

# Introduction to Geographical Indications (GIs)

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# Outline of presentation

- **What are GIs**
- **History of GIs**
- **GIs and Trademarks**
- **International Protection of GIs**
- **Protection of GIs in Europe**
- **Australia and USA v EU in the WTO**

# What are GIs?



## Indications of the origin of products



# GIs and Agricultural Products





Jasmine Rice  
from Surin



Pamelo from Nahornchaisri





- General geography** : Surin province is located on longitude 103 and 105 E and between latitude 15 and 16.
- Climate** : The atmospheric of Surin is humid with the humidity about 78 % in the monsoon.
- Soil** : Soil fertility of Surin Riceland is sandy loam, pH=4.0 – 5.5% O.M. less than 1 %, available-P < 10 ppm. And extractable-K about 10-50 ppm

# Hom Mali Rice



# GIs Registered in Korea

□ Agricultural Ministry as of April 2007

Year	Products	No.
2002	Boseong green tea	1
2003	Hadong green tea	1
2004	Gochang bokbunja (liquor)	1
2005	Seosan garlic, Icheon rice and others	10
2006	Gogeung yuja, Hoengseong beef and others	20
2007	Jindo red wine, Bonghwa pine mushroom and others	5
27 agricultural and 11 forest products		38
13 products under review		
101 agricultural and 50 forest products listed by Agricultural Minister for GI eligibility		



# Boseong green tea registered in 2002



고려대학교 통상법연구센터 (World  
Economic Law Research Center at  
KOREA UNIV.)

# Seosan garlic registered in 2005



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Economic Law Research Center at  
KOREA UNIV.*)

# Goheung yuja (citron) registered in 2006



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# Bonghwa pine mushroom registered in 2007



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KOREA UNIV.*)

# GIs granted by the Brazilian PTO



WINE – 2002



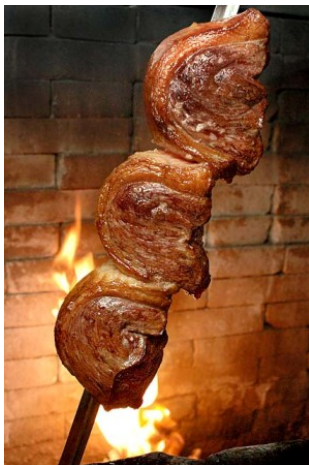
COFFEE – 2005



# GIs granted by the BPTO



Beef – 2006



Cachaça - 2006



# GI certified by the BPTO



Wine – 2009



Leather – 2009





Praewa Thai silk  
from Kalasinth

Handicrafts



Earthenware from Koh Kred





# Wiler, Lötschental, 2004





# Lötschental





European  
Commission



# Sales value

- **Sales value** of EU GIs: **€54.3 billion** in 2010  
(estimated at wholesale stage in the region of production)
- 5.7% of the total EU food and drink sector
- Estimate of EU GI **exports** value: **€ 11.5 billion**
- 15% of EU food and drink industry exports



European  
Commission

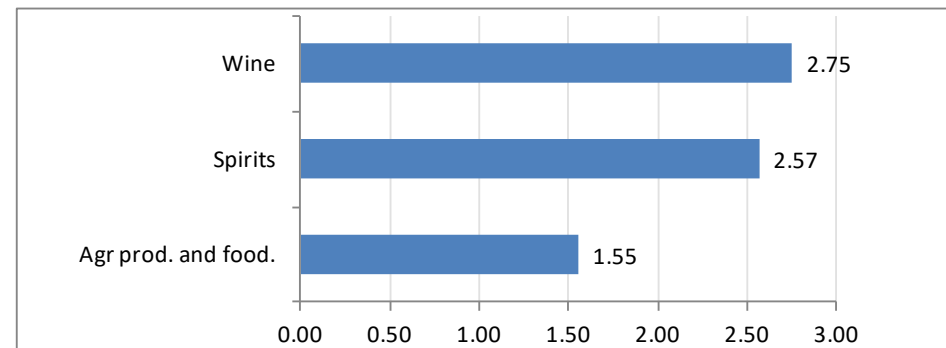


# Value premium

The premium a GI can expect from the market, compared to non-GI products

→ on average, the price of a GI product is **2.23** times the price of a comparable non-GI products

Value premium rate in the EU27 by scheme



/!\ does not reflect value added and profitability of the GI schemes as it does not take into account the additional cost of compliance with GI specifications

# Production of Fake Parmesan Cheese Exceeds That of Real Parmigiano in 2014

Katia Amore | Thursday, March 5, 2015 - 16:41

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For the first time ever, in 2014, global production of fake parmesan and grana padano has overtaken that of the genuine made-in-Italy.

According to Italian farmers' association Coldiretti, last year the production of parmesan-like and grana-like cheeses exceeded 300 million kg, while in Italian cheese makers produced 295 million kg of the real 'Made in Italy' kind.

# Massive Chinese Counterfeit Wine Ring Busted with 7,000 Fake Cases

Pin it



Suspects were arrested in **China** holding more than 32 Million Dollars of fake wine by the Yanti police. In dollar value, this could be the largest bust of its kind in China. Some of the wines being counterfeited were Chateau **Lafite Rothschild** , Chateau **Latour** , Chateau **Mouton Rothschild** , Chateau **Beychevelle** , Chateau **Pichon Baron** , Penfolds and other famous brands. A small French brand, Rafi was also being counterfeited by the same team of suspects as well. This investigation and arrest follows a July, 2013 meeting in Beijing with representatives from the EU where an agreement was

produced to increase efforts to bring down the rampant amount of wine counterfeiters operating in China.



# Other examples

Arita (Japan) for ceramics

Bobo (Burkina Faso) for face masks,

Bukhara (Uzbekistan) for carpets

Darjeeling (India) for tea

Havana (Cuba) for cigars

Long Jin (China) for tea

Pisco (Peru) for spirits

Phu Quoc (Vietnam) for fish sauce.

# History of GIs

The origins of GIs legislation can be traced back to mediaeval Bourdeaux statutes to protect the competitive advantage of wine producers.

(i) the *privilège de la descente* prohibited the transportation by river through Bordeaux of wines produced outside the region until 11 November of each year. With the icing up of rivers this gave the local wines a competitive advantage in gaining access to the lucrative Northern Europe markets.

# History of GIs

(ii) the *privilege de la barrique* which restricted for use only for the wines of Bordeaux a barrel (barrique) of prescribed dimensions, which meant that wines from the region were better packaged and traveled cheaper than wines from competing regions. By a statute of 1764 seeking to prevent the illicit use of the Bordeaux barrique, each had to be branded with the name and parish of origin of the wine grower

# History of GIs

In seeking to resist the abolition of its privileges at the time of the French Revolution, Bordeaux raised a number of the arguments which have characterized the modern debate on geographical indications. (i) it argued that the privileges were essential for guaranteeing the authenticity of the crus (vintages); (ii) that as the land of the region was not suitable for other agricultural pursuits, viticulture had to be protected through the maintenance of these privileges. Both the protection of consumers and the maintenance of the rural economy are advanced as justifications for the protection of geographical indications.

# History

- **Mid-1800s Napoleon III established the *Grand Crus* wines of the Bordeaux area.**
- **In France and in other European countries, the system progressively evolved into the wine “registered designations of origin” (AOC in France, DOC in Italy)**
- **Later in time protection was extended to other food products that associated a specific brand name to a traditional area of production, such as Roquefort, Prosciutto di Parma and Parmigiano Reggiano**

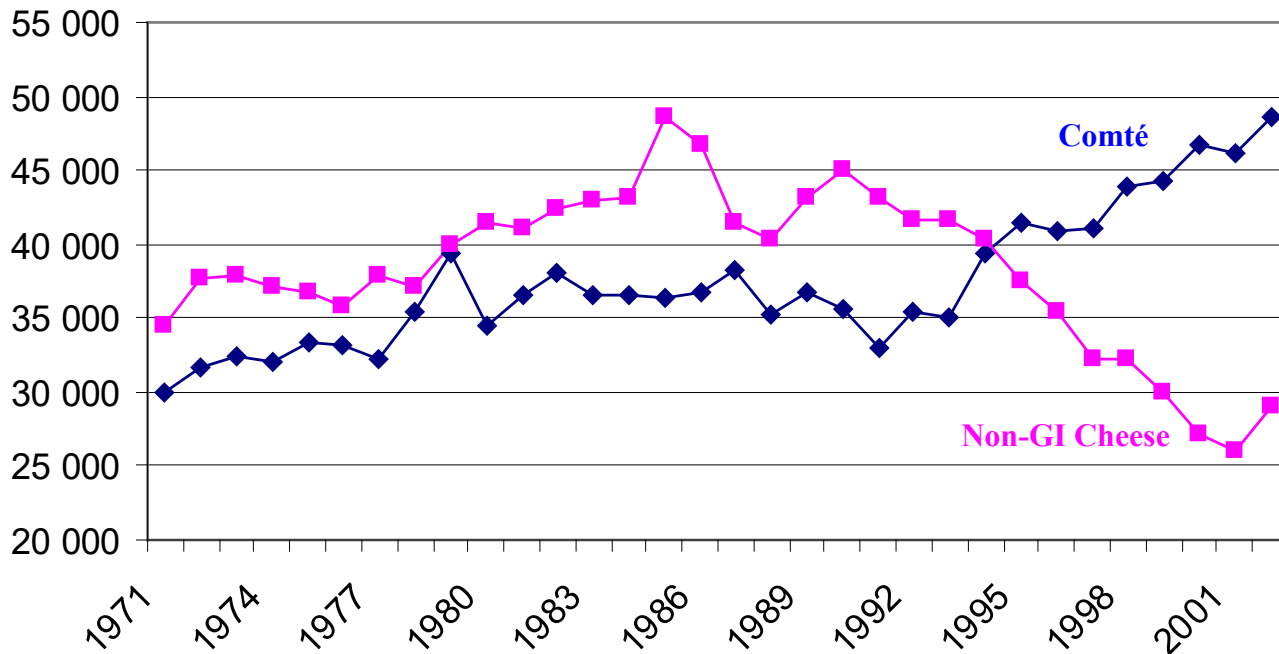
## Economic Arguments in favour of GIs

- “Toscano” oil has a 10% price premium since it is a GI
- GI cheeses sell at 3 euro more expensive than non-GI French cheeses
- Jamao Coffee has seen its prices/lb rise from US\$ 67 to US\$ 107 since constituted as a GI
- 80% of EU spirits exported bear a GI
- Exports of EU GIs range between € 10 and 20 billion per year





Comté production in Franche-Comté has increased at a regular pace of 3%/year for 10 years, whereas the local non-GI Emmental production has dropped

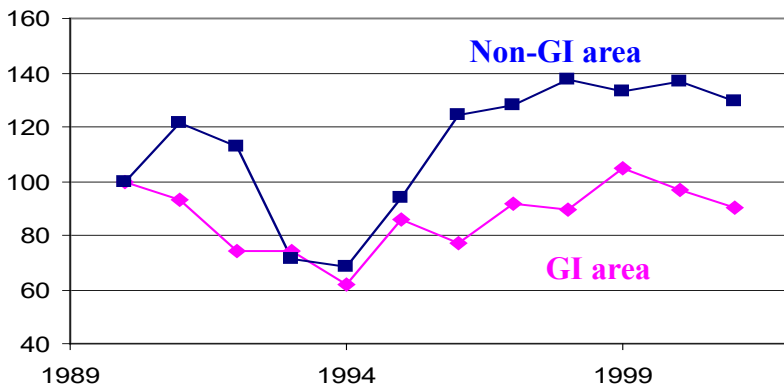


- Supply control
- Improvement of quality
- Advertisement cover
- Development of individual packaging

Comté & Emmental in Franche-Comté – Production evolution (tons)  
source : DRAF

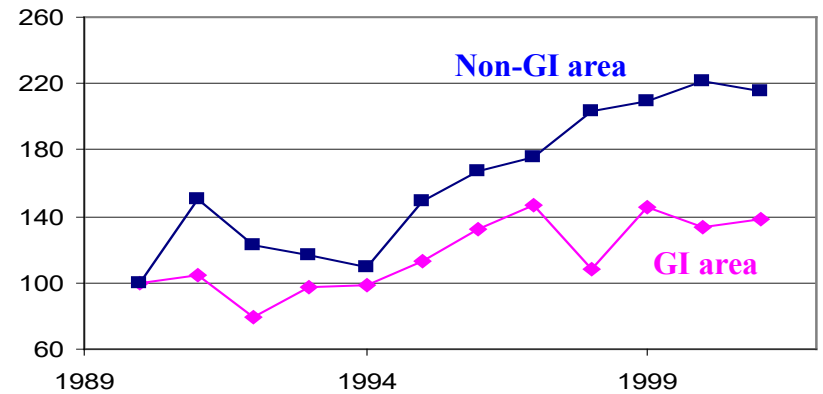


☀ Product specification demand a lesser intensification of rearing and a better protection of environment



Fertilizer utilization per ha – base 100 in 1990

Source : DRAF Franche Comté



herbicide utilization per ha – base 100 in 1990

Source : DRAF Franche Comté

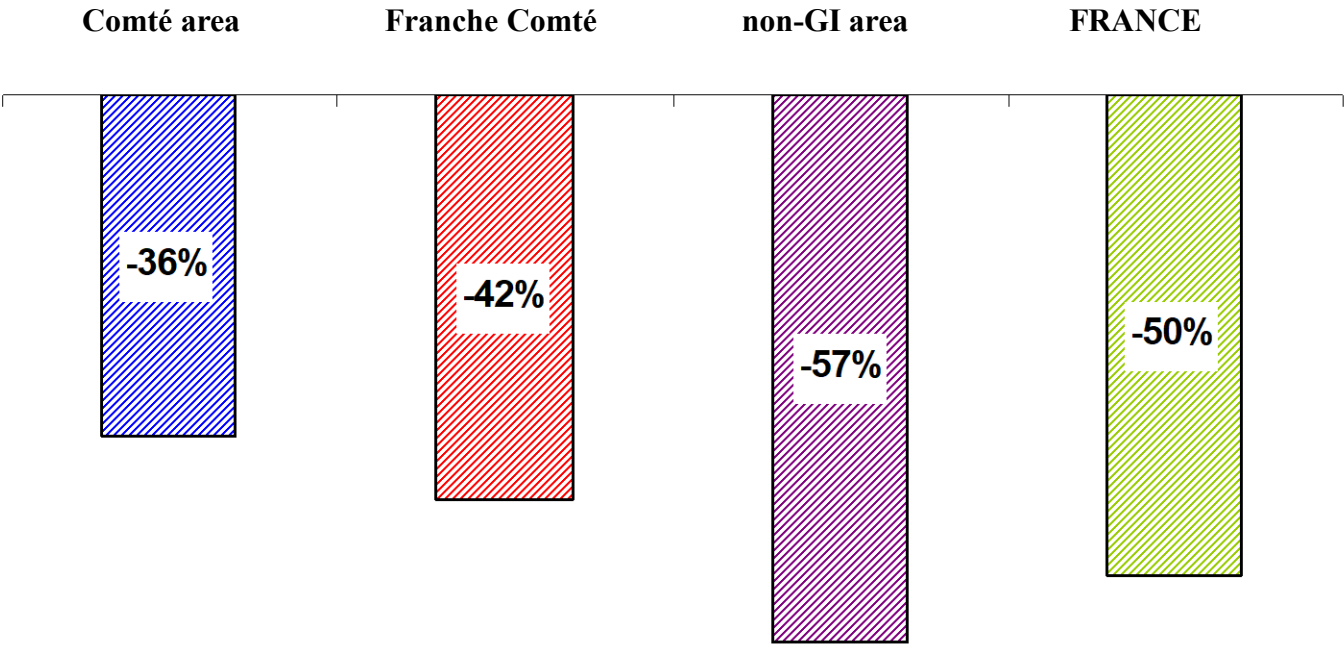
- The use of fertilizers and herbicide increased 2,5 times less rapidly in the GI area.
- The number of animals is 0,95/ha in the Comté area versus 1,11 in other areas.
- 30 to 65 botanic species have been identified per field in the GI area vs only 10 species in artificial grasslands.







The economic vitality of the Comté area helped limit the rural exodus, with twice as less departures than in the non-GI area



□ An attractive Comté sector situation that can be characterized by the facility to sell farms to young producers.

Evolution of the number of bovine milk farms between 1988 and 2000

source : agricultural inventory



# International Protection of GIs

## Art. 1(3) Paris Convention

“Industrial property shall be included within the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers and flour.”

# Paris Convention 1883

- Art. 10(1) provision was made for seizure upon importation of goods bearing false indications of the source of goods or the identity of the producer.
- Art. 10(2), any  
...producer, manufacturer, or merchant whether a natural person or 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.
- Article 10*bis* protection against false or misleading indications of source as a means of repressing unfair competition.

Madrid Agreement for the Repression of False or  
Deceptive Indications of Source of Goods 1891

Article 1 all goods 'bearing a false or misleading indication' to a signatory country, or to a place in that country 'shall be seized on importation'

# Definition

“Indications of Source” Madrid Agreement, 1891, Art. 1(1) goods bearing an “indication by which one of the countries to which this Agreement applies, or a place situated therein...directly or indirectly indicated as being the country or place of origin”.

# Definition

“Appellations of Origin”. Lisbon Agreement 1958,  
Art.2(1) “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.”

# TRIPS Agreement

Art 22.2 Members shall provide the legal means for interested parties to prevent:

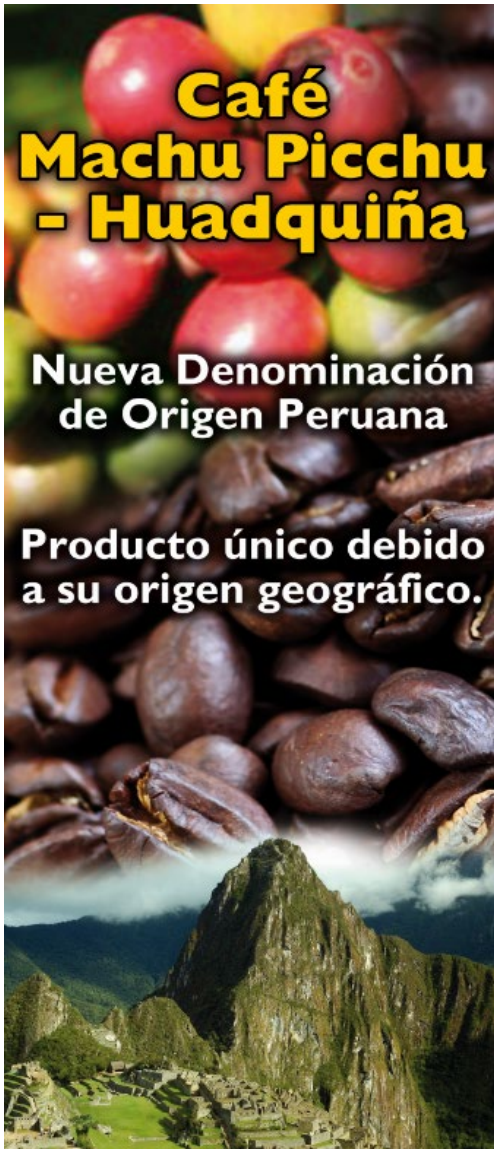
- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- (b) any use which constitutes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

# TRIPS Agreement

Art.22.1 Defines GIs as “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”.



# Direct Indication of Source



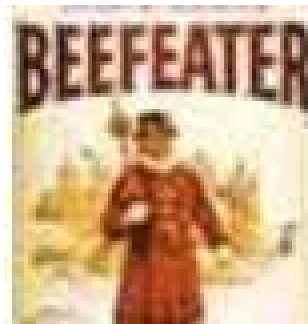
**Café Macchu Picchu - Huadquiña**



# Indirect Indications of Source

- London

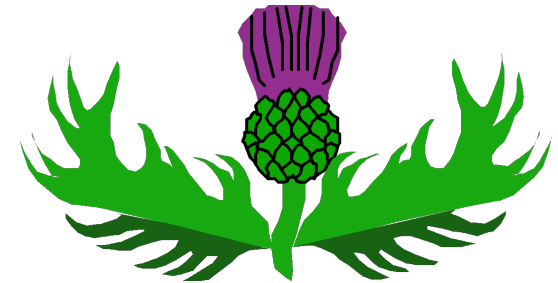
- Houses of Parliament
- Beefeater
- Tower of London
- Palace and guards
- Big Ben
- Bowler hat



# Indirect Indications of Source

- Scotland

- Thistle
- Tartan
- Kilt
- Bagpipes
- Haggis



# Indirect Indications of Source



# Evidence of linkage between product and locality

„Essentially attributable“



# Earliest Historical Record of Zhangqiu Onion

战国时期齐国名著  
《管子》一书记载：

“齐恒公五年，北伐，  
山戎出科葱于戎菽，  
布之天下”



## Parmigiano Reggiano

- XIII Century: the first relevant traces of its presence are found in Benedictine Monks' properties ("*ora et labora*");
- 1254: the notary Guglielmo Vegio from Genoa includes the "*casei parmensis*" in a testament
- XIV Century: Parmigiano Reggiano is quoted in G. Boccaccio's great work, "*Decameron*" (Florence, 1348);
- XIX Century (1860): *Parmigiano* in the duchy of Parma – *Reggiano* in the duchy of Reggio Emilia and Modena;
- 1928: the first Consortium (*Consorzio*) for the safeguard of the designation;
- 1934: the foundation of the Consorzio del Formaggio Parmigiano Reggiano.





# TRIPS Art. 23

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.

# TRIPS Art. 23

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.

# TRIPS Art. 23

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.

# TRIPS Art. 23

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.

# Register for wines and spirits (1)

## □ Main actors:

- Demandeurs: EU, other European countries and certain DCs
- Non-demandeurs („joint proposal group“):  
Argentina, Australia, Canada, Chile, Dom. Rep.,  
Ecuador, El Salvador, Guatemala, Honduras, Japan,  
Mexico, New Zealand, Chinese Taipei, United States,  
etc.

## Register for wines and spirits (2)

- Two basic approaches:
  - Register with a data base (lists of GIs); commitment of Members to consult for decisions at national level regarding protection of a GI
  - Register with challenges at the multilateral level and with registrations having a legal effect of a presumption of eligibility for protection) [+ arbitration (CH)]
- Proposal by Hong Kong, China: presumption of ownership; voluntary participation; no opposition mechanism

# Register for wines and spirits

## (3)

Two key issues blocks (legal effects and participation):

- **Legal effects in all WTO Members ?**
- **Legal effects mandatory only in those opting to participate in the system ?**
- **Legal effects, if any, should be left to the national authorities when making a decision concerning the protection of a GI**

**But also other identified problems or difficulties: translations; administrative and other burdens, in particular for developing countries, etc.**

# TRIPS Revision

Submission by Turkey, 9 July 1999 proposed the extension of geographical indications in TRIPs beyond wines and spirits. Endorsed by African group of countries requested that the protection of geographical indications be extended “to other products recognizable by their geographical origins (handicrafts, agro-food products).” *Preparations for the 1999 Ministerial Conference the TRIPS Agreement Communication from Kenya on Behalf of the African Group, WTO Doc WT/GC/W/302*



# TRIPS Revision

Opposition to extension, Communication of 29th June 2001, Argentina, Australia, Canada, Chile, Guatemala, New Zealand, Paraguay and the United States WTO Doc. IP/C/W/289.

- Costs and burdens of extension
- Adequacy of Art. 22

# Doha Declaration, Art 18

...we agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference. We note that issues related to the extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits will be addressed in the Council for TRIPS....

# Hong Kong Declaration Nov 2005

1. We reaffirm the Declarations and Decisions we adopted at Doha, as well as the Decision adopted by the General Council on 1 August 2004, and our full commitment to give effect to them. We renew our resolve to complete the Doha Work Programme fully and to conclude the negotiations launched at Doha successfully in 2006.
2. We emphasize the central importance of the development dimension in every aspect of the Doha Work Programme and recommit ourselves to making it a meaningful reality, in terms both of the results of the negotiations on market access and rulemaking and of the specific development related issues set out below.

# Extension: the main actors

- Main actors:
  - EU, other European countries, certain DCs (India, Jamaica, Kenya, Pakistan, Sri Lanka, Thailand, Tunisia, Turkey, etc.)
  - Argentina, Australia, Canada, Chile, Chinese Taipei, Colombia, Ecuador, Guatemala, New Zealand, United States, etc.
- Proposed coverage for products: agricultural, foodstuffs, handicrafts, industrial products

## “Extension” of GI protection: the legal issues

- The *differential level of protection* and the balance of rights and obligations of WTO members
- The principle of *territoriality*: which country would determine the criteria for GI protection?
- Are *country names* to be protected?
- Would *non-place names* or *non-geographical names* be protected?
- The relationship between extended GI protection and existing *trademarks*



WTO OMC

## Transatlantic System Friction: WTO GI Dispute

- The USA and Australia complained to the WTO in 2003 that the EU system for the protection of GIs, as set out in original EC Regulation 2081/92, did not comply with TRIPS.
- The complainants US/Australia claimed that contrary to the exclusive rights granted to trademark owners in TRIPS, coexistence jeopardises the exclusivity of a prior registered trademark and defeats the trademark owner's expectations. Article 16(1).
- A GI may not be registered where the trademark's reputation, renown and the length of its use mean that registration of the GI is liable to mislead the consumer as to the true identity of the product.

## GI Regulation at issue: 2081/92 discriminated against foreign GIs

- The complainants argued that it was discriminatory in that it did not permit the registration of GIs by producers from non-EU member states unless the country where that producer was based afforded equivalent levels of protection to GIs as the EU itself does (the “reciprocity” requirement).
- Discriminatory, therefore contrary to the principle of national treatment (TRIPS Article 3): It limited registration of GIs to goods which originated in the EU. It did not allow for the registration of non-EC GIs unless that indication was from a country that offered protection that was equivalent to that of the EC.

## Summary: WTO/GI Cases:

- **The primary claims were as follows:**
  - **Violation of the national treatment principle (Article 3(1) of TRIPS) in that a party not resident or established in the EU, including such a party having trademark rights in a Member State, has no right to object to a proposed registration of a GI.**
  - **Violation of "grandfather clause" for prior applied-for or used trademarks. Indeed, whereas Article 14(2) of the Regulation states that only registered trademarks currently in use can be grandfathered, TRIPS Article 24(5) states that all trademarks applied for or registered in good faith or common law trademarks used in good faith should be grandfathered. CM 175.**
  - **Lack of adequate procedures to protect trademark owners (Article 16 of TRIPS). CM 174.**



## Prejudice to TM's exclusivity

- In sum, it was claimed that:
  - Regulation 2081/92 diminishes the value of foreign trademarks by not allowing trademark owners to assert their rights to protect their trademarks against confusing use: contrary to Article 16 of the TRIPS Agreement.
  - The GI Regulation grants protection for GIs at the expense of trademark rights which the EU is specifically obliged to guarantee under the TRIPS Agreement.

# WTO EC – Geographical Indications

- Findings: While upholding the EU system in general, the WTO Panel found the Regulation NOT consistent with National Treatment in TRIPS Article 3.1 with respect to:
  - the equivalence and reciprocity conditions, as applicable to the availability of protection for GIs;
  - the application procedures, insofar as they require examination and transmission of applications by governments;
  - the objection procedures, insofar as they require verification and transmission of objections by foreign governments; and
  - the requirements of government participation in the inspection structures under Article 10, and the provision of the declaration by governments under Article 12a(2)(b);

*It recommended that the EC amend the Regulation with respect to the equivalence and reciprocity conditions so as for those conditions apply to the procedures for registration of GIs located in other WTO Members.*

## Amended GI Reg. 510/2006

- **Recitals**

- (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. See *Article 7: Objection/decision on registration and Article 12, Cancellation*.

## Amendments: objections

- **Art. 7**

- (c): an objector may 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).
- 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).

## **Amendments: inspection procedures**

- **Article 11.2, Verification of compliance with specifications.**
  - 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.**

## Amendments: interrelationship of trademarks and GIs

**Art. 14.2. A trademark ....which has been applied for, registered, or established by use .... 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 Trademark Harmonization Directive (89/104/EEC) or the CTM Regulation ((EC) No 40/94).**

## Significance of EC amended regulation

- The EC amended regulation of 2006 (in force 31 March) allows non-EU producers to submit applications for GIs directly to the EC.
- 2007: It has enabled registration of foreign GIs in the EU such as Café de Colombia for coffee and; Napa Valley for the Californian wine region.

