

THE WAY AHEAD - WHAT FUTURE FOR GEOGRAPHICAL INDICATIONS?

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Introduction

Multilateral protection of Geographical Indications (GIs) is at the cross-roads. Within the World Trade Organization framework, Articles 22, 23 and 24 of the TRIPS Agreement provides the legal framework for GI protection.

Articles 22 and 23 of the TRIPS Agreement contain three distinct levels of GI protection namely:

- (a) for geographical indications related to all products (Article 22 (2))
- (b) for wines and spirits (Article 23 (2)) and
- (c) only for wines (Article 23 (1))

The scope of protection granted is limited to the prohibition of the use of geographical indications by producers not located in the region designated by the particular geographical indication. It is also limited to any use which constitutes an act of unfair competition.

The additional protection for both wines and spirits in Article 23 includes three elements:

- (i) providing the legal means for interested parties to prevent the use of a geographical indication identifying wines and spirits, not originating in the place indicated by the geographical indication
- (ii) refusing or invalidating the 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
- (iii) the call for future negotiations aimed at increasing protection for individual geographical indications for wines and spirits and the establishment of a

multilateral system of notification and registration of GI for wines eligible for protection.

In the Doha Ministerial Conference, it was agreed that issues related to the extension of the protection of GI to products other than wines and spirits will be addressed in the TRIPS Council.¹ The Council has been discussing the issue over the last few years and various contentious issues have arisen. There is need for consensus on the matters and charting of the way forward.

Contentious issues on the GI Debate

The contentious issues can be enumerated as follows:

- (i) Is there mandate to negotiate GI extension?
- (ii) Should higher levels of protection of GI be extended to products other than wines and spirits?
- (iii) Should a multilateral register be established for all GI products or for wines only?
- (iv) Should Article 24 of the TRIPS Agreement be amended, if so, to what extent?
- (v) What exceptions should be created in the event of extension of protection of GI beyond wines and spirits?
- (vi) What should be the transitional phase-out period for generic GIs?

Mandate to negotiate GI extension

The mandate to negotiate a system of notification and registration of GIs for wines and spirits is clearly given in Article 23 (4) of the TRIPS Agreement and in the Doha Declaration.² However, with regards to the extension of GI protection, there are two opposing positions. One view is that extension of GI is an outstanding issue and is not mandated under Paragraph 12 of Doha.

The Doha Declaration states that:

*With a view to completing the work stated in the Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPs) on the implementation of Article 23.4, 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 of 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 pursuant to paragraph 12 of this declaration.*³

¹ Paragraph 18 of the Doha Declaration.

² Paragraph 18 of the Doha Declaration.

³ Paragraph 18 of the Doha Declaration

Paragraph 12 of the Doha Declaration deals with implementation issues in particular where it is stated that negotiations on outstanding implementation issues will be an integral part of the work program. It is further stated that where we provide a specific negotiating mandate in this declaration, the relevant implementation issues shall be addressed under that mandate and other outstanding implementation issues shall be addressed as a matter of priority by the relevant WTO bodies which shall report to the Trade Negotiations Committee (TNC).

The interpretation of the above paragraphs is divergent between countries. Some countries are of the view that there is no agreement to negotiate other outstanding implementation issues.⁴ Other countries take the position that there is a clear mandate to negotiate the issue.⁵ The issue of mandate must be resolved before the GI debate can be taken forward.

Extension of higher levels of protection to other products

Debate on GI extension to other products is to determine the objectives, scope and content of the extension and the cost implications on producers, consumers and government authorities. The debate has elicited divergent views. There are countries that support and those that oppose GI extension.

Kenya is a member of the Group of Friends of Geographical Indications that advocates for extension of GI protection beyond wines and spirits. The argument in support for extension is that there are several products of unique characteristics, quality and reputation which are closely tied to given geographical locality in Kenya and such products do not enjoy equal protection under TRIPS Article 23. In order to enhance fair trade to all producers it is imperative that all products possessing distinct geographical qualities and attributes must be treated equally. The present framework of Article 23 is discriminatory as it gives unfair and additional advantage to wines and spirits.

It is argued that GIs are an intellectual property right equal to trademarks, designs or patents.⁶ None of these rights discriminate among categories of products in granting effective protection. To this end, the TRIPS provisions granting wines and spirits higher protection can not be justified in law. Further, there are no commercial, economic or legal reasons to limit effective GI protection to only wines and spirits or not to provide such protection also to GIs for all other products. Extension creates a level playing field in the TRIPS Agreement for all products thereby making attractive to all WTO members.

⁴ See Communication from Argentina regarding paragraphs 18 and 12 of the Draft Ministerial Declaration, 12 November 2001, WT/MIN.(01)/W/8 see <http://www.wto.org/>

⁵ See Communication from Bulgaria, Czech Republic, EU, Hungary, Liechtenstein, Kenya, Mauritius, Nigeria, Pakistan, The Slovak Republic, Slovenia, Sri Lanka, Switzerland, Thailand and Turkey regarding paragraphs 18 and 12 of the Draft Ministerial Declaration, 14 November 2001, WT/MIN(01)/W/11 see <http://www.wto.org/>

⁶ See Communication from Bulgaria and other countries as contained in TN/C/W/14 dated 9th July 2003.

In Kenya, the products that could benefit from GI extension include agricultural products such as Mt. Kenya coffee, Gathuthi tea, Kisii tea, Kericho tea, kangeta, miraa, meru potato, kikuyu grass, Mombasa mango, Machakos mango, Asembo mango, Muranga bananas and Kisii bananas. Livestock products that could benefit from GI extension include Molo lamb, Kitengela ostrich meat, Omena fish and Mursik milk. Other products are Keringeti mineral water and Victoria mineral water. Minerals such as Tsavonite and Magadi soda as well as industrial products such as the Kenyan kiondo, Other GI products include Naivasha wine, Kakamega Papaya, Kakamega omukombera and Tilapia fish from Lake Victoria and Tilapia fish from Lake Turkana. Handicrafts would include Kisii soapstone, Akamba carvings, Maasai attire and beads.⁷ Enhanced protection of GI can also be used to protect small scale producers of Aloe Vera, Machakos Honey and Bixa,

In the African countries, there are several products that can benefit from extension of GI protection. These include Shea butter and Bobo for plank masks from Burkina Faso; chad for high-grade cotton from Chad; kivu and Ituri for coffee from Congo⁸; Zimbabwe tobacco and chipinga coffee; Uganda Waragi; Tanzania Konyagi and Kilimanjaro coffee; and M'Bigoiu for sculptures as well as the Gabon sweet potato which is five times sweeter than the normal potato and has one of the highest sucrose content. From Cameroon we have white honey, from Corte D'Ivoire we have Korhogo fabrics; in Guinea the pineapples, from Madagascar we have the Mananara vanilla, while chilis and pickles are from Rodrigue Island of Mauritius all having unique geographical attributes.

The African Intellectual Property Organization (OAPI) Agreement recognizes protection of geographical indications and it covers all products including natural, agricultural as well as industrial and craft products.⁹ In order to be protected, the geographical indications must be registered by OAPI or are to be treated as having been registered by virtue of an international convention to which the member states are parties.¹⁰ If the requirements for registration of geographical indication are fulfilled, the geographical name is entered in Special Register of GIs.

Goal for GI Extension

The goal for GI extension is to increase the legal certainty of protection that the TRIPS Agreement affords to geographical indications for products other than wines and spirits. In accordance with their submissions before the TRIPS Council, the Friends of GI

⁷ See paper presented by Lucas Sese at the African Regional Seminar on the Protection of Geographical Indications at Mombasa – Kenya, December 14th to 15th 2004.

⁸ See paper presented by Irina Kireeva, (O'Connor & Co. Lawyers – Brussels – Belgium) at the African Regional Seminar on the Protection of Geographical Indications, Mombasa – Kenya, December 14th to 15th 2004.

⁹ The member countries of OAPI are: Benin, Burkina Faso, Cameroon, Central Africa, Chad, Congo, Corte D'Ivoire, Gabon, Guinea, Guinea Bissau, Equatorial Guinea, Mali, Mauritania, Niger, Senegal and Togo.

¹⁰ Information on OAPI can be found on <http://www.oapi.wipo.net/>.

observe that the extension is to ensure that GIs will only be used for products actually originating from the place indicated by the GI.¹¹

The main issues to be analyzed in the extension debate are¹²:

- Whether extension would help or hinder market access and economic development.
- Whether extension would be burdensome and impose costs.
- Whether the names currently used as generic would have to be changed to protected geographical indications or the exceptions in Article 24 would apply
- What role public, social and cultural policies play in the debate?
- How to stop additional geographical indications from becoming generic terms.

Reasons for call for extension of scope of GI protection by African countries

A workshop on GI protection was held in Mombasa, Kenya on 14th and 15th December 2004. One of the resolutions of the workshop was the need to expand the scope of GI protection in the TRIPS agreement. It was observed that the introduction and development of GI in African countries would enhance positive contribution to sustainable development in several ways.¹³ These were enumerated as:

- ❖ GI protection would transform the African farmers from raw material producers to exporters of differentiated products easily identifiable in the global market.
- ❖ The development of traditional rural products through GI protection would provide an efficient means to prevent relocation of production and would help retain and sustain workers in the rural areas thus reducing rural urban migration.
- ❖ GI products are the results of regional products ingenuity which deserves to be better preserved at an international level and maintain a strong global link.
- ❖ GI protection would assist the African economics, which are largely dependent on agriculture, to realize the full value of their quality products and this would translate to better living standards of the producers.
- ❖ GI protection would assist African producers to unlock the value of their products by promoting them as origins
- ❖ Protection would ensure better market access by creating a niche for GI product producers.
- ❖ Enhanced GI protection would ensure that blending and branding of GI protected products results into income earned by the producers of the goods. For example, with regard to Kenyan tea and coffee with distinctive quality and flavour, traders and blenders in pursuit of higher margins from the sale of inferior tea and coffee

¹¹ See WTO Doc. TN/C/W/14 “Geographical Indications – The Significance of Extension in the TRIPS Agreement and Its Benefits for WTO Members. See also IP/C/W/204/Rve.1, IPC/C/W/247/Rev.1 and IP/C/W/353

¹² See Irina Kireeva’s paper presented at the African Regional Seminar on protection of Geographical Indications held at Mombasa, Kenya on 14th to 15th December 2004.

¹³ See paper presented by Agnes Nyaga, Vice President of OriGin at the African Regional Seminar on protection of Geographical Indications held at Mombasa, Kenya on 14th to 15th December 2004.

- do blend these with Kenyan tea or coffee. This has denied farmers the high premium prices realized but also identity in the global market.
- ❖ At the given geographical location, GI protection is a tool for attracting premium price and to protect local know-how and natural resources.
 - ❖ GI protection prevents standardization of food by providing a wider choice for consumers.
 - ❖ GI protection contributes to biodiversity conservation by encouraging localized production of distinct products with diverse qualities. It thus protects traditional cultures and enhances national identity.
 - ❖ GI protection can be used as a means to increase production and create local jobs.
 - ❖ GI protection can be used as a tool for adding value to land under GI territory.
 - ❖ GI protection has a positive impact on tourism. For example, the wine routes in Cape Town in South Africa and the Argane Oil cooperatives in Morocco attract several tourists per day.
 - ❖ GI extension enhances global prospects of having quality products. GI is thus a standard and quality raising tool for development.

Arguments against Extension of GI Protection

The main reasons advanced in opposition to extension of GI protection beyond wines and spirits are:

- The extension would involve extra costs for governments in terms of administrative and financial burden of implementation..
- The producers would bear additional costs due to trade and production disruption.
- The consumers would bear these costs associated with consumer confusion.
- Geographical indications can be so complex that their protection would be used by producing countries to block imports.
- On cultural grounds it is stated that many names have traveled with migrants (such as European migrants to Australia, South Africa and United States) who naturally want to continue to make the same products and to use the same names to identify those products
- Better protection of GI would be a barrier to trade because ensuring better protection would close markets or affect producer's activities since certain products would have to be relabeled.

The divergent views on the GI extension debate needs to be harmonized to find a consensus. Should GI protection be voluntary or mandatory at the multilateral level? Interpretation of Article 22 (2) shows that a voluntary regime for GI protection for all products can be established by a WTO member country for interested parties. Article 23 provides enhanced protection for wines and spirits. On a balance, the way forward is to extend the additional protection to all products. It may be worth considering whether the enhanced additional protection can be extended by each country individually on the products it so chooses.

Exceptions in the event of extension of scope

Article 24 of TRIPS provides for exceptions relating to GI protection. These are:

- (a) GIs already in use for at least 10 years
- (b) Trademarks similar to or identical with GIs registered in good faith
- (c) Generic terms such as customary in common language
- (d) Personal names
- (e) GIs not valid in countries of origin.

The way forward is that the exceptions contained in Article 24 of the TRIPS Agreement should continue to apply. These exceptions are designed to provide flexibility in implementing the level of protection contained in Articles 22 and 23. Extending GI protection to other products should not affect the exceptions.

Multilateral Register

Article 24.4 of the TRIPS Agreement requires that in order to facilitate the protection of geographical indications for wines and spirits, negotiations shall be undertaken in the TRIPS Council concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those members participating in the system.

Three issues arise pursuant to this:

- Is protection to be granted based on registration
- If a multilateral register is established, should it extend to all GIs and not wines and spirit alone?
- Who bears the cost maintaining the multilateral register?

The main area of controversy is whether extension of the scope of protection under Article 23 should be tied to the establishment of the multilateral register. Are the two issues exclusive? There are countries that tie extension of protection to the establishment of the register and there are others that view the issues as separate.

Why a multilateral register?

One of the arguments for a multilateral register (MR) is that it provides a “one-stop” shop mechanism covering all WTO members. Such a register would be simpler and cheaper for everybody. It would facilitate implementation of existing obligations by governments and the beneficiaries of the register would include all stakeholders in GI. There would be less confusion among consumers. The MR would provide better protection of GI by the producers at a better price. The MR guards the GI from becoming Generic.

Additional rationale for a register for GI protection can be derived from state practice. National, bilateral and regional systems for GI protection are based on some form of

registration. For example, in the EU, GI protection is based on a specific registration system. The OAPI, South African and other state practices are all premised on registration.

The way forward on the MR debate is that consultations should continue to clarify the following issues:

- How can the MR facilitate protection?
- What is the meaning of MR to participating countries?
- What is the purpose of the MR system?
- Who bears the administrative cost and burden of the MR system?
- MR should enhance and not diminish certainty in GI protection.
- How to make the MR useful and reliable.

What should be the transitional phase-out period?

In the event of extension of GI protection, one issue that would arise is the duration of the phase out period. Bilateral and regional practice on this issue might shade light on the way forward.

In the EC-Australia Wine Agreement, different phase out periods for generic use in Australia of certain European geographical indications are given. In the EC-Canada Wines Agreement, the average phase out period ranges from two to ten years. In the EC-South Africa Trade Development and Cooperation Agreement, the phase out period is on average five years.

WAY FORWARD

Consultations on GI extension have been on-going for over two years. There is need to move forward from consultations to a textual and treaty language approach. The textual approach should focus on a draft text:

1. Amending Article 23 of the TRIPS Agreement for GI to apply to all products.
2. Amending Article 24 of the TRIPS Agreement so that the exceptions therein all to products.
3. Amending Article 24 (1) to remove reference to Article 23. For example, the first sentence in Article 24 (1) can be amended to read that “Members agree to enter into negotiations aimed at increasing the protection of individual geographical indication.” Such an amendment will enlarge the scope of negotiations under the Article.
4. The provisions of Article 24 (3) should be amended. Presently, Article 24 (3) provides for standstill protection of all GIs that existed in a member state prior to 1996. This standstill protection should continue with respect to wines and spirits but be opened and extended to new GI products covered in the extension. The standstill reference period should be the year when the GI

extension is agreed upon. The effect of such an approach will be to create a double standstill protection, one being pre-1996 and the other pre-GI extension.

5. The exceptions granted in Article 24 (4) should be reviewed in the event of extension of GI to other products. Presently, the exception covers wines and spirits with respect to good faith use or at least 10 years prior to 15th April 1994. The issue is whether this exception should be granted to products to be covered by extended GI protection. If so, the way forward is to create a grand fathering clause for this extended coverage.
6. Article 24 (5) will need to be amended to explicitly provide an exception to trademarks that have been applied and registered in good faith for products covered by the Extended protection to all GI products.
7. Article 24 (6) deals with vine and grape variety. This should be amended to include all plant varieties without reference to wines and spirits.
8. Article 23 (4) should be revisited with respect to notifications and who bears the cost of the said notification. It is proposed that all WTO members protecting GIs should notify the WTO Secretariat of the registered GIs or trademarks that are GIs. The rationale of notification is to permit opposition hearings and to find out if a country allows co-existence of GIs and Trademarks.
9. With regards to the cost of maintaining the MR, it is proposed that the register should be self-financing like other Madrid Union registers.