual property has made the protection of intellectual property rights (IPRs) a necessary and big issue. It is not only procuring and strengthening human capital but also economic capital by providing better control over natural and human resources. It has also raised the issue of good governance in the field of intellectual property by institutionalizing and formulizing all the relevant aspects.<sup>6</sup>

“Intellectual property can travel effortlessly from one country to another”<sup>7</sup>. “Piracy of intellectual property has become international in character owing to globalization of trade and commerce”<sup>8</sup>. The importance of intellectual property rights emerged when rampant violation of such rights took place and the international trade activists felt threatened to survive and to secure their return on investment.

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<sup>5</sup> P. Narayanan, *Intellectual Property Law*, (Kolkata (Calcutta): Eastern Law House Pvt Ltd, Third Edition (Revised), Second Impression 2004), 6

<sup>6</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 31

<sup>7</sup> P. Narayanan, *Intellectual Property Law*, (Kolkata (Calcutta): Eastern Law House Pvt Ltd, Third Edition (Revised), Second Impression 2004), 6

<sup>8</sup> P. Narayanan, *Intellectual Property Law*, (Kolkata (Calcutta): Eastern Law House Pvt Ltd, Third Edition (Revised), Second Impression 2004), 7

## **1.2 INTELLECTUAL PROPERTY**

Before defining the term “Intellectual Property”, it is important to define the term “Property”.

**Clause (1) of Article 260 of the Constitution of Islamic Republic of Pakistan, 1973** defines Property as:

“Property includes any right, title or interest in property, movable or immovable, and any means and instruments of production”.

**Section 2 of the Constitution Act AJ&K** defines Property as:

“Property includes any right, title or interest in property, movable or immovable and any means and instruments of production”.

The traditional concept of property is different from that of concept of intellectual property. The traditional legal interpreters argued that only those tangible properties, which can be perceived by human senses, are included in the ambit of the term ‘Property’. The extensive interpretation of the term now also includes all the intangible property and intellectual property rights within the ambit of the term ‘property’. Intellectual Property, intangible in nature and as the name suggests, it is related with the intellect of human mind. The term ‘property’ associated with it shows the sanctity of this creation which needs a protection like that of a property.

There are two answers to the question that what is intellectual property, one colloquial and one legal. The colloquial description of intellectual property is that it simply comprises all those things which emanate from the exercise of the human brain, such as ideas, inventions, poems, designs, microcomputers and Mickey Mouse. The legal description of intellectual property differs from the colloquial in that it focuses upon the rights which are enjoyed in the produce of the mind, rather than upon that produce itself<sup>9/10</sup>.

So, “Intellectual Property means such rights recognized by law which result from intellectual creativity or intellectual activity in the fields of literature, art, science and industry”<sup>11</sup>. In other words, “Intellectual Property means the legal rights which result from intellectual activity in the industrial, scientific, literary and artistic fields”<sup>12/13</sup>.

“The objects of intellectual property are the creations of the human mind, human intellect, thus the designation ‘Intellectual Property’”<sup>14</sup> “More broadly, intellectual property refers to creations of the mind: inventions, literary and artistic works, and symbols, names, images, and designs used in commerce”<sup>15/16</sup>.

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<sup>9</sup> Jeremy Phillips, *Introduction to Intellectual Property Law*, (London: Butterworth & Co (Publishers) Ltd., 1986), 3

<sup>10</sup> [http://www.jpo.go.jp/torikumi\\_e/kokusai\\_e/asia\\_ip\\_e/pdf/wipo/2001\\_srilanka.pdf](http://www.jpo.go.jp/torikumi_e/kokusai_e/asia_ip_e/pdf/wipo/2001_srilanka.pdf) last visited on August 7, 2009

<sup>11</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 5

<sup>12</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 3

<sup>13</sup> <http://www.urenio.org/wp-content/uploads/2008/09/handbook-qlime.pdf> last visited on August 7, 2009

<sup>14</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 238

<sup>15</sup> <http://www.wipo.int/about-ip/en/> last visited on February 3, 2009

<sup>16</sup> <http://www.arts.chula.ac.th/~ling/thesis/tran/Sittikoon2545.pdf> last visited on August 7, 2009

“The word ‘property’ itself comes from the Latin word ‘*proprius*’, which means ‘one’s own’. If we bear this in mind, we can take the expression ‘intellectual property’ to mean the legal rights which may be asserted in respect of the product of the human intellect.”<sup>17</sup>

There are many similarities in the law relating to the different species of intellectual property in regard to the nature of the property, the mode of its acquisition, the nature of rights conferred, the commercial exploitation of those rights, the enforcement of those rights and the remedies available against infringement of those rights<sup>18</sup>.

Walter Goode in his “**Dictionary of Trade Policy Terms**”, Second Edition, 1998, has also defined the Intellectual Property as:

“Intellectual property: generally includes patents, trademarks, industrial designs, lay-out designs of integrated circuits, copyright, geographical indications and trade secrets (confidential information)”<sup>19</sup>.

Intellectual Property, as defined in **Black’s Law Dictionary**<sup>20</sup>, refers to:

1. A category of intangible rights protecting commercially valuable products of the human intellect. The category comprises primarily trademark, copyright, and patent rights, but also includes trade-secret rights, publicity rights, moral rights, and rights against unfair competition<sup>21</sup>.

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<sup>17</sup> Jeremy Phillips, *Introduction to Intellectual Property Law*, (London: Butterworth & Co (Publishers) Ltd., 1986), 3-4

<sup>18</sup> P. Narayanan, *Intellectual Property Law*, (Kolkata (Calcutta): Eastern Law House Pvt Ltd, Third Edition (Revised), Second Impression 2004), 1

<sup>19</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 7

<sup>20</sup> Black’s Law Dictionary, (USA: Thomson West, 8<sup>th</sup> Edition, 1<sup>st</sup> Reprint 2004), 824-825

<sup>21</sup> <http://en.wikipedia.org/wiki/Talk:Copyright> last visited on August 7, 2009

2. A commercially valuable product of the human intellect, in a concrete or abstract form, such as copyrightable work, a protectable trademark, a patentable invention, or a trade secret<sup>22</sup>.

Where there is a close relationship between intangible property and the tangible objects in which they are embodied, intellectual property rights are distinct and separate from property rights in tangible goods. For example, when a person posts a letter to someone, the personal property in the ink and parchment is transferred to the recipient.... The sender (as author) retains intellectual property rights in the letter<sup>23</sup>.

**Article 2 (viii) of The Convention Establishing The World Intellectual Property Organization (WIPO)** signed at Stockholm on July 14, 1967 defines Intellectual Property as:

Intellectual Property shall include rights relating to:

- literary, artistic and scientific works,
- performances of performing artists, phonograms, and broadcasts,
- inventions in all fields of human endeavor,
- scientific discoveries,
- industrial designs,
- trademarks, service marks, and commercial names and designations,
- protection against unfair competition,

and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

This definition in the WIPO Convention indicates, however, “Intellectual Property” is not confined to the specific examples of intellectual property as mentioned. The phrase at the end of the definition “all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields” makes it clear that ‘intellectual property’ is a broad concept and can include productions and matter not forming part of the existing categories of intellectual property, provided they result “from intellectual activity in the industrial, scientific, literary or artistic fields”<sup>24/25</sup>.

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<sup>22</sup> Ibid

<sup>23</sup> [http://www.oup.com/uk/orc/bin/9780199292042/bently\\_shermarch01.pdf](http://www.oup.com/uk/orc/bin/9780199292042/bently_shermarch01.pdf) last visited on August 7, 2009

<sup>24</sup> World Intellectual Property Organization, Geneva, *Intellectual Property Needs and Expectations of Traditional Knowledge Holders --- WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge, 1998-1999* (Geneva: WIPO, April 2001), 31

<sup>25</sup> <http://www.mandint.org/doc/RepTK6.doc> last visited on August 6, 2009

This definition encompasses subject matter not traditionally protected as industrial or industrial property (for example, scientific discoveries are generally excluded from patent protection), and it does not evidence a limitation based on creativity. However, this definition is used in the context of establishing the objectives of a specialized agency of the United Nations, and not in operative context of defining the scope of rights. In this sense, the WIPO Convention definition is useful as an indication of how broadly the concept of intellectual property may be extended. It provides a basis for comparison with the more limited definition adopted in the TRIPS Agreement<sup>26/27</sup>.

The area mentioned as protection against unfair competition has been recognized under **Paris Convention 1967, Article 1(2)**, which states, ‘the repression of unfair competition’. Moreover, **Article 10 bis (2)** of the same convention states, ‘any act of competition contrary to honest practices in industrial and commercial matters constitute an act of unfair competition’<sup>28</sup>.

#### **Article 1.2 of TRIPS Agreement** mentions:

“For the purposes of this Agreement, the term ‘intellectual property’ refers to all categories of intellectual property that are the subject of Sections 1 through 7<sup>29</sup> of Part II”.

“The term ‘intellectual property’ is capable of being defined in different ways. **Article 1.2 TRIPS Agreement**, does not define intellectual property as a concept, but instead refers to sections of the agreement that address ‘categories’”<sup>30/31</sup>.

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<sup>26</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 33

<sup>27</sup> [http://www.iprsonline.org/unctadictsd/docs/RB\\_Part1\\_Nov\\_1.2Update.pdf](http://www.iprsonline.org/unctadictsd/docs/RB_Part1_Nov_1.2Update.pdf) last visited on August 7, 2009

<sup>28</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 3

<sup>29</sup> Section 1: Copyrights and Related Rights; Section 2: Trademarks; Section 3: Geographical Indications; Section 4: Industrial Designs; Section 5: Patents; Section 6: Layout-Designs (Topographies) of Integrated Circuits; Section 6: Protection of Undisclosed Information; Section 7: Control of Anti-competitive Practices in Contractual Licences

<sup>30</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 31

<sup>31</sup> [http://www.iprsonline.org/unctadictsd/docs/RB\\_Part1\\_Nov\\_1.2Update.pdf](http://www.iprsonline.org/unctadictsd/docs/RB_Part1_Nov_1.2Update.pdf) last visited on August 7, 2009

**Section 2 (d) of The Pakistan Intellectual Property Rights Organization Ordinance, 2005** defines the term as under:

“Intellectual property includes a patent, industrial design, layout-design of integrated circuits, copyright, trade mark, trade name, trade secrets, technical know-how and ideas for new products and market including the commercial information about customer or any combination thereof”<sup>32</sup>.

Walter Goode in his **Dictionary of Trade Policy Terms**, Second Edition, 1998, has defined the Intellectual Property Rights as under<sup>33</sup>:

The right to enjoy the benefits of ownership of intellectual property. Owners of such rights may assign their use to other persons in return for agreed compensation. OECD (1989) notes that intellectual property rights give the innovator an exclusive legal right, i.e. a monopoly, to exploit the innovation for a certain time. This serves as a reward and encourages others to innovate. Thus the concept of intellectual property rights can be in conflict with the idea of competition policy which seeks to remove impediments in the effective functioning of the markets through, for example, minimizing the power of monopolies. The challenge in the drafting of intellectual property laws therefore is to ensure that innovators receive sufficient encouragement to be creative and, at the same time, that owners of intellectual property rights are not in a position to abuse these rights.

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<sup>32</sup> See also "President promulgates Ordinance for Intellectual Property Organisation.", PPI - Pakistan Press International, Dec 4 2005 Issue

<sup>33</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 12

### **1.3 GEOGRAPHICAL INDICATIONS AS A SUBJECT-MATTER OF INTELLECTUAL PROPERTY RIGHTS**

Though Geographical Indications is an important category of intellectual property rights and it has become one of the hotly debated issues among the States in the globalized world. The generalized concept of intellectual property reflects that such rights are private rights yet this generalized concept cannot be applied in the context of geographical indications. Although it appears that there may be a conflict if geographical indications do not fall in the generalized concept of intellectual property rights yet technically speaking, there exist no conflict as such.

The geographical indication is distinguished from most other forms of intellectual property rights represented in the TRIPS Agreement by its communal character. A geographical indication is not the property of a single right holder, but is rather an identifier that is held by a community of producers in a place<sup>34</sup>.

Importantly, Geographical Indications differ from other forms of Intellectual Property like patents, which are rewards for new creations. Geographical Indications are not newly created, but only recognized at a point in time. They are thus an unconventional Intellectual Property, with huge development implications, for unlike other forms of Intellectual Property (which are created and owned by individuals or corporations), Geographical Indications are owned publicly (by the State, or legally recognized agencies created by communities). Geographical Indications can also protect “generic” ideas and expressions already in widespread public use, unlike other Intellectual Property Rights (IPRs)<sup>35</sup>.

Contrary to other intellectual property laws, GIs are less homogenized in the international legal framework. GIs are related to two sets of policies: (1) policies related to consumer protection through repression of frauds and unfair competition; and (2) policies related to

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<sup>34</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 258

<sup>35</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific*, *Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 6

rural development and revival of traditional knowledge and traditional genetic resources<sup>36</sup>.

Unlike in the fields of patents and trademarks, where the concepts of protection are practically the same in all countries of the world, there is no such uniform approach in respect of the protection of geographical indications. Different countries have developed systems of protection, and many countries have not yet even developed a system. This is mainly due to the fact that the system of protection in each country takes into account specific needs with respect to the products for which geographical indications are used. Of course, in many countries, the product is wine in its innumerable specialties. But in other countries, other agricultural products such as rice, coffee, tea, etc. play a major role, not to speak of industrial products such as beer, porcelain and laces<sup>37</sup>.

#### **1.4 THE NATURE AND SCOPE OF INTELLECTUAL PROPERTY RIGHTS**

“The scope of intellectual property is expanding very fast and attempts are being made by persons who create new creative ideas to seek protection under the umbrella of intellectual property rights”<sup>38</sup>. “Intellectual property law is one of the fastest growing branches of law today practically all over the world”<sup>39</sup>. “New advances in technology --- information technology and biotechnology particularly --- and changes in economic, social and cultural

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<sup>36</sup> Delphine Marie-Vivien, “From Plant Variety Definition to Geographical Indication Protection: A Search for the Link Between Basmati Rice and India/Pakistan”, *The Journal of World Intellectual Property* (2008) Vol. 11, No. 4, 321

<sup>37</sup> Ludwig Baeumer, *Protection of Geographical Indications Under WIPO Treaties and Questions concerning the Relationship between those treaties and the TRIPS Agreement*, 9 [http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvl1pPnLBpvXBg\\_GQW6Xs8&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvl1pPnLBpvXBg_GQW6Xs8&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

<sup>38</sup> P. Narayanan, *Intellectual Property Law*, (Kolkata (Calcutta): Eastern Law House Pvt Ltd, Third Edition (Revised), Second Impression 2004), 1

<sup>39</sup> P. Narayanan, *Intellectual Property Law*, (Kolkata (Calcutta): Eastern Law House Pvt Ltd, Third Edition (Revised), Second Impression 2004), 7

conditions, require continuous appraisal of the system and at times adjustment and expansion, accompanied often by controversy”<sup>40</sup>/<sup>41</sup>.

Many of the views expressed by developing countries stem from their perception that the TRIPS agreement affects their ability to use technological knowledge to promote public interest goals such as health, nutrition and environmental conservation<sup>42</sup>.

“As technology in all fields of human activities is developing exponentially the field of intellectual property is also expanding correspondingly”<sup>43</sup>.

“The international character of intellectual property is recognized in the various international conventions for the protection of such property”<sup>44</sup>.

“In order to guarantee the possibility of obtaining protection in foreign states for their own nationals, many states have concluded international Intellectual Property Agreements. International Agreements also establish standards and common understandings at the international level”<sup>45</sup>/<sup>46</sup>.

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<sup>40</sup> World Intellectual Property Organization, Geneva, *Intellectual Property Needs and Expectations of Traditional Knowledge Holders --- WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge, 1998-1999* (Geneva: WIPO, April 2001), 32

<sup>41</sup> <http://www.mandint.org/doc/RepTK6.doc> last visited on August 7, 2009

<sup>42</sup> <http://www.cid.harvard.edu/archive/biotech/papers/discuss4.pdf> last visited on February 4, 2009

<sup>43</sup> P. Narayanan, *Intellectual Property Law*, (Kolkata (Calcutta): Eastern Law House Pvt Ltd, Third Edition (Revised), Second Impression 2004), 7

<sup>44</sup> Ibid

<sup>45</sup> World Intellectual Property Organization, Geneva, *Intellectual Property Needs and Expectations of Traditional Knowledge Holders --- WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge, 1998-1999* (Geneva: WIPO, April 2001), 33

<sup>46</sup> <http://www.mandint.org/doc/RepTK6.doc> last visited on August 7, 2009

“International treaties are interpreted and applied at the national level through national legislation and the courts”<sup>47</sup>. “The Intellectual Property Rights granted in a country apply only in the territory of that country. This is the principle of “Territoriality””<sup>48/49</sup>.

At the multilateral level, the first international agreement was the **Paris Convention for the Protection of Industrial Property (The Paris Convention) 1883** followed by many treaties dealing with separate subject matters of intellectual property till the end of the twentieth century, but the standardized system of protection of all aspects of intellectual property rights was provided in **The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) 1995** concluded as part of the **Marrakech Agreement establishing the World Trade Organization (WTO) 1994**.

## **1.5 AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS) 1995**

The TRIPS Agreement builds on the main international conventions on intellectual property by incorporating most of their provisions. It further provides that countries may in pursuance of these conventions guarantee higher protection than is required by the TRIPS Agreement, as long as it does not contravene the Agreement’s provisions<sup>50</sup>.

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<sup>47</sup> World Intellectual Property Organization, Geneva, *Intellectual Property Needs and Expectations of Traditional Knowledge Holders --- WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge, 1998-1999* (Geneva: WIPO, April 2001), 33

<sup>48</sup> Ibid, 32

<sup>49</sup> <http://www.mandint.org/doc/RepTK6.doc> last visited on August 7, 2009

<sup>50</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 240

“The Agreement on TRIPS complements agreements on the protection of intellectual property rights developed by the **World Intellectual Property Organization (WIPO)**”<sup>51/52</sup>.

The TRIPS agreement, which came into effect on 1 January 1995, was one of the main achievements of the Uruguay Round of trade negotiations. The agreement represented an important step in efforts to harmonize intellectual property rules and establishing minimum standards for national laws. Most of the key elements of the intellectual property systems of the United States, Europe and Japan were similar and could be easily harmonized. Areas of divergence between these systems include first-to-invent system, scope of patentable subject matter, treatment of plant and animals, geographical indications and the degree to which moral values should influence the granting of intellectual property rights<sup>53/54</sup>.

“TRIPS prescribes minimum standards and periods for which protection should be granted to different intellectual property rights. In doing so it takes on board the standards laid down in the WIPO Conventions and adds some more, particularly in the area of patents”<sup>55/56</sup>.

The states are free to make rules according to their requirements, provided those rules are not repugnant to the rules as enshrined in TRIPS. Countries are further required not to discriminate among foreign nationals and between foreign and their own nationals in the acquisition, scope and maintenance of IPRs (extension of Most Favored Nation (MFN)<sup>57</sup>, Reciprocity<sup>58</sup> and National Treatment (NT)<sup>59</sup> principles)<sup>60/61</sup>.

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<sup>51</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 13

<sup>52</sup> World Intellectual Property Organization, Geneva, *What is Intellectual Property?*, (Geneva: WIPO Publication No. 450(E)), 22  
Established in 1970, the World Intellectual Property Organization (WIPO) is an international organization dedicated to helping to ensure that the rights of creators and owners of intellectual property are protected worldwide and that inventors and authors are thus recognized and rewarded for their ingenuity.

<sup>53</sup> <http://www.cid.harvard.edu/archive/biotech/papers/discuss4.pdf> last visited on February 4, 2009

<sup>54</sup> [http://bcsia.ksg.harvard.edu/BCSIA\\_content\\_stage/documents/interim\\_report.pdf](http://bcsia.ksg.harvard.edu/BCSIA_content_stage/documents/interim_report.pdf) last visited on August 7, 2009

<sup>55</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 13

<sup>56</sup> <http://www.kimpraswil.go.id/itjen/pem2002/development%20issues/guide%20to%20WTO.pdf> last visited on August 7, 2009

<sup>57</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 7-8

The important rule of GATT lays down the principle of non-discrimination. The rule requires that tariffs and other regulations should be applied to imported or exported goods without discrimination among countries.

## 1.6 TYPES OF INTELLECTUAL PROPERTY

Intellectual Property is traditionally divided into two main categories:<sup>62</sup>

- a: “Copyright and related rights, which include literary and artistic works. Performances of performing artists, phonograms, and broadcasts are usually called ‘Related Rights’, means rights related to copyright”<sup>63</sup>.
- b: “Industrial Property, which includes patents for inventions, trademarks, service marks, industrial designs, geographical indications and commercial names and designations”<sup>64</sup>.

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Thus it is not open to a country to levy customs duties on imports from one country at a rate higher than it applies to imports from other countries. There are, however, some exceptions to the rule. Trade among members of regional trading arrangements, which is subject to preferential or duty-free rates, is one such exception. Another is provided by the Generalized System of Preferences. Under this system, developed countries apply preferential or duty-free rates to imports from developing countries, but apply MFN rates to imports from other countries.

<sup>58</sup> World Intellectual Property Organization, Geneva, *Intellectual Property Needs and Expectations of Traditional Knowledge Holders --- WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge, 1998-1999* (Geneva: WIPO, April 2001), 33

Under the principle of reciprocity, a foreign national is given the same rights in a country as the rights that a national of that country has in that foreign territory.

<sup>59</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 8

While the MFN rule prohibits countries from discriminating among goods originating in different countries, the national treatment rule prohibits them from discriminating between imported products and domestically produced like goods, both in matter of the levy of internal taxes and in the application of internal regulations. Thus, it is not open to the country, after a product has entered its market on payment of customs duties, to levy an internal tax [e.g. sales tax or value-added tax (VAT)] at rates higher than those payable on a product of national or domestic region.

<sup>60</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 13

<sup>61</sup>[http://www.moc.gov.kh/ConferenceImages/Handbook%20for%20Official%20Trade%20Representatives%20\(English\).pdf](http://www.moc.gov.kh/ConferenceImages/Handbook%20for%20Official%20Trade%20Representatives%20(English).pdf) last visited on August 6, 2009

<sup>62</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 3

<sup>63</sup><http://www.wipo.int/about-ip/en/iprm/pdf/ch1.pdf> last visited on August 6, 2009

<sup>64</sup><http://www.arts.chula.ac.th/~ling/thesis/tran/Sittikoon2545.pdf> last visited on August 6, 2009

Intellectual Property Rights comprise generally exclusive rights to prevent or authorize the reproduction, adaptation, use, sale, importation and other forms of exploitation of the creation or innovation that is the subject of the rights. In some cases, an intellectual property right may not be an exclusive right, but may rather comprise the right to claim a reasonable remuneration upon the exercise by a third party of any of the acts referred to<sup>65/66</sup>.

The Intellectual Property Rights<sup>67</sup> addressed by **World Trade Organization (WTO)**, which are also adopted by Pakistan, are:

- Copyright<sup>68</sup> (Article 9.2 TRIPS)
- Related Rights<sup>69</sup> (Article 14 TRIPS)
- Patents<sup>70</sup> (Article 27.1 TRIPS)
- Trademarks<sup>71</sup> (Article 15 TRIPS)
- Geographical Indications<sup>72</sup> (Article 22.1 TRIPS)

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<sup>65</sup> World Intellectual Property Organization, Geneva, *Intellectual Property Needs and Expectations of Traditional Knowledge Holders --- WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge, 1998-1999* (Geneva: WIPO, April 2001), 32

<sup>66</sup> <http://www.mandint.org/doc/RepTK6.doc> last visited on August 6, 2009

<sup>67</sup> For *Intellectual Property Rights: Instruments, Subject matter, Fields of application and related WIPO and other International Agreements*, See Appendix 1

<sup>68</sup> Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such. It includes literary, artistic and scientific works covering books, journals, magazines, written articles, etc.

<sup>69</sup> These are rights relating to copyrights which cover performances, broadcasts like concerts and shows, etc.

<sup>70</sup> The patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application.

<sup>71</sup> Any sign or combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trade mark. Such signs, in particular words including personal names, numerical, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks.

It includes trademarks, merchandise marks, service marks and commercial names and designations like logos and names for a product which unique geographical origin.

<sup>72</sup> Geographical indications are, for the purposes of this Agreement, 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.

- Industrial Designs
- Unfair Competition, including Trade Secrets
- Layout-Designs (Topographies) of Integrated Circuits<sup>73</sup> (Article 36 TRIPS)
- Plant Varieties
- Protection of Expressions of Folklore
- Protection of Undisclosed Information<sup>74</sup> (Article 39 TRIPS)

## 1.7 **PROTECTION OF INTELLECTUAL PROPERTY RIGHTS AND LEGAL AUTHENTICITY**

Pursuant to **Article 17, Universal Declaration of Human Rights 1948:**

- “1. Everyone has the right to own property alone as well as in association with others.
2. No one shall be arbitrarily deprived of his property.”

**Article 27 of Universal Declaration of Human Rights 1948** provides:

1. Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits<sup>75</sup>.
2. Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author<sup>76</sup>.

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<sup>73</sup> Designs or industrial designs include the shape of a bottle, machine, model of a luxury car or any other product, etc.

<sup>74</sup> This aspect of Intellectual Property particularly relate to protection against unfair competition in the market like false claims against the competitor with a view to deceive the customer.

<sup>75</sup> <http://www.usdssystem.com/testimonials.html> last visited on August 5, 2009

<sup>76</sup> Ibid

This right is codified in **Article 1 of the Protocol to the European Convention for the Protection of Human Rights and Fundamental Freedoms, as amended by Protocol No. 11:**

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law<sup>77</sup>.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties<sup>78</sup>.

**Sections 13<sup>79</sup> and 14<sup>80</sup> of the Constitution Act AJ&K** provides for the acquiring and the protection of property and property rights in Azad Jammu and Kashmir (Pakistan).

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<sup>77</sup> [http://www.ipsofactoj.com/international/2004/Part04/int2004\(4\)-002.htm](http://www.ipsofactoj.com/international/2004/Part04/int2004(4)-002.htm) last visited on August 5, 2009

<sup>78</sup> Ibid

<sup>79</sup> Section 13, Constitution Act AJ&K

“Subject to any reasonable restrictions imposed by law in the public interest, every State Subject shall have the right to acquire, hold and dispose of property”

<sup>80</sup> Section 14, Constitution Act AJ&K

- 1) No person shall be deprived of his property save in accordance with law.
- 2) No property shall be compulsorily acquired or taken possession of save for a public purpose, and save the authority of law which provides for compensation therefore and either fixes the amount of compensation or specifies the principles on which and the manner in which compensation is to be determined and given.
- 3) Nothing in this paragraph shall, affect the validity of ---
  - a) any law permitting the compulsory acquisition or taking possession of any property for preventing danger to life, property or public health; or
  - b) any law relating to the acquisition, administration or disposal of any property which is or is deemed to be evacuee property under any law; or
  - c) any law permitting the taking over of any property which has been acquired by, or come into possession of, any person by any unfair means, or in any manner, contrary to law; or
  - d) any law providing for the taking over the management of any property by the Government for a limited period, either in the public interest or in order to secure the proper management of the property, or the benefit of its owner; or
  - e) any law providing for the acquisition of any class of property for the purpose of ---
    - i) providing education and medical aid to all or any specified class of State Subjects; or
    - ii) providing maintenance to those who, on account of unemployment, sickness, infirmity or old age, are unable to maintain themselves; or
  - f) any law in force immediately before coming into force this Act.

**Articles 23<sup>81</sup> and 24<sup>82</sup> of the Constitution of Islamic Republic of Pakistan, 1973** provides for the acquiring and the protection of property and property rights in Pakistan.

According to **Entry 25 of Part I (Federal Legislative List) of the Fourth Schedule to the Constitution of Pakistan 1973**, copyright, inventions, designs, trade-marks and merchandise marks are the subjects included in the legislative competence of the Majlis-e-Shoora (Parliament) and under the administrative authority of the Federal Government<sup>83</sup>.

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Explanation --- In sub-paragraphs (2) and (3), property shall mean immovable property, or any commercial or industrial undertaking, or any interest in any undertaking.”

<sup>81</sup> Article 23, Constitution of Pakistan, 1973 --- Provision as to property.

“Every citizen shall have the right to acquire, hold and dispose of property in any part of Pakistan, subject to the Constitution and any reasonable restrictions imposed by law in the public interest.”

<sup>82</sup> Article 24, Constitution of Pakistan, 1973 --- Protection of property rights.

“(1) No person shall be compulsorily deprived of his property save in accordance with law.

(2) No property shall be compulsorily acquired or taken possession of save for a public purpose, and save by the authority of law which provides for compensation therefore and either fixes the amount of compensation or specifies the principles on and the manner in which compensation is to be determined and given.

(3) Nothing in this Article shall affect the validity of :

(a) any law permitting the compulsory acquisition or taking possession of any property for preventing danger to life, property or public health; or

(b) any law permitting the taking over of any property which has been acquired by, or come into the possession of, any person by any unfair means, or in any manner, contrary to law; or

(c) any law relating to the acquisition, administration or disposal of any property which is or is deemed to be enemy property or evacuee property under any law (not being property which has ceased to be evacuee property under any law); or

(d) any law providing for the taking over of the management of any property by the State for a limited period, either in the public interest or in order to secure the proper management of the property, or for the benefit of its owner; or

(e) any law providing for the acquisition of any class of property for the purpose of

(i) providing education and medical aid to all or any specified class of citizens or

(ii) providing housing and public facilities and services such as roads, water supply, sewerage, gas and electric power to all or any specified class of citizens; or

(iii) providing maintenance to those who, on account of unemployment, sickness, infirmity or old age, are unable to maintain themselves ; or

(f) any existing law or any law made in pursuance of Article 253.

(4) The adequacy or otherwise of any compensation provided for by any such law as is referred to in this Article, or determined in pursuance thereof, shall not be called in question in any court.”

<sup>83</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 41

## **1.8 OBJECTIVES OF INTELLECTUAL PROPERTY PROTECTION**

The primary purpose of most branches on the Intellectual Property system (excluding trademarks and geographical indications) is to promote and protect human intellectual creativity and innovation. Intellectual Property law and policy does so by striking a careful balance between the rights and interests of innovators and creators, on the one hand, and of the public at large, on the other. The protection of trademarks and geographical indications is aimed at the protection of the goodwill and reputation of tradespersons and their products and to prevent the unauthorized use of such signs which is likely to mislead consumers<sup>84/85</sup>.

The TRIPS Agreement sets out its objectives in **Article 7 of TRIPS** as:

“The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations”.

Walter Goode in his **Dictionary of Trade Policy Terms**, Second Edition, 1998, has defined the Intellectual Property Protection as under<sup>86</sup>:

The safeguarding of the rights of an owner of Intellectual Property through national legislation and international agreements especially concerning copyrights, patents and trademarks. Mansfield (1995) notes that the strength or weakness of a country's system of intellectual property protection seems to have a substantial effect on the kinds of technology firms transfer to another country.

The States have the laws to protect their intellectual property for two main reasons: **One** is to give statutory expression to the moral and economic rights of creators in their creations and the rights of the public in access to those creations. The **second** is to promote, as a deliberate act of Government policy, creativity and the dissemination and

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<sup>84</sup> World Intellectual Property Organization, Geneva, *Intellectual Property Needs and Expectations of Traditional Knowledge Holders --- WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge, 1998-1999* (Geneva: WIPO, April 2001), 32

<sup>85</sup> <http://www.mandint.org/doc/RepTK6.doc> last visited on August 6, 2009

<sup>86</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 32

application of its results and to encourage fair trading which would contribute to economic and social development<sup>87/88</sup>.

## **1.9 PROTECTION AND IMPLEMENTATION OF INTELLECTUAL PROPERTY RIGHTS IN PAKISTAN**

The concept of intellectual property was completely new for the Sub-Continent because there were no customs and traditions as well as any other legal arrangement for the protection and enforcement of the rights relating to intellectual works. In fact, the Sub-Continent was an agrarian society since centuries and even this status is still intact. The process of industrialization was started with the arrival of the English people as traders. The formal legislation for the protection of intellectual property was introduced in the Sub-Continent after the failure of War of Independence when the British sovereign rule was extended in the Sub-Continent after the dissolution of the British East India Company. Those laws were made by the British Parliament and were based on English Common Law principles or other statutory measures. The oldest laws extended to the Sub-Continent was relating to literary copyrights and registration of patents<sup>89/90</sup>.

Pakistan is an over legislated country with weak enforcement mechanisms. Though an attempt has been made to formulate Intellectual Property Laws to provide adequate protection in Pakistan yet their administration and enforcement is slow, sporadic, ineffective and inadequate!

“The **Rules of Business 1973** of the Federal Government had entrusted the responsibility relating to administration and management of intellectual property and different intellectual

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<sup>87</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 3

<sup>88</sup> <http://www.wipo.int/about-ip/en/iprm/pdf/ch1.pdf> last visited on August 6, 2009

<sup>89</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 39

<sup>90</sup> <http://www.worldtradereview.com/webpage.asp?wID=44> last visited on August 6, 2009

property rights to different ministries. At present the following laws are in force relating to different intellectual property rights, namely<sup>91</sup>:

1. The Copyright Ordinance 1962 (Ordinance No. XXXIV of 1962)
2. The Registered Designs Ordinance 2000 (Ordinance No. XLIX of 2000)
3. The Registered Layout-Designs of Integrated Circuits Ordinance 2000 (Ordinance No. XLV of 2000)
4. The Patents Ordinance 2000 (Ordinance No. LXI of 2000)
5. The Trade Marks Ordinance 2001 (Ordinance No. XIX of 2001)
6. The Merchandise Marks Act 1889 (Act No. IV of 1889)
7. The Trade Marks (Invalidation and Summary Registration) Act 1950 (Act No. XXXVII of 1950)
8. Sections relating to infringement of Trade, Property and other Marks in the Pakistan Penal Code 1860

Previously, the enforcement mechanism rested with different government ministries. In order to address the problem of ineffective enforcement and at times overlapping powers of Ministries, in January 2004, the Pakistani Cabinet approved legislation to create one forum for the regulation of intellectual property regime which was then named as **The Pakistan**

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<sup>91</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 52-53

**Intellectual Property Rights Organization (PIPRO), now named as Intellectual Property Organization (IPO).**

The existing framework in Pakistan for policy formulation, public awareness, registration and enforcement of Intellectual Property Rights is still unsatisfactory. The problem lies at the policy level. It is worth mentioning that the mere formation of institutions is not enough unless the proper, adequate and effective implementation is ensured.

## **CHAPTER 2**

### **THE CONCEPT OF PROPERTY (MAL) IN ISLAM**

#### **2.1 THE CONCEPTS OF PROPERTY AND OWNERSHIP**

In previous days the concept of ownership was confined to those tangible commodities only which can be perceived through our five senses. But the speedy progress in the means of communication gave birth to the new concept of "intellectual property" which extended the concept of ownership to some intangible objects also. The theory of "intellectual property" contemplates that whoever applies his mental labor to invent something is the owner of the fruits of his labor<sup>1</sup>.

"In Islamic Law, the terms milk (ownership) and mal (property) are intimately related. The word milk is sometimes applied to mean ownership and at other times to mean the subject-matter of ownership"<sup>2</sup>.

"All intellectual properties are intangible properties, known as "al-huqooq al-fikriyyah" or "al-huqooq al-ma'nawiyyah" (intellectual property rights, or copyrights)<sup>3</sup>. They conform to

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<sup>1</sup> <http://www.ummah.com/forum/showthread.php?t=16087>, last visited on February 1, 2009

<sup>2</sup> Imran Ahsan Khan Nyazee, *Outlines of Islamic Jurisprudence*, (Islamabad: Center of Islamic Law & Legal Heritage, 2002), 173

<sup>3</sup> <http://www.assalaifi.net/forumkita/viewtopic.php?t=145&sid=> last visited on August 6, 2009

the word ‘maal’ - anything having money value - the definition given by **Imam Shafi’** and accepted by **Hanbalis**”<sup>4</sup>.

## 2.2 OPINIONS OF MUSLIM JURISTS

Allah Almighty says in the Holy Quran, “To Allah belongs the domain of heavens and earth and anything in-between” (**Al-Ma’idah 5:120**). Another verse refers to Allah as “the owner of the entire universe” (**Aal-’Imran 3:26**). However, the right of ownership being Allah’s alone does not mean that we as human beings do not also have the right to own property, it simply puts this individual right of ownership within a broader context. Ownership is basically our responsibility as trustees of Allah on earth. It is clear in the Qur'an that there is no objection on the individual right of property. For example Allah tells the **Prophet Muhammad (SAWW)** what means “Take from their property charity” (**At-Tawbah 9:104**). In this verse, Allah uses the term “their property”, showing that there is no contradiction between Allah’s ultimate ownership to the universe and our right as humans to own within the restrictions that Allah has provided<sup>5</sup>.

“There is a rule in Islamic law that says: Private harm could be tolerated if it were necessary to prevent greater harm that would affect a larger number of people or the public at large”<sup>6</sup>.

According to the **Hanafi** School mal means only things with a corpus (body) that can qualify as mal (property). Things generated from something that has a corpus (e.g. munfa’ah or usufruct or services), things that have a body and qualify as mal, but are not considered mal due to some technical reason (e.g. slaves), and pure rights that do not have a body of their own (e.g. the right to stipulate an option) are not mal, but can be the subject-matter of ownership. Benefits arise in contacts like ijarah (hire). In such contracts, the **Hanafis** say that the corpus from which future benefits will arise is substituted in place of the non-existent benefits so that the offer and acceptance can be linked to it. They do not consider pure rights as mal. They also do not consider incorporeal things like knowledge to have the quality of mal<sup>7</sup>.

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<sup>4</sup> PLD 1983 FSC 125

<sup>5</sup> <http://www.islamonline.net/english/introducingislam/Economics/article05.shtml> last visited on February 1, 2009

<sup>6</sup> <http://www.islamonline.net/english/introducingislam/Economics/article05.shtml> last visited on February 1, 2009

<sup>7</sup> Imran Ahsan Khan Nyazee, *Outlines of Islamic Jurisprudence*, (Islamabad: Center of Islamic Law & Legal Heritage, 2002), 174

“The **Malakis** and **Shafi’is** consider benefits to be mal, because they do not arise directly from a corpus”<sup>8</sup>.

The **Hanbalis** consider pure rights to be mal although they have not clearly indicated this. They consider the ‘urbun (earnest money) as legal on the basis of a solitary tradition. By acknowledging this they acknowledge the sale of options and pure rights. The **Organization of Islamic Countries (OIC)** has preferred this tradition and opinion<sup>9</sup>.

The traditional Islamic law has a somewhat narrow concept of mal and does not treat incorporeal rights, like patents and copyrights, as mal. Modern jurists, courts and the **Islamic Fiqh Academy of the Organization of Islamic Countries (OIC)** have attempted to expand the concept of property to include such rights<sup>10</sup>.

Dissatisfied with definitions of mal in early jurisprudence, **Mustafa Zarqa**, a renowned scholar, has applied mal to everything that has legal and material value among the peoples. The property in this sense refers to any tangible or intangible thing that gives determinate capacity to a person to use it to the exclusion of whole world. It includes both abstract and unreal rights. It applies equally to the objects, which have perceptible existence in the outside world as well as to intangible property such as trademarks and intellectual property.<sup>11</sup>

It may be argued that intellectual property rights cannot be placed in the category of non-existent benefits. In fact, they are benefits that have been extracted and stand packaged for use. They come closer to things with a corpus than do benefits. So if benefits can be sold, whatever the legal reasoning behind it, why not intellectual property rights<sup>12</sup>.

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<sup>8</sup> Imran Ahsan Khan Nyazee, *Outlines of Islamic Jurisprudence*, (Islamabad: Center of Islamic Law & Legal Heritage, 2002), 174

<sup>9</sup> Ibid

<sup>10</sup> Ibid

<sup>11</sup> Dr. Muhammad Tahir Mansuri, *Islamic Law of Contracts and Business Transactions*, (Islamabad: Shariah Academy, 2001), 188

<sup>12</sup> Imran Ahsan Khan Nyazee, *Outlines of Islamic Jurisprudence*, (Islamabad: Center of Islamic Law & Legal Heritage, 2002), 174

“According to **Mufti Taqi Usmani**, there are no express provisions in the basic texts which limit ownership to tangible objects. Copyrights, patents, and trademarks are legitimate claims to ownership which give their owners the right to profit from these claims”<sup>13</sup>.

The acceptability or otherwise of such new concept which are not clearly mentioned in the original resources of Islamic jurisprudence can only be inferred from the general principles laid down by the Shariah. As the views of the jurists may differ while applying these principles to the new situations, there is always a wide scope of difference of opinion in such cases. The question of “intellectual property” has also been a subject of discussion among the contemporary Muslim scholars of Shariah whose opinions are different about its acceptability in Shariah<sup>14</sup>.

A group of contemporary scholars does not approve the concept of “intellectual property”. According to them the concept of ownership in Shariah is confined to the tangible objects only. They contend that there is no precedent in the Holy Qur'an, in Sunnah or in the juristic views of the Muslim jurists where an intangible object has been subjected to private ownership or to sale and purchase. They further argue that “knowledge” in Islam is not the property of an individual, nor can he prevent others from acquiring knowledge, whereas the concept of “intellectual property” leads to monopoly of some individuals over knowledge, which can never be accepted by Islam<sup>15</sup>.

“On the other hand, some contemporary scholars take the concept of “intellectual property” as acceptable in Shariah. They say that there is no express provision in the Holy Qur'an or in the Sunnah which restricts the ownership to the tangible objects only”<sup>16</sup>.

“There are several intangible rights accepted and maintained by the Shariah, and there are several instances where such intangible rights have been transferred to others for some monetary considerations”<sup>17</sup>.

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<sup>13</sup> <http://dinarstandard.com/management/IPinIslam020306.htm> last visited on February 1, 2009

<sup>14</sup> <http://www.ummah.com/forum/showthread.php?t=16087>, last visited on February 1, 2009

<sup>15</sup> Ibid

<sup>16</sup> Ibid

Contemporary Fatawa (plural of Fatwa or juridical ruling) have equated violations of Intellectual Property law with stealing; the late **Sheikh 'Abd Al-'Aziz Bin Baz** is among the prominent scholars to have ruled in this regard. In addition, the Council for Islamic Jurisprudence met in Kuwait in 1988 and ruled that "nobody has the right to violate" intellectual property claims<sup>18</sup>.

This understanding is based on three authentic Ahadith of the Prophet which scholars cite. The first states, "Muslims are to honor their agreements". This hadith actually mirrors the **First Ayah of Surah al-Maida** which reads, "O you who believe! Fulfill your obligations". These agreements or obligations are interpreted by scholars as the laws of the state individual Muslims make their home in. In another hadith we read, "A Muslim's wealth is forbidden for others to use without his permission". Interpretations of the hadith do not limit wealth to money. Rather, even sources of income are protected as wealth. The Prophet (SAWW) also remarked, "Whoever is the first to acquire a thing is more entitled to keep it"<sup>19</sup>.

The idea of intellectual property does not hinder or curtail the flow of knowledge. Rather intellectual property protects the right to benefit commercially for a specified period of time. In the realm of ideas Intellectual Property laws only stipulate that due credit is given to the source of the concept<sup>20</sup>.

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<sup>17</sup> <http://www.ummah.com/forum/showthread.php?t=16087> last visited on February 1, 2009

<sup>18</sup> <http://dinarstandard.com/management/IPinIslam020306.htm> last visited on February 1, 2009

<sup>19</sup> Ibid

<sup>20</sup> Ibid

## **CHAPTER 3**

### **GEOGRAPHICAL INDICATIONS**

#### **3.1 INTRODUCTION**

Geographical Indications are distinctive marks identifying products of several undertakings located in a specified geographical area. No one enterprise or even group of enterprises owns this distinctive sign and therefore, there is no right conferred on any entity to grant or refuse authorization on use. Instead all undertakings located in a specified geographical area are allowed to use the geographical indication on specified products produced by them.<sup>1</sup>

“Geographical Indications aim at informing the consumer that a good has the quality, reputation or other characteristic ‘essentially attributable to its geographical region’”.<sup>2</sup> “In fact, a geographical indication is a notice stating that a given product originates in a given geographical area”.<sup>3</sup> “Agricultural products typically have qualities that derive from their place of production and are influenced by specific local geographical factors, such as climate and soil”.<sup>4</sup>

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<sup>1</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 263

<sup>2</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 247

<sup>3</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 19

<sup>4</sup> World Intellectual Property Organization, Geneva, *What is Intellectual Property?*, (Geneva: WIPO Publication No. 450(E)), 15

Geographical Indications (GIs) are increasingly recognized as tool for securing the link between product quality and the region of geographical origin. The connection between product and region is a potential that allows for niche marketing, brand development and extracting value from reputable indications. While these possibilities are not themselves new – what is new is the use of Geographical Indications as an Intellectual Property Right and the range of products under consideration<sup>5</sup>.

A legally recognized geographical indication has the effect of giving the regional or local producers an exclusive right to use the indication in the countries which are bound by the relevant bilateral, regional and multilateral agreements (e.g. tea producers in other parts of the world may not use the term “Darjeeling” to describe their tea, even if the tea has similar taste)<sup>6</sup>.

A lover of fine cheeses will look for Roquefort made in the region around Roquefort in France. The use of the term Roquefort by non-French cheese makers would be illegal in most countries. An aficionado of Vietnamese food will look for the real fish sauce, from Viet Nam, Phu Quoc fish sauce<sup>7</sup>, and he can accompany his authentic meal with Vietnamese Shan Tuyet Moc Chau tea<sup>8</sup>.

Among the better-known examples of Geographical Indications in Asia are: Basmati rice, Phu Quoc fish sauce, Long Jing tea, Himalayan waters, Alphonso and Sindhri mangoes,

<sup>5</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 6

<sup>6</sup> Kamil Idris, *Intellectual Property – A power Tool for Economic Growth*, (Geneva: WIPO Publication No. 888), 178

<sup>7</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 20

Fish sauces made from salted anchovies and fermented in wooden barrels have long been a fond portion of the East Asian diet. The most famous is nuoc mam from Vietnam’s largest island, Phu Quoc. Its waters are rich in ca com, described as silvery, translucent, long-jawed anchovies. Some 90 fish-sauce enterprises exist on the island, which collectively produce around 10 million litres of sauce each year, of which around half a million litres reach overseas markets. But 80 per cent of fish sauce labeled Phu Quoc in the EU and Japanese markets is said to be fake, counterfeit products that abuse the Phu Quoc name. Unilever, one of the world’s largest consumer product companies, has teamed up with local fish-sauce producers in Phu Quoc to expand their reach in global markets. Unilever’s Best Food has signed a ten-year contract with a local consortium of 17 producers, Quoc Duong, and invested almost US\$1 million to upgrade the processing and bottling of nuoc mam. The roles of the multinational and the local group have been demarcated -- the former will advertise, market, distribute and design labels, while the latter will re-process and bottle it in its upgraded facilities. Also, drawing a clear distinction between an AO and trademark, Unilever’s Knorr trademark will not appear prominently alongside the geography-indicating letters of Phu Quoc.

<sup>8</sup> Kamil Idris, *Intellectual Property – A power Tool for Economic Growth*, (Geneva: WIPO Publication No. 888), 179

Hunza apricots, Bhutanese red rice, Mongolian cashmere, Pakistani shu (windproof woollen fabric) and ajrak (designs from Sindh), Jasmine (Hom Mali) rice and Thai silk, Lao Agar fragrance, Sumatra Mandheling coffee, Shaoxing alcohol, Maotai, Xuancheng art paper, and Ceylon and Darjeeling teas, among others.<sup>9/10</sup>

### **3.2 HISTORY OF THE CONCEPT OF GEOGRAPHICAL INDICATIONS**

Laws protecting geographical indications have existed for hundreds of years in Europe. In the past, these rules were largely issued by local and regional authorities. In Yugoslavia, for example, a Charter of Steven I governed the sale of wine as early as 1222. In the Middle-Ages, so-called “guild marks” were a common means to indicate the geographical origin of products. Many of these remain common today, for example, Murano glass from the island of Murano near Venice, Italy<sup>11</sup>.

Governments have been protecting trade names and trademarks used in relation to food products identified with a particular region since at least the end of the nineteenth

<sup>9</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 7

<sup>10</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 6

#### Examples of Protected Geographical Indications

During the December 1998 TRIPS Council meeting the following were some geographical indications noted as protected in select countries:

Bulgaria: Bulgarian yoghurt, Traminer from Khan Kroum (wine), Merlou from Sakar (wine)

Canada: Canadian Rye Whisky, Canadian Whisky, Fraser Valley, Okanagan Valley, Similkameen Valley, Vancouver Island

Czech Republic: Pilsen and Budweis (beers), various vines, liqueurs, Saaz hops, Auscha hops, Jablonec jewellery, Bohemia crystal, Vamberk lace

European Union: Champagne, Sherry, Porto, Chianti, Samos, Rheinhessen, Moselle Luxembourgeoise, Mittleburgenland (all wines); Cognac, Brandy de Jerez, Grappa di Barolo, Berliner Kümmel, Genièvre Flandres Artois, Scotch Whisky, Irish Whiskey, Tsikoudia (from Crete) (all spirits); and a range of other products, such as Newcastle brown ale, Scottish beef, Orkney beef, Orkney lamb, Jersey Royal potatoes, Cornish Clotted Cream, Cabrales, Roquefort, Gorgonzola, Aziete de Moura, Olive de Kalamata, Opperdoezer Ronde, Wachauer Marille, Danablu, Lübecker Marzipan, Svecia, Queijo do Pico, Coquille Saint-Jacques des Côtes-d'Amour, Jamón de Huelva, Lammejfjordsgulerod

Hungary: Eger (wine), Szatmar (plum)

Liechtenstein: Malbuner (meat products), Balzer (Hi-tech products)

Slovak Republic: Korytnická minerálna voda (mineral water), Karpatská perla (wine), Modranská majolika (hand-painted pottery), Piešt'anské bahno (healing mud)

United States: Idaho, (potatoes and onions), Real California Cheese, Napa Valley Reserve (still and sparkling wines), Pride of New York (agricultural products), Ohio River Valley (viticulture area)

<sup>11</sup>[http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RztaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RztaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4,2009

century, using laws against false trade descriptions or passing off<sup>12</sup>, which generally protect against suggestions that a product has a certain origin, quality or association when it does not. In such cases the consumer protection benefit is generally considered to outweigh the limitation on competitive freedoms represented by the grant of a monopoly of use over a geographical indication<sup>13</sup>.

The Common Law Doctrine of Passing Off, based on protection against the tort of unfair competition<sup>14</sup>, was used to protect merchants against deceptive geographical claims. In US law, geographical origin is protected by collective marks<sup>15/16</sup> and certification

<sup>12</sup> Jeremy Phillips, *Introduction to Intellectual Property Law*, (London: Butterworth & Co (Publishers) Ltd., 1986), 215-216

According to Lord Diplock the characteristics of passing off are that there must be:

- (i) a misrepresentation
- (ii) made by a trader in the course of trade
- (iii) to prospective customers or ultimate consumers
- (iv) which is calculated to injure the goodwill or business of another and
- (v) which causes actual damage to that other

<sup>13</sup> [http://en.wikipedia.org/wiki/Geographical\\_indication](http://en.wikipedia.org/wiki/Geographical_indication) last visited on February 4, 2009

<sup>14</sup> Article 10 bis, The Paris Convention for the Protection of Industrial Property 1883

- (1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.
- (2) Any act of the competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.
- (3) The following in particular shall be prohibited:
  - 1. all acts of such nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
  - 2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
  - 3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the stability for their purpose, or the quantity, of the goods.

<sup>15</sup> <http://en.wikipedia.org/wiki/CollectiveTrademark> last visited on March 6, 2009

A collective trade mark or collective mark is a trademark owned by an organization (such as an association), whose members use them to identify themselves with a level of quality or accuracy, geographical origin, or other characteristics set by the organization.

Collective trademarks are exceptions to the underlying principle of trade marks in that most trademarks serve as "badges of origin" - they indicate the individual source of the goods or services. A collective trade mark, however, can be used by a variety of traders, rather than just one individual concern, provided that the trader belongs to the association.

<sup>16</sup> [http://en.wikipedia.org/wiki/Geographical\\_indication](http://en.wikipedia.org/wiki/Geographical_indication) last visited on February 4, 2009

In many countries the protection afforded to geographical indications by law is similar to the protection afforded to trademarks, and in particular, certification marks. Geographical Indications law restricts the use of the Geographical Indication for the purpose of identifying a particular type of product, unless the product or its constituent materials originate from a particular area and/or meet certain standards. Sometimes these laws also stipulate that the product must meet certain quality tests that are administered by an association that owns the exclusive right to the use of the indication. Although a Geographical Indication is not strictly a type of trademark as it does not serve to exclusively identify a specific commercial enterprise, there are usually prohibitions against registration of a trademark which constitutes a geographical indication. In countries that

marks<sup>17/18</sup>. In Civil Law jurisdictions, the appellation of origin was used to protect against false claims of geographical region. Moreover, laws regulating international trade typically required importers to identify the geographic origin of goods to allow for the appropriate application of customs duties, quota regulations and so forth.<sup>19</sup>

“There are diverse ways and levels at which geographical indications are protected under the laws of different countries, including through trademark law, in particular certification marks

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do not specifically recognize Geographical Indications, regional trade associations may implement them in terms of certification marks.

<sup>17</sup> [http://en.wikipedia.org/wiki/Certification\\_mark](http://en.wikipedia.org/wiki/Certification_mark) last visited on March 6, 2009

A certification mark on a commercial product indicates five things:

- The existence of a legal follow-up or product certification agreement between the manufacturer of a product and an organization with national accreditation for both testing and certification,
- Legal evidence that the product was successfully tested in accordance with a nationally accredited standard,
- Legal assurance the accredited certification organization has ensured that the item that was successfully tested and is identical to that which is being offered for sale,
- Legal assurance that the successful test has resulted in a certification listing, which is considered public information, which sets out the tolerances and conditions of use for the certified product, to enable compliance with the law through listing and approval use and compliance,
- Legal assurance that the manufacturer is being regularly audited by the certification organization to ensure the maintenance of the original process standard that was employed in the manufacture of the test specimen that passed the test. If the manufacturer should fail an audit, all product that was certified, including labels of stock on hand, on construction sites, with end-user customers and on distributor store shelves, can be mandated by the certification organization in charge to be immediately removed, and can insist that all stakeholders be informed that the de-listed product certification is no longer eligible for use in field installations.

On the part of the certifier, the label itself is a type of trademark whereby the listee, or manufacturer, uses the mark to indicate eligibility of the products for use in field installations in accordance with the requirements of the code, and/or the origin, material, mode of manufacture of products, mode of performance of services, quality, accuracy of other characteristics of products or services.

<sup>18</sup> [http://en.wikipedia.org/wiki/Certification\\_mark](http://en.wikipedia.org/wiki/Certification_mark) last visited on March 6, 2009

Certification marks differ from collective trademarks. The main difference is that collective trademarks may be used by particular members of the organization which owns them, while certification marks are the only evidence of the existence of follow-up agreements between manufacturers and nationally accredited testing and certification organizations. Certification organizations charge for the use of their labels and are thus always aware of exact production numbers. In this way, certification organizations can be seen to earn a commission from sales of products under their follow-up regimes. In return, the use of the certification marks enables the product sales in the first place.

<sup>19</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 259

or collective marks, labeling or other regulations, in particular those relating to beverages or laws on unfair competition”<sup>20</sup>.

Geographical Indications have long been associated with Europe as an entity, where there is a tradition of associating certain food products with particular regions. Under European Union Law, the protected designation of origin system which came into effect in 1992 regulates the following geographical indications: Protected designation of origin (PDO) and protected geographical indication (PGI) and Traditional Specialty Guaranteed (TSG). The system used in France from the early part of the twentieth century is known as the *appellation d'origine contrôlée* (AOC). Items that meet geographical origin and quality standards may be endorsed with a government-issued stamp which acts as official certification of the origins and standards of the product to the consumer. Examples of products that have such 'appellations of origin' include *Tequila* (spirits), *Jaffa* (oranges) and *Bordeaux* (wines)<sup>21</sup>.

The term 'geographical indication' is also used in the **EC Council Regulation No. 2081/92 of July 14, 1992 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs**<sup>22</sup>. In late March 2006, the EC adopted new rules on geographical indications. **Council Regulation 510/2006**<sup>23</sup>, after the **Dispute DS 290 EC**<sup>24</sup> – Trade Marks and Geographical Indications, which replaces all previous law in the sector, covers the protection of GIs in the food sector<sup>25</sup>.

Therefore, the preamble of regulation no. 2081/92 of 14 July 1992, confirmed by regulation no. 516/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products, reads: “As part of the adjustment of the common agricultural policy, the diversification of agricultural production should be encouraged so as to achieve a better balance between supply and demand on the markets; whereas the promotion of products having certain characteristics could be of considerable benefit to the rural economy, in particular to less-favoured or remote areas, by improving the incomes of farmers and by retaining the rural population in these areas”<sup>26</sup>.

<sup>20</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 264

<sup>21</sup> [http://en.wikipedia.org/wiki/Geographical\\_indication](http://en.wikipedia.org/wiki/Geographical_indication) last visited on February 4, 2009

<sup>22</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 120

<sup>23</sup> Council Regulation (EC) no 510/2006 of 20 march 2006 On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, See Appendix 2

<sup>24</sup> EC – Trademarks and Geographical Indications (DS174, 290), See Appendix 3

<sup>25</sup> [http://www.oconnor.be/framesets/frameset\\_practice\\_areas.html](http://www.oconnor.be/framesets/frameset_practice_areas.html) last visited on February 7, 2009

<sup>26</sup> Delphine Marie-Vivien, “From Plant Variety Definition to Geographical Indication Protection: A Search for the Link Between Basmati Rice and India/Pakistan”, *The Journal of World Intellectual Property* (2008) Vol. 11, No. 4, 324

International trade made it important to try to harmonize the different approaches and standards that governments used to register GIs. The first attempts to do so were found in the **Paris Convention for the Protection of Industrial Property 1883**, followed by a much more elaborate provision in the **Lisbon Agreement on the Protection of Appellations of Origin and their Registration 1958**<sup>27</sup>.

### **3.3 INDICATION OF SOURCE AND APPELLATIONS OF ORIGIN**

“Traditionally, two kinds of indications of geographical origin were recognized by consumers and traders and set out in law. These are “indications of source” and “appellations of origin”. In addition to these two traditional terms a new generic term “geographical indication” has emerged”<sup>28</sup>.

#### **3.3.1 Indication of Source**

**The Paris Convention for the Protection of Industrial Property 1883** does not contain any provision specifically related to Geographical Indications, though **Article 1(2)** defines the subject matter of Industrial Property as “patents, utility models, industrial designs, trademarks, service marks, trade names, **indications of source or appellations of origin** and the repression of unfair competition”. Though the term ‘industrial property’ apparently shows as if it is confined only to industrial and commercial products, but in fact this term covers agricultural sector, extractive industry and natural products as well.

The word ‘indication of source’ is also used in **Article 10 of the Paris Convention 1883**<sup>29</sup>. It is also used throughout the Madrid Agreement on Indications of Source. There

<sup>27</sup> [http://en.wikipedia.org/wiki/Geographical\\_indication](http://en.wikipedia.org/wiki/Geographical_indication) last visited on February 4, 2009

<sup>28</sup> [http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&pg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RztaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&pg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RztaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>29</sup> Article 10, The Paris Convention for the Protection of Industrial Property 1883

is no definition in those two treaties of that term, but **Article 1(1) of the Madrid Agreement**<sup>30</sup> contains language which clarifies what is meant by the said term. That Article reads as follows:<sup>31</sup>

“All goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries”<sup>32</sup>.

Consequently, an indication of source can be defined as an indication referring to a country or to a place situated therein as being the country or place of origin of a product. What is important here is that indication of source relates to the geographical origin of a product and not to another kind of origin, for example, an enterprise which manufacturers the product in question. Moreover, this definition does not require that the product in question has a certain quality or characteristics which are derived from its geographical origin<sup>33</sup>.

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- (1) The provisions of the preceding Article shall apply in cases of direct or indirect use of a false indication of source of the goods or the identity of the producer, manufacturer, or merchant.
- (2) Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.

<sup>30</sup> Article 1(1), The Madrid Agreement for the Repression of False or Deceptive Indications of Source of Goods 1891

<sup>31</sup> [http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvii1pPnLBlpvXBg\\_GQW6Xs8&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvii1pPnLBlpvXBg_GQW6Xs8&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

<sup>32</sup> [http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvii1pPnLBlpvXBg\\_GQW6Xs8&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvii1pPnLBlpvXBg_GQW6Xs8&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

<sup>33</sup> [http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvii1pPnLBlpvXBg\\_GQW6Xs8&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvii1pPnLBlpvXBg_GQW6Xs8&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

In other words, “Indication of source means any expression or sign used to indicate that a product or service originates in a country, a region or a specific place”<sup>34</sup>. “Indication of source refers generally to any expression or sign used to indicate that a product originates in a country, or a specific place (for example, Made in Mongolia)”<sup>35</sup>.

“An indication of source may be either constituted by words or phrases that directly indicate the geographic origin of the product or be implied indirectly through symbols, emblems or words/phrases associated with the geographical area of origin”<sup>36</sup>.

### **3.3.2 Appellations of Origin**

“**Appellations of Origin** (*appellations d'origine*) are geographical designations that indicate a product's origin, as well as particularly distinctive and renowned qualities associated with the location”<sup>37</sup>.

Appellations of Origin refers to the geographical name of a country or locality (for example, Champagne), which serves to designate a product originating therein, whose characteristics are exclusively or essentially due to that geographical environment. While all Appellations of Origin are clearly Indications of Source, the converse is not necessarily true.<sup>38</sup>

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<sup>34</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 120

<sup>35</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 6

<sup>36</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 9

<sup>37</sup> A. Subbian, *Intellectual Property Rights – Heritage Science and Society under International Treaties*, (New Delhi: Deep & Deep Publications Pvt. Ltd., 2007), 2

<sup>38</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 6

In other words, “appellations of origin means the geographical name of a country, region or specific place which serves to designate a product originating therein the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural or human factors or both natural and human factors”<sup>39</sup>.

Examples of appellations of origin<sup>40</sup> which are protected in states that are party to the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration are “Bordeaux” for wine produced in the Bordeaux region of France, “Habana” for tobacco grown in the Havana region of Cuba or “Tequila” for spirits produced in particular areas of Mexico.<sup>41</sup>

“Appellation of origin is a term used in the **Article 1(2) of Paris Convention** and is defined in **Article 2 of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958**”<sup>42</sup>:

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<sup>39</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 120,122

<sup>40</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 16  
Pure Drinking in the Himalayas

Among the 766 valid registrations of AO under the 1958 Lisbon Agreement for the Protection of AO and their International Registration, 17 are related to mineral water. According to the World Wide Fund for Nature (WWF), bottled water is the fastest-growing beverage sector in the world, worth over US\$20 billion. Producers of bottled drinking water make a distinction between “normal” mineral water and “natural” mineral water. Most bottled waters are claimed to be ordinary water tapped from any kind of source, and chemically treated. “Natural” mineral waters, however, have to come from approved underground sources. Considered biologically pure, these waters are required to undergo no treatment other than physical filtration and iron removal. Waters trapped in deep underground clay layers that are untouched by human settlements, especially in high mountains like the Himalayas, are known to pass through several aquifers, taking up to 20 years gathering useful chemicals like calcium and magnesium from nearby rocks. Such rare underground sources have been exploited in parts of Europe and the US. But in the Himalayan region, this resource remains virtually untapped, providing huge prospects for countries like Bhutan, Nepal, and India to explore the potential in marketing it, using a duly conspicuous Himalayan GI.

<sup>41</sup> World Intellectual Property Organization, Geneva, *What is Intellectual Property?*, (Geneva: WIPO Publication No. 450(E)), 15

<sup>42</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 9

- (1) In this Agreement, "appellation of origin" means the 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 geographical environment, including natural and human factors.
- (2) 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.

“Apparent in this definition is that appellations of origin must be direct geographical names of either the country, the region or the locality”<sup>43</sup>.

An appellation of origin can be regarded as a special kind of indication of source as referred to in the Paris Convention and the Madrid Agreement on Indication of Source because the product for which an appellation of origin is used must have a quality and characteristics which are due exclusively or essentially to its geographical environment<sup>44</sup>.

Relative to the Madrid Agreement, this condition places a higher threshold and thereby narrows the range of feasible indications. Moreover, it is necessary for the qualifying product to exhibit ‘quality and characteristics’ that are essentially attributed to the ‘geographical environment, including natural and human factors’ where the product originates. Examples of protected appellations under the Lisbon Agreement include ‘Bordeaux’ for wine, ‘Noix de Grenoble’ for nuts, ‘Tequila’ for spirit drinks and ‘Jaffa’ for oranges<sup>45</sup>.

The use of an appellation of origin requires a quality link between the product and its area of production. This qualitative link consists of certain characteristics of the product which are exclusively or essentially attributable to its geographical origin such as, for example, climate, soil or traditional methods of production. On the other hand, the use of an indication of source on a given product is merely subject to the condition that this product originates from the place designated by the indication of source. Appellations of

<sup>43</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 9

<sup>44</sup>[http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLv11pPnLB1pvXBg\\_GQW6Xs8&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLv11pPnLB1pvXBg_GQW6Xs8&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

<sup>45</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 9

origin can be understood as a special kind of indication of source. According to the terminology traditionally applied, the term ‘indication of source’ comprises all appellations of origin, but, in the general use, it has become rather a designation for those indications of source which are not considered to be appellations of origin<sup>46</sup>.

Within the broad classification of geographical terms, laws in some countries distinguish between indications of source and appellations of origin. An indication of source (indication de provenance) is merely a name designating a product by its source. Unlike an appellation of origin, an indication of source does not represent particularly distinction or renowned qualities associated with the product’s origin, although both designations refer to geographic locations<sup>47</sup>.

France has a particularly adamant and outspoken in favour of stricter protection of appellations of origin for a variety of reasons. Foremost among them is that appellations of origin are common particularly in the wine and cheese industries. In contrast to the French system, United States law is less protective and primarily directed towards consumer protection. International conflicts develop because United States law permits domestic producers to use freely many foreign appellations of origin that would be legally protected in their countries of origin. For example, “champagne” is an appellation of origin in France and Britain, but not in the United States<sup>48</sup>.

### **3.4 LEGAL DEFINITION OF GEOGRAPHICAL INDICATIONS**

The term ‘geographical indications’, used for the first time in an international agreement, in place of the more commonly used term ‘appellations of origin’ or ‘indication of source’, includes both these concepts.<sup>49</sup> It sometimes gives a more specific meaning (for example in the TRIPS Agreement), in which case it usually implies something more than a mere identification of source but not necessarily meeting the full requirements of an appellation of origin, and it applies only to goods<sup>50</sup>.

The notion of GIs is closely connected to previous WIPO treaty based instruments of protection, notably ‘indications of source’ (under the Madrid Agreement) and

<sup>46</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 120

<sup>47</sup> A. Subbian, *Intellectual Property Rights – Heritage Science and Society under International Treaties*, (New Delhi: Deep & Deep Publications Pvt. Ltd., 2007), 3

<sup>48</sup> *Ibid*

<sup>49</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 267

<sup>50</sup> [http://books.google.com/books?id=8vO0EJ1ed1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJ1ed1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

‘appellations of origin’ (under the Lisbon Agreement). The former remains narrowly focused as a border measure seeking to stall the false or deceptive use of indications of a product’s country of origin. In contrast, ‘appellations of origin’ is a concept that connects a geographically designated place (country, region or locality) that serves as a product’s name to aspects of the product’s quality. Consequently, ‘appellations of origin’ are considered to be a mark that requires quality (i.e. product characteristics) to be essentially attributable to the geographical region of origin of the product (i.e. soil, climate, specific human skills). Yet, the Lisbon Agreement remains limited to establishing an international registration system of appellations that are protected in the country of origin. Various shortcomings have been noted at pre-TRIPS discussions at WIPO. For example, it was pointed out that the separation of ‘indications of source’ and ‘appellations of origin’ was a false dichotomy and that a narrow focus on denominations that were ‘direct geographical names’ was biased against other denominations. Consequently, **Article 22.1 of TRIPS 1995** defines geographical indications more broadly as<sup>51</sup>:

“Indications which identify a good as originating in the territory of a Member, or a origin or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin”<sup>52/53</sup>.

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<sup>51</sup><http://www.iprsonline.org/ictsd/docs/RangnekarBridgesYear6N3MarchApril2002.pdf> last visited on February 4, 2009

<sup>52</sup> Article 22.1, TRIPS 1995

<sup>53</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 11

#### Other Definitions of Indications of Geographical Origin

Article 2 of European Commission Regulation No. 2081/92 of 14 July 1992, on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs

For the purpose of this Regulation,

[...]

(b) geographical indication: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country, and

- which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.

Article 1721 of North American Free Trade Agreement

2. For purposes of this Agreement:

[...]

2. geographical indication means any indication that identifies a good as originating in the territory of a Party, or a region or locality in that territory, where a particular quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

Section 2 of India’s Geographical Indications of Goods (Registration and Protection) Act, 1999

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#### Definitions and Interpretations

(1) In this Act, unless the context otherwise requires:

[...]

(e) '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 characteristic of such goods is essentially attributable to its geographical origin and in 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.

Explanation: 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 the geographical indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that Country, region or locality, as the case may be.

Executive Committee of Copenhagen, *Trade and Service Marks and Geographical Indications*, (Yearbook 1994/II, June 12 - 18, 1994), 408 - 412, Q118

<https://www.aippi.org/download/comitees/118/RS118English.pdf> last visited on March 6, 2009

International Association for the Protection of Intellectual Property (AIPPI) observes that the terminology used internationally with respect to geographical indications varies. This leads to confusion. For the purposes of this question, AIPPI defines a "geographical indication," whether a word or device and whether it constitutes the entire indication or is an element thereof, in its broadest sense to include:

- indication of source, meaning a geographical indication perceived by the public as indicating the origin of the goods or services, as used in the Madrid Agreement;
- appellation of origin, meaning a geographical indication used to designate goods or services which originate from the region or place in question and whose qualities and characteristics are due exclusively or essentially to the geographical environment in the sense of Article 2 of the Lisbon Agreement, Article 22 of the TRIPS Agreement or Article 2 of the EEC Regulation No. 2081/92;
- neutral geographical indication that the public does not perceive as indicating the origin of the goods or services;
- generic geographical indication which has become merely descriptive for goods or services (for example "Bermuda" for a certain kind of shorts).

United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 7

#### Properties Of Geographical Indications

The most important properties of Geographical Indications are thus threefold:

- Right of Exclusion: This grants protection to legitimate holders of Geographical Indications by entitling communities and enterprises in the designated area to exclude others from using the indication.
- Advantage of Premium: The right to exclusion often attaches a premium value to distinctive products, which can reap commercial advantages, subject to effective marketing, and legal advice.
- Consumer and Producer Protection: Consumers deserve protection from products that convey false or misleading claims about their origin or popular reputation. Through Geographical Indication protection, States, in effect, assure and signal standards of quality. To ensure a certain quality, producers, too, deserve protection from free-riders who dilute the reputation or value of products in which they have invested.

### **3.5 THE INTERPRETATION OF THE PROVISIONS OF THE TRIPS**

#### **AGREEMENT 1995**

“The definition provided under Article 22.1 TRIPS draws on two established concepts: Indication of Source (IS) and Appellation of Origin (AO), which trace their formal origins to, respectively, the **1883 Paris Convention** and the **1958 Lisbon Agreement**”<sup>54</sup>.

The definition is obviously based on the definition of appellation of origin in **Article 2 of the Lisbon Agreement**<sup>55</sup>, but is in one respect broader, namely, by conferring protection to goods which merely derive a reputation from their place of origin without possessing a given quality or other characteristics which is due to that the quality and the characteristics of the product in question are due, exclusively or essentially, to the geographical environment, including natural and human factors. Goods which owe merely a certain reputation, but not a specific quality, to their place of origin are thus not covered by the **Lisbon Agreement**. The **TRIPS Agreement** provides for an alternative, namely that either the quality or the reputation or other characteristics of the product is attributable to its geographic origin. Thus the **TRIPS Agreement** covers, for example, products which have a certain reputation due to their geographic origin even if they do not have a particular quality or characteristic because of that geographical origin<sup>56</sup>.

Unlike the **Lisbon Agreement for the Protection of Appellation of Origin and their Registration 1958**, the **TRIPS Agreement** offers less stringent requirements for goods to qualify as GIs. It gives three independent criteria, namely, quality or reputation or other characteristics of a good to be essentially attributable to its geographical origin.

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<sup>55</sup> Article 2, Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958

- (1) In this Agreement, "appellation of origin" means the 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 geographical environment, including natural and human factors.
- (2) 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.

<sup>56</sup> [http://books.google.com.pk/books?hl=en&id=jWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvilpPnLBpvXBg\\_GQW6Xs8&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=jWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvilpPnLBpvXBg_GQW6Xs8&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

This definition makes it easier for a GI to qualify for coverage under the **TRIPS Agreement**<sup>57</sup>.

Thus, this definition specifies that the quality, reputation or other characteristics; such as any symbol, boundary of any geographic region, color, aroma, and the like; of a good, which helps in the identification of the product and are essentially attributable to the geographical origin of the good, forms the sufficient basis for the eligibility of such good as a geographical indication.

**Article 22 of the TRIPS Agreement** applies to all GIs, and provides certain minimum standards of protection. The basic obligation in it is for WTO Members to provide the legal means for interested parties to prevent two types of use. They are: i) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner that misleads the public, and ii) any use that constitutes an act of unfair competition within the meaning of **Article 10bis of the 1893 Paris Convention**. However, the legal recourse to protect Geographical Indications is not specified and is left to countries to decide<sup>58</sup>.

Moreover, the definition is restrictive in the sense that it includes protection related to only 'goods', the protection of geographical indications relating to services is not covered in the ambit of this Article. In order to give additional protection, if any Member State attempts to protect 'services'<sup>59</sup> along with 'goods', that would not be repugnant to TRIPS Agreement.

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<sup>57</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific*, *Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 14

<sup>58</sup> Ibid

<sup>59</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft)*, *UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 16-17

Can Services Be Included Under A Geographical Indications Law?

The possibility of including services within the ambit of Part II Section 3 raises a series of questions. For example, does the term 'good' include or imply services? Can the references to 'services' in Articles 24.4

“Article 22 has been interpreted as a “negative” right that only prohibits the use of an indication but does not authorize use. The burden of proof to show that the public has been misled falls on the GI holder”<sup>60</sup>.

The manner in which the provisions relating to Geographical Indications have been incorporated in the TRIPS Agreement, it has set up a new stage for discussions and negotiations.

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and 24.6 allow an interpretation that the definition in Article 22.1 encompasses services. Finally, can services fit into model of GIs that has traditionally been dedicated to goods?

If services were to be included within the ambit of Section 3, the drafters would have clearly stated the same – particularly given the intense debate. Moreover, it is rare to find legal commentary that understands Article 22.1 to include services.

One should not read too much into the references to services in Articles 24.4 and 24.6. The former is a safeguard to allow the use of an indication with respect to goods and services that have been in continuous use either (a) for 10 years preceding the signing of the Marrakech Agreement or (b) in good faith preceding that date. The reference to services is understood to refer to practices of advertising a service/good by using a reputable indication, such as the ‘champagne of catering services’. Article 24.6 is an exception aimed at allowing the continued use of indications protected in a third country in situations where the indication is considered customary in the common language as common name for certain goods or services. The exemption is understood to also allow members to exclude from protection those indications that are domestically considered generic. It is difficult to interpret the use of the term services in Articles 24.4 and 24.6 as allowing the inclusion of services within the scope of the definition in Article 22.1.

Finally, the inclusion of services within the ambit of Article 22.1 raises a number of wider questions. No doubt, there are a range of services which on *prima facie* evidence fulfill the fundamental definitional requirements of a GI, such as health services, spas and traditional healing methods. Some countries already protect services as GIs, viz. Liechtenstein, Peru and Switzerland. However, to be included as a GI, a service will necessarily have to meet the conditions for protection, which require a clear link between place of origin and the service. Here consider the possibility of the service being dispensed in another location or for that matter the telecommunication interface between service provider and purchaser. Moreover, if the distinctiveness of a service is on the basis of location-specific skills, would the possibility of training personnel undermine the fundamental rationale of GIs?

To conclude, we find that the inclusion of services was decidedly not the intention of the drafters of the TRIPS Agreement. Moreover, the possibility of including services within the ambit of Article 22.1 remains problematic.

<sup>60</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 15

There are, in effect, two basic obligations on WTO member governments relating to Geographical Indications in the TRIPS agreement<sup>61</sup>:

1. **Article 22<sup>62</sup> of the TRIPS Agreement** says that all governments must provide legal opportunities in their own laws for the owner of a Geographical Indication registered in that country to prevent the use of marks that mislead the public as to the geographical origin of the good. This includes prevention of use of a geographical name which although literally true "falsely represents" that the product comes from somewhere else.
2. **Article 23<sup>63</sup> of the TRIPS Agreement** says that all governments must provide the owners of Geographical Indication the right, under their laws, to prevent the use of a

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<sup>61</sup> [http://en.wikipedia.org/wiki/Geographical\\_indication](http://en.wikipedia.org/wiki/Geographical_indication) last visited on February 4, 2009

<sup>62</sup> Article 22, TRIPS

#### Protection of Geographical Indications

1. Geographical indications are, for the purposes of this Agreement, 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.
2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:
  - (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
  - (b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).
3. A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, 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, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.
4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

<sup>63</sup> Article 23, TRIPS

#### Additional Protection for Geographical Indications for Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.
2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.
3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

geographical indication identifying wines not originating in the place indicated by the geographical indication. This applies even where the public is not being misled, where there is no unfair competition and where the true origin of the good is indicated or the geographical indication is accompanied by expressions such as "kind", "type", "style", "imitation" or the like. Similar protection must be given to geographical indications identifying spirits.

**Article 22 of TRIPS** also says that governments may refuse to register a trademark or may invalidate an existing trademark (if their legislation permits or at the request of another government) if it misleads the public as to the true origin of a good. **Article 23** says governments may refuse to register or may invalidate a trademark that conflicts with a wine or spirits' Geographical Indication whether the trademark misleads or not<sup>64/65</sup>.

**Article 24 of TRIPS**<sup>66</sup> provides a number of exceptions to the protection of geographical indications that are particularly relevant for geographical indications for wines and spirits

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4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS 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.

<sup>64</sup> [http://en.wikipedia.org/wiki/Geographical\\_indication](http://en.wikipedia.org/wiki/Geographical_indication) last visited on February 4, 2009

<sup>65</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 15

Article 23 provides legal means to prevent the use of a Geographical Indication identifying wines and spirits not originating in the place indicated by the Geographical Indication. This prevention applies even where the true origin of the good is indicated (and, therefore, arguably, the public is not misled) or the Geographical Indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like. Second, it permits refusal or invalidation of registration of a trademark for wines or spirits, which contains or consists of a Geographical Indication identifying wines or spirits, at the request of an interested party. This provision applies even where the use of the indication in the trademark does not mislead the public as to the place of origin. In addition, wines have two other provisions specific to them in the TRIPS Agreement. The first is that the obligation to protect homonymous Geographical Indications is only provided for wines, in Article 23.3 and in Article 22.4. And Second, Article 23.4 of the TRIPS Agreement mandates negotiations in the TRIPS Council for the establishment of a multilateral system of notification and registration of Geographical Indications for wines.

<sup>66</sup> Article 24, TRIPS

#### International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.
2. The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

(Article 23). For example, Members are not obliged to bring a geographical indication under protection where it has become a generic<sup>67</sup> term for describing the product in question. Measures to implement these provisions should not prejudice prior trademark rights that have been acquired in good faith; and, under certain circumstances — including long-established use — continued use of a geographical indication for wines or spirits may be allowed on a scale and nature as before<sup>68</sup>.

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3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.
4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.
5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:
  - (a) before the date of application of these provisions in that Member as defined in Part VI; or
  - (b) before the geographical indication is protected in its country of origin;  
measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.
6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.
7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.
8. The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.
9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

<sup>67</sup> World Intellectual Property Organization, Geneva, *What is Intellectual Property?*, (Geneva: WIPO Publication No. 450(E)), 17

What is a "Generic" Geographical Indication?

If the name of a place is used as the designation of a particular style of product, rather than an indication of the place of origin of that product, the term no longer functions as a geographical indication. For example, "Dijon Mustard", is a style of mustard that originated many years ago in the French town of Dijon; however, over time it has come to denote a certain style of mustard that is made in many places. Hence, "Dijon mustard" is now a generic indication and refers to a type of product, rather than a place.

<sup>68</sup> [http://en.wikipedia.org/wiki/Geographical\\_indication](http://en.wikipedia.org/wiki/Geographical_indication) last visited on February 4, 2009

In other words, the exception provides that nothing prevents a Member from continuing the use of a particular Geographical Indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals who have used that GI in a continuous manner either, (i) for at least 10 years preceding **15 April 1994**, or (ii) in good faith preceding that date. Another exception states that when a trademark has been acquired or registered in good faith before the date of application of the TRIPS Agreement or before the GI was protected in its country of origin, measures to implement GIs in the TRIPS Agreement shall not prejudice eligibility or the right to use a trademark, on grounds that such trademark is identical to the GI<sup>69</sup>.

### **3.6 APPELLATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS**

The formal definition of Geographical Indications is thus narrower than the concept of Indications of Source, and is closer to that of Appellations of Origin. South Centre (2001) points out crucial differences: Appellations of Origins are necessarily geographical names, such as Darjeeling or Porto, while Geographical Indications may be indications pointing to a given geography, such as the symbol of the Great Wall to designate any famous Chinese product; Appellations of Origin designates a product like Bordeaux, while Geographical Indication identifies it; Appellations of Origins are limited to the quality and characteristic of a product, while GIs also cover its reputation<sup>70</sup>.

“Another approach to geographical indications is protection through the ‘appellation of origin’, which form of protection is typically defined by national statute”<sup>71</sup>.

Appellations of Origin are geographical indications that declare the quality of the goods for which it is used to be derived essentially or exclusively from the area of production. It specifies that the relevant product have certain qualities and characteristics which are only due to its place of origin. The basic idea is that certain products have their special qualities and characteristics linked with the place wherefrom they come or originate like agricultural products. The producers of Roquefort cheese say that it tastes the way it does because it is matured in the caves of the Roquefort region and it is only due to the process followed for its maturing in that special place that finally it acquires the taste for which it is famous. These are, in fact, the place linked characteristics and not process based qualities of a product<sup>72</sup>.

<sup>69</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 15

<sup>70</sup> Ibid, 6

<sup>71</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 265

<sup>72</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 19

The appellation of origin is distinguished from the latter-developed concept of the geographical indication in that the former requires a specific link between the territory and some quality or characteristic of the good, including by the contribution of human labour. The concept of the geographical indication, as latter developed, dispenses with the requirement of a link to a quality or characteristic of the good, and allows the reputation of the good to serve as the basis for the link to the territory. From the standpoint of the producer, the requirement of affirmatively demonstrating a differentiating quality or characteristic of a good linked in some way to a territory could be problematic. The appellation of origin is typically based on a registration system<sup>73</sup>.

“Finally, it can be said that appellations of origin are geographical indications but all geographical indications are not appellations of origin”<sup>74</sup>.

### **3.7 RELATIONSHIP OF DEFINITIONS OF GEOGRAPHICAL INDICATION WITH DEFINITIONS OF INDICATION OF SOURCE AND APPELLATION OF ORIGIN**

When comparing the definitions of indication of source, appellation of origin and geographical indication, it becomes clear that indication of source is the broadest term. It comprises geographical indication and appellation of origin. Geographical indications are more broadly defined than appellations of origin, so that all appellations of origin are geographical indications but some geographical indications are not appellations of origin. Indications of source only require that the product has been produced in a certain geographical area. Thus, there are some (but probably only very few) indications of source which seem not to be covered by the definition of geographical indication under the TRIPS Agreement which do not imply a particular quality, reputation or characteristics of the product in question<sup>75</sup>.

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<sup>73</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 265

<sup>74</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 20

<sup>75</sup> [http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...+1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLv11pPnLB1pvXBg\\_GQW6Xs&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...+1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLv11pPnLB1pvXBg_GQW6Xs&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

The appellation of origin is distinguished from the latter-developed concept of the geographical indication in that the former requires a specific link between the territory and some quality or characteristic of the good, including by the contribution of human labour. The concept of the geographical indication, as latter developed, dispenses with the requirement of a link to a quality or characteristic of the good, and allows the reputation of the good to serve as the basis for the link to the territory. From the standpoint of the producer, the requirement of affirmatively demonstrating a differentiating quality or characteristic of a good linked in some way to a territory could be problematic. The appellation of origin is typically based on a registration system<sup>73</sup>.

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<sup>73</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 265

<sup>74</sup> G. M. Chaudhry, *The Intellectual Property, Intellectual Property Laws in Pakistan and International treaties on IPRs*, (Rawalpindi: Federal Law House, 2005), 20

<sup>75</sup>[http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLv11pPnLBpvXBg\\_GQW6Xs8&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLv11pPnLBpvXBg_GQW6Xs8&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

“Geographical Indications under TRIPS refers explicitly to ‘indications which identify a good’, whereas earlier treaties (viz. Madrid and Lisbon Agreements) focus on products. This difference between goods and products has implications on the subject matter protected”<sup>76</sup>.

Following the principle established through the definition of indications of source, GIs are indications pointing to the ‘geographical origin’ of a product to a given country, region or locality, whereas appellations of origin must necessarily be geographical names of countries, regions or localities. In other words, GIs could be iconic symbols or emblems like the Eiffel Tower to designate a French good, or the Taj Mahal to designate an Indian good or the Statue of Liberty to designate an American good. Moreover, denominations that are not ‘direct geographical names’ (such as Basmati) are feasible<sup>77</sup>.

‘Reputation’ is an additional element constituting the notion of GI, thus going beyond the Lisbon Agreements exclusive focus on ‘quality and characteristics’ of a product. In other words, under the TRIPS Agreement, ‘reputation’, ‘quality’ and ‘other characteristics’ are each in their own right a sufficient condition, *ceteris paribus*<sup>78</sup>, for the grant of a GI. Consequently, goods having a certain ‘reputation’ but no specific quality attributable to their place of origin would remain outside the remit of appellations of origin, but would fulfill the TRIPS definition<sup>79</sup>.

Amongst the three notions, indication of source is considered the broadest category of ‘indications’ since neither does the definition establish limits for the denomination nor are there any qualifiers with respect to product characteristics. In contrast, appellation of origin is considered to be the narrowest of the three notions since it requires the denomination to be direct geographical names and has a qualifier for product characteristics<sup>80</sup>.

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<sup>76</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft)*, *UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 10

<sup>77</sup> Ibid

<sup>78</sup> *Manual of Legal Maxims – Latin Words and Phrases*, Second Edition, s.v. *cestui que vie*  
Ceteris Paribus: Other things being equal; in like circumstances; where there is no other ground of preference.

<sup>79</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft)*, *UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 10

<sup>80</sup> Ibid

“It is important to note that, since the adoption of the TRIPS Agreement, the term “geographical indication” is to be understood according to the definition of that Agreement, and no longer as comprising both indications of source and appellations of origin”<sup>81</sup>.

### **3.8 DIFFERENCE BETWEEN GEOGRAPHICAL INDICATIONS AND TRADE MARKS**

The interface between Geographical Indications and trademarks is complex. As a general rule, trademarks must be distinctive so as to fulfill the role of distinguishing goods/services of one manufacturer from those of another. This leads to the general proposition that Geographical Indications are excluded from the domain of trademarks<sup>82</sup>.

Whereas a trade mark identifies the enterprise which offers certain products of services on the market, a geographical indication identifies a geographical area in which one or several enterprises are located which produce the kind of product for which the geographical indication is used. Thus, there is no ‘owner’ of a geographical indication in the sense that one person or enterprise can exclude other person or enterprises from the use of geographical indication, but each and every enterprise which is located in the area to which the geographical indication refers has the right to use the said indication for the products originating in the said area, but possibly subject to compliance with certain quality requirements such as prescribed, for example, in administrative decrees governing the use of appellations of origin<sup>83</sup>.

“Article 22 concerns the relationship between Geographical Indications and Trademarks”<sup>84/85</sup>.

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<sup>81</sup>[http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvi1pPnLBpvXBg\\_GQW6Xs8&sa=X&oi=book\\_result&resnum=1&ct=result](http://books.google.com.pk/books?hl=en&id=iWvpZjWDPNEC&dq=Symposium+on+the+International+Protection+of+Geographical+Indications+in+the+...1997&printsec=frontcover&source=web&ots=6PiMXnGp96&sig=hzvLvi1pPnLBpvXBg_GQW6Xs8&sa=X&oi=book_result&resnum=1&ct=result), last visited on February 4, 2009

<sup>82</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 21

<sup>83</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 121

<sup>84</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 21

Under **Article 22.3 of TRIPS**<sup>86</sup>, registration of geographical indications as trademarks shall be refused or invalidated at least at the request of an interested party, if their use is likely to mislead that public as to the true place of origin. Most countries including developing countries prohibit the registration of geographical names as trademarks, unless these have acquired secondary meaning. This is done not so much because it would mislead the public as for reasons similar to those prohibiting descriptive marks<sup>87</sup>.

“This Article should be compared with **Article 23.2**<sup>88</sup> where the requirement for the public being misled is absent. Doubtless, this strengthens the scope of protection for Geographical Indications for wines and spirits”<sup>89</sup>.

Yet, there are many conceivable and real instances where a trademark consists of or contains a Geographical Indication. For example, the use of Antarctica as a trademark for

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<sup>85</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 14  
Conflict between Trademarks and GIs

The owners of the trademark for Budweiser beer from the United States of America (US), Anheuser-Busch, tried for over 10 years, since 1989, to register their brand in Russia, but were opposed by the Czech Republic owners of the trademark, Budweiser Budvar. Their main argument was that the mark was also a GI from a Czech town, Ceske Budejovice. Anheuser-Busch has been producing beer in the US under the Budweiser trademark since at least 1876, but the Czech Republic cancelled Anheuser-Busch's trademark registrations for Budweiser and Bud in Austria, Israel, Portugal and Switzerland. However, Anheuser-Busch has successfully protected its mark elsewhere, most recently in Russia. At first, the Russian authorities were inclined to uphold the opposition; but Anheuser-Busch contested that there was, in fact, no place name with which the Czech beer could be closely related. It was also argued that beer is not, in any event, a type of product normally associated with a specific geographical location. The Russian authorities for registering trademarks, at Rospatent, relented and allowed the registration of Budweiser, but in several other parts of the world the official recognition of ownership of the Budweiser trademark is yet to be resolved.

<sup>86</sup> Article 22.3, TRIPS Agreement

A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of the trade mark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trade mark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

<sup>87</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 269

<sup>88</sup> Article 23.2, TRIPS

The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

<sup>89</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft), UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 21

bananas is considered permissible as there is no deceptive element in terms of implying geographical origin. Moreover, trademarks can consist of Geographical Indications in other circumstances, such as when the trademark is considered distinctive and the use of a Geographical Indications is accepted as entirely fanciful. Examples include 'Mont blanc' for high quality writing equipment and 'Thames' for stationery. It could also be the case that the reputation of a trader endows the Geographical Indication with secondary significance leading to an identification of the trader. In such instances, a trademark can consist of a Geographical Indications and examples of this situation include 'Oxford University Press', "Schwartauer" for high quality jams, etc. manufactured in North German town of Bad Schwartau. The overlap between the two domains of Intellectual Property Rights is real and imminent. The disciplines in the TRIPS Agreement provide, at best a 'delicately balanced solution', or at worst an unclear and yet to be negotiated relationship<sup>90</sup>.

### **3.8.1 Distinction Between Geographical Indications And Trademarks Under The Paris Convention**

The Paris Convention makes a distinction between geographical indications and trademarks but does not define either concept. A clear distinction between the two is apparent in the treatment given to trademarks; first, in relation to the protection given under Article 1(2), and, second, from the prohibition on the registration of trademarks, or the possibility to invalidate trademarks<sup>91</sup> (Article 6 quinque B-2<sup>92</sup>).

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<sup>90</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft)*, UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development, (Geneva: UNCTAD-ICTSD, June 2002), 21

<sup>91</sup> [http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>92</sup> Article 6 quinque B-2, The Paris Convention for the Protection of Industrial Property 1883  
B- Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:  
[.....]

2. When they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language of in the bona fide and established practices of the trade of the country where protection is claimed.

### **3.8.2 Conflicts Between Geographical Indications And Trademarks Under The Lisbon Agreement**

“The Lisbon Agreement does not address directly the question of conflicts between trademarks and appellations of origin. However, it contains provisions that give appellations of origin priority over trademarks”<sup>93</sup>.

The principle example is to be found in **Article 5**. According to **Article 5(3)**<sup>94</sup>, a state, which is party to the Lisbon Agreement, has to protect an internationally registered appellation of origin, if it has not declared within one year from the receipt of the notifications of the international registration that it cannot ensure, in its country, protection for that appellation of origin. However, a reason for such a declaration must be indicated, although the Lisbon Agreement itself does not specify the grounds on which such a declaration may be based. It is understood that an internationally registered appellation of origin cannot be protected in a state party to the Lisbon Agreement if that appellation is considered to be a generic term in that country, or because existing prior rights would conflict with that appellation. If a declaration under **Article 5(3)** of the **Lisbon Agreement** concerning a given internationally registered appellation of origin has not been made, that appellation of origin is deemed to be protected in accordance with **Article 3**<sup>95</sup> and the use of any indicated period of one year would have to be phased-out within two years<sup>96</sup>.

<sup>93</sup>[http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>94</sup> Article 5(3), The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958

The Office of any country may declare that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, but only in so far as its declaration is notified to the International Bureau, together with an indication of the grounds therefor, within a period of one year from the receipt of the notification of registration, and provided that such declaration is not detrimental, in the country concerned, to the other forms of protection of the appellation which the owner thereof may be entitled to claim under Article 4, above.

<sup>95</sup> Article 3, The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958

Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as ‘kind’, ‘type’, ‘make’, ‘imitation’, or the like.

<sup>96</sup>[http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

### **3.8.3 Regulation of Trademarks and Geographical Indications Under the TRIPS**

#### **Agreement**

“The **TRIPS Agreement** was the first comprehensive global agreement to deal with different types of intellectual property rights at the same time. This was the first time that the scope of protection of trademarks and the scope of protection of geographical indications was negotiated together”<sup>97</sup>.

In the TRIPS Agreement, protection of geographical indications of goods is provided separately from trademark protection. Protection from certain member states resulted in a different set of rules to protect products that are inextricably linked to a particular locale, for example, from France with respect to wines and spirits, which are dealt with in Article 23. The Agreement thus is very likely to benefit producers in those regions or countries that have already established the reputation of their products on the basis of geographical origin. Local qualifying products, even in developing countries, can thus benefit from these provisions. It is a different matter that manufacturers in developed countries try to patent the products which, because of geographical indications, became identified with another territory. For example, patent of Basmati<sup>98/99</sup> Rice<sup>100</sup>, which

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<sup>97</sup>[http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RztaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RztaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>98</sup> Delphine Marie-Vivien, “From Plant Variety Definition to Geographical Indication Protection: A Search for the Link Between Basmati Rice and India/Pakistan”, *The Journal of World Intellectual Property* (2008) Vol. 11, No. 4, 322

Bas means “aroma” in Sanskrit and Basmati rice is thus famous for its aroma, which has both a gustative quality and is considered auspicious in Indian culture. It has an exceptional length of grain, which increases substantially on cooking; the cooked grain has high integrity, high discreteness, taste and texture. Basmati rice is traditionally grown in the Himalayan foothill regions of India and Pakistan. The name is generally associated with this geographical origin.

<sup>99</sup> Ibid, 336

Basmati is also defined according to its elongation ration, grain length, amylase content, length/breadth ratio, gel consistency, gelatinization temperature, aroma, shape and appearance.

<sup>100</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 272-273

Is Basmati Rice a Geographical Indication?

Basmati, a variety of *Oryza Sativa*, is long-grain aromatic rice originating in the sub-himalayan region of the Indian Sub-Continent. In September 1997, the USPTO (United States Patent Office) granted a patent (no. 5663484) to a US company, M/S RiceTec, for a new plant variety that is a cross between American long-grain rice and basmati rice. RiceTec has claimed that the new varieties have the same for better characteristics as the original basmati rice and can be successfully grown in specified geographical areas in North America. This new product has been the most successful attempt so far of growing basmati outside of the Indian Sub-Continent. RiceTec uses the trademarks “Texmati” and “Kasmati” to sell its version of

geographically is identifiable with India and Pakistan (territorially), is patented by RiceTec of Texas, the USA<sup>101</sup>.

The issue of geographical indications and trademarks was one of the most contentious. The negotiations may have been influenced by examples such as the **Torres Case**. In this case, the “Miguel Torres” trademark had been registered in Spain and used for wine for many years. The Portuguese government declared “Torres Vedras” a geographical

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basmati rice. These trademarks have been in use in the US for at least two decades now on rice originating in the US.

India and Pakistan, while focusing their attention on disputing the patent claims, have also alleged that “Basmati” is a geographical indication. As stake are exports of basmati rice worth \$350 million from India and another \$250 million from Pakistan which may be affected if the American version establishes itself through advertising in third country markets. Presently, RiceTec produces less than one-half of one percent of the world’s basmati rice. But the US is already arguing that the EU import policies favoring basmati rice originating in India and Pakistan are discriminatory.

Does “Basmati” fit into the definition of a geographical indication given in the TRIPS Agreement?

“Basmati” is not the name of the geographical area but the product’s reputation is inextricably linked to its region of origin, viz. the Indian Sub-Continent. However, this rice is now grown quite extensively in the Indian Sub-Continent outside the original Sub-Himalayan region. Certainly basmati rice grown in the Sub-Himalayan region has a better flavour than that grown elsewhere on the Sub-Continent. However, defining the limits of the geographical area in which rice of this variety can be called “Basmati” within the Sub-Continent is not easy, as no producer wants to give up his right to the name. Rice growers and traders in India are yet to resolve this issue, notwithstanding the recent Geographical Indications of Goods (Registration and Protection) Act, 1999 passed by India.

RiceTec, on the other hand, claims that Basmati is a variety of rice just as “Durum” is a variety of wheat. This term, it is claimed, has been used for decades in a generic way describing this variety from other sources such as American Basmati, Uruguayan Basmati and Thai Basmati. In other words, even if the term did fit the TRIPS definition at one point of time, it has fallen into the public domain and has become generic through lack of effort to protect the name internationally. On the question of consumer deception, RiceTec clearly labels its product as “American type Basmati Rice”, a practice prohibited under TRIPS only for geographical indications relating to wines and spirits.

The only way to resolve this dispute is by taking the case to a court in the US on the allegedly deceptive use of the name “Basmati” or similar sounding trademarks by RiceTec. However, the five-year limitation allowed under TRIPS Article 24.7 would apply on any request to cancel or invalidate existing trademarks registered in good faith. No case has been filed in the US so far by any interested party from the Indian Sub-Continent. By mid-2000, however, the Indian government had decided to challenge some of the claims of the RiceTec patent.

United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 7

RiceTec had made 20 patent claims essentially covering: (i) rice plants with characteristics identical to basmati; (ii) grain produced by such plant; and (iii) method of selecting rice plant, based on the starch index test. Following the Indian challenge, in September 2000 RiceTec withdrew four of its 20 claims. In March 2001, the USPTO told RiceTec that of its 20 claims, only three were approved, issuing it a “varietal patent” to market the types of basmati developed by it, and not cultivated and bred traditionally by farmers in India and Pakistan.

<sup>101</sup> M. B. Rao & Manjula Guru, *Understanding TRIPS --- Managing Knowledge in Developing Countries*, (New Delhi: A Division of Sage Publications India Pvt Ltd, 2003), 125

indication, which, under a European Commission regulation on wine, would have resulted in prohibiting the use of the “Miguel Torres” trademark since it was in conflict with a geographical indication. Although the EC Commission subsequently amended its regulation to allow the co-existence of both the geographical indication and the trademark, this compromise greatly disadvantages the trademark holder<sup>102</sup>.

“The relationship between trademarks and geographical indications is addressed in a number of provisions of the TRIPS Agreement. The rights conferred to a trademark under the TRIPS Agreement are defined in **Article 16.1**, which provides”<sup>103</sup>:

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 trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In 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<sup>104</sup>.

Pursuant to **Article 16.1**, the trademark owner has the exclusive right to prevent the use of identical or similar goods. The term “signs” is very broad. It covers all sorts of designations, including those that might be ineligible as geographical indications. Therefore, the trademark owner is entitled under **Article 16.1** to enjoin the use of an identical or similar designation, even if such designation would qualify for protection as a geographical indication<sup>105</sup>.

With respect to the linkage between a trademark and a geographical indication, Article 22.3<sup>106</sup> of the TRIPS Agreement provides that WTO Members should refuse, or

<sup>102</sup> [http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>103</sup> [http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>104</sup> Article 16.1, TRIPS Agreement

<sup>105</sup> [http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>106</sup> Article 22.3, TRIPS

invalidate, the registration of a trademark that contains or consists of a geographical indication with respect to goods not originating in the territory indicated, but only if use of the indication in the trademark for such good in that WTO Member is of such a nature as to mislead the public as to the true place of origin<sup>107</sup>.

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A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, 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, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

<sup>107</sup> [http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtaB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

## **CHAPTER 4**

### **THE PROTECTION OF GEOGRAPHICAL INDICATIONS**

#### **4.1 SCOPE OF PROTECTION OF GEOGRAPHICAL INDICATIONS**

Article 22 provides the basic framework for the protection of all Geographical Indications, where the obligation is for members to provide the ‘legal means for interested parties’<sup>1</sup> to secure protection of their GIs. The required ‘legal means’ are unspecified and consequently raise the problem of multiplicity of systems of protection, but also present an opportunity to members to explore alternative mechanisms<sup>2</sup>.

Under Article 22, the scope of protection is composed of three components<sup>3</sup>:

- Protection against the use of indications that mislead the public or are deceptive.
- Protection against the use of indications in a manner that are acts of unfair competition.
- Refusal or invalidation of trademarks that contain or consist of indications, where there it may mislead the public.

First of all, protection means the right to prevent unauthorized persons from using geographical indications, either for products which do not originate from the geographical place indicated, or not complying with the prescribed quality standards. The second aspect related to the issue of protection is the question of protecting geographical indications against becoming generic expressions: in that case they have lost all their distinctiveness and, consequently, will lose their protection. The question whether a geographical indication is a generic term and void of any protection is, in the absence of

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<sup>1</sup> Article 10(2), The Paris Convention for the Protection of Industrial Property 1883

<sup>2</sup> Dwijen Rangnekar, *Geographical Indications: A Review of Proposals at the TRIPS Council (Draft)*, *UNCTAD-ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development*, (Geneva: UNCTAD-ICTSD, June 2002), 19

<sup>3</sup> Ibid

an international agreement, to be determined by national law. It might well be that a geographical name is regarded in one country as a geographical indication and is protected accordingly, whereas it is considered to be a generic or semi-generic term in another country<sup>4</sup>.

**Basic Protection:** All GIs must be protected against use which would mislead the public or constitute an act of unfair competition (as defined in the Paris Convention). Members must provide a legal mechanism (undefined in the Agreement) for interested parties to prevent the use of any designation that indicates the origin of a good. Further, the obligation is contingent on the continued existence of GI protection in the country of origin (Art. 24.9)<sup>5</sup>.

**Additional Protection for Wines and Spirits:** Wines and spirits enjoy three additional elements of protection: (a) the protection is ‘absolute’ and prohibits the translation of Geographical Indications or the attachment of expressions such as ‘kind’, ‘type’, ‘style’ or ‘imitation’; (b) obligation to refuse or invalidate the registration of trademarks which constitute or consist of GI (Art. 23.2); and (c) obligation to enter into negotiation to increase protection (Art. 24.1). Two additional (and highly contentious) obligations require the protection of each GI in the case of homonymous indications and the establishment of a multilateral system of notification and registration of Geographical Indications for wines.<sup>6</sup>

“It is apparent that the concept of the ‘geographical indication’ was unsettled in the period prior to and during the **TRIPS Agreement** negotiations. The highest level of attention to the subject was paid by the European Community, in particular as a feature of the common agricultural policy”<sup>7</sup>.

Developing countries have requested that the scope of protection for geographical indications be expanded to cover other goods in addition to wine and spirits<sup>8</sup>. This

<sup>4</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 121

<sup>5</sup> <http://www.iprsonline.org/ictsd/docs/RangnekarBridgesYear6N3MarchApril2002.pdf> last visited on February 4, 2009

<sup>6</sup> Ibid

<sup>7</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 266

<sup>8</sup> United Nations Development Program, Colombo, *Geographical Indications as Trade-related Intellectual Property, Relevance and Implications For Human Development in Asia-Pacific, Asia-Pacific Trade and Investment Initiative*, (Colombo: UNDP Regional Centre, January 2007, First Edition), 17-18

position was first put forward by India in 1996. The African Group, for example, has argued that “the negotiations envisaged under Article 23.4<sup>9</sup> should be extended to other categories, and requests, in this regard, that the scope of the system of notification and registration be expanded to other products recognizable by their geographical origins (handicrafts, agro-food products)”<sup>10</sup>.

Now geographical indications do not pertain solely to agricultural products, the most common field of application and potential application is in regard to basic and processed agricultural products. The field of agriculture is one in which competitive advantage depends on factors that may favour highly mechanized large-scale producers, on one side, and low-cost labour intensive producers on the other<sup>11</sup>.

It has been noted that restricting higher protection of geographical indications to wines and spirits would “not constitute a fair and equitable treatment of the rights and the interests” of WTO members. Those supporting the extension believe that this would promote the development of local products and would be consistent with the overall goals of the agreement. In the absence of such an extension, the TRIPS agreement would favor a limited number of products developed in certain regions of the world and its role in stimulating innovation worldwide would remain open to challenge<sup>12</sup>.

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In early 2001, a group known as “Friends of GIs” became active. The group was open to all countries favouring extension of additional protection for GIs to products other than wines and spirits, and included Bulgaria, Cuba, Czech Republic, Egypt, Iceland, India, Jamaica, Kenya, Leichtenstein, Mauritius, Nigeria, Pakistan, Slovenia, Sri Lanka, Switzerland, Turkey and Venezuela. In May 2001, the Friends of GIs put forward their proposal, which asserted that:

- the level of protection provided by Article 22 of the TRIPS Agreement for GIs of products other than wines and spirits is not sufficient;
- providing two different levels of protection for GIs in the TRIPS Agreement is unjustified; and
- the extension of the protection of GIs for wines and spirits to one uniform level of protection is necessary to conform to the goals contained in the TRIPS Agreement and general WTO principles.

Arguing that Article 22 protection is not enough, these countries reasoned that it enables free-riding on the renown of a GI. They argued that Article 22 leads to legal uncertainty since it is up to national courts and administrations to decide whether or not the public is misled. The burden of proof is also placed on the producer entitled to use a GI. Article 22, they argued, does nothing to prevent GIs from becoming generic and possibly usurped by trademarks.

<sup>9</sup> Article 23.4, TRIPS

“In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS 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.”

<sup>10</sup> <http://www.cid.harvard.edu/archive/biotech/papers/discuss4.pdf> last visited on February 4, 2009

<sup>11</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 258

<sup>12</sup> <http://www.cid.harvard.edu/archive/biotech/papers/discuss4.pdf> last visited on February 4, 2009

In addition to the scope of protection, negotiations have also taken place have been scheduled as a part of the built-in agenda on the multilateral system of notification and registration of geographical indications of wines based on proposals by the European Union on the one hand, and the United States and Japan on the other. The two proposals call for a system of registration that would require notification to the WTO secretariat on

Future work on geographical indications will entail harmonization of practices. Some countries have specific laws on geographical indications while others rely on trademark, consumer protection, marketing and common laws, or a combination thereof. Some countries maintain formal lists while others rely on case histories. While some recognize place names, others accept names that are simply associated with a place. Both are acceptable under TRIPS<sup>13</sup>.

One of the objections to extending protection is the open-ended nature of the products that could be covered by geographical indications. Since international trade is considered to be a stimulant of growth and innovation, such an expansion of scope would be consistent with expectation of the agreement. What is needed, however, is an active system for harmonizing and clarifying the technical aspects of the products<sup>14</sup>.

#### **4.2 PROTECTION OF GEOGRAPHICAL INDICATIONS AT THE NATIONAL LEVEL**

As regards the various forms of protection of geographical indications on the national level, three main categories can be distinguished. The first category comprises all possibilities of protection which are not based on a decision taken by the competent authority establishing protection with respect to a particular geographical indication, but which result from the direct application from the legislative provisions or principles established by jurisprudence. The second category covers the protection of geographical indications through registration of collective marks (including agricultural labels) or certification marks (or guarantees marks). The third category includes all special titles of protection of geographical indications which result from a decision made by the competent government authority establishing the protection<sup>15</sup>.

Geographical names are normally protected in accordance with national laws in the context of a wide range of legal disciplines, such as<sup>16</sup>:

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what geographical indications have been registered domestically. Both proposals call for a voluntary system of notification. Unlike the US and Japan, the EU proposes that the products accepted for registration at the national level be protected in all WTO member countries despite differences in registration methods and criteria. This approach would add new regulatory burdens on member states but would offer protection rather than simply provide a global database.

<sup>13</sup> <http://www.cid.harvard.edu/archive/biotech/papers/discuss4.pdf> last visited on February 4, 2009

<sup>14</sup> Ibid

<sup>15</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 121

<sup>16</sup> [http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7Rzrtab&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7Rzrtab&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

- Laws against unfair competition
- Consumer protection laws
- Laws for the protection of certification marks; or
- Special laws for the protection of geographical indications or appellations of origin

“It was in France where the first statute was enacted which provided for the protection of geographical indications through a special title of industrial property, namely appellations of origin”<sup>17</sup>.

In order to ensure that the products possess the specified qualities, a control mechanism has been set up by the competent authorities, and quality controls are carried out regularly. Only products which comply with the quality standards are protected by an appellation of origin. Initially, appellations of origin only concerned wines and spirits, but later the concept was extended to include other products (such as dairy products, mainly cheese and butter), poultry and plant products. Because of the success of the French appellations of origin, the same or a similar system was introduced also in other countries<sup>18</sup>.

#### **4.2.1 Unfair Competition and Passing Off**

The treatment of geographical indications under the common law principles of unfair competition and passing off is based on the injury that is suffered by a business through a false representation by a competitor that its product comes from the same source. One aspect of the unfairness involves taking advantage of the reputation of the injured party (which has been built up through its labours). A second aspect of the unfairness involves the harm that may come to the indication-holder if the goods placed on the market are of inferior quality, thus causing damage to its reputation. A third aspect of the unfairness goes to the injury to the public being deceived into purchasing goods other than those for which it bargained<sup>19</sup>.

False use of geographical indications by unauthorized parties, for example “Darjeeling” for tea that was not grown in the tea gardens of Darjeeling, is detrimental to consumers and legitimate producers. The former are deceived and led into believing that they are buying a genuine product with specific qualities and characteristics, while they in fact get

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<sup>17</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 121

<sup>18</sup> *Ibid*, 122

<sup>19</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 263

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>20</sup>.

The conditions for a successful action for unfair competition vary from country to country. In order to be protectable, a given geographical indication must have acquired a certain reputation or goodwill. In other words, the potential buyers of the product must associate the geographical indication with the place of origin of the goods or services. Such an action further requires that the use of the geographical indication on goods or services not originating from the respective geographical area is misleading, so that consumers are deceived as to the true place of origin of the products or services. Under some national laws, proof of damage or the likelihood of damages caused by such misleading practices is required<sup>21</sup>.

Whereas the principle that misleading use of a geographical indication may give rise to an action for unfair competition is generally recognized, the outcome of such an action is uncertain. In particular, the extent to which the geographical indication in question must have acquired a reputation may vary from country to country. It may be required that the geographical indication must have been used in the course of trade for a certain time that an association between the geographical indication and the place of origin of the products and services must have been created amongst the relevant circles<sup>22</sup>.

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<sup>20</sup> World Intellectual Property Organization, Geneva, *What is Intellectual Property?*, (Geneva: WIPO Publication No. 450(E)), 16

<sup>21</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 123

<sup>22</sup> *Ibid*, 123-124

#### **4.2.2 Collective Marks<sup>23</sup> or Certification Marks<sup>24</sup>**

Some countries use the ‘collective mark’ and/or ‘certification mark’ to overcome the obstacles inherent in according trademark protection to geographical names. A collective mark would belong to an association or group whose members are entitled to use that mark, and could (depending on the jurisdiction) incorporate a geographical name. A certification mark would belong to a certifying person or body which, by affixing of allowing the affixing of the mark, would provide assurance with a set of rules of qualifications<sup>25</sup>.

“There were main substantial differences in way that collective and certification marks are regulated by national law”<sup>26</sup>.

In contrast to collective marks, certification marks and guarantee marks are not owned by a collective body such as an association of producers, but by a certification authority. Such authority may be a local council or an association which is not engaged in the production or the trade of the products concerned. The latter is of particular importance because it is the

<sup>23</sup> [http://www.wipo.int/sme/en/ip\\_business/collective\\_marks/collective\\_marks.htm](http://www.wipo.int/sme/en/ip_business/collective_marks/collective_marks.htm) last visited on March 6, 2009

Under the intellectual property law of most countries, there are provisions on the protection of collective marks. **Collective marks** are usually defined as signs which distinguish the geographical origin, material, mode of manufacture or other common characteristics of goods or services of different enterprises using the collective mark. The owner may be either an association of which those enterprises are members or any other entity, including a public institution or a cooperative.

The owner of the collective mark is responsible for ensuring the compliance with certain standards (usually fixed in the regulations concerning the use of the collective mark) by its members. Thus, the function of the collective mark is to inform the public about certain particular features of the product for which the collective mark is used. Most countries require that an application for a collective mark be accompanied by a copy of the regulations which govern the use of the collective mark.

Collective marks are often used to promote products which are characteristic of a given region. In such cases, the creation of a collective mark has not only helped to market such products domestically and occasionally internationally, but has also provided a framework for cooperation between local producers. The creation of the collective mark, in fact, must go hand in hand with the development of certain standards and criteria and a common strategy. In this sense, collective marks may become powerful tools for local development.

Consider, in particular products which may have certain characteristics which are specific to the producers in a given region, linked to the historical, cultural, social conditions of the area. A collective mark may be used to embody such features and as the basis for the marketing of the said products, thus benefiting all producers.

<sup>24</sup> [http://www.wipo.int/sme/en/ip\\_business/collective\\_marks/certification\\_marks.htm](http://www.wipo.int/sme/en/ip_business/collective_marks/certification_marks.htm) last visited on March 6, 2009

A number of countries also provide for the protection of certification marks. Certification marks are usually given for compliance with defined standards, but are not confined to any membership. They may be used by anyone who can certify that the products involved meet certain established standards. Famous certification marks include WOOLMARK which certifies that the goods on which it is used are made of 100% wool.

<sup>25</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 264

<sup>26</sup> *Ibid*

owner of the certification mark who must ensure that the goods bearing the certification mark possess the certified qualities. A certification mark may be used to certify, *inter alia*, the origin of products or services. The appellation for the registration of a certification mark has to be accompanied by regulations which govern the use of the certification mark. Regarding the registrability of geographical indications as certification marks and guarantee marks, the same principles as for the registration of collective marks apply<sup>27</sup>.

“Article 7 bis of The Paris Convention<sup>28</sup> provides considerable latitude regarding the protection that a country might accord to a collective mark incorporating a geographical name. In theory such protection could be denied on grounds that geographical names are ‘generic’ in trade mark law sense”<sup>29</sup>.

#### **4.3 PROTECTION OF GEOGRAPHICAL INDICATIONS ON THE INTERNATIONAL LEVEL THROUGH MULTILATERAL TREATIES**

Originally, geographical indications were protected in accordance with national or local laws with limited geographical scope. However, like all intellectual property protection, national protection has weaknesses as products were often imitated outside the country of origin. It soon became obvious that international cooperation was required to ensure that these geographical indications were protected internationally and that there was reciprocity<sup>30</sup> in the level of protection between states<sup>31</sup>.

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<sup>27</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 122-123

<sup>28</sup> Article 7 bis, Paris Convention for the Protection of Industrial Property 1883

- (1) The countries of the Union undertake to accept for filing and to protect collective marks belonging to associations the existence of which is not contrary to the law of the country of origin, even if such associations do not possess an industrial or commercial establishment.
- (2) Each country shall be the judge of the particular conditions under which a collective mark shall be protected and may refuse protection if the mark is contrary to the public interest.
- (3) Nevertheless, the protection of these marks shall not be refused to any association the existence of which is not contrary to the law of the country of origin, on the ground that such association is not established in the country where protection is sought or is not constituted according to the law of the latter country.

<sup>29</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 265

<sup>30</sup> *Law Terms and Phrases – Judicially Interpreted with Legal Maxims & Foreign Legal Words and Phrases in ordinary usage*, s.v. reciprocal promises  
Reciprocity: Mutuality

#### **4.3.1 Paris Convention for the Protection of Industrial Property 1883**

“The first efforts to adopt a common approach to the protection of intellectual property internationally resulted in the **Paris Convention for the Protection of Industrial Property**, which was agreed in **1883**. The Paris Convention concerned all aspects of intellectual property and not just geographical indications”<sup>32</sup>.

The **Paris Convention for the Protection of Industrial Property 1883** does not contain the notion of geographical indication. Article 1(2)<sup>33</sup> defines subjects of industrial property, *inter alia*, indications of source and appellations of origin. This is the terminology traditionally applied and still officially used in the conventions and agreements administered by WIPO<sup>34</sup>.

**Article 10 of the Paris Convention**<sup>35</sup> calls for seizure of imported goods only in cases of direct or indirect use of a false indication of the source of the goods, if such measures are available in national law. This Article does not cover misleading indications which, while not false, may deceive consumers. It is **Article 10 bis**<sup>36</sup> that further prohibits acts of

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<sup>31</sup> [http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>32</sup> Ibid

<sup>33</sup> Article 1(2), Paris Convention for the Protection of Industrial Property 1883

The Protection of Industrial Property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition”.

<sup>34</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 120

<sup>35</sup> Article 10, Paris Convention for the Protection of Industrial Property 1883

(1) The provisions of the preceding Article shall apply in cases of direct or indirect use of a false indication of source of the goods or the identity of the producer, manufacturer, or merchant.  
(2) Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.

<sup>36</sup> Article 10 bis, Paris Convention for the Protection of Industrial Property 1883

(1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.  
(2) Any act of the competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.  
(3) The following in particular shall be prohibited:

unfair competition, particularly those that cause confusion or mislead the public as to the characteristics of the goods. However, the negotiating history of this particular provision of the Paris Convention shows that the US opposed the addition of the word 'origin' to **Article 10 bis (3)**, thus excluding geographical indications from the purview of this provision<sup>37</sup>.

Two WIPO treaties attempted to develop further standards on the protection of geographical indications under **Article 19 of the Paris Convention 1883**<sup>38</sup>. These are **The Madrid Agreement for the Repression of False and Deceptive Indications of Source on Goods 1891** and **The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958**. These treaties failed to extend effective protection for geographical indications worldwide both on account of their eventually limited membership and also their relatively narrow substantive standards<sup>39</sup>.

#### **4.3.2 The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods 1891**

"**The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods 1891**<sup>40</sup> incorporated a limited extension to **Article 10 of the Paris Convention**, addressing not only 'false' indications of source, but also 'deceptive' indications"<sup>41</sup>.

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1. all acts of such nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the stability for their purpose, or the quantity, of the goods.

<sup>37</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 264

<sup>38</sup> Article 19, Paris Convention for the Protection of Industrial Property 1883

It is understood that the countries of the Union reserve the right to make separately between themselves special agreements for the protection of industrial property, in so far as these agreements do not contravene the provisions of this Convention.

<sup>39</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 264-265

<sup>40</sup> Article 1(1), The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods 1891

All goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries.

The Madrid Agreement was the first international agreement to provide specific rules for the repression of false and deceptive indications of source. The difference between “false” and “deceptive” is that a deceptive indication of source can be the true name of the place where the goods originates from. In contrast, a false indication cannot, in any case, be the true name of the place where the product originates from<sup>42</sup>.

#### **4.3.3 The Madrid Agreement Concerning the International Registration of Marks**

##### **1891**

Geographical indications could be protected under the Madrid system for the International Registration of Marks as collective marks, certification marks or guarantee marks. This means that an international registration system for trademarks, established by the **Madrid Agreement of 1891** and the **Protocol relating to the Madrid Agreement Concerning the International registration of Marks 1989**, could also serve as a means of protection of geographical indications internationally. However, this system could only be used by those countries that protect geographical indications via a certification trademark regime and have on specific rules on the protection of geographical indications<sup>43</sup>.

#### **4.3.4 The Stresa Convention 1951**

It was not until the 1950s that the positive regulation of geographical indications, defined according to their dual identity of appellations of origin and indications of source, was introduced into international law. On June 1, 1951, an **International Convention on the Use of Appellations of Origin and Denominations of Cheeses (known as the Stresa Convention)** was signed on the northern Italian town of Stresa<sup>44</sup>.

The Stresa Convention applies specifically to cheeses. It concerns the use of designations of origin and the names of cheeses. The signatory countries committed themselves to prohibiting the use of the false designations of origin on their territory and to take all necessary measures to ensure the application of the Convention<sup>45</sup>.

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<sup>41</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 260

<sup>42</sup>[http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtB&sig=1VgOMRsmZP8q\\_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book\\_result&resnum=1&ct=result#PPA5,M1](http://books.google.com/books?id=8vO0EJled1wC&pg=PT1&lpg=PT1&dq=The+Law+of+Geographical+Indications+By+Bernard+O'Connor&source=bl&ots=p5V7RzrtB&sig=1VgOMRsmZP8q_qMTFw74d38JQ3Y&hl=en&sa=X&oi=book_result&resnum=1&ct=result#PPA5,M1) last visited on February 4, 2009

<sup>43</sup> Ibid

<sup>44</sup> Ibid

<sup>45</sup> Ibid

#### **4.3.5 The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958**

‘Appellations of Origin’ were addressed in **The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958**. The Agreement extends substantially greater protection for geographical names than prior agreements, but depends upon an initial grant of registration for an appellation in the country of origin<sup>46</sup>, as well as registration at WIPO which may be rejected by each country where protection is intended<sup>47</sup>. **Article 2(1)**<sup>48</sup> set out the subject-matter of the Agreement. **Article 3**<sup>49</sup> provides the scope of protection extends beyond the literary registered geographical name. **Article 6** provides that the protection is included against a registered appellation becoming ‘generic’<sup>50</sup>.

#### **4.3.6 Article IX of the GATT 1947**

**Article IX of the GATT 1947**<sup>51</sup> also addressed marks of origin, *inter alia*, at **Article IX:I** requiring MFN treatment for such marks. The concept of geographical indications is

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<sup>46</sup> Article 1(2), The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958

They undertake to protect on their territories, in accordance with the terms of this Agreement, the appellations of origin of products of the other countries of the Special Union, recognized and protected as such in the country of origin and registered at the International Bureau of Intellectual Property (hereinafter designated as “the International Bureau”) referred to in Convention establishing the World Intellectual Property Organization (hereinafter designated as “the Organization”).

<sup>47</sup> Article 5(3), The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958

The Office of any country may declare that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, but only in so far as its declaration is notified to the International Bureau, together with an indication of the grounds therefor, within a period of one year from the receipt of the notification of registration, and provided that such declaration is not detrimental, in the country concerned, to the other forms of protection of the appellation which the owner thereof may be entitled to claim under Article 4, above.

<sup>48</sup> Article 2(1), The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958

In this Agreement, ‘appellation of origin’ means the 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 geographical environment, including natural and human factors.

<sup>49</sup> Article 3, The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958

Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as ‘kind’, ‘type’, ‘make’, ‘imitation’, or the like.

<sup>50</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 262

<sup>51</sup> Article IX, GATT 1947

previewed at Article IX:6, which was not framed in terms of strict obligation, but rather in terms of cooperation with a view to prevent misrepresentation. Also, the duty to cooperate is based on protection of a distinctive regional or geographical name by legislation in the country requesting cooperation, and further based on notification of the applicable names<sup>52</sup>.

#### **4.3.7 Protection of Geographical Indications Under TRIPS**

“The term ‘geographical indications’ came into use in WIPO negotiations in the mid-1970s and effectively entered into common usage with the conclusion of the **TRIPS Agreement**”<sup>53</sup>.

The term ‘geographical indication’ has been chosen by WIPO to describe the subject matter of a new treaty for the international protection of names and symbols which indicate a certain geographical origin of a given product. In this connection, the term is intended to be used in its widest possible meaning. It embraces all existing means of protection of such names and symbols, regardless of whether they indicate that the qualities of a given product are due to its geographical origin (such as appellations of

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1. Each contracting party shall accord to the products of the territories of other contracting parties treatment with regard to marking requirements no less favorable than the treatment accorded to like products of any third country.
2. The contracting parties recognize that, in adopting and enforcing laws and regulations relating to marks of origin, the difficulties and inconveniences which such measures may cause to the commerce and industry of exporting countries should be reduced to a minimum, due regard being had to the necessity of protecting consumers against fraudulent or misleading indications.
3. Whenever it is administratively practicable to do so, contracting parties should permit required marks of origin to be affixed at the time of importation.
4. The laws and regulations of contracting parties relating to the marking of imported products shall be such as to permit compliance without seriously damaging the products, or materially reducing their value, or unreasonably increasing their cost.
5. As a general rule, no special duty or penalty should be imposed by any contracting party for failure to comply with marking requirements prior to importation unless corrective marking is unreasonable delayed or deceptive marks have been affixed or the required marking has been intentionally omitted.
6. The contracting parties shall cooperate with each other with a view to preventing the use of trade names in such manner as to misrepresent the true origin of a product, to the detriment of such distinctive regional or geographical names and products of the territory of a contracting party as are protected by its legislation. Each contracting party shall accord full and sympathetic consideration to such requests of representations as may be made by any other contracting party regarding the application of the undertaking set forth in the preceding sentence to names of products which have been communicated to it by the other contracting party.

<sup>52</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 260-261

<sup>53</sup> Ibid, 257

origin), or they merely indicate the place of origin of a product (such as indications of source). This definition also covers symbols, because geographical indications are not only constituted by names, such as the name of a town, a region or a country (direct geographical indications), but may also consist of symbols<sup>54</sup>.

“Although the protection of product names associated with places was long embodied in various legal doctrines, use of the term ‘geographical indication’ in the **TRIPS Agreement** was intended to help bring coherence to an unsettled area”<sup>55</sup>.

The Agreement provides that Member countries should adopt ‘legal means’ to prevent ‘the use of any means in the designation or presentation that indicates or suggests that the good in question originates in geographical area other than the true place of origin in a manner which misleads the public as to geographical origin of the good’<sup>56/57</sup>.

Although the TRIPS Agreement obligates WTO Members to protect rights in geographical indications, it leaves substantial discretion to each member to determine the manner in which such protection will be afforded<sup>58</sup>.

Since the Agreement does not lay down the method by which these indications should be protected, there are wide variations in the way laws deal with them. While some countries have specific geographical indication laws, others use trade mark law, consumer protection law, marketing law, common law or combination of these<sup>59</sup>.

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<sup>54</sup> World Intellectual Property Organization, Geneva, *WIPO Intellectual Property Handbook: Policy, Law and Use*, (Geneva: WIPO Publication No.489 (E), 2004, Second Edition), 120

<sup>55</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 257

<sup>56</sup> Article 22.2 (a), TRIPS Agreement

“In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

- a) The use of the means in the designation or presentation of a good that indicates or suggests that a good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).”

<sup>57</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 247

<sup>58</sup> UNCTAD-ICTSD, *TRIPS and Development: Resource Book*, (Geneva: Oxford University Press, October 2002), 258

<sup>59</sup> International Trade Centre, Commonwealth Secretariat, *Business Guide to the World Trading System*, (Geneva, Second Edition, 2003), 248

#### 4.4 WHAT IS WIPO'S ROLE IN THE PROTECTION OF GEOGRAPHICAL INDICATIONS?

WIPO administers a number of international agreements which deal partly or entirely with the protection of geographical indications (in particular, the Paris Convention for the Protection of Industrial Property, and the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration). Furthermore, the Member States of WIPO and other interested parties explore at WIPO meetings new ways of enhancing the international protection of geographical indications<sup>60/61</sup>.

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<sup>60</sup> World Intellectual Property Organization, Geneva, *What is Intellectual Property?*, (Geneva: WIPO Publication No. 450(E)), 17

<sup>61</sup> [http://www.dinarstandard.com/current/wipo\\_pub\\_450.pdf](http://www.dinarstandard.com/current/wipo_pub_450.pdf) last visited on August 7, 2009

## **CHAPTER 5**

### **OVERVIEW AND ANALYSIS OF GEOGRAPHICAL INDICATION LEGISLATION IN PAKISTAN**

#### **5.1 THE LAW OF GEOGRAPHICAL INDICATIONS IN PAKISTAN**

“There are diverse ways and levels at which geographical indications are protected under the laws of different countries, including through trademark law, in particular certification or collective marks, labeling or other regulations, or laws on unfair competition”<sup>1</sup>.

“Geographical Indications were first protected in France and they were later harmonized in the European Union (EU) and then included in the TRIPS Agreement, which was the basis for the enactment of the GI Act in India and GI protection in Pakistan”<sup>2</sup>.

In Pakistan, the term is enshrined in the **Trademarks Ordinance 2001** as **Collective Marks** in **Section 82<sup>3</sup>** and **Certification Marks** in **Section 83<sup>4</sup>** followed by **First Schedule<sup>5</sup>** and

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<sup>1</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 264

<sup>2</sup> Delphine Marie-Vivien, “From Plant Variety Definition to Geographical Indication Protection: A Search for the Link Between Basmati Rice and India/Pakistan”, *The Journal of World Intellectual Property* (2008) Vol. 11, No. 4, 321

<sup>3</sup> Section 2 (v), Trade Marks Ordinance 2001

**Second Schedule<sup>6</sup>**, respectively and **Trademarks Rules 2004** in **Rules 39 to 48<sup>7</sup>**, and managed by **Intellectual Property Organization**.

The term “Geographical Indications” has been defined in **Section 2, Trade Mark Ordinance 2001**, implemented through **Trade Mark Rules 2004**, as:

Geographical Indication is in relation of goods originating in a particular country or in a region or locality of that country means a mark recognized in that country as a mark indicating that the goods-

- (a) originated in that country, region or locality; and
- (b) have a quality, reputation or other characteristic attributable in the geographical region.

The definition is not like the one in TRIPS, which provides that the quality, characteristic or reputation shall be essentially attributable to its geographical origin. In Pakistan's law, there is no mention of the word “essentially”, meaning that the link with the place of origin might be quite weak. Furthermore, the Trade Mark Ordinance provides protection for collective and for certification trademark. A collective trademark shall be a trademark distinguishing the goods or services of members of the association that is the proprietor

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- (1) A collective mark shall be a mark distinguishing the goods or services of members of the association which is the proprietor of the mark from those of other undertakings.
- (2) The provision of this Ordinance shall apply to collective marks subject to the provisions of the First Schedule.

<sup>4</sup> Section 2 (iv), Trade Marks Ordinance 2001

Definitions

In this Ordinance, unless there is anything repugnant in the subject or context.

[.....]

(iv) "certification mark" means a certification mark as defined in sub-section (1) or section 83.

Section 83, Trade Marks Ordinance 2001

Certification Marks

- (1) A certification mark shall be a mark indicating that the goods or services in connection with which it is used are certified by the proprietor of the mark in respect of origin, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics
- (2) The provisions of this Ordinance shall apply to certification marks subject to the provisions of the Second Schedule.

<sup>5</sup> First Schedule, Trade Marks Ordinance 2001, See Appendix 4

<sup>6</sup> Second Schedule, Trade Marks Ordinance 2001, See Appendix 5

<sup>7</sup> Rules 39 to 48, Trade Marks Rules 2004, See Appendix 6

of the trademark from those of other undertakings. A certification trademark shall be a trademark indicating that the goods or services in connection with which it is used are certified by the proprietor of the trademark in respect of origin, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics<sup>8</sup>.

The debate on Geographical Indication protection started when the issue of Basmati Rice came into the scene. The debates regarding this issue are twofold:

Some advocates are of the view that there is a need to have a separate comprehensive legislation on the issue, as it is important not only with respect to meet the objectives and challenges of the globalization by the incorporation of the TRIPS Agreement, but also it is important for an agrarian country like Pakistan to protect its agro-food products in the conflicting environment created after the Basmati rice issue.

The opponents of the view hold that Pakistan is already an over-legislated country and since the issue was addressed in **Trademarks Ordinance**, in the form of protection provided for the Collective and Certification Marks, that should be amended according to the emerging needs and there is no need to have a separate law. These opponents have also tried to manipulate the issue under the shelter of Islamic Law as TRIPS provides extended protection to wines and spirits by virtue of **Article 23**. Pakistan is an Islamic State, as mentioned in **Article 1 of the Constitution of Pakistan 1973<sup>9</sup>**. Pursuant to **Article 227 of the**

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<sup>8</sup> Delphine Marie-Vivien, "From Plant Variety Definition to Geographical Indication Protection: A Search for the Link Between Basmati Rice and India/Pakistan", *The Journal of World Intellectual Property* (2008) Vol. 11, No. 4, 327

<sup>9</sup> Article 1, Constitution of Pakistan 1973

**Constitution of Pakistan 1973**<sup>10</sup>, no new law can be made in Pakistan, if it is contrary to the Islamic Injunctions. While arguing these points, they believe that recognizing the concept of Geographical Indications is contrary not only to Islamic Law but also to our Constitutional provisions. They are neglecting the extended protection provided to the agricultural products and SME's in **Article 24, TRIPS**.

“The law, which aims to protect the national heritage of different countries through the geographical identification of agricultural and food products, has been delayed for mysterious reasons and the government of Pakistan has repeatedly faced embarrassing situations on account of it”<sup>11</sup>.

The Ministry of Commerce has also failed to prepare a Geographical Indication Law within the time period of June 30, 2005, given by the European Union. The European Union had asked Pakistan to prepare the law as India already has the law of Geographical Indication in place and the issue then remained that once New Delhi gets the trademark under the Geographical Indications for Basmati in the EU and other international markets, the Pakistani Basmati will have a tough time in getting the buyers under the WTO rules<sup>12</sup>.

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<sup>10</sup> “Pakistan shall be a Federal Republic to be known as the Islamic Republic of Pakistan...”

<sup>10</sup> Article 227, Constitution of Pakistan 1973

(1) All existing laws shall be brought in conformity with the Injunctions of Islam as laid down in the Holy Quran and Sunnah in this Part referred to as the Injunctions of Islam and no law shall be enacted which is repugnant to such Injunctions.

Explanation --- In application of this clause to the personal law of any Muslim sect the expression “Quran and Sunnah” shall mean the Quran and Sunnah as interpreted by that sect.

<sup>11</sup> <http://www.newsline.com.pk/newsFeb2007/newsbeatfeb2007.htm> last visited on March 6, 2009

<sup>12</sup> [http://www.dailytimes.com.pk/default.asp?page=story\\_18-8-2005\\_pg5\\_3](http://www.dailytimes.com.pk/default.asp?page=story_18-8-2005_pg5_3) last visited on February 3, 2009

“The patent of Basmati Rice, which geographically is identifiable with India and Pakistan (territorially), is patented by RiceTec of Texas, the USA”<sup>13</sup>. “India and Pakistan, while focusing their attention on disputing the US patent claims, have also alleged that “Basmati” is a geographical indication”<sup>14</sup>.

Basmati has been defined for a long time as the name of plant varieties, including evolved varieties, as Basmati is the object of intensive plant breeding research to increase the low yield of traditional Basmati. On the other hand, Basmati is still struggling to be defined as a GI, because the concept of GI is a very recent development in India and in Pakistan. The question of identification of the link with the geographical environment is new. The definition of geographical area calls for a common protection in Pakistan and in India. However, a common strategy is difficult to build, as the Basmati case is also a symbol of the tragic partition between India and Pakistan<sup>15</sup>.

“Basmati” is not the name of the geographical area but the product’s reputation is inextricably linked to its region of origin, viz. the Indian Sub-Continent. However, this rice is now grown quite extensively in the Indian Sub-Continent outside the original Sub-Himalayan region. Certainly basmati rice grown in the Sub-Himalayan region has a better flavour than that grown elsewhere on the Sub-Continent. However, defining the limits of the geographical area in which rice of this variety can be called “Basmati” within the Sub-Continent is not easy, as no producer wants to give up his right to the name. Rice growers and traders in India are yet to resolve this issue, notwithstanding the recent Geographical Indications of Goods (Registration and Protection) Act, 1999<sup>16/17</sup> passed by India<sup>18</sup>.

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<sup>13</sup> M. B. Rao & Manjula Guru, *Understanding TRIPS --- Managing Knowledge in Developing Countries*, (New Delhi: A Division of Sage Publications India Pvt Ltd, 2003), 125

<sup>14</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 272

<sup>15</sup> Delphine Marie-Vivien, “From Plant Variety Definition to Geographical Indication Protection: A Search for the Link Between Basmati Rice and India/Pakistan”, *The Journal of World Intellectual Property* (2008) Vol. 11, No. 4, 322

<sup>16</sup> Ibid

In 1999, India enacted its legal framework for the protection of GIs, the Geographical Indications of Goods Act, together with the rules in 2002 (the Act came into force in 2003).

<sup>17</sup> <http://www.ipfrontline.com/depts/article.asp?id=1543&deptid=6> last visited on January 30, 2007

The new Act that has been passed will effectively protect various Industrial and Agricultural resources existing in India. Some of the examples involved are Basmati Rice, Alfano mangoes, Nagpur oranges, Kanchipuram Saris, Darjeeling tea, Pashmina shawls, Agra ka Petha, Bikaneri Bhujia, Malabar Peppers, Khadi and many more.

The Act is also significant because the TRIPS Agreement provides that if the Geographical Indication is not protected in its Country of Origin then it will not be protected in the International arena.

The statement and objects of reasons as appended to GI Act refer to TRIPS as a basis and defines the legislation as: “an Act to provide for the registration and the better protection of geographical indications relating to goods”. In providing a statutory mechanism for the registration of GIs for the first time in India, it was felt that the “exclusion of unauthorized persons from misusing geographical indications would serve to protect consumers from deception, add to the economic prosperity of the producer of such goods and also to promote goods bearing Indian GIs in the export market”<sup>19</sup>.

In Pakistan, an application for a GI on Basmati protected as a collective trademark under Section 82 of the Trade Marks Ordinance 2001 has been filed in December 2005, in the form of a regulation. The definition of GI in the regulation is exactly the definition of the GI according to the Indian Act and thus is not the definition of the Pakistani Trade Mark Act, meaning the influence of Indian context for the case of Basmati. Under such regulation, geographical area is defined as the Indo-Gangetic plains referring to several districts of Punjab: Gujranwala, Sialkot, Narowal, Gujarat, Mandi Baha ud Din, Hafizabad, Sheikhupura, Lahore, Faisalabad, Jhang, Toba Tek Singh, Kushab and Sargodha. The objectives of such protection are the economic prosperity of Basmati farmers by providing legal cover and protection and to facilitate action against infringement<sup>20</sup>.

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The Registration of the Geographical Indication confers the right of exclusive use coupled with the right to obtain relief in respect to infringement. Any association of persons, producers, organization or authority established by or under the law can apply for the registration of the geographical Indications and if their application is successful there name is entered in the Register as registered Proprietors. For example the Tea Board of India can apply for registration of Darjeeling Tea.

A producer of goods can apply for registration as an authorized user. The registration of an authorized user is valid for a period of 10 years and thereafter it can be renewed for a further period of another ten years. If there is a lapse in renewing the registration it will be removed from the Register.

The Registration of Geographical Indications is not compulsory but it affords better legal protection to facilitate an action for infringement.

The Act prohibits licensing, transmission assignment or pledge in respect of any Geographical Indication. An action for infringement as well as passing off can be brought under the act. Infringement includes unfair competition. A varied number of relief's such as Injunction, Discovery of documents delivery up are available.

<sup>18</sup> Jayashree Watal, *Intellectual Property Rights in the WTO and Developing Countries*, (New Delhi: Oxford University Press, Second Impression, 2005), 272

<sup>19</sup> Delphine Marie-Vivien, “From Plant Variety Definition to Geographical Indication Protection: A Search for the Link Between Basmati Rice and India/Pakistan”, *The Journal of World Intellectual Property* (2008) Vol. 11, No. 4, 325-326

<sup>20</sup> Ibid, 336

"The "Registration of Geographical Indications" project has identified certain products from Punjab for registration as a GI, namely; Basmati Rice<sup>21/22</sup>, Punjab Heritage products including Phulkari<sup>23</sup>, Chiniot wood work, Gujrat Pashmina, Sharakpur Guava,

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<sup>21</sup> <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/Business/28-May-2008/Phulkari-a-geographical-indication-of-Punjab> last visited on November 13, 2008

Trade Registrar of the federal Government has approved the basmati rice product as the first geographical indication.

<sup>22</sup> <http://www.newsline.com.pk/newsFeb2007/newsbeatfeb2007.htm> last visited on March 6, 2009

Pakistan registered 'Super Basmati' in 1995 in the Official Gazette under its Seeds Act 1976 – incidentally, this does not conform to the international registration benchmarks – but it has been producing and exporting rice since way back in 1985.

Officials here believe that the Indian version of the commodity has no legal space in the international market as Pakistan had already registered it as a national trademark. In fact, 'Super Basmati' was globally recognized as being of Pakistani origin. The country exports over 800,000 tonnes of the commodity every year.

Taking advantage of the absence of a Pakistan GIL, India unfairly registered it nationally as per the TRIPS standards, and followed it up by exporting it as yet another made-in-India product.

Dubai-based importers used to buy the Pakistani rice in bulk, which would then either be repackaged there as Indian basmati or shipped to India for packaging, with its trademark clearly stamped on the bags.

Understandably, the government was concerned that the Indian move would reduce the export market share held by Pakistani rice exporters, particularly in the Middle East and Britain. After the Pakistan government woke up to the controversy, the European Union (EU) came up with a categorical and clear stance that Super Basmati would be a product of the Punjab, regardless of whether it came from India or Pakistan. The EU policy led the two nations to jointly ponder over the issue.

Incidentally, both India and Pakistan had already taken the Super Basmati issue to the WTO dispute settlement forum to frustrate an American move to claim patent rights for a similar rice species. The WTO body had ruled in favour of India and Pakistan, paving the way for an amicable bilateral resolution of the conflict over the issue.

Under the composite trade talks, both Islamabad and New Delhi have agreed to constitute a working group at the beginning of February 2006 to consider joint or separate registration of Super Basmati in the EU market in keeping with their ruling. But no progress has been made on the issue, so far.

And neither have the concerned ministries who decided to fight the Indian claim at the international level moved on the long-pending GIL law. It has got bogged down due to "vested interests," who stand to gain financially. Though the commerce ministry has been holding meetings to resolve differences between growers, producers and other stakeholders, the results are yet to be seen in the form of a consensus law.

Twice the draft law was sent to the stakeholders to include the maximum number of GIL products. The initial list comprised 24 items, but the fresh one, awaiting legislation, also includes Basmati rice, mango varieties from Sindh, ginger from Kamalia and, of course, the pashmina shawl from Kashmir.

Legal sources maintain that the GIL will have to be enacted at the earliest, as the Trademark Ordinance is not sufficient to win intellectual property rights over products under the WTO regulations. Consequently, Pakistan's efforts to block India's move to seek a patent on the pashmina may come to naught.

India and Pakistan may succeed in resolving the Super Basmati issue by seeking joint registration for it. However, adopting the same modus operandi for a heritage product originating from a disputed territory sounds like a remote possibility

<sup>23</sup> <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/Business/28-May-2008/Phulkari-a-geographical-indication-of-Punjab> last visited on November 13, 2008

Multan Mango, Sargodha Kinnows and other Livestock Breeds”<sup>24</sup>, which is a good sign and an initiative for the alternate mode of the protection in the absence of the law.

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Phulkari has its history in the Indus civilization and so many styles of Phulkari have been developed, but styles of Punjabi Phulkari are more significant and because of this signification, Phulkari has become a distinctive, signifier in our literature, folklore, and folksongs. Phulkari historical embroidery, which finds mention in the Vedas, Mahabharata, Guru Granth Sahib, Heer Waris Shah and folklores of Punjab, is important and valuable for the stakeholders who have kept the tradition alive for centuries.

<sup>24</sup> <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/Business/28-May-2008/Phulkari-a-geographical-indication-of-Punjab> last visited on November 13, 2008

## **CHAPTER 6**

### **CONCLUSION AND RECOMMENDATIONS**

#### **6.1 CONCLUSION**

Geographical Indications is an important subject-matter of Intellectual Property Rights. The concept, like other Intellectual Property Rights, has both legal and economic aspects. It is difficult to detach the economic aspects from the legal aspects, as being the impact of strong protection measures lead to enhanced return on investment, ultimately posing a positive impact on overall economy of the country.

The agenda of Intellectual Property was a creation of developed states as they wanted the protection of their creations of their mind while the developing countries always opposed the same. The issue of the protection of Geographical Indications came in view in 1970's, behind which the main promoters were European Union, the major concern being extended protection to be provided to the wines and spirits, the influence of which is so evident that a separate article is being incorporated in TRIPS in the form of Article 23. Later on, the issue got an extension when certain stakeholders including US proposed for the protection of agricultural products and the adventures taken by SMEs. The issue got more complexed

when US patented its rice products (being an agricultural product) and this is the reason that the issue is in debate since then and could not be settled so far.

Geographical Indications can be protected by different means as different strategies have been adopted by different countries, for example the protection can be provided under trademark law, in particular certification or collective marks, labeling or other regulations, or laws on unfair competition. In Pakistan, the protection has already been provided in the form of Collective Marks and Certification Marks in Trade Marks Ordinance 2001.

As quoted earlier, Collective Marks are the signs reflecting certain characteristics, which make the products identifiable and differentiable. On the other hand, Certification Marks, as the name suggests, are marks which helps in the certification of the standards. These two concepts are not compatible to be used instead of Geographical Indications, as the latter indicates the geographical area of the product, which reflect the qualities of that specific region, associated with the product.

Chapter 1 of this dissertation introduces the intellectual property regime and highlights the major subject-matter of intellectual properties. Among international Conventions, TRIPS is the exclusive Convention which provides for the means and minimum standards for the protection of intellectual property rights. This Chapter also provides for the legal authenticity of intellectual property rights under Pakistani legislation and its recognition in Pakistan's Constitution.

Chapter 2 is about the Islamic concept of intellectual property, whether Islamic Law recognizes the concept or not and what is the legal authenticity of the concept under Islamic Law. Islamic Law does not specifically address intellectual property. The keen observation and the interpretation of the term property shows that the concept of property is an inbuilt one and the protection and sanctity provided for the intellectual property is also the same.

Chapter 3 defines the main subject-matter of this dissertation. Geographical Indications refer to the protection of the specific products which originate and are produced from a specific geographical region and having attributes of the same, which makes it identifiable and differentiates it from other similar products produced by other producers in other regions. Traditionally, the concept was taken as similar as Indications of Source and Appellations of Origin, this is the reason that the concept of Geographical Indications came in view in 1970's era, when stakeholders started realizing that other persons producing the similar products are generating their revenues by exploiting their products by using the geographical indication of their agricultural products, which are the clear-cut indication of the attribute of the geographical region from which it originates. Thereby the concept of Geographical Indications was emerged, which is an extended concept comparatively, and got its authenticity when it was incorporated in TRIPS Agreement.

Chapter 4 refers to the scope of protection of Geographical Indications. It enumerates the protection measures provided for Geographical Indications at international level, whereby

multilateral and bilateral agreements are available. The protection measures provided for Geographical Indications, as being adopted in different national legislations of the States, is highlighted in this chapter as well.

Chapter 5 is an important chapter of the dissertation which enumerates the situation analysis in Pakistan regarding Geographical Indications legislation. In Pakistan, the concepts of Collective marks and Certification marks are incorporated in Trade Marks Law. As quoted earlier in Chapter 3 (3.9), there is a clear cut differentiation of Trade Marks and Geographical Indications. As quoted earlier in Chapter 4, the protection provided for Certification Marks and Collective Marks was not adequate, this is the reason that the stakeholders, after thought-provoking sessions, proposed the issue of Geographical Indications. In Pakistan, the Law Ministry has not taken this issue seriously so far. The interests of the agriculturists could not be debated on the floor of the parliament as there is political and economic instability and financial crunch in the country. The Ministry of Commerce has put some efforts so as to make highlight the issue in the parliament but has still failed to achieve in its objectives so far.

## **6.2 RECOMMENDATIONS**

Pakistan, no doubt, is an over-legislated country in the respect that there are many laws regulating a few issues only while other issues are not taken in debate so far. The other problem is of the implementation. Law-making is not enough, the proper, effective and

adequate implementation measures are also needed to be looked into in order to make the legal system efficient.

Pakistan is an agrarian country, thus in need of strong laws dealing with the protection of agricultural products. Like land laws, which protect the interests of the tenants and the landlords, Geographical Indications protect the rights pertaining to the agricultural produce. The provisions of Collective Marks and Certification Marks, as mentioned in Trade Marks Ordinance 2001, deal with similar aspects yet do not cover the main purpose of the issue. There is a need to have a law dealing with the qualitative attributes of the products of the specific geographical region exclusively. This legislation would not only protect the interests of the producers but also the interests of the investors, who would benefit from ensured protection measures and ultimately would be in a state of generating more revenues. This overall protection and development on the part of the small producers would help in generating more GDP (Gross Domestic Product) of the country. The legal protection can lead to economic stability of the country.

A list may also be provided for the products, which shows the extensive categories of the agricultural products e.g. vegetables, fruits, crops, and the like. Yet, trying to provide the comprehensive list would not be a good idea as it would become outdated once a new agricultural product, by applying advanced technology, is introduced in any region. If the legislators feel they may add the list but a space should be left for the newly produced goods or the new ways of servicing, if in case services are also introduced in the law.

The ways of registration should be made easy and quick as this subject-matter is dealing with the interests of farmers and small investors, who are not educated and try to avoid complex legal procedures. Similarly, the teams should be made so as to check that the real producers are getting adequate revenues of their produced goods, as the middlemen and the landlords generally enjoy such advantages.

The government may also announce incentives and rebates to those producers which would be producing such legally protected products, as such products generate more revenues in terms of both internal and international trade. Such initiative on the part of the government would activate the farmers and in order to secure their interests they would be contributing more towards the economic rebuilding of the country like ours.

The registration fee for such products should be made free. Certain agricultural products, which have high sale price in the market, can have a nominal fee.

The interests of all stakeholders should be taken in view while granting registration to such products. A reasonable timeframe should be given for the objections to be raised by the interested stakeholders.

The duration, renewal and revocation of the Geographical Indication should also be provided clearly. The procedure for the renewal or the revocation, even within the protected time

period due to subsequently identification of illegal means to acquire protection should be mentioned specifically.

The penalty for the non-payment of required fees, fraud, deception, misrepresentation, or any other illegal means adopted in order to acquire the Geographical Indication should also be mentioned specifically.

The provisions for extended protection can also be incorporated in the legislation for certain products, which hold better position in international markets and ultimately generate better revenues.

The provisions of National Treatment and Reciprocity should also be incorporated in the legislation.

## APPENDIX 1

<b>Intellectual Property Rights: instruments, subject matter, fields of application and related WIPO and other international agreements<sup>1</sup></b>				
<b>Types of Intellectual Property Rights</b>		<b>Subject matter</b>	<b>Main fields of application</b>	<b>Major international agreements</b>
<b>Types of instrument</b>				
Industrial Property	Patents	New, non- obvious, industrially applicable invention	Manufacturing	Paris Convention; Patent Cooperation Treaty; Budapest Treaty
	Utility Models	Functional Designs	Manufacturing	Paris Convention

<sup>1</sup> Business Guide to the World Trading System, Second Edition, 2003, p 240

	Industrial Designs	Ornamental Designs	Clothing, motor cars, electronics, etc.	Hague Agreement; Paris Convention; Locarno Agreement
	Trademarks	Signs or symbols to distinguish the goods and services of one enterprise from those of others	All industries	Paris Convention; Madrid Agreement (international registration); Nice Agreement; Madrid Protocol; Trademark Law Treaty
	Geographical Indications	Identification of the place of origin of goods	Agricultural and food industries,	Lisbon Agreement; Madrid

		indicative of the quality or other characteristics associated with the area	notably the sectors for wine and spirits	Agreement (false indications)
Literary and Artistic Property	Copyrights and neighbouring rights	Original works of authorship and related contributions from performers, producers of sound recordings, and broadcasting organizations	Printing, entertainment (audio, video, motion pictures), software, broadcasting	Berne Convention; Rome Convention; Geneva Convention; Brussels Convention; Universal Copyright Convention
Sui Generis Protection	Breeder's rights	New, stable, homogenous, distinctive varieties	Agriculture and food variety	Union for the Protection of New Varieties of

				Plants (UPOV)
Integrated Circuits	Original Layout designs	Micro-electronics industry	Washington Treaty (not yet in force)	
Trade Secrets	Secret business information	All industries		

**APPENDIX 2**

**COUNCIL REGULATION (EC) No 510/2006**

**OF 20 MARCH 2006**

**ON THE PROTECTION OF GEOGRAPHICAL INDICATIONS  
AND DESIGNATIONS OF ORIGIN FOR AGRICULTURAL  
PRODUCTS AND FOODSTUFFS**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,  
and in particular Article 37 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas:

(1) The production, manufacture and distribution of agricultural products and foodstuffs play an important role in the Community economy.

(2) The diversification of agricultural production should be encouraged so as to achieve a better balance between supply and demand on the markets. The promotion of products having certain characteristics can be of considerable benefit to the rural economy, particularly in less favoured or remote areas, by improving the incomes of farmers and by retaining the rural population in these areas.

(3) A constantly increasing number of consumers attach greater importance to the quality of foodstuffs in their diet rather than to quantity. This quest for specific products generates a demand for agricultural products or foodstuffs with an identifiable geographical origin.

(4) In view of the wide variety of products marketed and the abundance of product information provided, the consumer should, in order to be able to make the best choices, be given clear and succinct information regarding the product origin.

(5) The labelling of agricultural products and foodstuffs is subject to the general rules laid down in Directive 2000/13/EC of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to the labelling, presentation

and advertising of foodstuffs. In view of their specific nature, additional special provisions should be adopted for agricultural products and foodstuffs from a defined geographical area requiring producers to use the appropriate Community symbols or indications on packaging. The use of such symbols or indications should be made obligatory in the case of Community designations, on the one hand, to make this category of products and the guarantees attached to them better known to consumers and, on the other, to permit easier identification of these products on the market so as to facilitate checks. A reasonable length of time should be allowed for operators to adjust to this obligation.

(6) Provision should be made for a Community approach to designations of origin and geographical indications. A framework of Community rules on a system of protection permits the development of geographical indications and designations of origin since, by providing a more uniform approach, such a framework ensures fair competition between the producers of products bearing such indications and enhances the credibility of the products in the consumer's eyes.

(7) The rules provided for should apply without interfering with existing Community legislation on wines and spirit drinks.

(8) The scope of this Regulation should be limited to certain agricultural products and foodstuffs for which a link exists between product or foodstuff characteristics and geographical origin. However, its scope could be enlarged to encompass other agricultural products or foodstuffs.

(9) In the light of existing practices, two different types of geographical description should be defined, namely protected geographical indications and protected designations of origin.

(10) An agricultural product or foodstuff bearing such a description should meet certain conditions set out in a specification.

(11) To qualify for protection in the Member States, geographical indications and designations of origin should be registered at Community level. Entry in a register should also provide information to those involved in the trade and to consumers. To ensure that Community-registered names meet the conditions laid down by this Regulation, applications should be examined by the national

authorities of the Member State concerned, subject to compliance with minimum common provisions, including a national objection procedure. The Commission should subsequently be involved in a scrutiny procedure to ensure that applications satisfy the conditions laid down by this Regulation and that the approach is uniform across the Member States.

(12) The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement 1994, contained in Annex 1C to the Agreement establishing the World Trade Organisation) contains detailed provisions on the availability, acquisition, scope, maintenance and enforcement of intellectual property rights.

(13) The protection afforded by this Regulation, subject to registration, should be open to the geographical indications of third countries where these are protected in their country of origin.

(14) The registration procedure should enable any natural or legal person having a legitimate interest in a Member State or a third country to exercise their rights by notifying their objections.

(15) There should be procedures to permit amendment of specifications on request of groups having a legitimate interest, after registration, in the light of technological progress and cancellation of the geographical indication or designation of origin for an agricultural product or foodstuff, in particular if that product or foodstuff ceases to conform to the specification on the basis of which the geographical indication or designation of origin was granted.

(16) The designations of origin and geographical indications protected on Community territory should be subject to a monitoring system of official controls, based on a system of checks in line with Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules, including a system of checks to ensure compliance with the specification of the agricultural products and foodstuffs concerned.

(17) Member States should be authorised to charge a fee to cover the costs incurred.

(18) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC

of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.

(19) The names already registered under Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs on the date of entry into force of this Regulation should continue to be protected under this Regulation and automatically included in the register. Provision should also be made for transitional measures applicable to registration applications received by the Commission before the entry into force of this Regulation.

(20) In the interests of clarity and transparency, Regulation (EEC) No 2081/92 should be repealed and replaced by this Regulation,

HAS ADOPTED THIS REGULATION:

## **Article 1**

### **Scope**

1. This Regulation lays down the rules on the protection of designations of origin and geographical indications for agricultural products intended for human consumption listed in Annex I to the

Treaty and for foodstuffs listed in Annex I to this Regulation and for agricultural products listed in Annex II to this Regulation.

It shall not, however, apply to wine-sector products, except wine vinegars, or to spirit drinks. This paragraph shall be without prejudice to the application of Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organization of the market in wine.

Annexes I and II to this Regulation may be amended in accordance with the procedure referred to in Article 15(2).

2. This Regulation shall apply without prejudice to other specific Community provisions.

3. Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations and of rules on Information Society Services shall not apply to the designations of origin and geographical indications covered by this Regulation.

## **Article 2**

### **Designation of origin and geographical indication**

1. For the purpose of this Regulation:

(a) ‘**designation of origin**’ means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country,
- the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and
- the production, processing and preparation of which take place in the defined geographical area;

(b) ‘**geographical indication**’ means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country, and
- which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and
- the production and/or processing and/or preparation of which take place in the defined geographical area.

2. Traditional geographical or non-geographical names designating an agricultural product or a foodstuff which fulfil the conditions referred to in paragraph 1 shall also be considered as designations of origin or geographical indications.

3. Notwithstanding paragraph 1(a), certain geographical designations shall be treated as designations of origin where the raw materials for the products concerned come from a geographical area larger than, or different from, the processing area, provided that:

- (a) the production area of the raw materials is defined;
- (b) special conditions for the production of the raw materials exist; and
- (c) there are inspection arrangements to ensure that the conditions referred to in point (b) are adhered to.

The designations in question must have been recognized as designations of origin in the country of origin before 1 May 2004.

### **Article 3**

**Generic nature, conflicts with names of plant varieties, animal breeds, homonyms and trademarks**

1. Names that have become generic may not be registered.

For the purposes of this Regulation, a 'name that has become generic' means the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff in the Community.

To establish whether or not a name has become generic, account shall be taken of all factors, in particular:

- (a) the existing situation in the Member States and in areas of consumption;
- (b) the relevant national or Community laws.

2. A name may not be registered as a designation of origin or a geographical indication where it conflicts with the name of a plant variety or an animal breed and as a result is likely to mislead the consumer as to the true origin of the product.

3. A name wholly or partially homonymous with that of a name already registered under this Regulation shall be registered with due regard for local and traditional usage and the actual risk of confusion.

In particular:

(a) a homonymous name which misleads the consumer into believing that products come from another territory shall not be registered even if the name is accurate as far as the actual territory, region or place of origin of the agricultural products or foodstuffs in question is concerned;

(b) the use of a registered homonymous name shall be subject to there being a sufficient distinction in practice between the homonym registered subsequently and the name already on the register, having regard to the need to treat the producers concerned in an equitable manner and not to mislead the consumer.

4. A designation of origin or geographical indication shall not be registered where, in the light of a trademark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.

## **Article 4**

### **Product specification**

1. To be eligible for a protected designation of origin (PDO) or a protected geographical indication (PGI), an agricultural product or foodstuff shall comply with a product specification.
2. The product specification shall include at least:
  - (a) the name of the agricultural product or foodstuff comprising the designation of origin or the geographical indication;
  - (b) a description of the agricultural product or foodstuff, including the raw materials, if appropriate, and principal physical, chemical, microbiological or organoleptic characteristics of the product or the foodstuff;
  - (c) the definition of the geographical area and, where appropriate, details indicating compliance with the requirements of Article 2(3);
  - (d) evidence that the agricultural product or the foodstuff originates in the defined geographical area referred to in Article 2(1)(a) or (b), as the case may be;
  - (e) a description of the method of obtaining the agricultural product or foodstuff and, if appropriate, the authentic and unvarying local methods as well as information concerning packaging, if the applicant group within the meaning of Article 5(1) so determines and gives

reasons why the packaging must take place in the defined geographical area to safeguard quality or ensure the origin or ensure control;

(f) details bearing out the following:

(i) the link between the quality or characteristics of the agricultural product or foodstuff and the geographical environment referred to in Article 2(1)(a) or, as the case may be,

(ii) the link between a specific quality, the reputation or other characteristic of the agricultural product or foodstuff and the geographical origin referred to in Article 2(1)(b);

(g) the name and address of the authorities or bodies verifying compliance with the provisions of the specification and their specific tasks;

(h) any specific labelling rule for the agricultural product or foodstuff in question;

(i) any requirements laid down by Community or national provisions.

## **Article 5**

### **Application for registration**

1. Only a group shall be entitled to apply for registration.

For the purposes of this Regulation, 'group' means any association, irrespective of its legal form or composition, of producers or

processors working with the same agricultural product or foodstuff.

Other interested parties may participate in the group. A natural or legal person may be treated as a group in accordance with the detailed rules referred to in Article 16(c).

In the case of a name designating a trans-border geographical area or a traditional name connected to a trans-border geographical area, several groups may lodge a joint application in accordance with the detailed rules referred to in Article 16(d).

2. A group may lodge a registration application only for the agricultural products or foodstuffs which it produces or obtains.

3. The application for registration shall include at least:

- (a) the name and address of the applicant group;
- (b) the specification provided for in Article 4;
- (c) a single document setting out the following:
  - (i) the main points of the specification: the name, a description of the product, including, where appropriate, specific rules concerning packaging and labelling, and a concise definition of the geographical area,

(ii) a description of the link between the product and the geographical environment or geographical origin referred to in Article 2(1)(a) or (b), as the case may be, including, where appropriate, the specific elements of the product description or production method justifying the link.

4. Where the registration application relates to a geographical area in a given Member State, the application shall be addressed to that Member State.

The Member State shall scrutinise the application by appropriate means to check that it is justified and meets the conditions of this Regulation.

5. As part of the scrutiny referred to in the second subparagraph of paragraph 4, the Member State shall initiate a national objection procedure ensuring adequate publication of the application and providing for a reasonable period within which any natural or legal person having a legitimate interest and established or resident on its territory may lodge an objection to the application.

The Member State shall consider the admissibility of objections received in the light of the criteria referred to in the first subparagraph of Article 7(3).

If the Member State considers that the requirements of this Regulation are met, it shall take a favourable decision and forward to the Commission the documents referred to in paragraph 7 for a final decision. If not, the Member State shall decide to reject the application.

The Member State shall ensure that its favourable decision is made public and that any natural or legal person having a legitimate interest has means of appeal.

The Member State shall ensure that the version of the specification on which its favourable decision is based is published, and assure electronic access to the specification.

6. The Member State may, on a transitional basis only, grant protection under this Regulation at national level to the name, and, where appropriate, an adjustment period, with effect from the date on which the application is lodged with the Commission.

The adjustment period provided for in the first subparagraph may be granted only on condition that the undertakings concerned have legally

marketed the products in question, using the names concerned continuously for at least the past five years and have made that point in the national objection procedure referred to in the first subparagraph of paragraph 5.

Such transitional national protection shall cease on the date on which a decision on registration under this Regulation is taken.

The consequences of such transitional national protection, where a name is not registered under this Regulation, shall be the sole responsibility of the Member State concerned.

The measures taken by Member States under the first subparagraph shall produce effects at national level only, and they shall have no effect on intra-Community or international trade.

7. In respect of any favourable decision as referred to in the third subparagraph of paragraph 5, the Member State concerned shall forward to the Commission:

- (a) the name and address of the applicant group;
- (b) the single document referred to in paragraph 3(c);

(c) a declaration by the Member State that it considers that the application lodged by the group and qualifying for the favourable decision meets the conditions of this Regulation and the provisions adopted for its implementation;

(d) the publication reference of the specification referred to in the fifth subparagraph of paragraph 5.

8. Member States shall introduce the laws, regulations or administrative provisions necessary to comply with paragraphs 4 to 7 not later than 31 March 2007.

9. Where the registration application concerns a geographical area situated in a third country, it shall comprise the elements provided for in paragraph 3 and also proof that the name in question is protected in its country of origin.

The application shall be sent to the Commission, either directly or via the authorities of the third country concerned.

10. The documents referred to in this Article sent to the Commission shall be in one of the official languages of the institutions of the

European Union or accompanied by a certified translation in one of those languages.

## **Article 6**

### **Scrutiny by the Commission**

1. The Commission shall scrutinise by appropriate means the application received pursuant to Article 5 to check that it is justified and meets the conditions laid down in this Regulation.

This scrutiny should not exceed a period of 12 months.

The Commission shall, each month, make public the list of names for which registration applications have been submitted to it, as well as their date of submission to the Commission.

2. Where, based on the scrutiny carried out pursuant to the first subparagraph of paragraph 1, the Commission considers that the conditions laid down in this Regulation are met, it shall publish in the *Official Journal of the European Union* the single document and the reference to the publication of the specification referred to in the fifth subparagraph of Article 5(5).

Where this is not the case, the Commission shall decide, to reject the application, following the procedure referred to in Article 15(2).

## **Article 7**

### **Objection/decision on registration**

1. Within six months from the date of publication in the *Official Journal of the European Union* provided for in the first subparagraph of Article 6(2), any Member State or third country may object to the registration proposed, by lodging a duly substantiated statement with the Commission.
  
2. Any natural or legal person having a legitimate interest, established or resident in a Member State other than that applying for the registration or in a third country, may also object to the proposed registration by lodging a duly substantiated statement.

In the case of natural or legal persons established or resident in a Member State, such statement shall be lodged with that Member State within a time-limit permitting an objection in accordance with paragraph 1.

In the case of natural or legal persons established or resident in a third country, such statement shall be lodged with the Commission, either directly or via the authorities of the third country concerned, within the time limit-set in paragraph 1.

3. Statements of objection shall be admissible only if they are received by the Commission within the time-limit set in paragraph 1 and if they:

- (a) show non-compliance with the conditions referred to in Article 2; or
- (b) show that the registration of the name proposed would be contrary to paragraphs 2, 3 and 4 of Article 3; or
- (c) show that the registration of the name proposed would jeopardise the existence of an entirely or partly identical name or of a trademark or the existence of products which have been legally on the market for at least five years preceding the date of the publication provided for in Article 6(2); or
- (d) give details from which it can be concluded that the name for which registration is requested is generic within the meaning of Article 3(1).

The Commission shall check the admissibility of objections. The criteria referred to in points (b), (c) and (d) of the first subparagraph shall be evaluated in relation to the territory of the Community, which in the case of intellectual property rights refers only to the territory or territories where the said rights are protected.

4. If the Commission receives no admissible objection under paragraph 3, it shall register the name.

The registration shall be published in the *Official Journal of the European Union*.

5. If an objection is admissible under paragraph 3, the Commission shall invite the interested parties to engage in appropriate consultations.

If the interested parties reach an agreement within six months, they shall notify the Commission of all the factors which enabled that agreement to be reached, including the applicant's and the objector's opinions. If the details published in accordance with Article 6(2) have not been amended or have been amended in only a minor way, to be defined in accordance with Article 16(h), the Commission shall

proceed in accordance with paragraph 4 of this Article. The Commission shall otherwise repeat the scrutiny referred to in Article 6(1).

If no agreement is reached, the Commission shall take a decision in accordance with the procedure referred to in Article 15(2), having regard to fair and traditional usage and the actual likelihood of confusion.

The decision shall be published in the *Official Journal of the European Union*.

6. The Commission shall maintain updated a register of protected designations of origin and protected geographical indications.
  
7. The documents referred to in this Article sent to the Commission shall be drafted in an official language of the institutions of the European Union or accompanied by a certified translation into one of those languages.

## **Article 8**

### **Names, indications and symbols**

1. A name registered under this Regulation may be used by any operator marketing agricultural product or foodstuffs conforming to the corresponding specification.
  
2. In the case of the agricultural products and foodstuffs originating in the Community marketed under a name registered in accordance with this Regulation, the indications 'protected designation of origin' and 'protected geographical indication' or the Community symbols associated with them shall appear on the labelling.
  
3. In the case of agricultural products and foodstuffs originating in third countries marketed under a name registered in accordance with this Regulation the indications referred to in paragraph 2 and the Community symbols associated with them may equally appear on the labelling.

## **Article 9**

### **Approval of changes to specifications**

1. A group satisfying the conditions of Article 5(1) and (2) and having a legitimate interest may apply for approval of an amendment to a specification, in particular to take account of developments in scientific and technical knowledge or to redefine the geographical area referred to in Article 4(2)(c).

Applications shall describe and give reasons for the amendments requested.

2. Where the amendment involves one or more amendments to the single document, the amendment application shall be covered by the procedure laid down in Articles 5, 6 and 7.

However, if the proposed amendments are only minor, the Commission shall decide whether to approve the application without following the procedure laid down in Article 6(2) and Article 7 and in the case of approval shall proceed to publication of the elements referred to in Article 6(2).

3. Where the amendment does not involve any change to the single document, the following rules shall apply:

- (i) where the geographical area is in a given Member State, that Member State shall express its position on the approval of the amendment and, if it is in favour, shall publish the amended specification and inform the Commission of the amendments approved and the reasons for them;
- (ii) where the geographical area is in a third country, the Commission shall determine whether to approve the proposed amendment.

4. Where the amendment concerns a temporary change in the specification resulting from the imposition of obligatory sanitary or phytosanitary measures by the public authorities, the procedures set out in paragraph 3 shall apply.

## **Article 10**

### **Official controls**

1. Member States shall designate the competent authority or authorities responsible for controls in respect of the obligations established by this Regulation in conformity with Regulation (EC) No 882/2004.

2. Member States shall ensure that any operator complying with this Regulation is entitled to be covered by a system of official controls.

3. The Commission shall make public the name and address of the authorities and bodies referred to in paragraph 1 or in Article 11 and update it periodically.

## **Article 11**

### **Verification of compliance with specifications**

1. In respect of geographical indications and designations of origin relating to a geographical area within the Community, verification of compliance with the specifications, before placing the product on the market, shall be ensured by:

— one or more competent authorities referred to in Article 10 and/or  
— one or more control bodies within the meaning of Article 2 of Regulation (EC) No 882/2004 operating as a product certification body.

The costs of such verification of compliance with the specifications shall be borne by the operators subject to those controls.

2. In respect of the geographical indications and designations of origin relating to a geographical area in a third country, verification of compliance with the specifications, before placing the product on the market, shall be ensured by:

- one or more public authorities designated by the third country and/or
- one or more product certification bodies.

3. The product certification bodies referred to in paragraphs 1 and 2 shall comply with and, from 1 May 2010 be accredited in accordance with European standard EN 45011 or ISO/IEC Guide 65 (General requirements for bodies operating product certification systems).

4. Where, the authorities referred to in paragraphs 1 and 2, have chosen to verify compliance with the specifications, they shall offer adequate guarantees of objectivity and impartiality, and have at their disposal the qualified staff and resources necessary to carry out their functions.

## **Article 12**

### **Cancellation**

1. Where the Commission, in accordance with the detailed rules referred to in Article 16(k), takes the view that compliance with the conditions of the specification for an agricultural product or foodstuff covered by a protected name is no longer ensured, it shall initiate the procedure referred to in Article 15(2) for the cancellation of the registration, which shall be published in the *Official Journal of the European Union*.
  
2. Any natural or legal person having a legitimate interest, may request cancellation of the registration, giving reasons for the request.

The procedure provided for in Articles 5, 6 and 7 shall apply *mutatis mutandis*.

## **Article 13**

### **Protection**

1. Registered names shall be protected against:
  - (a) any direct or indirect commercial use of a registered name in respect of products not covered by the registration in so far as those

products are comparable to the products registered under that name or in so far as using the name exploits the reputation of the protected name;

(b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation' or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the consumer as to the true origin of the product.

Where a registered name contains within it the name of an agricultural product or foodstuff which is considered generic, the use of that generic name on the appropriate agricultural product or foodstuff shall not be considered to be contrary to points (a) or (b) in the first subparagraph.

## 2. Protected names may not become generic.

3. In the case of names for which registration is applied for under Article 5, provision may be made for a transitional period of up to five years under Article 7(5), solely where a statement of objection has been declared admissible on the grounds that registration of the proposed name would jeopardise the existence of an entirely or partly identical name or the existence of products which have been legally on the market for at least five years preceding the date of the publication provided for in Article 6(2).

A transitional period may also be set for undertakings established in the Member State or third country in which the geographical area is located, provided that the undertakings concerned have legally marketed the products in question, using the names concerned continuously for at least five years preceding the date of the publication referred to in Article 6(2) and have noted that point in the national objection procedure referred to in the first and second subparagraphs of Article 5(5) or the Community objection procedure referred to in Article 7(2). The combined total of the transitional period referred to in this subparagraph and the adjustment period referred to in Article 5(6) may not exceed five years. Where the

adjustment period referred to in Article 5(6) exceeds five years, no transitional period shall be granted.

4. Without prejudice to Article 14, the Commission may decide to allow, under the procedure provided for in Article 15(2), the coexistence of a registered name and an unregistered name designating a place in a Member State or in a third country where that name is identical to the registered name, provided that all the following conditions are met:

- (a) the identical unregistered name has been in legal use consistently and equitably for at least 25 years before 24 July 1993;
- (b) it is shown that the purpose of its use has not at any time been to profit from the reputation of the registered name and that the consumer has not been nor could be misled as to the true origin of the product;
- (c) the problem resulting from the identical names was raised before registration of the name.

The registered name and the identical unregistered name concerned may co-exist for a period not exceeding a maximum of 15 years, after which the unregistered name shall cease to be used.

Use of the unregistered geographical name concerned shall be authorised only where the country of origin is clearly and visibly indicated on the label.

#### **Article 14**

##### **Relations between trademarks, designations of origin and geographical indications**

1. Where a designation of origin or a geographical indication is registered under this Regulation, the application for registration of a trademark corresponding to one of the situations referred to in Article 13 and relating to the same class of product shall be refused if the application for registration of the trademark is submitted after the date of submission of the registration application to the Commission.

Trademarks registered in breach of the first subparagraph shall be invalidated.

2. With due regard to Community law, a trademark the use of which corresponds to one of the situations referred to in Article 13 which has been applied for, registered, or established by use, if that possibility is provided for by the legislation concerned, in good faith within the territory of the Community, before either the date of protection of the

designation of origin or geographical indication in the country of origin or before 1 January 1996, may continue to be used notwithstanding the registration of a designation of origin or geographical indication, provided that no grounds for its invalidity or revocation exist as specified by First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks or Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark.

## **Article 15**

### **Committee procedure**

1. The Commission shall be assisted by the Standing Committee on Protected Geographical Indications and Protected Designations of Origin.
  
2. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. The Committee shall adopt its own Rules of Procedure.

## **Article 16**

### **Implementing rules**

In accordance with the procedure referred to in Article 15(2), detailed rules shall be adopted for the implementation of this Regulation. They shall cover in particular:

- (a) a list of the raw materials referred to in Article 2(3);
- (b) the information that must be included in the product specification referred to in Article 4(2);
- (c) the conditions under which a natural or legal person may be treated as a group;
- (d) the submission of a registration application for a name designating a trans-border geographical area as referred to in the third subparagraph of Article 5(1);
- (e) the content and method of transmission to the Commission of the documents referred to in Articles 5(7) and (9);
- (f) objections referred to in Article 7, including rules on appropriate consultations between the interested parties;
- (g) the indications and symbols referred to in Article 8;
- (h) a definition of minor amendments as referred to in the second subparagraph of Article 7(5) and in Article 9(2), bearing in mind that a

minor amendment cannot relate to the essential characteristics of the product or alter the link;

- (i) the register of designations of origin and geographical indications provided for in Article 7(6);
- (j) the conditions for checking compliance with the product specifications;
- (k) the conditions for cancellation of registration.

## **Article 17**

### **Transitional provisions**

1. The names that, on the date of entry into force of this Regulation, are listed in the Annex of Commission Regulation (EC) No 1107/96 and those listed in the Annex of Commission on Regulation (EC) No 2400/96 (11) shall be automatically entered in the register referred to in Article 7(6) of this Regulation. The corresponding specifications shall be deemed to be the specifications referred to in Article 4(1).

Any specific transitional provisions associated with such registrations shall continue to apply.

2. In respect of pending applications, statements and requests received by the Commission before the date of entry into force of this Regulation:

(a) the procedures in Article 5 shall not apply, without prejudice to Article 13(3); and

(b) the summary of the specification drawn up in conformity with Commission Regulation (EC) No 383/2004 shall replace the single document referred to in Article 5(3)(c).

3. The Commission may adopt, if necessary, other transitional provisions in accordance with the procedure referred to in Article 15(2).

## **Article 18**

### **Fees**

Member States may charge a fee to cover their costs, including those incurred in scrutinising applications for registration, statements of objection, applications for amendments and requests for cancellations under this Regulation.

## **Article 19**

### **Repeal**

Regulation (EEC) No 2081/92 is hereby repealed.

References made to the repealed Regulation shall be construed as being made to this Regulation and should be read in accordance with the correlation table in Annex III.

## **Article 20**

### **Entry into force**

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*. However, Article 8(2) shall apply with effect from 1 May 2009, without prejudice to products already placed on the market before that date.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 20 March 2006.

*For the Council*

*The President*

J. PRÖLL

## **ANNEX I**

### **Foodstuffs referred to in Article 1(1)**

- beers,
- beverages made from plant extracts,
- bread, pastry, cakes, confectionery and other baker's wares,
- natural gums and resins,
- mustard paste,
- pasta.

## **ANNEX II**

### **Agricultural products referred to in Article 1(1)**

- hay,
- essential oils,
- cork,
- cochineal (raw product of animal origin),
- flowers and ornamental plants,
- wool,
- wicker,
- scutched flax.

### **ANNEX III**

#### **CORRELATION TABLE**

Regulation (EEC) No	This Regulation
2081/92	
Article 1	Article 1
Article 2(1)	—
Article 2(2)	Article 2(1)
Article 2(3)	Article 2(2)
Article 2(4)	Article 2(3), first subparagraph
Article 2(5)	—
Article 2(6)	—
Article 2(7)	Article 2(3), second subparagraph
First, second and third subparagraphs of Article 3(1)	— First, second and third subparagraphs of Article 3(1)
Article 3(1), fourth subparagraph	— Article 3(2)
Article 3(2)	—
Article 3(3)	—
Article 4	—

Article 5(1), (2) and (3)	Article 4
Article 5(4)	Article 5(1), (2) and (3)
Article 5(5), first subparagraph	Article 5(4), first subparagraph
—	Article 5(4), second subparagraph
Article 5(5), second subparagraph	Article 5(5)
—	Article 5(6), first subparagraph
Article 5(5), third subparagraph	Article 5(6), second subparagraph
Article 5(5), fourth and fifth subparagraphs	Article 5(6), third subparagraph
Article 5(5) sixth, seventh and eighth subparagraphs	Article 5(6), fourth and fifth subparagraphs
—	—
Article 5(6)	Article 5(7)
—	—
Article 6(1), first	Article 5(8)

subparagraph	Article 5(9) and (10)
Article 6(1), second	Article 6(1), first
subparagraph	subparagraph
Article 6(1), third	—
subparagraph	Article 6(1), second
Article 6(2)	subparagraph
Article 6(3) and (4)	Article 6(2), first
Article 6(5), first	subparagraph
subparagraph	Article 7(4)
Article 6(5), second	Article 6(2), second
subparagraph	subparagraph
Article 6(6), first	—
subparagraph	—
Article 6(6), second	Article 3(3)
subparagraph	Article 7(1)
Article 7(1)	—
Article 7(2)	Article 7(2), first
Article 7(3)	subparagraph
—	Article 7(2), second
Article 7(4)	and third
Article 7(5)	subparagraph

—	Article 7(3)
—	Article 7(5)
Article 8	Article 7(6) and (7)
—	Article 8(1)
Article 9, first subparagraph	Article 8(2)
Article 9, second and third subparagraphs	Article 8(3)
—	Article 9(1)
—	Article 9(2)
—	Article 9(3) and (4)
—	Article 10(1)
Article 10(1)	—
Article 10(2)	Article 11(1)
—	Article 11(2)
Article 10(3)	Article 11(3) and (4)
Article 10(4)	—
Article 10(5)	Article 10(3)
Article 10(6)	Article 10(2)
Article 10(7)	Article 11(1), second subparagraph
Article 11(1) to (3)	—
Article 11(4)	—
Article 11a(a)	Article 12(1)

Article 11a(b)	Article 12(2)
Articles 12 to 12d	—
Article 13(1)	—
Article 13(3)	Article 13(1)
Article 13(4)	Article 13(2)
—	Article 13(3), first subparagraph
Article 13(5)	Article 13(3), second subparagraph
Article 14(1) and (2)	Article 13(4)
Article 14(3)	Article 14(1) and (2)
Article 15	Article 3(4)
Article 16	Article 15
—	Article 16
Article 18	Articles 17 to 19
Annex I	Article 20
Annex II	Annex I
	Annex II

## **APPENDIX 3**

### **EC – TRADEMARKS AND GEOGRAPHICAL INDICATIONS<sup>1</sup>**

**(DS174, 290)<sup>1</sup>**

#### **PARTIES**

##### **Complainants**

United States

Australia

##### **Respondent**

European Communities

#### **AGREEMENTS**

TRIPS Art. 3, 4, 16 and 24

GATT Art. III:4

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<sup>1</sup> [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/1pagesum\\_e/ds290sum\\_e.pdf](http://www.wto.org/english/tratop_e/dispu_e/cases_e/1pagesum_e/ds290sum_e.pdf) last sited on 01-Feb-09

## **TIMELINE OF THE DISPUTE**

### **Establishment of Panel**

2 October 2003

### **Circulation of Panel Report**

15 March 2005

### **Circulation of AB Report**

NA

### **Adoption**

20 April 2005

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## **1. MEASURE AND PRODUCTS AT ISSUE**

- Measure at issue: EC Regulation related to the protection of geographical indications and designations of origin ("GIs").
- Products at issue: Agricultural products and foodstuffs affected by the EC Regulation.

## **2. SUMMARY OF KEY PANEL FINDINGS<sup>2</sup>**

### **National Treatment (TRIPS Art. 3.1)**

- Availability of protection: The Panel found that the equivalence and reciprocity conditions in respect of GI protection under the EC

Regulations violated the national treatment obligation under TRIPS Art. 3 by according less favourable treatment to non-EC nationals than to EC nationals. By providing "formally identical", but in fact different procedures based on the location of a GI, the EC modified the "effective equality of opportunities" between different nationals to the detriment of non-EC nationals. The Regulation was also found to accord less favourable treatment to imported products inconsistently with GATT Art. III:4.

- Application procedures: The Panel found that the application procedures under the Regulation requiring non-EC nationals to file an application in the European Communities through their own government (but not directly with EC member states) for a GI registration located in their own countries, provided formally less favourable treatment to other nationals in violation of Art. 3.1. The Regulation was also found to accord less favourable treatment to imported products inconsistently with GATT Art. III:4.
- Objection procedures (verification and transmission): The Panel found that the objection procedures under the Regulation violated Art. 3.1 to the extent that it did not provide persons resident or established in non-

EC countries with a right to directly object to applications for a GI registration in the European Communities.

- Inspection structures: The Panel found that the "government participation" requirement under the inspection structures violated TRIPS Art. 3.1 by providing an "extra hurdle" to third-country applicants: for a third country GI to be registered in the European Community, third-country governments were required to provide a declaration that the inspection structures were established on its territory. The Regulation was also found inconsistent with GATT Art. III:4 in respect of these third-country products.

### **Relationship between GIs and (prior) trademarks**

- TRIPS Arts. 16.1 and 17 (trademarks): Having found that Art. 16.1 obligates Members to make available to trademark owners a right against certain uses, including uses as a GI, the Panel initially concluded that the EC Regulation was inconsistent with Art. 16.1 as it limited the availability of such a right for the owners of trademarks. However, the Panel ultimately found that the Regulation was justified under Art. 17, which permits Members to provide limited exceptions to the rights conferred by trademarks, including Art. 16.1 rights,

provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

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1 European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs

2 Other issues addressed in this case: TRIPS Art. 1, 2, 4; Paris Convention Art. 2, 10; extension of submission deadline; separate panel reports; request for information from WIPO; preliminary ruling; panel request (DSU Art. 6.2); terms of reference; evidence; specific suggestions for implementation (DSU 19); order of analysis (GATT and TRIPS).

3 For registration in the European Communities of third-country GIs, third countries were required to adopt a GI protection system equivalent to that in the European Communities and provide reciprocal protection to products from the European Communities.

## **APPENDIX 4**

### **COLLECTIVE MARKS**

### **FIRST SCHEDULE**

### **TRADE MARKS ORDINANCE 2001**

#### **1. General**

The provisions of this Ordinance shall apply to collective marks subject to the provisions contained in this Schedule.

#### **2. Signs of which a collective mark may consist**

In relation to a collective mark the reference in clause (xlvii) of section 2<sup>1</sup> to distinguish goods or services of one undertaking from those of other undertaking shall be construed as a reference to distinguishing goods or services of members of the association which is the proprietor of the mark from those of other undertakings.

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<sup>1</sup> Section 2 (xlvii) of Trade Marks Ordinance 2001

In this Ordinance, unless there is anything repugnant in the subject or context.

[.....]

(xlvii) "trade mark" means any mark capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings

### **3. Indication of geographical origin**

(1) Notwithstanding the provisions of clause (c) of sub-section (1) of section 14<sup>2</sup>, a collective mark may be registered which consist of marks or indications which may serve, to distinguish the geographical origin of the goods or services.

(2) The proprietor of such a mark shall not be entitled to prohibit the use of the marks or indications in accordance with honest practices in industrial or commercial matters, in particular, by a person who is entitled to use a geographical name.

### **4. Collective mark not to be misleading as to character or significance**

(1) A collective mark shall not be registered if the public is liable to be misled as regards the character or significance of the mark, in particular, if it is likely to be taken to be something other than a collective mark.

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<sup>2</sup> Section 14(1) (c) of Trade Marks Ordinance 2001

Absolute grounds for refusal of registration

(1) The following shall not be registered, namely:

[.....]

(c) trademarks which consist exclusively of marks or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services

(2) The Registrar may accordingly require that a mark in respect of which application is made for registration include some indication that it is a collective mark.

(3) Notwithstanding the provisions of sub-section (7) of section 27<sup>3</sup>, an application may be amended so as to comply with any such requirement.

##### **5. Regulations governing use of collective mark**

(1) An application for registration of a collective mark may be filed with the Registrar along with regulations governing the use of the mark.

(2) The regulations referred to in sub-Para (1) shall specify the persons authorized to use the mark, the conditions of membership of the association and, where they exist, the conditions of the use of the mark, including any sanctions against misuse.

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<sup>3</sup> Section 27 (7) of Trade Marks Ordinance 2001

If the tribunal is of opinion that it is fair and reasonable in all the circumstances of the case to do so, may at any time, whether before or after acceptance, correct any error in, or in connection with, the application or may permit the applicant to amend his application upon such terms as it may think fit; Provided that no amendment or correction shall be permitted in the application which substantially affects the identity of the trade mark or extends the goods or services covered by the application; Provided further that if the amendment or correction in the application is permitted after the application has been advertised, the amendment or correction shall also be published.

(3) Any further requirement with which the regulations referred to in sub-Para (1) shall have to comply may be imposed as may be prescribed.

#### **6. Approval of regulations by the Registrar**

(1) A collective mark shall not be registered unless the regulations governing the use of the mark-

- (a) comply with the requirements of Para (2) of Para 5 and any further requirement as may be prescribed; and
- (b) are not contrary to public policy or to accepted principles of morality.

(2) Before the end of the prescribed period after the date of the publication for registration of a collective mark, the applicant shall file the regulations with the Registrar and pay the prescribed fee failing which the application shall be deemed to have been withdrawn.

#### **7. Procedure of acceptance or refusal of applications**

(1) The Registrar shall consider whether the requirements specified in sub-Para (1) of Para 6 are duly met.

(2) If it appears to the Registrar that such requirements are not met, he shall inform the applicant and give him an opportunity, within such period as the Registrar may specify, to make representation or to file amended regulations.

(3) If the applicant fails to satisfy the Registrar that such requirements are met, or to file regulations amended so as to meet them, or fails to respond before the end of the specified period, the Registrar shall refuse the application.

(4) If it appears to the Registrar that such requirements, and the other requirements for registration, are met he shall accept the applications and shall proceed in accordance with section 28<sup>4</sup>;

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<sup>4</sup> Section 28 of Trade Marks Ordinance 2001

Publication, opposition proceedings and observations

(1) When an application for registration of a trade mark has been accepted, whether absolutely or subject to conditions or limitations, the Register shall, as soon as may be after acceptance, cause the application as accepted, together with the conditions and limitations, if any, subject to which it has been accepted, to be advertised in the Journal, and for all legal purposes, advertisement of the trade mark in the Journal shall constitute sufficient notice of acceptance of the trade mark;  
Provided that the Registrar may cause an application to be advertised before acceptance where it appears to him that it is expedient by reason of any exceptional circumstances so to do, and where an application has been so advertised the Registrar may, if he thinks fit, advertise it again when it has been accepted, but shall not be bound so to do;  
Provided further that where an application is advertised by reason of any special circumstances under the above proviso, the Registrar shall simultaneously notify the exceptional circumstances which led him so to do.

(2) Any person may, within two months from the date of the advertisement or readvertisement of an application for registration or within such further period not exceeding two months in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, may allow, give notice to the Registrar of opposition to the registration.

## **8. Regulation to be published**

(1) The regulations governing the use of a collective mark shall be published and notice of oppositions may be given, and observation may be made, relation to the matters specified in sub-para (1) of para 6.

(2) The provisions of sub-para (1) shall be in addition to any other grounds on which the application may be opposed or observations made.

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- (3) The notice under sub-section (2) shall be given in writing in the prescribed manner, and shall include a statement of the grounds of opposition.
- (4) The Registrar shall serve in the prescribed manner a copy of the notice on the applicant, and within one month from the applicant of such copy of the notice of opposition, or within such further period not exceeding two months in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee may allow, the applicant shall send to the Registrar in the prescribed manner a counter-statement of the grounds on which he relies for his application, and, if he does not do so he shall be deemed to have abandoned his application.
- (5) If the applicant sends the counter-statement referred to in sub-section (4) the Registrar shall serve in the prescribed manner a copy of the counter-statement on the opponent. If the opponent deems necessary, he may within one month from the receipt of such copy of the counter-statement, or within such further period not exceeding two months in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, may allow, send to the Registrar in the prescribed manner a rejoinder.
- (6) If the opponent sends a rejoinder, the Registrar shall send in the prescribed manner a copy of the rejoinder to the applicant.
- (7) Any evidence upon which the opponent and the applicant may rely shall be submitted in the prescribed manner and within the prescribed time to the Registrar, and the Registrar shall give an opportunity to them to be heard, if they so desire.
- (8) The Registrar shall, unless the proceedings are discontinued or dismissed, after giving to the opponent and to the applicant an opportunity of being heard, decide whether, and subject to what conditions or limitations, if any, registration is to be permitted.
- (9) If the Registrar is of opinion that it is fair and reasonable in all circumstances of the case to do so, he may, on request made in the prescribed manner, permit correction of any error in, or any amendment of, a notice of opposition, a counter-statement, or a rejoinder on such terms as he thinks just.

## **9. Regulations to be open to inspection**

The regulations governing the use of a registered collective mark shall be open to public inspection in the same way as the Register.

## **10. Amendment of regulations**

- (1) An amendment of the regulations governing the use of a registered collective mark shall not be effective unless and until the amended regulations are filed with the Registrar and accepted by him.
- (2) Before accepting any amended regulations the Registrar may, in any case where it appears to him expedient to do so, cause them to be published.
- (3) If the Registrar does so, a notice of opposition may be given, and observations may be made, relating to the matters specified in sub-para (1) of para 6.

## **11. Infringement of rights of authorized user**

The following provisions shall apply in relation to an authorized user of a registered collective mark as in relation to a licensee of a trade mark, namely:

- (a) sub-section (7) of section 40<sup>5</sup>;
- (b) sub-section (2) of section 51<sup>6</sup>; and
- (c) section 53<sup>7</sup>.

## **12. Infringement of a registered collective mark**

- (1) The provisions of this para shall have effect as regards the rights of an authorized user in relation to infringement of a registered collective mark.
- (2) An authorized user shall be entitled, subject to any agreement to the contrary between him and the proprietor, to call on the proprietor

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<sup>5</sup> Section 40 (7) of Trade Marks Ordinance 2001

A person who applies a registered trade mark to material intended to be used for labeling or packaging goods shall be treated as a party to any use of the material which infringes the registered trade mark if when he applied the mark he knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.

<sup>6</sup> Section 51 (2) of Trade Marks Ordinance 2001

In considering what order, if any should be made, the High Court or District Court shall consider whether other remedies available in a action for infringement of the registered trade mark would be adequate to compensate the proprietor and any licensee and protect their interests.

<sup>7</sup> Section 53 of Trade Marks Ordinance 2001

Infringing goods, material or articles may be treated as prohibited.

- (1) The proprietor of the registered trade mark may give notice in writing to the Collector of Customs that-
  - (a) he is the proprietor of the registered trade mark;
  - (b) at a time and place specified in the notice, goods which, in relation to that registered trade mark are infringing goods, material or article, or bear false indications as to their source or the identity of their manufacture are expected to arrive in Pakistan from outside Pakistan and that they are subject to the control of the customs authorities under the Customs Act, 1969 (IV of 1969); and
  - (c) he requests the Collector of Customs to treat such goods as prohibited goods.

to take infringement proceedings in respect of any matter which affect his interests.

(3) If the proprietor-

(a) refuses to do so; or  
(b) fails to do so within two months after being called upon, the authorized user may bring the proceedings in his own name as if he were the proprietor.

(4) Where infringement proceedings are brought under this para, the authorized user may not, without the leave of the High Court, proceed with the action unless the proprietor is either joined as a plaintiff or added as a defendant.

(5) The provisions of para (4) shall not affect the granting of interlocutory relief on an application by an authorized user alone.

(6) A proprietor who is added as a defendant as provided in sub-para (4) shall not be made liable for any costs in the action unless he takes part in the proceedings.

(7) In infringement proceedings brought by the proprietor of a registered collective mark, any loss suffered or likely to be suffered by authorized user shall be taken into account, and the High Court or a

District Court may give such directions as it thinks fit as to the extent to which the plaintiff shall hold the proceeds of any pecuniary remedy on behalf of such users.

### **13. Additional grounds for revocation of registration**

Apart from the grounds of revocation provided for in section 73<sup>8</sup>, the registration of a collective mark may be revoked on any of the following grounds, namely:

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<sup>8</sup> Section 73 of Trade Marks Ordinance 2001

Revocation of registration

(1) The registration of a trade mark may be revoked on any of the following grounds, namely:

- (a) that within the period of five years following the date of completion of registration procedure it has not been put to bona fide use in Pakistan by the proprietor or by an authorized user thereof, in relation to the goods or services for which it is registered and there are no proper reasons for its non-use;
- (b) that the bona fide use has been suspended for an uninterrupted period of five years and there are no proper reasons for its non-use;
- (c) that in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered; and
- (d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purpose of sub-section (1), use of a trade mark shall include use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.

(3) The registration of a trade mark shall not be revoked on the grounds specified in clause (a) or (b) of sub-section (1), if such use, as it referred to in those clauses, is commenced or resumed after the expiry of the five years period and before the application for revocation is made, shall only be regarded if the preparation for commencement or resumption began before the proprietor became aware that the application is made.

(4) An application for revocation may be made by an interested party to the Registrar, except that-

- (a) if proceedings concerning the trade mark in question are pending in the High Court or a District Court, the application shall be made to the High Court or, as the case may be, the District Court; and

- (a) that the manner in which the mark has been used by the proprietor has caused it to become liable to mislead the public in the manner referred to in sub-para (1) of para 4;
- (b) that the proprietor has failed to observe, or to secure the observance of, the regulations governing the use of the mark; or
- (c) that an amendment of the regulations governing the use of mark has been made so that such regulations-
  - (i) no longer comply with requirement of sub-para (2) of para 5, and any further conditions as may prescribed; or
  - (ii) are contrary to public policy or to accepted principles of morality.

**14. Additional grounds for invalidity of registration.-** Apart from the grounds of invalidity provided for in section 80<sup>9</sup>, the registration of

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- (b) in case the application is made to the Registrar, he may at any stage of the proceedings refer the application to the High Court or a District Court.
- (5) Where grounds for revocation exist in respect of only some of the goods or services for which trade mark is registered, revocation shall relate to those goods or services only.
- (6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-
  - (a) the date of the application for revocation; or
  - (b) if the Registrar, the High Court or a District Court is satisfied that the grounds for revocation existed at an earlier date, that date.
- (7) Where the registration of a trade mark is revoked or declared invalid on the ground that the registration was secured in bad faith, the applicant shall be barred from applying for registration of the identical or similar trade mark for two years from the date of revocation or invalidation, whatever the case may be.

<sup>9</sup> Section 80 of Trade Marks Ordinance 2001

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Grounds for invalidity of registration.

- (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 14 or any of the provisions thereof.
- (2) Where the trade mark was registered in breach of clause (b), (c) or (d) of sub-section (1) of section 14, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registered acquired a distinctive character in relation to the goods or services for which it is registered.
- (3) The registration of a trade mark may be declared invalid on the ground that there is-
  - (a) an earlier trade mark in relation to which the conditions set out in sub- section (1), (2) or (3) of section 17 obtain; or
  - (b) an earlier right in relation to which the condition set out in sub-section (4) of section 17 is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.
- (4) An application for declaration of invalidity may be made by an interested party either to the Registrar or to the High Court or a District Court, except that-
  - (a) if proceedings concerning the trade mark in question are pending in the High Court or a District Court, the application shall be made to the High Court or a District Court; and
  - (b) in any other case, if the application has been made to the Registrar, he may at any stage of the proceedings refer the application to the High Court or a District Court.
- (5) In the case of bad faith in the registration of a trade mark, the Registrar may apply to the High Court or a District Court for a declaration of the invalidity of the registration.
- (6) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.
- (7) Where the registration of a trade mark has been declared invalid to any extent, the registration shall to that extent be deemed never to have been made provided that this shall not affect the transactions past and closed.

Whereas Section 14 (1) (b), (c), and (d) of Trade Marks Ordinance 2001provides:

Absolute grounds for refusal of registration

- (1) The following shall not be registered, namely:

- [.....]
- (b) trademarks which are devoid of any distinctive character;
- (c) trademarks which consist exclusively of marks or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services;
- (d) trade mark which consist exclusively of marks or indications which have become customary in the language or in the bona fide and established practices of the trade;

Provided that a trade mark shall not be refused registration by virtue of clause (b), (c) or (d) if, before the date of application for registration, it has in fact, acquired a distinctive character as a result of the use made of it or is a well know trade mark.

Whereas Section 17 (1), (2), (3), and (4) of Trade Marks Ordinance 2001provides:

Relative grounds for refusal of registration

- (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services, for which the trade mark is applied for, are identical with the goods or services for which the earlier trade mark is registered.
- (2) A trade mark shall not be registered because-

a collective mark may be declared invalid on the ground that the mark was registered in breach of the provisions of sub-para (1) of para 4, or sub-para (1) of para 6.

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- (a) it is identical with an earlier trade mark and is to be registered for goods- or services similar to those for which the earlier trade mark is registered; or
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is registered. and there exists a likelihood of confusion on the part of the public which includes the likelihood of association with the earlier trade mark.

(3) A trade mark which-

- (a) is identical with or similar to an earlier trade mark; and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered. shall not be registered if, or to the extent that, the earlier trade mark has a reputation in Pakistan and the use of the later mark without due cause would take unfair advantage of, or be detrimental to , the distinctive character or the repute of the earlier trade mark.

(4) A trade mark shall not be registered if, or to the extent that, its use in Pakistan is liable to be prevented-

- (a) by virtue of any law, in particular, the law of passing off, protecting an unregistered trade mark or other mark used in the course of trade; or
- (b) by virtue of an earlier right other than those referred in sub-section (1), (2) and (3) or clause (a) of this sub-section, in particular by virtue of the law of copyright design right or registered designs.

## **APPENDIX 5**

### **CERTIFICATION MARKS**

### **SECOND SCHEDULE**

### **TRADE MARKS ORDINANCE 2001**

#### **1. General**

The provisions of this Ordinance shall apply to certification marks subject to the provisions contained in this Schedule.

#### **2. Signs of which certification mark may consist**

In relation to a certification mark the reference in clause (xlvi) of section 2<sup>1</sup> to distinguish goods or services of one undertaking from those of other undertaking shall be construed as a reference to distinguishing goods or services which are certified from those which are not.

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<sup>1</sup> Section 2 (xlvi) of Trade Marks Ordinance 2001

In this Ordinance, unless there is anything repugnant in the subject or context.

[.....]

(xlvi) "trade mark" means any mark capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings

### **3. Indication of geographical origin**

- (1) Notwithstanding the provisions of clause (c) of sub-section (1) of section 14<sup>2</sup>, a certification mark may be registered which consist of signs or indications which may serve, in trade, to designate the geographical origin of the goods or services.
- (2) The proprietor of such a mark shall not be entitled to prohibit the use of the signs or indications in accordance with honest practices in industrial or commercial matters, in particular, by a person who is entitled to use a geographical name.

### **4. Nature of proprietor's business**

A certification mark shall not be registered if the proprietor carries on a business involving the supply of goods or services of the kind certified.

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<sup>2</sup> Section 14(1) (c) of Trade Marks Ordinance 2001

Absolute grounds for refusal of registration

(1) The following shall not be registered, namely:

[.....]

(c) trademarks which consist exclusively of marks or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services

## **5. Certification mark not to be misleading as to character or significance**

(1) A certifications mark shall not be registered if the public is liable to be misled as regards the character or significance of the mark, in particular, if it is likely to be taken to be something other than a certification mark.

(2) The Registrar may, accordingly, require that a mark in respect of which application has been made for registration include some indication that it is a certification mark.

(3) Notwithstanding the provisions of sub-section (7) of section 27<sup>3</sup>, an application may be amended so as to comply with any such requirement.

## **6. Regulations governing use of certification mark**

(1) An application for registration of a certification mark may be filed with the Registrar along with regulations governing the use of the mark.

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<sup>3</sup> Section 27 (7) of Trade Marks Ordinance 2001

If the tribunal is of opinion that it is fair and reasonable in all the circumstances of the case to do so, may at any time, whether before or after acceptance, correct any error in, or in connection with, the application or may permit the applicant to amend his application upon such terms as it may think fit; Provided that no amendment or correction shall be permitted in the application which substantially affects the identity of the trade mark or extends the goods or services covered by the application; Provided further that if the amendment or correction in the application is permitted after the application has been advertised, the amendment or correction shall also be published.

(2) The regulations referred to in sub-para (1) shall indicate who shall be authorized to use the certification mark, the characteristics by the mark, how the certifying body shall test those characteristics and supervise the use of the mark, the fee, if any, to be paid in connection with the operation of the mark and the procedures for resolving disputes.

(3) Any further requirements with which the regulation referred to in sub-para (1) shall have to comply may be imposed as may be prescribed.

## **7. Approval of regulations by the Registrar**

(1) A certification mark shall not be registered unless-

(a) the regulations governing the use of the mark-

(i) comply with the requirements of sub-para (2) of para 6, and any further requirements, as may be prescribed; and

(ii) are not contrary to public policy or to accepted principles of morality; and

(b) the applicant is competent to certify the goods or services for which the mark is to be registered.

(2) Before the end of the prescribed period after the date of the application for registration of a certification mark, the applicant shall

file the regulations with the Registrar and pay the prescribed fee, failing which the application shall be deemed to be withdrawn.

### **8. Procedure for acceptance or refusal of application**

- (1) The Registrar shall consider whether the requirements specified in sub-para (1) of para 7 are met.
- (2) If it appears to the Registrar that such requirements are not met, he shall inform the applicant and give him an opportunity, within such period as the Registrar may specify, to make representations or to file amended regulations.
- (3) If the applicant fails to satisfy the Registrar that such requirements are met, or to file regulation amended so as to meet them, or fails to respond before the end of the specified period, the Registrar shall refuse the application.
- (4) If it appears to the Registrar that such requirements, and the other requirements for registration, are met, he shall accept the application and shall proceed in accordance with section 28<sup>4</sup>.

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<sup>4</sup> Section 28 of Trade Marks Ordinance 2001

Publication, opposition proceedings and observations

(1) When an application for registration of a trade mark has been accepted, whether absolutely or subject to conditions or limitations, the Register shall, as soon as may be after acceptance, cause the application as accepted, together with the conditions and limitations, if any, subject to which it has been accepted, to be advertised in the Journal, and for all legal purposes, advertisement of the trade mark in the Journal shall constitute sufficient notice of acceptance of the trade mark;  
Provided that the Registrar may cause an application to be advertised before acceptance where it appears to him that it is expedient by reason of any exceptional circumstances so to do, and where an application

## **9. Regulations to be published**

The regulations governing the use of a registered certification mark shall be published and notice of opposition may be given, and observations may be made, relating to the matters specified in sub-para (1) of para 7, in addition to any other grounds on which the application may be opposed or observations made.

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has been so advertised the Registrar may, if he thinks fit, advertise it again when it has been accepted, but shall not be bound so to do;

Provided further that where an application is advertised by reason of any special circumstances under the above proviso, the Registrar shall simultaneously notify the exceptional circumstances which led him so to do.

- (2) Any person may, within two months from the date of the advertisement or readvertisement of an application for registration or within such further period not exceeding two months in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, may allow, give notice to the Registrar of opposition to the registration.
- (3) The notice under sub-section (2) shall be given in writing in the prescribed manner, and shall include a statement of the grounds of opposition.
- (4) The Registrar shall serve in the prescribed manner a copy of the notice on the applicant, and within one month from the applicant of such copy of the notice of opposition, or within such further period not exceeding two months in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee may allow, the applicant shall send to the Registrar in the prescribed manner a counter-statement of the grounds on which he relies for his application, and, if he does not do so he shall be deemed to have abandoned his application.
- (5) If the applicant sends the counter-statement referred to in sub-section (4) the Registrar shall serve in the prescribed manner a copy of the counter-statement on the opponent. If the opponent deems necessary, he may within one month from the receipt of such copy of the counter-statement, or within such further period not exceeding two months in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, may allow, send to the Registrar in the prescribed manner a rejoinder.
- (6) If the opponent sends a rejoinder, the Registrar shall send in the prescribed manner a copy of the rejoinder to the applicant.
- (7) Any evidence upon which the opponent and the applicant may rely shall be submitted in the prescribed manner and within the prescribed time to the Registrar, and the Registrar shall give an opportunity to them to be heard, if they so desire.
- (8) The Registrar shall, unless the proceedings are discontinued or dismissed, after giving to the opponent and to the applicant an opportunity of being heard, decide whether, and subject to what conditions or limitations, if any, registration is to be permitted.
- (9) If the Registrar is of opinion that it is fair and reasonable in all circumstances of the case to do so, he may, on request made in the prescribed manner, permit correction of any error in, or any amendment of, a notice of opposition, a counter-statement, or a rejoinder on such terms as he thinks just.

## **10. Regulations to be open to inspection**

The regulations governing the use of a registered certification mark shall be open to be public inspection in the same way as the Register.

## **11. Amendment of regulations**

- (1) An amendment of the regulations governing the use of a registered certification mark shall not be effective unless and until the amended regulations are filed with the Register and accepted by him.
- (2) Before accepting any amended regulations the Registrar may, in any case where it appears to him expedient to do so, cause them to be published.
- (3) If he does so, a notice of opposition may be given, and observations may be made, relating to the matters specified in sub-para (1) of para 7.

## **12. Consent to assignment of registered certification mark**

The assignment or other transmission of a registered certification mark shall not be effective without the consent of the Registrar.

### **13. Infringement of rights of authorized user**

The following provisions shall apply in relation to an authorized user of a registered certification mark as in relation to a licensee of a trade mark, namely:

- (a) sub-section (7) of section 40<sup>5</sup>;
- (b) sub-section (2) of section 51<sup>6</sup>; and
- (c) section 53<sup>7</sup>.

### **14. The High Court or a District Court to take into account loss suffered by authorized users**

In infringement proceedings brought by the proprietor of the registered certification mark any loss suffered or likely to be suffered by authorized user shall be taken into account and the High Court or a District Court may give such directions as it thinks fit as to the extent

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<sup>5</sup> Section 40 (7) of Trade Marks Ordinance 2001

A person who applies a registered trade mark to material intended to be used for labeling or packaging goods shall be treated as a party to any use of the material which infringes the registered trade mark if when he applied the mark he knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.

<sup>6</sup> Section 51 (2) of Trade Marks Ordinance 2001

In considering what order, if any should be made, the High Court or District Court shall consider whether other remedies available in a action for infringement of the registered trade mark would be adequate to compensate the proprietor and any licensee and protect their interests.

<sup>7</sup> Section 53 of Trade Marks Ordinance 2001

Infringing goods, material or articles may be treated as prohibited.

(1) The proprietor of the registered trade mark may give notice in writing to the Collector of Customs that-

- (a) he is the proprietor of the registered trade mark;
- (b) at a time and place specified in the notice, goods which, in relation to that registered trade mark are infringing goods, material or article, or bear false indications as to their source or the identity of their manufacture are expected to arrive in Pakistan from outside Pakistan and that they are subject to the control of the customs authorities under the Customs Act, 1969 (IV of 1969); and
- (c) he requests the Collector of Customs to treat such goods as prohibited goods.

to which the plaintiff shall hold the proceeds of any pecuniary remedy on behalf of such users.

## **15. Additional grounds for revocation of registration**

Apart from the grounds of revocation provided for in section 73<sup>8</sup>, the registration of a certification mark may be revoked on any of the following grounds, namely:

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<sup>8</sup> Section 73 of Trade Marks Ordinance 2001  
Revocation of registration

- (1) The registration of a trade mark may be revoked on any of the following grounds, namely:
  - (a) that within the period of five years following the date of completion of registration procedure it has not been put to bona fide use in Pakistan by the proprietor or by an authorized user thereof, in relation to the goods or services for which it is registered and there are no proper reasons for its non-use;
  - (b) that the bona fide use has been suspended for an uninterrupted period of five years and there are no proper reasons for its non-use;
  - (c) that in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered; and
  - (d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.
- (2) For the purpose of sub-section (1), use of a trade mark shall include use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.
- (3) The registration of a trade mark shall not be revoked on the grounds specified in clause (a) or (b) of sub-section (1), if such use, as it referred to in those clauses, is commenced or resumed after the expiry of the five years period and before the application for revocation is made, shall only be regarded if the preparation for commencement or resumption began before the proprietor became aware that the application is made.
- (4) An application for revocation may be made by an interested party to the Registrar, except that-
  - (a) if proceedings concerning the trade mark in question are pending in the High Court or a District Court, the application shall be made to the High Court or, as the case may be, the District Court; and
  - (b) in case the application is made to the Registrar, he may at any stage of the proceedings refer the application to the High Court or a District Court.
- (5) Where grounds for revocation exist in respect of only some of the goods or services for which trade mark is registered, revocation shall relate to those goods or services only.
- (6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-
  - (a) the date of the application for revocation; or
  - (b) if the Registrar, the High Court or a District Court is satisfied that the grounds for revocation existed at an earlier date, that date.

- (a) that the proprietor has begun to carry on such a business as is specified in para 4;
- (b) that the manner in which the mark has been used by the proprietor has caused it to become liable to mislead the public in the manner referred to in sub-para (1) of para 5;
- (c) that the proprietor has failed to observe, or to secure the observance of, the regulations governing the use of the mark;
- (d) that an amendment of the regulations has been made so that the regulations
  - (i) no longer comply with the requirements of sub-para (2) of para 6, and any further conditions as may be prescribed; or
  - (ii) are contrary to public policy or to accepted principles of morality; or
- (e) that the proprietor is no longer competent to certify the goods or services for which the mark is registered.

## **16. Additional grounds for invalidity of registration**

Apart from the grounds of invalidity provided for in section 80<sup>9</sup>, the registration of a certification mark may be declared invalid on the

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(7) Where the registration of a trade mark is revoked or declared invalid on the ground that the registration was secured in bad faith, the applicant shall be barred from applying for registration of the identical or similar trade mark for two years from the date of revocation or invalidation, whatever the case may be.

<sup>9</sup> Section 80 of Trade Marks Ordinance 2001  
Grounds for invalidity of registration.

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- (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 14 or any of the provisions thereof.
- (2) Where the trade mark was registered in breach of clause (b), (c) or (d) of sub-section (1) of section 14, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registered acquired a distinctive character in relation to the goods or services for which it is registered.
- (3) The registration of a trade mark may be declared invalid on the ground that there is-
  - (a) an earlier trade mark in relation to which the conditions set out in sub- section (1), (2) or (3) of section 17 obtain; or
  - (b) an earlier right in relation to which the condition set out in sub-section (4) of section 17 is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.
- (4) An application for declaration of invalidity may be made by an interested party either to the Registrar or to the High Court or a District Court, except that-
  - (a) if proceedings concerning the trade mark in question are pending in the High Court or a District Court, the application shall be made to the High Court or a District Court; and
  - (b) in any other case, if the application has been made to the Registrar, he may at any stage of the proceedings refer the application to the High Court or a District Court.
- (5) In the case of bad faith in the registration of a trade mark, the Registrar may apply to the High Court or a District Court for a declaration of the invalidity of the registration.
- (6) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.
- (7) Where the registration of a trade mark has been declared invalid to any extent, the registration shall to that extent be deemed never to have been made provided that this shall not affect the transactions past and closed.

Whereas Section 14 (1) (b), (c), and (d) of Trade Marks Ordinance 2001provides:

Absolute grounds for refusal of registration

- (1) The following shall not be registered, namely:

- [.....]
- (b) trademarks which are devoid of any distinctive character;
- (c) trademarks which consist exclusively of marks or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services;
- (d) trade mark which consist exclusively of marks or indications which have become customary in the language or in the bona fide and established practices of the trade;

Provided that a trade mark shall not be refused registration by virtue of clause (b), (c) or (d) if, before the date of application for registration, it has in fact, acquired a distinctive character as a result of the use made of it or is a well know trade mark.

Whereas Section 17 (1), (2), (3), and (4) of Trade Marks Ordinance 2001provides:

Relative grounds for refusal of registration

- (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services, for which the trade mark is applied for, are identical with the goods or services for which the earlier trade mark is registered.
- (2) A trade mark shall not be registered because-
  - (a) it is identical with an earlier trade mark and is to be registered for goods- or services similar to those for which the earlier trade mark is registered; or
  - (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is registered. and there exists a likelihood of confusion on the part of the public which includes the likelihood of association with the earlier trade mark.
- (3) A trade mark which-
  - (a) is identical with or similar to an earlier trade mark; and

ground that the mark was registered in breach of the provisions of para 4, sub-para (1) of para 5 or sub-para (1) of para 7.

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- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in Pakistan and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.
- (4) A trade mark shall not be registered if, or to the extent that, its use in Pakistan is liable to be prevented-
  - (a) by virtue of any law, in particular, the law of passing off, protecting an unregistered trade mark or other mark used in the course of trade; or
  - (b) by virtue of an earlier right other than those referred in sub-section (1), (2) and (3) or clause (a) of this sub-section, in particular by virtue of the law of copyright design right or registered designs.

## **APPENDIX 6**

### **THE TRADE MARKS RULES, 2004**

#### **CHAPTER VII**

#### **COLLECTIVE MARKS**

##### **39. Application for registration and proceedings relating thereto**

(1) An Application for the registration of a collective mark for goods or services shall be made to the Registrar in the form as set out in Form TM-3 or TM-51, as the case may be, in triplicate and shall be accompanied by six additional representations of the mark. The draft regulation to be forwarded with the application under paragraph 5 of the First Schedule to the Ordinance shall be in triplicate and shall be accompanied by the requisite information in the form as set out in Form TM-49.

(2) An applicant applying for the registration of a collective mark shall not be deemed to have abandoned his application, if in the

circumstances of sub-rule (2) rule 27<sup>1</sup> he does not apply for a hearing or reply in writing.

(3) The regulations governing collective mark shall specify, inter alia, the following, namely:—

- (a) the name of the association of persons and their respective office address;
- (b) the object of the association;
- (c) the details of members;
- (d) the conditions for membership and relation of each member with the group;
- (e) the persons authorized to use the mark and the nature of control the applicant exercise over the use of the collective mark;
- (f) the conditions governing use of the collective mark, including sanctions;
- (g) the procedure for dealing with appeals against the use of the collective mark; and
- (h) such other particulars as may be called for by the Registrar.

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<sup>1</sup> Rule 27 (2), Trade Marks Rules 2004

Unless within two months from the date of communication specified in sub-rule (1), the applicant alters his application according to the proposal aforesaid or makes representation or applies for a hearing or fails to attend hearing, the application shall be deemed to have been abandoned.

(4) The applicant shall submit to the Registrar along with his application a statement of case setting out the grounds on which he relies in support of his application. Such case shall be furnished in triplicate.

(5) The Registrar shall cause an application for the registration of a collective mark to be examined, in the first instance, as to whether it satisfies the requirement of the Ordinance and the rules and issue a report to the applicant.

(6) The Registrar shall not refuse an application for the registration of a collective mark or accept the application subject to any conditions or limitations or impose amendments or modification to the application or to the regulation without giving to the applicant an opportunity of being heard.

#### **40. Opposition to registration of collective marks**

(1) On acceptance of an application the Registrar shall cause the application to be advertised in the Journal and the provisions of sub-

rules (1) to (12) of rule 30<sup>2</sup> shall apply in relation to an application for the registration of a trade mark.

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<sup>2</sup> Rule 30 (1) to (12), Trade Marks Rules 2004

Opposition proceedings

- (1) Notice of opposition to the registration of a trade mark shall be sent to the Registrar in the form as set out in Form TM-5 in duplicate within two months from the date of the advertisement or re-advertisement or within such further period not exceeding two months in the aggregate as the Registrar may allow, and shall include a statement of the grounds of opposition. The Registrar shall send a copy of the grounds of the notice and the statement to the applicant.
- (2) Within one month from the receipt by the applicant of such copy of the notice of opposition or within such further period not exceeding two months in aggregate as the Registrar may allow, the applicant shall send to the Registrar a counter-statement in the form as set out in Form TM-6 in duplicate, and if he does not do so he shall be deemed to have abandoned his application. The Registrar shall send a copy of counter-statement in the form as set out in Form TM-6 to opponent.
- (3) Within one month from the receipt by the opponent of a copy of counter-statement or within such further period not exceeding two months in aggregate as the Registrar may allow, the opponent may file a rejoinder.
- (4) If the opponent files a rejoinder, the Registrar shall send a copy of the same to the applicant.
- (5) Within two months from the receipt of a copy of counter-statement or within such further period as the Registrar may allow, the person opposing the application shall file such evidence by way of statutory declaration or affidavit, as he may consider necessary to adduce in support of his opposition and shall send a copy thereof to the applicant.
- (6) If the person opposing the registration files no evidence under sub-rule 5, he shall be deemed to have abandoned his opposition.
- (7) Within two months from the receipt of a copy of opponent's evidence or within such further period as the Registrar may allow, the applicant shall file such evidence by way of a statutory declaration or affidavit as he may consider necessary to adduce in support of his application and shall send a copy thereof to the opponent.
- (8) Within one month of the date on which a copy of the applicant's evidence is sent to him or within such further period as the Registrar may allow, the person opposing the application may file evidence in reply by way of statutory declaration or affidavit which shall be confined to matters strictly in reply to the applicant's evidence, and shall send a copy thereof to the applicant.
- (9) No further evidence may be filed, except that, in relation to any proceedings before him, the Registrar may at any time if he thinks fit give leave to either party to file evidence upon such terms as he may think fit.
- (10) Where there are exhibits to affidavits filed in an opposition, copies or impressions of such exhibits shall be sent to the other party on his request and at his expense, or, if such copies or impressions cannot conveniently be furnished, the originals shall be left with the Registrar in order that they may be open to inspection. The original exhibits shall be produced at the hearing unless the Registrar otherwise directs.
- (11) Where any document or exhibit is in a language other than English is referred to in the notice of opposition, counter-statement or an affidavit filed in an opposition, an attested translation thereof in English shall be furnished in duplicate.
- (12) Upon completion of evidence, if any, the Registrar shall give notice to the parties of a date when he will hear the arguments in the case. Such appointment shall be for a date at least one month after the date of the notice, unless the parties consent to a shorter notice. Within fourteen days from the receipt of the notice, any party who intends to appear shall so notify the Registrar in the form as set out in Form TM-7. Any party who does not so notify the Registrar within the time last aforesaid may be treated as not desiring to be heard and the Registrar may act accordingly.

(2) In any case of doubt with regard to proceedings on the opposition to the registration of a collective mark any party may apply to the Registrar for directions.

**41. Amendment of regulation relating to collective marks and renewal**

(1) An application by the registered proprietor of a collective mark for any amendment or alteration to the regulation shall be made in the form as set out in Form TM-42, and where the Registrar accepts any such amendment or alteration he shall advertise such application in the Journal and further proceedings in the matter shall be governed by sub-rules (1) to (12) of rule 30.

(2) A collective mark may be renewed from time to time and the provisions of rule 50 to 53<sup>3</sup> shall apply *mutatis mutandis* in respect of such request for renewal.

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<sup>3</sup> Rules 50 to 53, Trade Marks Rules 2004

50. Reminder of renewal of registration

At any time not earlier than six months not later than one month before the expiration of the last registration of a trade mark, the Registrar shall (except where renewal has already been effected under rule 51) send to the registered proprietor a notice in the form as set out in Form O-3 of the approaching expiration and inform him at the same time that the registration may be renewed in the manner described in rule 51

51. Renewal of registration

## **42. Rectification of collective mark**

An application for cancellation of a collective mark including on any of the grounds mentioned in paragraph 13 of the First Schedule to the Ordinance shall be made in the form as set out in Form TM-43 and shall set forth particulars of the grounds on which the application is

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Renewal of registration shall be affected by filing a request for renewal in the form as set out in Form TM-12 along with the prescribed fee at any time within the period of six months ending on the date of expiration of the registration.

### **52. Advertisement of non-payment**

- (1) If at the expiration of the last registration of a trade mark the renewal fee has not been paid, the Registrar shall advertise the fact forthwith in the Journal and if within six months of that advertisement the renewal fee along with a request for renewal in the form as set out in Form TM-12 and together with the prescribed additional fee is received, he shall renew the registration without removing from the Register.
- (2) Where no request for renewal is filed as provided for in sub-rule (1), the Registrar shall, subject to rule 53, remove the mark from the Register.
- (3) Where, in the case of a mark the registration of which (by reference to the date of application for registration) becomes due for renewal, the mark is registered at any time within six months before the date on which renewal is due, the registration may be renewed on payment of –
  - (a) the renewal fee within six months after the actual date of registration; or
  - (b) the renewal fee and additional renewal fee within the period commencing on the date six months after the actual date of registration, that is to say, at the end of the period referred to in clause (a) and ending on the date six months after the due date of renewal.
- (4) Where the fees referred to in clause (b) of sub-rule (3) are not paid within the period specified in that clause the Registrar shall, subject to rule 53, remove the mark from the Register.
- (5) Where, in the case of a mark the registration of which, by reference to the date of application for registration, become due for renewal, the mark is registered after the date of renewal, the registration may be renewed on payment of the renewal fee within six months of the actual date of registration; and where the renewal fee is not paid within that period the Registrar shall, subject to rule 53, remove the mark from the Register.
- (6) The removal of the registration of a trade mark shall be published.

### **53. Restoration of registration**

- (1) Where the Registrar has removed the mark from the Register for failure to renew its registration in accordance with sub-rule(2) of rule 51, he may, upon a request filed in the form as set out in Form TM-13 within six months of the date of the removal of the mark accompanied by the appropriate renewal fee and appropriate restoration fee, restore the mark to the Register and renew its registration if, having regard to the circumstances of the failure to renew, he is satisfied that it is just to do so.
- (2) The restoration of the registration shall be published in the Journal, with the date of restoration shown therein.

made. The provisions of sub-rules (2) to (12) of rule 30 shall apply *mutatis mutandis* for further proceeding in the matter.

## **CHAPTER VIII**

### **CERTIFICATION TRADE MARKS**

#### **43. Application for registration and proceedings thereto**

- (1) An application for the registration of a certification trade mark shall be made to the Registrar in the form as set out in Form TM-4 or Form TM-52, in triplicate, and shall be accompanied by six additional representation of the mark. The draft regulations to be forwarded with the application under paragraph 6 of the Second Schedule to the Ordinance shall be in triplicate and shall be accompanied by the requisite information as set out in Form-49.
  
- (2) An applicant applying for the registration of a certification trade mark shall not be deemed to have abandoned his application if, in the circumstances specified in sub-rule (2) of rule 27 he does not apply for a hearing or reply in writing.
  
- (3) The regulation governing a certification trademarks shall specify, inter alia, the following, namely:-

- (a) The description of the applicant;
- (b) the nature of the applicant' s business;
- (c) the particulars of technical manpower support.
- (d) the applicant' s competence to administer the certification scheme.
- (e) the applicant' s financial arrangement;
- (f) an undertaking from the applicant that there will be no discrimination of any party if they meet the requirements set down in the regulation;
- (g) the characteristic the mark will indicate in the certified goods or in relation to the rendering of certified services;
- (h) the manner of monitoring the use of the mark in Pakistan; and
- (i) such other particulars as may be called for by the Registrar.

(4) The applicant shall forward a statement of case to the Registrar with an application setting out the grounds in which he relies in support of the application. Such case shall be furnished in triplicate.

(5) The Registrar shall cause an application for the registration of a certification trademark to be examined in the first instance as to whether it satisfies the requirement of the Ordinance and the rules and issue a report to the applicant.

(6) The Registrar shall not refuse an application for registration of a certification trademark or accept the application subject to any conditions or limitations or impose amendments or modifications to the application or to the regulations without giving to the applicant an opportunity of being heard.

**44. Opposition to registration of certification trade mark and renewal**

(1) On acceptance of an application the Registrar shall cause the application to be advertised in the Journal and the provisions of sub-rules (1) to (12) of rules 30 shall apply *mutatis mutandis* as they apply in relation to an application for the registration of a trade mark.

(2) In case of doubt with regard to the proceedings on the opposition to the registration of a certification trade mark any party may apply to the Registrar for directions.

(3) A certification trade mark may be renewed from time to time and the provisions of rule 50 to 53 shall apply *mutatis mutandis* in respect of such request for renewal.

**45. Rectification of certification trade mark**

An application for cancellation or variation of registration of a certification trade mark on any of the grounds mentioned in paragraphs 15 and 16 of the Second Schedule to the Ordinance shall be made in the form as set out in Form TM-43 and shall set forth particulars of the grounds on which the application is made. The provisions of sub-rules (2) to (12) of rule 30 shall apply *mutatis mutandis* to further proceedings in the matter.

**46. Alteration of deposited regulations and consent of the Registrar for assignment or transmission of certification trademarks**

(1) An application by the registered proprietor of a certification trade mark under paragraph 11 of the Second Schedule to the Ordinance to alter the deposited regulation shall be made in the form as set out in Form TM-42 and where the Registrar decides to permit such alteration it shall be advertised in the Journal and further proceedings in the matter shall be governed by sub-rules (1) to (12) of rule 30.

(2) An application for the consent of the Registrar to the assignment and transmission of a certification trade mark under paragraph 12 of

the Second Schedule to the Ordinance shall be made in the form as set out in Form TM-22.

#### **47. Registration subject to disclaimer or limitation**

Where the applicant for registration of a trade mark or the proprietor by notice in writing sent to the Registrar -

- (a) disclaims any right to the exclusive use of any specified element of the trademark; or
- (b) agrees that the rights conferred by the registration shall be subject to a specified territorial or other limitation, the Registrar shall make the appropriate entry in the Register and publish such disclaimer or limitation.

#### **48. Certificate of registration**

The certificate of registration of a trade mark to be issued by the Registrar under sub-section (4) of section 33<sup>4</sup> shall be in the form as set out in Form 0-2 with such modifications as the circumstances of any case may require, and the Registrar shall annex a copy of the trade mark to the certificate.

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<sup>4</sup> Section 33(4), Trade Marks Ordinance 2001

On the registration of a trade mark the Registrar shall publish the registration in the prescribed manner and issue to the applicant a certificate in the prescribed form of registration, sealed with the seal of the Trade Marks Registry.

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