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"CEYLON TEA" - SRI LANKA'S BEST KNOWN GEOGRAPHICAL INDICATION

*prepared by Mr. Hasita De Alwis,
Director (Promotion), Sri Lanka Tea Board, Colombo*

INTRODUCTION

Without any doubts, "Ceylon Tea" is the best known Geographical Indication, Sri Lanka could boast of. This is not a co-incident but a well thought-out path which Ceylon Tea commenced more than 145 years ago in 1867 thanks to the British who was ruling the tiny island in the Indian Ocean at that time.

ECONOMIC IMPORTANCE

- 3rd Largest Foreign Exchange earner.
- Generates annual income of USD 1.5 Billion.
- Covers entire food import bill of the island.
- Constitute 65% of the nation's Agricultural Export Revenue.
- Contributes 2% to the country's GDP.
- 2 Million People (10% of population) directly and indirectly employed by tea industry.

Ceylon Tea is continuing to do a yeomen service to the economy of Sri Lanka while contributing 15% share to the country's foreign exchange earnings. Only the expatriate remittances from the 02 million Sri Lankans employed overseas and the garment trade earn more hard currency for the island. Exports of Ceylon Tea generate an annual income of US\$ 1.5 billion and this revenue covers the hard currency requirement necessary for the entire food import bill of the country. With 2% contribution to the Nation's GDP and dependence of 10% of the population on the industry, Ceylon Tea plays a pivotal role in the economy of Sri Lanka.

GLOBAL IMPORTANCE

- World's Largest Producer of Orthodox Black Tea.
- World's Largest Exporter of Orthodox Black Tea.
- 4th Largest Tea Producer in the world.
- 2nd Largest Tea Exporter in the world.
- World's Largest value-added Tea Exporter.
- World's Largest Tea Export Revenue Earner.
- Fetches World's highest Average Auction Price.

Ceylon Tea is a global leader in many aspects. Not only is Sri Lanka the largest producer of orthodox black tea but it is also the largest exporter of orthodox black tea to the world. While Sri Lanka is the 4th largest global tea producer after China, India & Kenya, it is the second largest tea exporter in the world after Kenya. Sri Lanka is by far, the largest value added tea exporter in the world. Almost 45% of all Ceylon tea exports are in small retail packs. The second largest value added tea exporter to the world is India and their share is still just around 10%. Further, Colombo Tea Auction commands the highest average price for tea per annum during the past 10 years which is remarkable.

BACKGROUND

- 2003 – Sri Lanka enacts GI Legislations while introducing a Certification Marks System.
- 2004 – First attempt by Sri Lanka Tea Board (SLTB) to register “Ceylon Tea” as a Certification mark.
- 2010 – SLTB manages to obtain Home Registration for “Ceylon Tea” as a Certification Mark.
- 2011 – SLTB succeeds to get Home Registrations for seven major Agro-Climatic regional Teas as Certification Marks.

In comparison to developed nations and even some of the developing countries, Sri Lanka took a while to progress with Intellectual Property rights. In fact, it was only in 2003 that Government of Sri Lanka enacted the GI legislations and introduced a Certification Mark system. Although Sri Lanka Tea Board first attempt to register Ceylon Tea as a Certification Mark locally was way back in 2004, that effort was successful only in 2010. However by 2011, Tea Board succeeded to speed-up the process and obtain home registrations for all seven major agro-climatic regional teas as Certification Marks besides Ceylon Tea name.

ISSUES

- Ceylon Tea promoted globally by Sri Lanka for decades. Substantial funding spent on this exercise.
- Ceylon Tea synonymous with high quality for over 100 years. Due to large popularity, a high demand exists for pure Ceylon Tea flagship brand.
- Thus, counterfeiting & misuse of Ceylon Tea name rampant. Multi-origin blends or other origin teas are marketed as “Ceylon Tea” in many foreign countries.
- Surveillance of illegal usage of “Ceylon Tea” name worldwide and prevention is not only difficult but expensive.

Since Ceylon Tea has been promoted globally by Sri Lanka for decades, it has now become a world famous name. Sri Lanka, though a tiny island with a small and vulnerable economy, spent substantial funds on this exercise. As a result, Ceylon tea name has become globally synonymous with superior quality for more than a century. The product is now marketed in 134 countries round the world. As a nation brand, the popularity and demand for Ceylon tea is amazingly high. Therefore, counterfeiting and misuse of the Ceylon tea name is rampant. The usage of multi-origin blends and other origin teas passing off as Ceylon tea is numerous. The surveillance of illegal marketing of the Ceylon tea name worldwide and prevention is almost impossible and substantially expensive.

OBJECTIVES

- Prevent counterfeiting & reduce misuse.
- High level of protection.
- Deliver authentic/genuine products to consumers.
- Flexibility of differentiating products.
- Enhance value & offer farmer a better price.

The registration of Ceylon tea name and the agro-climatic regional names as GIs or Certification Marks will increase the protection of the good name of Ceylon tea and discourage the misuse of Ceylon tea name by using other origin teas, particularly in off-shore packaging by private label brands. Further, such registrations will enhance the value of the final product and offer the poor farmer a better price. It would also give flexibility of differentiating products and deliver authentic Ceylon Tea products to consumers.

INFRINGEMENT

Al-Otuor brand pure Ceylon tea with Lion logo is the genuine pack and Dorra Al-Otuor brand tea is the fake pack with a bogus Lion logo. Both these packs look very similar and bound to deceive the end-consumer. The counterfeit was detected in Iraq while the packaging has been done in Aqaba Free Zone in Jordan and also in Northern Iran.



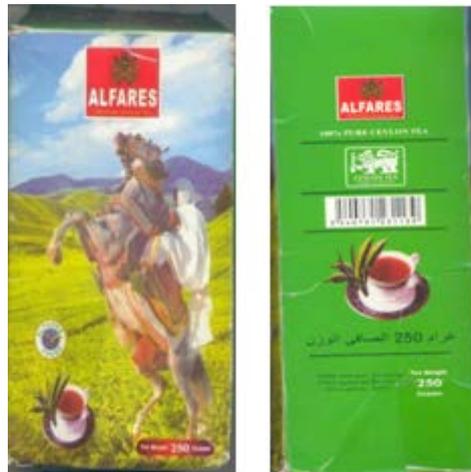
The Zahrat tea brand is a Sri Lankan owned brand. However, the slide depicts a pack detected in China. The Chinese packer using 100% Chinese tea has used the Lion logo and the retail pack narration says it is 100% pure Ceylon tea. The cargo was confiscated while destined to Libya. These are few examples of the origin violations and Lion logo misuse in the world market.



The slide depicts a pack on the retail shelf in Malaysia which says Ceylon tea but the content inside is pre-dominantly Boh Tea from the Cameroon highlands in Malaysia. This is another example of passing off a different origin as Ceylon tea.



Al-Fares is a Sri Lanka owned brand which is popular in the Middle East, Libya and Iran. This counterfeit pack was detected in a free zone in China with 100% Chinese tea. However, the pack narration says it is 100% pure Ceylon tea and even carries the Lion logo which is the quality symbol of Sri Lanka Tea Board.

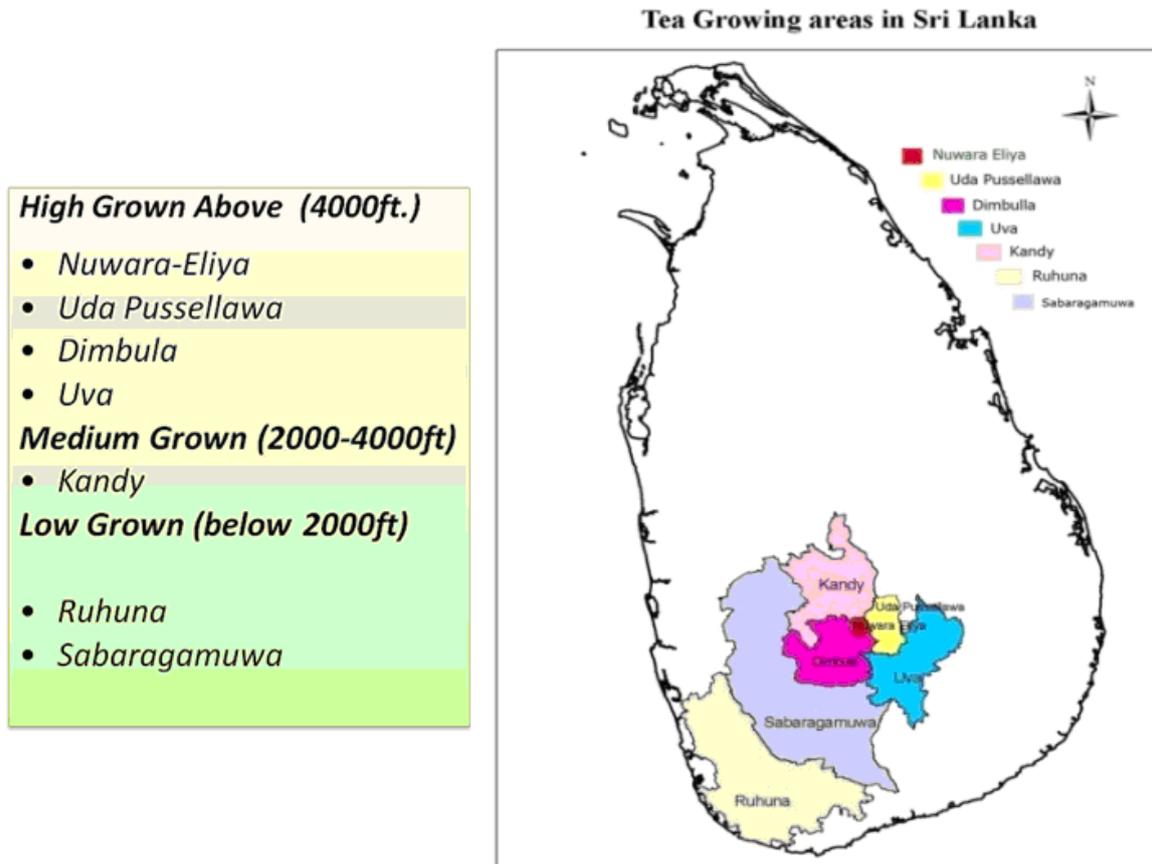


ACTION TAKEN

- Descriptive narrations for “Ceylon Tea” & seven Regional teas established.
- All 700 tea factories in Sri Lanka demarcated under each agro-climatic region.
- Approval of Parliament obtained for Sri Lanka Tea Board to be Administrative Authority / Custodian of Certification Mark for Ceylon Tea and 07 Regional Teas.

As remedial action, Ceylon tea name and seven agro-climatic regional names were registered as Certification Marks with unique logos and descriptive narrations in Sri Lanka and Tea Board commenced registrations in overseas markets. All 700 tea factories in Sri Lanka are now demarcated under each agro-climatic region. The Government has given authority for Sri Lanka Tea Board to be the custodian of these Certification Marks.

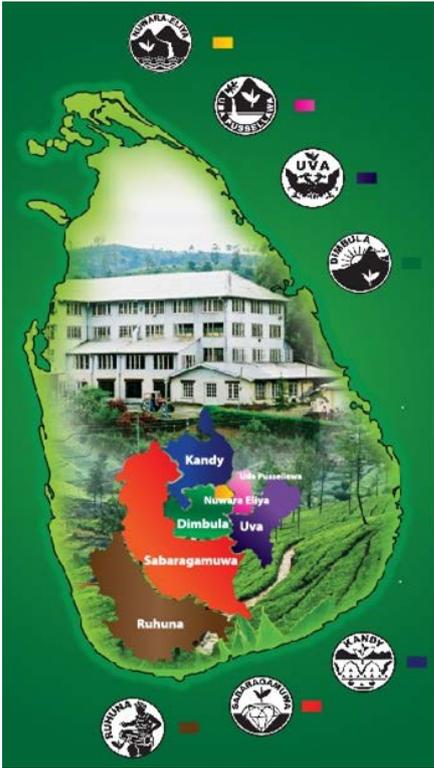
SOLID EXAMPLES OF APPELLATION OF ORIGIN & GIS'



Ceylon tea consists of seven major agro-climatic regions in accordance with the elevation from sea level. While Nuwara Eliya, Uda Pussellawa, Uva, Dimbulla are situated above 4000 ft. from the sea level and classified as high grown teas, Kandy is classified as a medium grown tea and is located between 2000 and 4000 ft. from the sea level. The low grown teas which are very unique are situated from sea level up to 2000 ft. and classified as Ruhuna and Sabaragamuwa.

DIVERSITY IN SPECIALITY

Regional teas have unique organoleptic characteristics & reputation of such teas essentially attribute to its GIs. This results in quality unparalleled in flavour, colour, fragrance unique to each district.



- Nuwara-Eliya** - *Delicately Fragrant*
- Uda Pussellawa** - *Exquisitely Tangy*
- Dimbula** - *Refreshingly Mellow*
- Uva** - *Exotically Aromatic*
- Kandy** - *Intensely Full-bodied*
- Sabaragamuwa** - *Stylish & Leafy*
- Ruhuna** - *Distinctively Unique*



Diversity in Specialty has been a great strength of Ceylon tea which helped the product immensely to be always ahead of competition. The agro-climatic regional teas have unique characteristic and special taste, flavour and aroma. The reputation of such teas essentially attribute to its GIs. They are typical Appellation of origins.

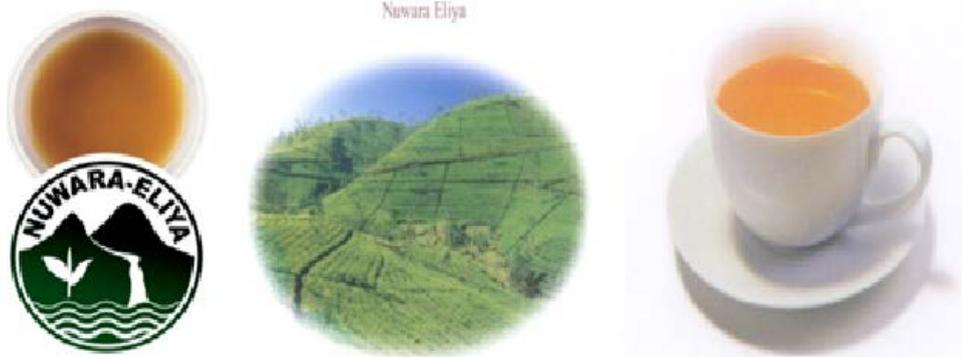
“CEYLON TEA” – TASTE THE DIFFERENCE



Sri Lanka boasts of seven agro climatic districts where Ceylon tea is grown with different tastes, colour, aroma, liquor & appearance.

NUWARA ELIYA – DELICATELY FRAGRANT

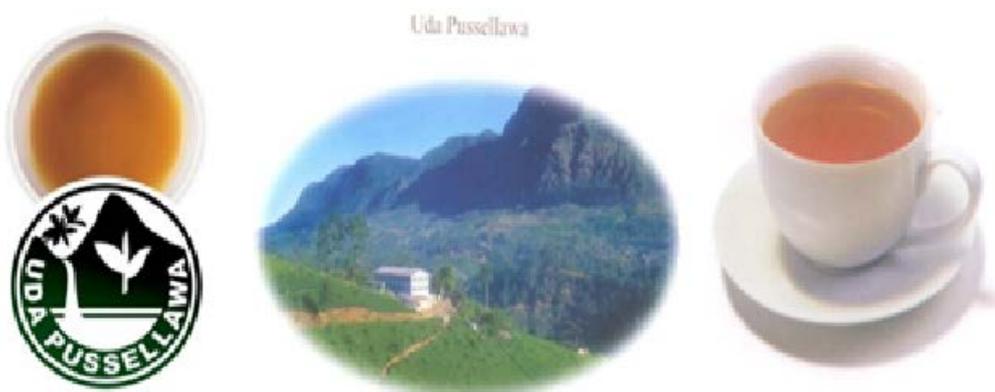
- An oval shaped mountain valley with peak seasonal quality in January & February.
- Nuwara Eliya Agro-climatic district is above 6200 ft. from sea level.
- Teas manufactured in this region when brewed give a light orange colour, delicate, fragrant and smooth on the palate (discreetly perfumed aroma).



It is customary to begin with the tea from the highest elevation which is called “Nuwara Eliya” situated above 6,000 ft from sea level. Nuwara Eliya tea is acclaimed as Champaign of Ceylon Tea. Traditionally Nuwara Eliya teas are demanded mostly by European Union and Japan but of late, Far East and ASEAN Region looking for a light liquoring tea with strong aroma is also ordering it.

UDA PUSSELLAWA - EXQUISITELY TANGY

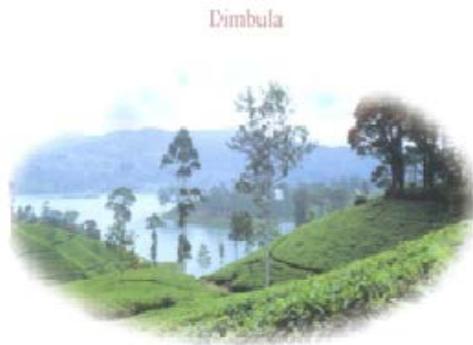
- Located on the edge of Uva and leading on to Nuwara Eliya is this mountain range.
- The agro-climatic district is situated 4000 – 5000 ft. above sea level.
- During quality season it produces light, bright tea with rosy liquor.
- It experiences two periods of superior quality – Jan./Feb. & Aug./Sept.



The Uda Pussellawa Region is not as high as Nuwara Eliya in elevation but still 4,000 to 5,000 ft. above sea level and defined as another High Grown Tea. Due to the unique location of Uda Pussellawa on the edge of Uva and leading to Nuwara Eliya, it enjoys two superior quality seasons Jan/Feb and Aug/Sept. During the season, the tea is bright in colour, with a light and rosy taste.

DIMBULA - REFRESHINGLY MELLOW

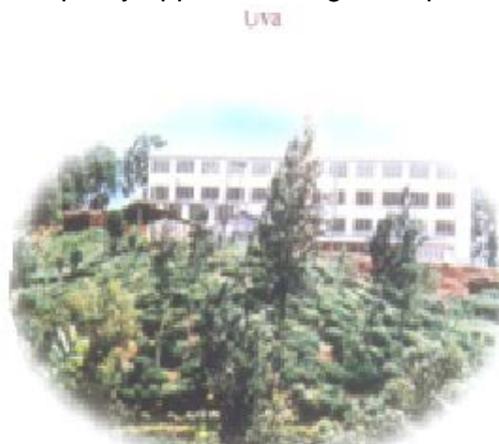
- Covers an extensive western slope of central highlands of tea planting districts of Sri Lanka.
- Dimbula district embraces plantations from around 3500 – 5000 ft. above sea level.
- The peak quality season is in February/March.
- The area produces a range of teas from full bodied flavour to light, delicate and fragrance. When brewed it gives a rich orange colour.



The Dimbula plantation covers the western slope of the planting district in Sri Lanka. The monsoon rains and the cold dry weather produce a range of teas from full body to light and delicate. The peak quality season is in February and March while the plantations are situated from 3,500 feet to 5,000 feet above sea level and is categorized as another high grown Ceylon Tea.

UVA - EXOTICALLY AROMATIC

- Covers the eastern slopes of Sri Lanka's central mountains.
- Uva agro-climatic district is situated 3000 – 5000 ft. above sea level.
- Uva teas have a distinctive flavour and essentially pungent, sometimes heavily.
- The peak seasonal quality appears in August/September.



The 4th high grown Ceylon Tea comes from Uva region. It is located in the Eastern slopes of the central mountains in Sri Lanka from 3,000 to 5,000 feet above sea level. The peak quality season is usually from August to September and in heavy demand by buyers from Japan and Germany. The Uva teas have a distinctive flavour and essentially pungent sometimes quite heavily.

KANDY - INTENSELY FULL-BODIED

- Located in the mid country area of Sri Lanka.
- Agro-climatic district situated from 2000 – 4000 ft. above sea level.
- Mid grown teas are known for its full bodied strong character. When brewed, it gives a deep red colour.



The mid grown teas are popular for their full bodied strong character. When brewed it gives a deep red colour and has a natural sweetness. The tea is known as Kandy tea and ideal for consumers who like their brew strong and bursting with flavour. The Kandy tea goes quite well with milk.

The district of Kandy is remarkably significant to Sri Lankans due to several reasons. While the temple of tooth relics of Lord Buddha, the most sacred place for Sri Lankan Buddhist is located in Kandy, the last king of the country also used to have his palace and the capital city at that time in Kandy. Today the Tea Museum is located in a place called Hantana also in Kandy.

SABARAGAMUWA - STYLISH & LEAFY

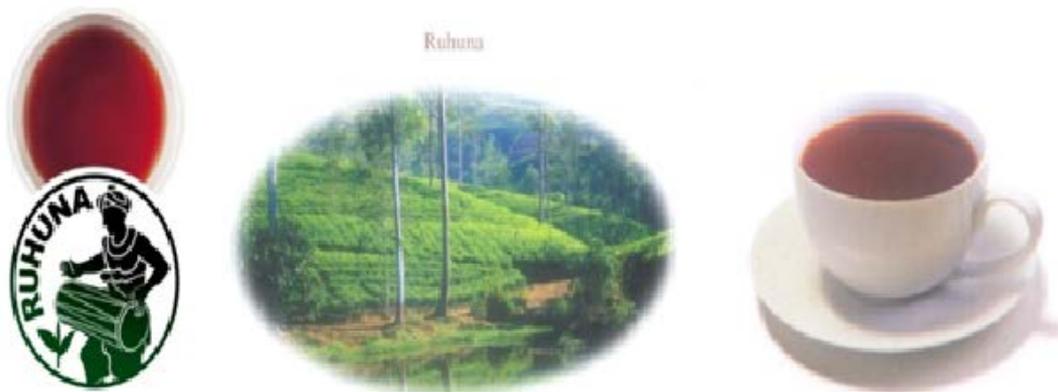
- Grown in the southern part of the island spread from sea level to an elevation of 2500 ft.
- Situated in the southern plains & through the world famous rain-forest of Sinharaja upto the southern foot hills of the central massif.
- Broadly categorized as low grown teas, famous for stylish leaf appearance and large particle size.
- When brewed, a deep red colour with smooth and mellow liquor.



Coming down from the mid grown to the low grown, two agro climatic zones are defined. Sabaragamuwa is the newly defined agro climatic zone from the low grown region and is located in the southern part of the island spreading from sea level to an elevation of 2,500 feet. It comprises of many sub-regions from the southern coast through the world renowned Sinharaja heritage rain forest. The blackness of the dry leaf is a distinctive feature with deep red colour of the infused brew. The Sabaragamuwa teas will give the consumer smooth and mellow liquor.

RUHUNA - DISTINCTIVELY UNIQUE

- Located in the southern part of Sri Lanka at the edge of the Sinharaja rain-forest.
- Agro-climatic region famous for low grown tea is situated. from sea level upto 1500 ft.
- The unique features of Ruhuna tea are its blackness to the leaves and strength as well as character in the cup. When brewed, a dull red colour often sweet and sometimes coarse.
- Popular for its stylish leaf appearance.
- A perfect cup for those who like their tea thick and sweet with milk.



Other Low Grown Regional Tea famously known as Ruhuna Tea is located from sea level up to 1,500 feet. The particular condition of the soil gives the leaves blackness and imparts it to the brew to produce a dull red colour tea. The Ruhuna tea has no particular season and is available throughout the year where it is internationally famous for the stylish leaf appearance. Ruhuna teas are located in the southern part of Sri Lanka at the edge of the Sinharaja forest. Due to its somewhat coarseness most consumers love to enjoy a cup of Ruhuna tea with a dash of milk.

ROAD MAP

Following 20 most important markets identified to Register Ceylon Tea & Agro-climatic Regional Teas as GIs' or Certification Marks.

1	Russia	11	Egypt
2	Ukraine	12	Tunisia
3	Azerbaijan	13	Kuwait
4	Iran	14	Libya
5	Iraq	15	Japan
6	Syria	16	USA
7	UAE	17	EU
8	Turkey	18	Canada
9	Jordan	19	Australia
10	Lebanon	20	Saudi Arabia

According to the importance of the tea markets for Ceylon tea, Sri Lanka Tea Board identified 20 most important countries to register Ceylon tea and agro-climatic regional teas as GIs or as Certification Marks. The slide depicts the list of these countries.

PROGRESS ACHIEVED – “CEYLON TEA”

Country	Status
Jordan & Lebanon	Registered.
Canada & Syria.	Applications filed in Feb. 2012.
Tunisia & Turkey.	Applications filed in July 2012.
Egypt, UAE, Iraq, Saudi Arabia, Iran & Libya.	Applications under process.
EU & Australia.	Applications under process.
Russia, Ukraine & Azerbaijan.	Applications Rejected.
Japan, Kuwait & USA	Applications challenged.

The exercise commenced in the year 2012 and we have already experienced that it is a very slow process and difficult task. Also, it is quite expensive. The progress achieved up to now with the 20 target markets are shown in this slide. Tea Board has been successful in registering the Ceylon Tea GI only in Jordan & Lebanon. The application has been filed in Canada, Syria, Turkey & Tunisia. In Egypt, UAE, Iraq, Saudi Arabia, EU, Iran, Libya & Australia, the applications are under process. In Russia, Ukraine & Azerbaijan as well as Japan, Kuwait & USA, the applications have been either rejected or challenged.

In Russia, Ukraine and Azerbaijan the examiner has rejected Sri Lanka Tea Board application due to the fact, that these countries only have a GI protection but the Home Registration of Ceylon Tea is a Certification Mark protection. We are now trying to prove to the trade mark authorities of those CIS nations that Ceylon Tea protection in Sri Lanka is equivalent to a GI system in some overseas markets. This has been clearly stated as per the National Legislation of our country but Russia, Ukraine & Azerbaijan is yet to accept it. Further, these countries do not allow 3rd party custodian systems and insisting that applicant

should be undertaking the commercial business transactions which are not how other countries and Sri Lanka operates GI protections. Sri Lanka Tea Board safeguards the name and franchises it out to the private sector. Then, it is the private sector exporters who exports Ceylon Tea to the importing countries. Due to this unrealistic obstacle Sri Lanka Tea Board is facing an up-hill task in registering the Ceylon Tea name for GI protection in Russia, Ukraine & Azerbaijan. Since Russia is the No. 01 tea market for Sri Lanka and Ukraine as well as Azerbaijan are also important large markets for Ceylon Tea, the protection is of vital importance due to the numerous infringements and counterfeiting of the origin taking place.

In USA, the application has been suspended on the basis that Ceylon Tea name has become generic. In Japan & Kuwait, the applications have been rejected on the basis that Ceylon Tea name is non-distinctive due to extensive use. In other words, they claim that Ceylon Tea has become generic. Sri Lanka Tea Board is opposing both these rejections since their claim is incorrect. Again Japan and Kuwait are both very important tea markets for Sri Lanka with significant absorption volumes of Ceylon Tea, thus cannot be forgotten, disregarding the application for protection. Similarly USA is an up-coming tea market and emerging as a potential outlet for Ceylon Tea. Therefore, Tea Board needs to pursue the matter without giving up.

PROGRESS ACHIEVED – SEVEN REGIONAL TEAS

Country	Status
Japan	Registered
USA	Gazetted
Canada	Applications Filed
Australia	Applications Under Process
EU	Applications submitted

Five target markets namely Japan, USA, Canada, Australia & EU (27 nations) were identified to commence the registration of seven Agro-climatic Regional Teas during 2012. While Sri Lanka Tea Board had been successful in Japan and probably would come through in USA, it is under process in Canada & Australia. The applications submitted to the Intellectual Property Office in EU are under investigations.

COST STRUCTURE – “CEYLON TEA” REGISTRATION	Country	Cost (US \$)
	Jordan	1,160
	Lebanon	830
	Tunisia	625
	Turkey	1,575
	Canada	1,100
	Syria	1,230
	Egypt	700
	UAE	4,375
	Iraq	1,400
	EU	560
	Australia	1,025
	Russia	Nil
	Ukraine	Nil
	Azerbaijan	Nil
	Kuwait	6,525
	Japan	15,050
	USA	9,650
	Iran	1,165
	Libya	765
	TOTAL (US \$)	47,735

The table shows the status of the cost break-down for the 20 markets incurred to register the Ceylon Tea GI. It needs highlighting that success had been fully achieved only in 02 markets up to now although a total close to US\$ 50,000 had been incurred. Nevertheless, we are aware of the value of the investment.

COST STRUCTURE – SEVEN REGIONAL TEAS REGISTRATION

Country	Cost (US \$)
Japan	15,050
USA	9,650
Canada	11,000
Australia	11,900
EU	5,810
TOTAL	53,410

The cost structure for the 07 Regional Teas registration depicted in this slide show that a cost of US\$ 53,500 had been already spent.

GEOGRAPHICAL INDICATIONS – WHERE DO WE STAND TODAY?

*prepared by Pajchima Tanasanti,
Director General, Department of Intellectual Property (DIP) of Thailand, Bangkok*

Talking about geographical indications in Thailand, we have to bear in mind that Thailand has implemented our *sui generis* GI law for almost 10 years. The GI Protection Act was promulgated in 2003. We also implement the obligations under Articles 22-24 of the TRIPS Agreement.

The meaning of GI in Thailand includes name, symbol, or any other things used for calling or representing geographical origins and the goods originating from such geographical origins and detail of the particular quality, reputation or other characteristics of the goods that is attributed to their geographical origins. It means that geographical indications in Thailand combine three key elements of geography, know-how and quality. In other words, GIs represent products from specific geographical origin with specific quality, reputation and characteristics. We provide protection for goods, and not yet for services. We protect agricultural products, industrial products and handicrafts. When you visit the exhibition area outside the conference room, you will see that we have several kinds of products which are protected as geographical indications in Thailand.

Next, I would like to touch on the necessary steps taken in Thailand prior to registration procedures. First, we conduct a factual study on history, linkages and special characteristics and engage producers of potential GI products. Second, we draft the specifics, including the production standards, specification, geographical boundaries and verification. After that the application will be sent to my office (Department of Intellectual Property: DIP) for registration. Then we have GI control mechanisms which is a very important aspect of GI. They include self-control, internal control and external control. Another important aspect is marketing and promotion. These are issues that we discuss with our local GI producers. After that the application will be drafted and sent to my office. If the application meets all the requirements, we will give them a certificate. After they have registered, they are allowed to use the GI logo. The logo certifies that the products comply with the working manual, internal control plan and other established criteria. Who can use GI logo? The first group is producers of the goods in the geographical origin. The second is traders. Now Thailand had registered about 46 products, 38 Thai and 8 foreign. The total number of applications in the pipeline is 93. 79 of which are Thai products and 14 foreign products.

When we talk about various initiatives of GI in Thailand, I would like to say that Thailand have tried to do many things in the last 10 years. We have engaged in many cooperation activities with many countries and organisations. We have worked under WTO, more specifically the TRIPS Council, and the Doha mandate. Thailand is one of GI Friends. We are supportive of 2 issues. The first one is GI multilateral system for wines and spirits. The second is GI extension, giving higher level of protection to other products beyond wines and spirits. We feel that Thailand and other ASEAN have many kinds of products and it is possible to provide the same level of protection as wines and spirits. Under WIPO, we have participated in the working group of the review of Lisbon. We aim to develop and improve works which will cover both GI and Appellation of Origins. Another issue of interest is when we talk about a future possible international registration, Lisbon system will have a system similar to Madrid Protocol. For example, you can file one application through WIPO for protection in multiple countries.

At the ASEAN level, with its goal to become the AEC within 2015, we have an action plan to guide our works for the years 2011 to 2015. We have ASEAN Working Group on the Intellectual Property Cooperation namely AWGIPC. Under the Action Plan we have 28

initiatives. One of the initiatives is GI. It means that ASEAN is keen on GI protection too. Thailand and Vietnam are champion countries in this area. Take your time to visit the exhibition and drop by the Vietnamese booth, you will see that Vietnam has registered many kinds of GI products too. The other project that supports GI in ASEAN is ECAP III phase II, which became operational last year. GI protection in ASEAN is supported by the EU. The third is a regional cooperation project on geographical indications. This project is supported by the French Development Agency (AFD) and Food and Agricultural Organisation (FAO) of the United Nations. The participating countries of this programme are Thai and Laos, Vietnam and Cambodia.

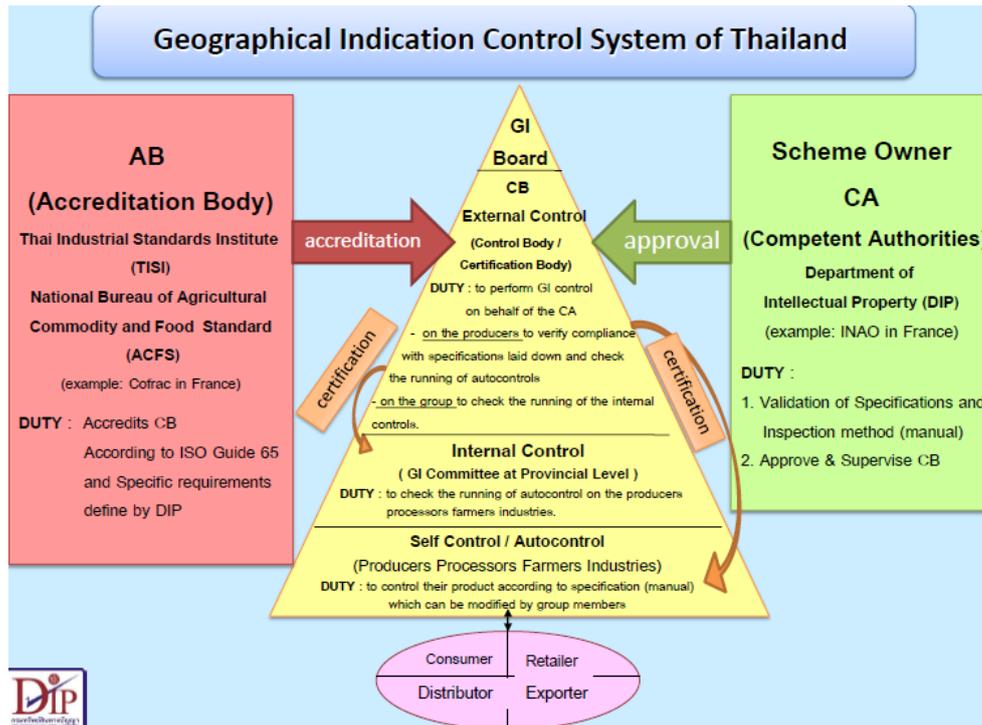
For bilateral cooperation, Thailand has bilateral cooperation on GI with Vietnam. We concluded an MOU together. We have exchanged information and study visits with Laos. We plan to sign an MOU with them in 2013. This MOU will cover implementation of GI protection too.

For FTA negotiations as they relate to intellectual property, GI is an important issue subject to focused discussion. Of late, Thailand has engaged in FTA negotiations with Chile and Peru. Our negotiations with the EU will start in May this year.

For WIPO, Thailand is selected as a pilot country to join WIPO product branding project. The duration of this project is from 2010 to 2013. Thailand, Uganda and Panama were chosen to be pilot countries. Thailand has chosen 3 products: Mae Jaem Teen Jok fabric, Lamphun Brocade Thai silk and Bang Chao Cha wicker, 2 of them are GI products.

Now, I want to say a few words about initiative at the national level. I would like to start from the promotion of GI registration in Thailand. When we talk about promoting registration in Thailand, the first thing you have to be aware of is that there are altogether 76 provinces, excluding Bangkok. We would want to know first which products are potential GIs. We have disseminated information on GI law and registration system to the local communities in every province. Second, we promote potential GI products of each province. We have promoted the recognition of GI in Thailand, for example, we organise exhibitions. Another promotion method is publishing a booklet of GI in each province. We try to promote not only through printed media or exhibitions. We use as many channels as possible, for example, television, radio, newspapers, magazines and social networks.

Furthermore, Thailand has promoted control mechanisms and traceability system. I would like to say that control systems are very important. We try to develop a manual for the production of a GI product and then we promote the method for tracing the origins of GI products and then we have developed GI control system in Thailand. We have an MOU between my Department, the Department of Thai Industrial Standard Institute (TISI) and National Bureau of Agriculture Commodity and Food Standard (ACFS) which was signed last year. It means that we will work together for the development and improvement of control systems in Thailand. When we look at this slide I would say that DIP is the scheme owner. The scheme owner acts as the competent authority. My Department acts as the competent authority. We are responsible for the validation of specifications and inspection methods. The second is to approve and supervise CB. We have worked together with AB, as I said before we signed the MOU with TISI and ACFS. Their duties are accrediting CB according to ISO guide 65 and specific requirements defined by DIP. For the producers, they will start from the bottom to the top. This means that they must have a self-control/auto control system in place. The second step is to implement an internal control. The internal control can be undertaken by a committee established at the provincial level to inspect if the producer follows the specifications or not. Then we will have CB or external control and on the top is the GI Board. This is the control systems in Thailand. It means that the producers will follow the specification that had been registered already.



We have other initiatives. Thailand supports greater access of Thai GI in overseas markets, for example, we have the twinning project between Thailand and France for Champagne and Lamphun silk brocade. It means that for special occasions, Champagne will use Lamphun silk brocade for silk ties given to their valued customers. We organise overseas exhibition for example, in Japan, Vietnam and Hong Kong. We plan to go to Singapore and France.

I am very proud of the project that I am going to talk about. My Department is filing applications for registration in foreign countries. We begin with the EU for PGI registration. The reason that Thailand decided to file its first overseas application in the EU is because Thailand's system is modeled after the EU's, especially France's. The President of European Commission presented GI certificate to Thai Prime Minister when she visited Brussels on 6 March 2013. He gave her the certificate of GI registration for "Thai Khao Hom Mali Thung Kula Rong-Hai". On that occasion, we organised an exhibition to showcase Thai GI products as well. Other Thai applications are Kafae Doi Chang and Kafae Doi Tung. These two applications are now being processed in the EU. I hope that it will be registered in the near future. We are interested in the systems and we are thinking that this year we will file two more applications to register in the EU our rice called "Khao Sungyod Muang Phattalung" and in Vietnam -- our handicraft named "Thai-Isan Silk Yarn". We want to register in Vietnam because the EU said that Silk Yarn is not an agriculture product.

One of the objectives of use is adding value to the existing products. Products that carry GI name in fact carry a community brand, not an individual one. We add value to the products and they will sell in niche market. When we have GI system we have specifications and we have control systems. It means that the producers or the processes will follow the specifications that have been registered already.

GIs can help create job opportunities, preserve traditional knowledge and conserve environment. The local producers or the local people over there can take pride of their local culture and try to preserve the distinct qualities of their products. GI also support other industries such as tourism industry. I have here a book that informs readers about GI products in different parts of the country, you will visit GI is production sites over there too. Enhance networking among producers and suppliers along the supply chain is important. I

think this is a chance for the producers to meet other producers and exchange ideas and contacts or make market together in the future.

When we mention price premium, for example, a coffee from Doi Chang, the price of coffee cherries used to be 4.50 baht/kg. After that it was 15 baht/kg. – around ten years ago. Now it is 28-32 baht/kg. I would like to show that the price has significantly increased. For Chiang Rai Phulae Pineapple, the price has increased from 8 baht/kg. to 23 baht/kg. at the farm. Now they are sold in the market at 50 baht/kg. and is reaching 60 baht/kg.

When we talk about GI, this is what I think very important. Now Thailand is facing a challenge of effective enforcement. Why do I say this? Because Thailand has a law already but the enforcement to protect GI products, how do we go about? For example, the first case we received was the misuse of the name. Under Thai GI law, the offenders have to face criminal sanctions. This pineapple found in the marketplace uses which the name of GI product. It means pineapples from other areas use Phulae name. With the kind of evidence like this, how can we investigate? Second, I think you may recall that GI is also a symbol. This slide show how symbols are use on a bottle of spirit claimed to be Tequila. This product looks like it is from Mexico because of Mexican hat and cactus. How do we prove for real that it is a Mexican product? This is an enforcement issue in Thailand. This time I have discussed with WIPO if it is possible to discuss these issues together. I know that tomorrow we will have more discussions on protection and enforcement.

The enforcement of the protection of GI

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- The name
- The symbol



Lastly, I would like to mention that in ASEAN, we have the same or similar products. The name of GI will help distinguish between those products by identifying their true origin similar products coming from different areas have different qualities. In the future, if you enhance the quality of the products and the history behind the production tied to the land, they can command a higher price in the future. I hope that in the EU and many countries had GI protection already but in ASEAN we try to establish a system to protect GI products in our countries. I hope that in the future, ASEAN will move forward together and create a niche market for GI products for ourselves.

MANAGING GEOGRAPHICAL INDICATIONS IN AFRICA-OPPORTUNITIES, EXPERIENCES AND CHALLENGES

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INTRODUCTION

Geographical indications have been commonly used by business establishments and producer groups in developed countries in marketing distinctive products using geographical origin or other distinctive signs as brands in order to enhance competitiveness and increase trade revenue. Businesses in developing countries such as Brazil, China, India and Mexico have also been using geographical indications for similar purposes. Consumers increasingly look for distinctive products and are willing to pay premium price to products identified by the origin of products and marketed using IP tools.

African countries have distinctive products with unique characteristics that are attributed to geographical origins but little is done to protect geographical indications and capture intangible assets. However, there have been recent positive developments in protection of geographical indications and marketing products as distinctive and different from similar products. These include success stories in African countries such as Ethiopia, Morocco and Uganda, where trademarks, geographical indications and certification marks have been used in capturing intangible values associated with their distinctive products, promoting and marketing them. Moreover, there are ongoing initiatives that aim at identifying distinctive characteristics of export products, which are associated with the geographical origin of products and knowhow of producers. These include the World Intellectual Property Organization (WIPO) supported projects that involve undertaking a bench marking study, developing and implementing intellectual property and branding strategy to strengthen the competitiveness of selected products in selected African countries.

The use of geographical indications in African countries, however, involves a number of challenges ranging from lack of awareness of the significance of such tools to lack of or inadequate resource and capacity needed for protection, management and promotion of IP assets.

Attempt is made in this article to examine the opportunities, experiences and the challenges in protecting and managing geographical indications in Africa using examples from selected African countries.

OPPORTUNITIES AND REASONS FOR PROTECTING AND MANAGING GI'S IN AFRICA

A comprehensive study has not yet been made at the continental level that shows the opportunities of using Geographical indications in Africa. However, the needs assessment studies carried out by WIPO¹ and similar studies² conducted in selected African countries revealed that African countries have products that have reputation and good will at the

¹ These include WIPO needs assessment reports of Burundi, Cameroun, The Gambia, Liberia, Mauritius, Seychelles, Uganda, Tanzania and Zanzibar.

² See, for example, Blakeney M, Coulet T, Mengistie G and Tonye Mahop M (eds.) (2012) *Extending Protection of Geographical Indications: Case Studies of Agricultural Products in Africa*, A book published by Earth Scan.

international market and whose distinctive and unique characteristics are attributed to the geographical origin of the products. These products command a growing demand and fetch a higher price in the international retail market. Nevertheless African producers and other stakeholders that are involved in the value chain got very little. The benefits have been enjoyed by importers, distributors and retailers outside of the African countries.

Some of the African products are identified and sold using geographical names and designations reflecting the origin of the products. However, little has been done in protecting and managing geographical origin designations. As a result the geographical indications have been misused or misappropriated. An example is Kilimanjaro, the name of the highest mountain in Africa and the region in Tanzania where the mountain is found. Kilimanjaro is known and widely used as a brand to market various products including coffee in and outside of Tanzania. In some of the countries such as Japan and Germany coffee blends that consist of a certain percentage of Tanzanian coffee can be marketed using “Kilimanjaro” brand. For example, stakeholders reported that in Japan a coffee blend that consists of 30 % of Tanzanian coffee, even if the part of the coffee is not coming from the Kilimanjaro region, can be marketed using “Kilimanjaro” brand. Such a practice will dilute the brand value of Kilimanjaro. Kilimanjaro is also registered as trademark by companies in Europe to market products including coffee. This would mean that Kilimanjaro may not be used and protected as a brand by coffee growers, processors and exporters of coffee in Kilimanjaro region in the countries where it is registered and protected as a trademark without the consent of the trademark owner. This does not mean that such titles cannot be challenged. There is a room to do that but the process requires time and resources.

If African countries want to capture intangible values associated with their unique products, they need to embark on programs of protecting and managing geographical indications. These will enable them, amongst others, to:

- (a) ascertain ownership over valuable intellectual property assets;
- (b) prevent misuse and misappropriation of geographical indications;
- (c) capture and further build good will around geographical indication brands;
- (d) improve competitiveness and maximize gain; and
- (e) maintain and enhance quality of products.

ENCOURAGING DEVELOPMENTS

There is an increasing awareness of the significance of intellectual property tools such as trademarks, certification marks and geographical indications in capturing intangible assets associated with distinctive products of products of African countries, strengthening competitive position and enhancing trade revenue. A number of countries or producers have embarked on or are in the process of protecting and managing geographical indications. Examples include:

- (a) Ethiopian Fine Coffees;
- (b) Moroccan Argan oil
- (c) Kenya Tea and coffee
- (d) Uganda vanilla, and
- (e) Products of selected member countries of the OAPI such as Oku honey of Cameroun.

Moreover, there are ongoing programs that show the growing awareness of the significance of protecting and managing geographical indications. These include WIPO supported Zanzibar Clove, Tanzanian Arabica coffee and Ugandan Cotton projects.

For the purpose of this article, the discussion will be limited to briefly reviewing the experiences of Ethiopia, Morocco and Uganda where three different IP tools were used in capturing intangible values of origin based agricultural products.

*Ethiopian fine coffee*³

Ethiopia produces some of the finest coffees in the world⁴, having unique flavours and aromas⁵. These distinctive features distinguish not only Ethiopian fine coffees from coffees produced in other countries but also differentiate the various coffees within Ethiopia itself. Harar/Harrar,⁶ Yirgacheffee⁷ and Sidamo⁸ each represent a distinct aroma and flavour⁹.

The designations of the fine coffees have been used in marketing single-origin coffees by foreign coffee distributors together with their brands¹⁰. Since consumers attach greater value to the brands, Ethiopia's fine coffees command good and sometimes very high retail prices in world markets. In the US market, for example, Harar was retailed up to \$24/lb in 2004 and Sidamo retailed up to \$26/lb in 2005¹¹. The demand for gourmet coffee has increased with the rapid growth of the specialty coffee market¹² and the increasing consumption of espresso blends.

Despite the increasing preference and demand for Ethiopian specialty coffees, the export price of most of Ethiopia's renowned coffees usually falls within the range of \$1.10–\$1.30/lb.,

³ For in depth information of the Ethiopian success story, see Mengistie G (2011), *Intellectual Property as a Tool for Development: The Ethiopian Fine Coffee Designations Trade Marking and Licensing Experience*, published by WIPO.

⁴ This fact is well recognized by international coffee experts and reflected in studies. Ernesto Illy of Illy Coffee, for example, acknowledged that the Ethiopian fine coffees are the best in the world (see *Black Gold* film). Moreover, the International Trade Center in its *Exporter's Guide* published in 2002, for instance, stated that "Ethiopia Produces some of the world's finest 'original' coffees such as Yirgacheffee, Limu and Harar" (quoted by N. Petit, "Ethiopia's coffee sector—A bitter or better future" (M.Sc. dissertation, School of Oriental and African Studies, University of London, September 2006)).

⁵ Coffee distributors and roasters in major import destinations recognize the distinctive features of the fine coffees and market them using their designations (brands). Coffee consumers also recognize the distinctive flavour and aroma represented by each of the brands and are ready to pay for them. A random interview of coffee customers or drinkers in one of the Starbucks outlets in New Haven, Connecticut, US, made in November 2006 showed that consumers recognized the fine coffees with the coffee designations and had developed a preference for specific fine coffee such as Harar, Sidamo and Yirgacheffee.

⁶ Harar is characterized by winy and blueberry undertones, with good body, medium and pointed acidity and pleasant mouth feel. The coffee is sold under the name having single "r" and double "rr". The two designations have thus been used separated by a forward slash in this study.

⁷ This type of coffee has fruity aroma, light and elegant body and an almost menthol taste. It is characterized by fine acidity, full body and floral flavour and good aroma and fragrance.

⁸ This type of coffee has fruity aroma, light and elegant body and an almost menthol taste. It is characterized by fine acidity, full body and floral flavour and good aroma and fragrance. Sidamo coffee is characterized by medium acidity, pleasant taste and sweet flavour. The Starbucks website, quoted by Douglas B. Holt in "Brand Hypocrisy at Starbucks", at <http://www.sbs.ox.ac.uk/starbucks> [Accessed January 22, 2008] states that "Sidamo is highly prized by coffee buyers from around the world. It features a fleeting, floral aroma with a bright yet soft finish and, like the best Sidamo coffees, wonderful hint of lemon".

⁹ Foreign coffee drinkers and foreign coffee blenders recognise the distinctive values and highly value Ethiopian coffees sold under the coffee designations Harar, Yirgacheffee and Sidamo (the Ethiopian specialty and gourmet coffee brands).

¹⁰ Starbucks, for instance, had been selling Sidamo coffee using the brand name Sidamo together with its other brands.

¹¹ See "Savor Shirkina Sun dried Sidamo Exclusively at Starbucks: Taking a Risk, Starbucks Helps Create New Coffee, Potential New Revenue Stream for Farmers", available at <http://www.finanzen.net/news/newsdetail/drucken.asp?NewsNp-339209> [Accessed April 10, 2005]

The retail price at Starbucks reflects and relates to the brand value of the coffee designations. Foreign coffee companies and consumers value Ethiopian fine coffees sold under brand names such as Sidamo, Yirgacheffee and Harar, which differentiate the fine coffees from commodity coffees.

¹² The specialty coffee market, for example, enjoyed 12% annual growth in the US prior to 2007.

with a premium of only 10–30 cents over the New York based price for lower quality coffees¹³. A study made by Light Years IP reveals that only 5 to 10 per cent of these high coffee retail prices go to Ethiopia, while the rest is divided amongst distributors and middlemen of fine coffee¹⁴. This is not enough to show how much the coffee producers are getting from the export income of the country. According to a study, the share of farmers from the export price is 56.9 per cent¹⁵. This means about 62 to 74 cents a pound goes back to coffee growers. This low income could not enable the majority of farmers to meet their basic needs such as food and clothing. Moreover, the inadequate income from the fine coffees and the lack of incentives forced the farmers to cut down coffee trees and substitute them with a narcotic plant called “Chat/Quat”. “Chat” production and marketing have shorter term benefits, but involve adverse consequences on the environment, genetic resources and health. Most of the fine coffees grow under shade¹⁶. Cutting down the coffee trees results in cutting down the shade trees. This adversely affects the environment. Moreover, if the trend continues, it may result in genetic erosion and the ultimate loss of valuable coffee genetic resources not only to Ethiopia, but also mankind at large. Chat consumption has also been reported to have adverse impact on health.

The inability to capture the intangible values of Ethiopian fine coffee not only contributed to lower income of poor farmers, but also misappropriation of the valuable coffee brands. A search made in the trade mark database shows that some of the coffee designations or brands have been registered or sought to be protected as trade marks by foreign companies¹⁷.

In order to address the aforementioned problems, the Ethiopian coffee stakeholders with technical, legal and initial financial support from Light Years IP, a US law firm Arnold and Porter and DFID respectively embarked upon a program known as the Ethiopian Fine Coffee Designations Trade Marking and Licensing Initiative in 2004.

The major objectives the Ethiopian Fine Coffee Designations Trade Marking and Licensing Initiative project are to:

- (a) ensure Ethiopia’s ownership over the valuable coffee designations that represent the commercial reputations and good will of the fine coffees;
- (b) increase and secure the income of poor farmers; and
- (c) build intellectual property asset protection and management capacity.

¹³ The New York market price has been unstable and characterized by fluctuation. This may be due to a number of factors including over-supply of coffee and competition among the coffee producers. It may also relate to the lack of a tool to differentiate fine coffees from commodity coffees.

¹⁴ Light Years IP, Project background document (2004); see also Light Years IP (2008), “Distinctive Values in African Exports”. Available at www.lightyearsip.net/scopping.study. The huge gap in the profit margin lies in the fact that Ethiopia failed to capture the intangible values represented by the brands using appropriate intellectual property tool. See Holt, “Brand Hypocrisy at Starbucks”, at <http://www.sbs.ox.ac.uk/starbucks> [Accessed January 22, 2008].

¹⁵ International Food Policy Research Institute (IFPRI) Markets, Trade, and Institutions Division (MTID) Washington, DC, (2003) Getting Markets Right in Ethiopia: “An Institutional and Legal Analysis of Grain and Coffee Marketing” Final Report.

¹⁶ At present 40% of coffee is harvested in/from forest and semi-forest areas: Ministry of Agriculture and Rural Development, *supra note* 9. See also T.W. Gole et al., “Human Impact on the Coffee Arabica gene pool in Ethiopia and the need for in situ Conservation” in J.M.M. Engels, V. Ramanatha Rao, A.H.D. Brown and M.J. Jackson (eds), *Managing Plant Genetic Diversity* (2002), quoted by Maria Julia Oliva, “Safeguarding Biodiversity in Ethiopia’s Coffee Forests: Opportunities and Challenges related to Intellectual Property Rights”, International Center for Trade and Sustainable Development (ICTSD) BIORIS, Issue 4, May 2008.

¹⁷ A Japanese company had, for instance, registered and owned “Harar” as a coffee trade mark until 2007. Moreover, there was an attempt by Starbucks to register an expression consisting of the brand “Sidamo” as a trade mark in 2005.

Applications for trade mark registration of the three coffee designations—Harar/Harrar, Sidamo and Yirgacheffee— were made in 36 countries: Australia, Brazil, Canada, China, India, Japan, member states of the European Union¹⁸, Saudi Arabia, South Africa and the United States since 2005. These countries are either major export destinations of the Ethiopian fine coffees or are deemed to be markets of the future. Titles have been obtained in 31 countries and the applications are pending in the remaining five countries.

Acquisition of trade mark protection over the coffee marks meets only one of the objectives of the Initiative—securing the right of Ethiopia over its intellectual property assets¹⁹—but not other objectives of the initiative such as improving and sustaining the income of coffee growers and small traders in Ethiopia. There was, therefore, a need to design appropriate business strategy to exploit the acquired intellectual property rights. To this end, Ethiopia developed a licensing programme and has offered a royalty-free license agreement since 2006²⁰. License agreements have been concluded with more than 110 companies in the United States, Canada, the United Kingdom, Germany, the Netherlands, Japan and South Africa. In Ethiopia, 47 private coffee exporters and three coffee producers' co-operative unions signed the license agreement.

The initiative has resulted in a number of tangible results. These include

- (a) A change in negotiating and marketing position- buyers who used to be price takers are now taking part in the setting of the price; and
- (b) Improvement in the income of coffee growers and trade revenue of the country. There have been reports regarding a change in the income of stake holders such as coffee growers and the revenue generated from export of coffee.

*Moroccan Argan Oil*²¹

Argan oil is produced from the kernels of the fruit of Argan tree, which presently grows in no other country in the world but Morocco. The product has a reputation and good will in the international market due to its distinctive characteristics that may be attributed to the natural and human factors of the geographical origin of the product. Argan oil is known by its ingredients and properties that make it distinctive and command a growing demand when compared with other vegetable oils. The oil is rich in Vitamin A, Vitamin E and essential fatty acids and known for its anti aging properties or characteristics.

Argan oil has been used for culinary, skin care, cosmetic and medicinal purposes. The product has an increased demand and fetches a higher price at the international market. However, producers, who are mainly Moroccan Berber women, used to get very little. Moreover, there had been cases where inferior products including those mixed with other vegetable oils were marketed using the name “Argan” to benefit from the reputation of Argan oil. Such a practice did not only misuse the name “Argan” but also will result in

¹⁸ The Union includes 27 countries: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Luxemburg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

¹⁹ No one can hereafter register and own the coffee brands registered as a trade mark in Europe, the US and Canada and in those countries where application is duly filed.

²⁰ The focus of the initiative is not on generating revenue for government through royalty payments but strengthening bargaining power and raising incomes for exporters and producers

²¹ see Reveron S, & El Bennin *Morocco Argan Oil* in Blakeney M, Coulet T, Mengistie G and Tonye Mahop M (eds.) (2012) *Extending Protection of Geographical Indications: Case Studies of Agricultural Products in Africa*, PP.255-265 A book published by Earth Scan.

damage to the good will and reputation of Argan oil that may eventually cause loss of market and business.

Argan tree is known for its characteristics of surviving harsh environment and preventing the further expansion of the Sahara desert. However, the trees were considered as wild and little was done to conserve and develop them. There was a practice of cutting down the trees and use the products for different purposes. The reasons behind these problems include lack of incentive to plant new trees, maintain and expand Argan trees.

In order to deal with the aforementioned problems, a number of measures have been taken. These include the project that aimed at protecting and managing “Argan” as a geographical indication. Under this project, the qualities and characteristics of the product are identified; the link with the geographical origin established and the territory delimited; product specifications prepared; code of practice developed; umbrella organization of cooperative producers established²² and measures were taken to protect “Argan” as a geographical indication. These efforts together with other complimentary measures such as those that improved the processing of argan oil have bore fruit and registered tangible results, which include the following:

- (a) “Argan oil” is registered as a geographical indication by the European commission making it the first African GI to be recognized and protected in Europe,
- (b) There is improvement in the quality of “Argan oil”,
- (c) The earning of Argan producers has increased,
- (d) There is an incentive to plant, take care of and maintain the Argan tree thereby ensuring sustainable supply for the Argan oil and contributing to the conservation and development of Argan forest in Morocco.

Uganda vanilla

Uganda produces and exports some of the best vanilla in the world. The product is used for different purposes, mainly in food and beverage products²³ and perfume industries²⁴.

Ugandan vanilla has distinct features that differentiate it from vanilla produced by other countries. It has the highest vanillin content²⁵ and the size of the vanilla pod is long. These distinctive features that differentiate Ugandan vanilla from similar products of other countries are attributed to the natural and human factors in the geographical origin of the product. The climatic conditions and the fertile soil of Uganda have been conducive for the product. As a result vanilla grows in a number of regions in Uganda, namely; Mukono, Kayunga, Masaka, Kiboga, Kasese and Bundibugyo²⁶ However, Mukono district is the major producer of vanilla in Uganda. Mukono district has excellent environmental and agronomic conditions that are favorable for vanilla production. The decades old skill, knowledge and experience of the producers in Mukono district also helped to make pollination and harvesting in time thereby contributing to the quality of the product. It should be noted that the characteristics flavor and fragrance of vanilla resulting from the vanillin content depend on the timing of harvest and the skill and expertise used in the process of curing vanilla bean.

²² These cooperatives are bundled in one umbrella association, The Association National des Coopératives Arganières (ANCA) which promote the interest of the 100 cooperatives.

²³ Vanilla is, for example, used for flavouring chocolate, ice cream, bakery and dairy products, soft drinks (please note that Coca –cola company is the biggest buyer of vanilla in the world) .

²⁴ Vanilla is added to perfumes and other cosmetic products to give them fragrance.

²⁵ According to Light Years IP (LYIP) Ugandan vanilla “has high vanillin content of around 2% (up to 3.2% is found in the highest Ugandan grades)...whereas Madagascan vanilla currently the most well reputed and recognized origin, generally averages about 1.8%”; LYIP (2008) ,supra note 14, p.38.

²⁶ Uganda Export Promotion Board (2005), Vanilla: Product Profile No.9, p.2.

Ugandan vanilla has an increased demand and fetches a higher price in the international market as a result of its distinctive characteristics²⁷. However, the stakeholders in the vanilla supply chain and the country have been getting very little of the price of their unique vanilla. A study made by Light Years IP, a Washington based nongovernmental organization, revealed that vanilla producers and exporters received \$8 and \$25 per kilogram respectively while foreign importers got around \$123-138 and retailers \$352 per kilo²⁸.

In order to address these problems and capture the intangible values associated with Ugandan vanilla, an intellectual property strategy and branding proposal was developed with the support of WIPO within the framework of the WIPO Development Agenda Project on IP and Product branding for Business Development in Developing and Least Developed countries²⁹. An application for protection of "Mukono vanilla" as a certification mark was filed with the Uganda Registration Service Bureau (URSB) designating Tanzania, which is a member of the Banjul Trademark Protocol administered by the African Regional Intellectual Property Organization (ARIPO). The choice of the IP tool was made based on the objectives of the IP strategy and the available legal framework in countries where it was decided to file for protection during the pilot project.

The main objective of the strategy was to protect the geographical origin that is responsible for the distinctive characteristics of the product and improve the competitive position and enhance the income of Mukono vanilla growers, processors and exporters by capturing the intangible values of vanilla that are attributed to the geographical origin of the product. The IP tool that may be chosen should thus help to protect the origin of the product and be collectively owned or used. Moreover, the choice of IP tool mainly depends on the available intellectual property instruments provided in countries where protection is sought for. A decision was made to seek for protection of the geographical origin in Uganda and members of ARIPO Banjul Trademark Protocol for the purpose of the pilot project. The initial choice of the IP tool was thus made based on examination of the legal regime in Uganda and ARIPO Banjul Trade Mark Protocol.

The existing intellectual property legal regime in Uganda does not provide for collective marks. There is also no specific law dealing with the protection of geographical indications. The only IP tools that can be used to protect the designation of geographical origin and capture the intrinsic value of Mukono vanilla are trademark and certification mark. The 2010 trademark law section 9 (d) excludes geographical origin from being protected as a trademark unless it means different from a name of a palace³⁰. Mukono vanilla may not be protected using a trademark in Uganda as it is known as a name of a region. As a result certification mark was chosen as the appropriate IP tool to protect the geographical indication in Uganda. Filing for protection of the IP asset and maintenance of right in all members of the ARIPO Banjul Protocol will involve cost. Decision should, therefore, be made to choose from member states of the protocol on the basis of whether the country is a major export destination or potential export destination or vanilla producer that is a competitor in the international market. Members of the Banjul Trademark Protocol are not major export destination of Uganda. Moreover, the only country that is producing vanilla and is a member

²⁷ See National Agricultural Advisory Services (NADS) (2003) Consultative workshop on vanilla sub-sector Report.

²⁸ See LYIP (2008), cited at note 14, PP.38-39

²⁹ Uganda was selected as one of the three countries in the world for the pilot phase of the project. The two selected countries are Panama and Thailand. Uganda is the first country in Africa to benefit from the pilot project.

³⁰ This section provides that a trademark shall contain "a word or words having no direct reference to the character of quality of the goods or services, and not being according to its ordinary signification, a geographical name or surname". "Ordinary signification" may mean that geographical name, which merely signifies a place cannot be registered as a trademark. It may, however, be protected as a trademark if it has a secondary meaning.

of the ARIPO Banjul protocol is Tanzania. As a result Tanzania was designated in the intellectual property application that was filed with URSB, where Mukono vanilla will be protected.

The objectives of registering Mukono vanilla as a certification mark include protecting the reputation and ensuring authenticity of the product there by meeting the needs of every actor in the supply chain and the consumers at the end market. The quality standards, eligible users, the requirements that should be met by users and dispute settlement mechanisms are defined in a code of conduct developed with the support of WIPO in consultation and participation of the key stakeholders.

The use of intellectual property and branding strategy to enhance the competitiveness of Mukono vanilla and improve trade income is in the interest of both the stake holders and the government. The implementation of the strategy will therefore require an institutional set up and coordinating mechanism involving relevant bodies both from the private and the public sector. To meet this need a stakeholder committee consisting of relevant private and public sector bodies was established. Moreover, monitoring and evaluation mechanisms have been incorporated to regularly monitor the implementation and impact of the IP strategy and branding proposal.

Series of capacity building activities were conducted. These resulted in growing awareness of the significance of protecting and managing geographical indications by a range of stakeholders including vanilla producers, processors, exporters and officials of relevant government bodies.

CHALLENGES IN PROTECTING, MANAGING & PROMOTING GEOGRAPHICAL INDICATIONS

Protecting and managing geographical indications in Africa will have a number of social, economic and environmental significance. However, there are a number of challenges that need to be addressed. These include:

(a) Lack of or inadequate legal frame work for protection of geographical indications. The majority of African countries do not have a law that specifically governs the protection of geographical indications. Steps to provide for such legal frame work had been taken recently by some countries to comply with the TRIPS agreement. In countries where there is no specific law dealing with geographical indications, the later may to a certain extent be protected using relevant laws such as those dealing with trade mark and unfair competition laws. However, these laws have limitations. Trademark laws, for example, often exclude geographical indications from being protected as a trademark unless they have secondary meaning. Moreover, intellectual property tools such as collective marks are not available in some of the trademark laws or may not be used due to lack of or inadequate organization of potential beneficiaries in protecting and managing geographical indications.

(b) Lack of or inadequate knowledge of legal regimes by producers and relevant stakeholders. This problem was also observed amongst members of IP offices that do not have adequate knowledge of the legal regimes in and outside of their countries dealing with geographical indications.

(c) Lack of prior experience in the protection and management of geographical indications: in most of the African countries geographical indications are recent phenomenon and there are no experiences of use of geographical indications by producers as observed in other countries, mainly European countries.

- (d) Lack or inadequate knowledge of the supply & value chains: The majority of the producers, processors and exporters in Africa do not understand the supply chain and do not know where their product will end after the product leaves the farm gate or the port of export as well as the demand for their product and the price it fetches in the market.
- (e) Inadequate capacities to identify distinctive characteristics of products, protect and manage geographical indications: most of the African countries, for example, do not have qualified and skilled human resource capable of analyzing and determining the distinctive characteristics of products; defining the link with geographical indications, seeking for protection of geographical indications in and outside of African countries as well as managing geographical indications.
- (f) Lack of organization of producers, weak or non inclusive organizations: the collective nature of ownership and use of geographical indications require the existence of an organization of producers that will ensure effective participation in the process of development and implementation of a geographical indication strategy as well as promoting geographical indications and strengthening marketing position.
- (g) Difficulty in bringing together and unifying diverse stake holders: there are a number of stakeholders that are involved in the production, processing and marketing of origin based products in Africa. Effective use of intellectual property and branding strategy involving geographical indications require unifying the different actors, which may not be possible due to divergent interests and lack of trust.
- (h) Lack of or inadequate resource in protecting, managing and promoting geographical indications: Protection of geographical indications in different jurisdictions, managing and promoting geographical indications will require financial and skilled human resource that may not be readily available in the majority of African countries. These problems may require different strategies of which some are short or long term. The strategies that may be used include protecting geographical indications using regional and international routes for protection of geographical indications, which may require membership to relevant regional and international IP treaties; securing financial and technical assistance from development partners and the government in the short term; and establishing a fund for management and promotion of a GI protected product in the long term mainly using contribution of the beneficiaries of the geographical indication system.
- (i) Lack of capacity to monitor infringement and enforce IPR: Such a challenge may be addressed by devising different strategies such as voluntary license arrangements with importers, distributors and retailers of the product in major import destination countries;
- (j) Expectations that GI will bring change soon: Experiences of some of the African countries reveal that there is an over expectation of stakeholders related to the use of intellectual property and branding strategies involving the origin of distinctive products. Protection of a geographical indication alone will not suffice in improving marketing position. There is need for promoting the geographical indication, increasing association of the geographical indications with the product and meeting the expectations of the consumers by maintaining and if possible enhancing the quality of the product. This will take time and resource.

CONCLUSION

African countries have a huge potential in protecting and managing geographical indications there by meeting a range of social, economic and environmental objectives and goals. However, this would require doing a lot including:

- (a) creating and strengthening awareness on the importance of protecting and managing geographical indications;
- (b) strengthening or putting in place adequate legal frame work for protection of geographical indications;
- (c) linking the national IP system with regional and international IP systems to facilitate the protection of geographical indications outside of an African country;
- (d) building capacity related to the protection, management and promotion of geographical indications; and
- (e) Organizing or strengthening the organization of stakeholders, mainly producers.

The above and related measures require government leadership and support as well as assistances of international organizations and development partners. African countries in their endeavor of developing intellectual property and branding strategies may learn more from international best practices in general and concrete experiences from developing and developed countries. There is also need to put in place a mechanism that will assess impact of national initiatives, document and disseminate them.

MANAGING GEOGRAPHICAL INDICATIONS – SOME ADMINISTRATIVE ASPECTS

*prepared by Leo Bertozzi,
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THE FACTORS WHICH DEFINE GEOGRAPHICAL INDICATIONS

Traditional origin-based products (GIs) possess local identities and typicality derived from their unique production methods and distinguishing qualities. Their identification as GIs is justified by geographical and human factors as well as the reputation given them by consumers. A GI is thus a differentiator, and may become a key to market access, with positive effects on the economic, social and environmental aspects of the area of production, helping to avoid the delocalization of revenues. Therefore origin-based products can be the embodiment of 'globalization': they can originate from all areas and cultures participating in global markets and at the same time be supportive of local economies.

However, GIs are not easy to establish. Success is often measured in decades and requires patient application and sustained commitment. They can have considerable organizational and operational costs. Proper planning and management are needed to determine and define aspects related to the evolution of the production techniques and technology, the communication programs, and the legal enforcement. Traditional origin-based products imply a rich patrimony of quality attributes which are part of the local identity and therefore have to be managed by the collectivity, aggregating all actors involved in the production chain. The challenge is the management of the complexity among people, facilities, organizations and institutions. GIs are the result of a private activity in the context of a common interest. Therefore producers must have their own representatives duly organized with reference to an appropriate legal framework.

The components which are essential for a GI to be successful can be summarized as follows:

- (a) Strong organizational and institutional structures to maintain, develop, promote, market, and monitor the GI. The core processes of identifying and fairly demarcating a GI, of organizing traditional practices into standards and establishing a plan to protect and promote the GI all require building management structures with a long-term commitment to participatory methods of cooperation.
- (b) Equitable participation among the producers in the GI area who share reasonably in the control and decisions regarding their public assets.
- (c) Effective legal protection to reduce the likelihood of fraud that can compromise not only the GI's reputation and its legal validity but also the protection of the interest of the producers as well as of the consumers.

GEOGRAPHICAL INDICATIONS: A COLLECTIVE INTEREST

All participants operating in a traditional production system pursue their own individual economic objectives within the general context of a common interest. Furthermore the overall performance of the system results from the degree to which these participants have worked out collective institutional arrangements and objectives.

In GIs the two factors of originality and fame exist and also impact the economic importance of the production. The influences of the natural environment are related to the conditions

that furnish the particular, identifiable characteristics of the product. The influences of human factors are related to the choice of production methods and of technology. All this is the result of a long and complex historical tradition which justifies the existence of a unique product identified with the geographical name of the area where it has originated. Therefore GIs have a collective concept in that they are the result of multiple factors which include an essential element: the quality of the product.

The GIs correspond to a collective right of use for products based on local, faithful and constant practices from a defined geographical area; it is an inalienable right that does not belong to a producer's personal claim, but is bound to a territory and can belong, therefore, to all who work in that area. Such a right is inalienable; therefore, it cannot be taken away from the producer that fulfils the corresponding conditions for use of the designation. It is then an imprescriptible right and only the producers of the area of origin that respect the conditions of use can utilize the GI for admitting an original and unique product to the market. Fundamental differences exist with respect to commercial brands.

THE PRODUCERS GROUP: SHARING A COMMON APPROACH

A collective action by local stakeholders, who share knowledge regarding production, processing, preservation, and use of the origin-based product, is the prerequisite for developing and maintaining a GI. This action results from two conditions: (1) the presence of a leading subject supported by operators and by scientific/technical experts focused on the preservation of the quality of the traditional product and/or the prevention of its misuse; (2) The need for an external supporting system of public authorities (local and national governments). Collective management has to deal with the type of governance that stakeholders adopt in order to reach their own objectives. Traditional production exists for a number of reasons and the driving force of its existence could vary from the reinforcement of local tradition, to the need to use local resources or skills, or to profit maximization. The producers group must be the association at the center of a complex network that connects producers with stakeholders, as well as with regional and national governments. Therefore it plays a fundamental role to maintain, promote and protect the GI.

In the European Union a producer's group is entitled to (EU Reg 1151/2012):

- (a) contribute to ensuring that the quality, reputation and authenticity of their products are guaranteed on/in the market by monitoring the use of the name in trade
- (b) take action to ensure adequate legal protection of the protected designation of origin or protected geographical indication and of the intellectual property rights that are directly connected with them;
- (d) develop information and promotion activities aiming at communicating the value-adding (e) attributes of the product to consumers;
- (f) develop activities related to ensuring compliance of a product with its specification;
- (g) take action to improve the performance of the scheme, including developing economic (h) expertise, carrying out economic analyses, disseminating economic information on the scheme, and providing advice to producers;
- (i) take measures to enhance the value of products and, where necessary, take steps to prevent or counter any measures which are, or risk being, detrimental to the image of those products.

THE MANAGEMENT OF GIs IN ITALY AND THE CONSORZIO DEL FORMAGGIO PARMIGIANO-REGGIANO

In Italy since the beginning of the 20th century producers have organized themselves in specific associations (ConSORZI) to define and protect traditional origin-based products. A first framework for the protection of designation of origin of cheese was enacted in 1954 with Law n. 125, as a consequence of the International Stresa Convention signed in 1951.

The activity of the voluntary production consortia (ConSORZIVOLONTARI DI PRODUZIONE) was then officially regulated, with functions and tasks similar to those carried out by the consortia for the protection of wines. As a consequence, legislative acts were issued in order to protect other products such as hams and olive oils.

After entry into force of EC Regulation n. 2081 in 1992, sectorial legislation was replaced with a set of rules which allowed the registration of a considerable number of geographical indications. Italy became the EU country with the highest number and volume of GIs. As a consequence of EC Regulation it was required that for every registered product there must be an independent inspection body authorized by the Ministry of Agriculture of the country of the product's origin.

In the case of ParmigianoReggiano, a traditional cheese for eight centuries, the issue of a single producers' organisation was already officially discussed in 1909. Then, a committee was created in 1921 to place a mark of origin on every cheese as a guarantee of the unique features of the cheeses, to organise inspection and technical assistance, and to broaden the market for the product. In 1928 a general assembly ratified the statute of the first "Reggiano Consortium" which on July 27, 1934, finally became the organisation functioning today.

By unanimous agreement the producers of the present production territory were grouped and this grouping remains unchanged after nearly eighty years. The dairies that produce Parmigiano-Reggiano are members of the Consorzio and reinforce the strong original nucleus of the organisation. Because of the size of their membership they are quite effective in preventing any manipulation of power. Also, the single-product orientation reinforces exclusive loyalty to Parmigiano-Reggiano.

In 2012, a total of 136,919 tons of ParmigianoReggiano were made by 383 cheese producers, mostly cooperatives. The Consorzio, which operates accordingly to the Articles of Association (statute), is in charge of the global protection and promotion of the PDO (Protected Designation of Origin) ParmigianoReggiano. Additionally the Consorzio is responsible for applying for changes to the product specification.

During production, the Consorzio establishes the modalities/conditions for the use of the marks of origin and their correct use by the producers, with respect to the production standard and it applies the PDO mark after verification by the certification body at the end of the minimum ageing period of 12 months. During commercialisation it is charged with the protection of the Designation of Origin against any exploitation of its reputation, imitation, misuse, and counterfeiting. Other important actions include communication and research activities.

The articles of association which regulate the functions and operations of the Consorzio are regularly updated to follow the evolution of the members and of the market in general. In the last decade the statute was amended four times.

The Consorzio is administered by a Council elected by the members (general assembly) for a four-year term. At present the Council is composed of twenty-eight members who represent the relative presence of producing dairies in the geographical area. Four more members without the right to vote are appointed by the Chamber of Commerce and the two administrative Regions included in the area. The Council nominates the Executive Committee composed of ten members which includes the local presidents of the five provinces of the area; they are in charge for a maximum of three consecutive four-year terms.

THE PRODUCT SPECIFICATION

According to EU legislation, the “single document” contains the essential elements of the product specification. The present text was published in the Official Journal of the European Union n. C 87/16 of 16.4.2009: ParmigianoReggiano is a hard cheese made from raw cow's milk and partially skimmed by natural surface skimming. The milk must not undergo any heat treatment and must come from cows fed primarily on fodder obtained from the area of origin. The use of additives is not permitted. The cheese must be matured for at least 12 months. After the minimum maturing period tests are carried out to check compliance with the product specification. For the sake of consumer protection, in order to guarantee the authenticity of ParmigianoReggiano placed in the market, the grating, portioning, and subsequent packaging operations must be carried out in the defined geographical area of production, which comprises the territories of the provinces of Parma, Reggio Emilia, Modena, Bologna to the west of the Reno River, and Mantua to the south of the Po River.

It is the responsibility of the producers to regularly update the product specification so that it follows the evolution of the producing conditions and of the market. To this end the General Assembly of the Consorzio submitted a request for amendments in 2001 concerning the feeding regulation of dairy cows, the characteristics of the cheese and of the marking regulations. In 2003 the amendment included the request that all packaging operations should be carried out in the defined geographical area in order to guarantee the authenticity of the product. This request was introduced by the Consorzio because of the numerous imitations and the fraudulent use of the designation of origin and of the collective marks stamped on the cheese. As a result the Consorzio had to face multifaceted oppositions coming from external operators in Italy and in EU-members countries. Finally, the request for the amendment was officially approved with the Regulation of the EU Commission in August 2011. It took eight years of continuous administrative and legal work, with long extensive among producers, operators and authorities to reach the goal. The last amendment was obtained as a consequence of the earthquakes in May of 2012 that devastated several maturing facilities in the geographical area affecting one third of the production. Consequently there was urgent need to find other maturing facilities even outside the area of origin and therefore the Consorzio submitted a request for a temporary amendment to the product specification, which was immediately granted.

Verification of compliance with the product specification is carried out by a private independent control body. The Consorzio monitors the market and takes legal actions in Italy and abroad to protect the GI. This is a very important meticulously conducted activity which protects operators, and ultimately consumers. With this responsibility in mind, the Consorzio was committed to protecting the term Parmesan which was finally guaranteed in the EU after the decision of the European Court of Justice with the Judgment of February 26, 2008 which states, “the use of the name ‘Parmesan’ must be regarded, in the sense of Article 13(1)(b) of Regulation No 2081/92, as an evocation of the PDO ‘ParmigianoReggiano’”. The cost of this legal action and all others are paid by the producers.

CONCLUSIONS

Geographic Indication represents a way to protect and uphold a historic productive patrimony, rooted in a specific area, obtained from a specific culture which offers original characteristics. The principal aim of GI is to spread information for origin-based products about the specific factors of typicality that must be defined, verified, and defended in order to ensure positive economic returns to local communities. For this it is necessary that every product be characterized and that the appropriate administrative bodies that affix the marks attesting to the GI act on behalf of these products in a favorable legislative context. The GI is not a stick for defense of the privileged but can represent an instrument useful for development and for competitiveness in the market.

Proof of this is the fact that GIs are frequently imitated and their designations are evoked in the attempt to assert that geographic names are instead generic terms. Considering the fact that the attribution of the GI is an important way to foster the diversity of product offerings, their preservation and promotion becomes of general interest.

For all these reasons it is the responsibility of the producers to set up a reliable and authoritative subject to represent, define, and orientate this general interest.

USING GEOGRAPHICAL INDICATIONS ALONGSIDE OTHER IP RIGHTS: A EUROPEAN PERSPECTIVE

*Prepared by Benjamin Fontaine,
Chair, Geographical Indications Committee, European Communities Trademark
Association (ECTA), Brussels*

ECTA, through its representative Benjamin Fontaine, was asked to share its views on the creation of brand equity for GIs, through other IP rights. Mr Fontaine emphasized that, indeed, trade mark and design rights can offer a very relevant complementary protection for GIs. Far from opposing a sui generis GIs scheme and a trade mark regime, ECTA is convinced that both tools should coexist and offer specific advantages. A number of practical illustrations were presented to the audience.

As far as Geographical Indications are concerned, the European Union relies on the system which is very developed, although not yet completed. Basically, the EU scheme on GIs provides for the protection of Protected Designations of Origin (for foodstuff and wine) and of Protected Geographical Indications (for foodstuff, wine and spirits). PDOs and PGIs correspond to different standards, but their level of protection is identical. It is often argued that the current system is overly complex, and this is certainly true (in addition to the existing regulations, one must take into account the protection of GIs resulting from numerous agreements with third countries, as well as the GIs protected in certain member States, in particular those who are members of the Lisbon system. Besides, the European Commission is in the process of proposing an additional scheme for hand crafted goods, which are currently excluded). However, overall the situation is very satisfactory for GIs, in the EU.



We know that in other jurisdictions, GIs are protected through trade mark law, and particularly through the registration of certification marks. The registration of GIs as distinctive signs is normally presented as an alternative to a sui generis system of protection.

We, at ECTA, believe that GIs and trade marks must not be confronted. These are instruments that, depending in the circumstances, may well be complementary, and could therefore be relied upon simultaneously. This is also true with respect to other IP rights, such as designs, and possibly too copyright.

One illustration of a useful complementary protection derives from the fact that the GI scheme in the EU does not provide for the protection of logos, colours, typescripts, ... Only the word(s) that make up the GI are granted express recognition. Accordingly, and as illustrated with a few examples, a complementary protection through a device mark is appropriate whenever the regulations of use of the GIs foresee a specific logo. In some cases the brands are affixed on the product itself, in other more current cases the brands are affixed on the packaging.



Relying on a device mark is useful for enforcement before the courts, in cases where the similarity between the GI – as such – as the allegedly counterfeiting brand are not such as to give rise to a likelihood of confusion. A good illustration is a recent judgment of the Court of Appeal of Paris, in a litigation involving the famous Darjeeling Tea, as protected as a certification mark, and the following MONGOJI device mark.



Likewise, an action is pending before the Spanish courts, involving a GI LA TETILLA for cheese, which is characterized by a specific shape which is protected as a trademark, and a brand which imitates it.

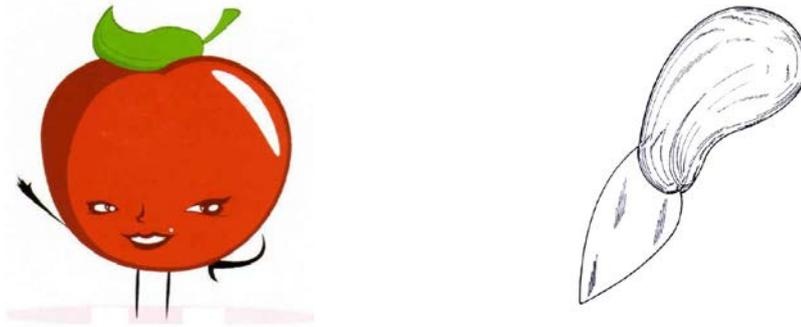


A complementary trade mark protection is also useful if a producer association wishes to distinguish various sub-products within a specific GI. In these situations, the trade marks offer a cheap and flexible approach. As an illustration, one can cite the collective community trade marks CAHORS MALBEC and CAHORS NOIR, registered by the producer association of the GI CAHORS, in order to distinguish specifically some wines within this famous appellation.

Now, it is of the essence to choose the correct protection, as a certification trade mark, or as a collective trade mark in some jurisdictions. But Producer associations should not seek protection as individual marks, as GIs are collective in essence and their use corresponds to that of collective / certification marks (depending on the applicable legislation). Under the

Community trade mark system, geographical names – not only GIs – should be protected as collective community trade marks. This title is accessible – in particular – to associations of producers and to entities governed by public law, and a regulation of use must be filed.

Although much less frequent, the producer associations can also seek protection under the design regime. This can be true for a specific logo associated with the GI, or for a by-product which is typically associated to the consumption of the GI, as shown in the examples below (logo of a sherry bearing the PGI Cerezas de la Montaña de Alicante, and knife registered as a design by the producer association of Parmigiano Reggiano).



Associated to the GI, these additional IP tools can help create brand equity, by further distinguishing the products bearing the GI from those of competitors. This is, by all means, the positive aspect of the coexistence of a sui generis system for GIs with trade marks and designs!

USING GEOGRAPHICAL INDICATIONS ALONGSIDE OTHER IP RIGHTS

*prepared by Mildred Medina,
Advisor to the Vice-Minister, Ministry of Commerce and Industries, Panama*

In the framework of the Development Agenda of WIPO, in order to make available to smallholder farmers in Panama the tools they need to use Intellectual Property Rights in order to enhance the value of their products, increase export earnings and reduce poverty, took place the project "INTELLECTUAL PROPERTY AND DEVELOPMENT OF PRODUCT BRANDING FOR THE PROMOTION OF ENTERPRISES".

Note that prior to this project, had been carried out in Panama the following "DIAGNOSIS OF THE CURRENT SITUATION OF THE PRODUCTIVE ACTIVITIES SUSCEPTIBLE TO GET THE REGISTER OF GEOGRAPHICAL INDICATIONS OR COLLECTIVE MARK" and a "STRATEGY OF DEVELOPMENT OF GEOGRAPHICAL INDICATIONS".

In this diagnosis, there were references to the following products: Coffee of the Panama highlands, liqueurs produced in the province of Chiriqui, the development of Painted Hat (hat own developed and produced in a region of Panama), Pineapple of Chorrera, Coconut of three edges from the region of Colon and other products such as The Mola Guna, cocoa, orange and embroidered of the region of Herrera as potential options to be protected by various forms of intellectual property such as Denomination of Origin, Geographical Indication, Collective Mark or Certification Mark.

After an analysis of these products, taking into consideration the export potential, the number of producers that could be impacted by this program and the product recognition by producers and overseas market, we chose 3 products of Panama, which are "CAFÉ DE PALMIRA", "PIÑAS DE LA CHORRERA" and the "MOLA KUNA".

After choosing the products to be protected, was made a careful examination of what tool would be used to protect these products, taking into consideration geographical indications (GIs), designations of origin (DO), collective marks and certification, as they all have intended to protect a product characterized by a differential quality linked to geographical origin delimited.

Based on this review was determined that "CAFÉ DE PALMIRA" and "LA PIÑA DE LA CHORRERA" would be protected through a "COLLECTIVE MARK" and the "MOLA GUNA", would be through a "CERTIFICATION MARK", the above, in order to promote the organization of various productive partnerships, facilitating the identification in the market and helping to promote regional, national and even international protected products.

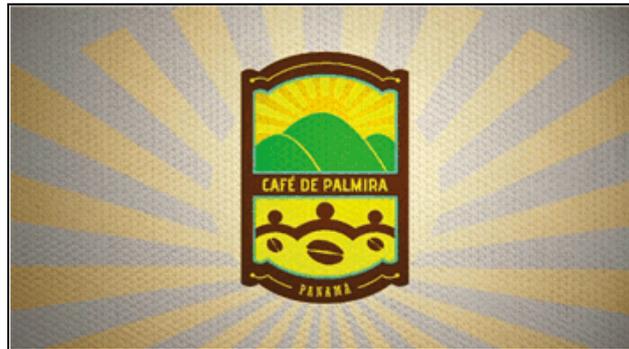
CAFÉ DE PALMIRA

LA ASOCIACIÓN DE CAFÉ DE CONSERVACIÓN Y OTROS RUBROS, (ACCOR), is a Coffee Farmers' Association located in Panama, in the village of Palmira in the district of Boquete in Chiriqui Province, which is one of the largest provinces of Panama, and has one of the largest coffee production (about 80%) and soil characteristics considered the best in the world.

The rich volcanic soils of Palmira produce a wide variety of crops such as oranges, bananas, corn, rice and beans, which grow in abundance, and its favorable microclimate also makes it ideal for growing coffee, product that ACCOR is dedicated.

This coffee is prized for its physical characteristics, color, size, grain shape, the rich aroma and intense flavor, with hints of chocolate, nuts and vanilla, attributes that owe thanks to the high altitude at which it is grown (about 1200 meters above sea level), in this geographical area is cultivated the collective mark called "CAFÉ DE PALMIRA".

Description: Café de Palmira Logo



Source: www.wipo.int

PIÑAS DE LA CHORRERA

LA ASOCIACIÓN AGROINDUSTRIAL NACIONAL DE PRODUCTORES Y EXPORTADORES DE PIÑA (AANPEP) (the National Agro-Industrial Association of Pineapple Exporters and Producers) is located in the District of Chorrera located in the Province of Panama, Republic of Panama, at a range of 34 miles from Panama City (capital) with a population of 161.470 inhabitants and approximately 30 minutes from the capital by land, here is grow one of the best fruits of the Country "PIÑAS DE LA CHORRERA".

Piña de la Chorrera is from the variety Hybrid yellow MD2, and it's not comparable with any other in the region, because it concentrates the fruit brix between 15 and 17 degrees, which distinguishes it as the sweetest in the world.

Furthermore, soils of Chorrera, are light-textured soils, well-drained and clay loam. Also, an optimum brightness is maintained, which favors the production of pineapple bright and attractive to the consumer view.

Description: Piñas de la Chorrera logo



Source: www.wipo.int

PHASE I STUDY OF FIELD

FIELD STUDY OF CAFÉ PALMIRA

COFFEE ASSOCIATION OF CONSERVATION AND OTHER ITEMS is an association of small farmers, which began as a community group for the development of Palmira to enhance the marketing of coffee, working within these lands with their families so they can be self-sustaining and out of poverty, through the production of coffee.

The issue we notice was that small farmers in order to meet their basic needs such as food and clothing, are forced to sell the coffee that they harvest on their lands to a business or an intermediary, which usually is a foreigner who has a mark registered in Panama and other countries and used these farmers who grow coffee for export, some employers also have their own crops but due to high demand they have, also buys harvesting to small producers at a price well below the cost of consumer sales.

Every time their product is transferred, farmers are deprived of the value added by the specialty coffee or of exclusive origin, selling at a much lower cost than it is in the market the coffee beans, and this because they cannot compete with the big coffee producers in Panama, nor have the resources to export.

Other major issues that we identified in the village of Palmira, is that, thanks to the varied climate and the extent of the field in this area, developers have started to use these areas for the construction and sale of property development and many small farmers have opted for the sale of their lands, which were used for the cultivation of coffee.

This problem is weakening the coffee sector as a whole, as it is a productive farming area, however, due to the hard work but little benefits obtained by the small farmer of Palmira, they prefer to sell their land at a better price, which can generate the risk of loss of traditional and commercial knowledge around coffee.

FIELD STUDY OF LA PIÑA DE LA CHORRERA

The National Agroindustrial Association of Producers and Exporters of Pineapple, consists of independent producers called settlers, who work for packaging companies that sell directly through intermediaries to markets in Europe or the United States, for which they must comply GLOBAL GAP standards.

The settlers believe, that selling to the packers that export the production, they obtain a better price for their production, thus losing the true origin of the culture of their product and reputation, as the small farmer is reduced to a code of bar, which tells the overseas customer the data of the crop, but the final consumer never knows where is the origin of this fruit.

It was also identified that the settlers act independently in regard to obtaining inputs, technology, financing their crops and all the logistics that can enclose the process of planting, harvesting, marketing; however, there was an initiative of actions together creating the Producers Association (AANPEP), which provides a benefit to members, such as being able to buy at better prices global inputs and transport of non-exportable production of pineapple.

Also it was observed that the shrinkage in the production of pineapple, not exportable is between 20% to 30% of production, in one hectare pineapple are planting 60,000 seeds. That shrinkage would constitute a loss to the producer since it has to sell below cost of

production, with the same quality of exportable, but for aesthetic situations or size cannot be exported, because does not meet the requirements demanded by the foreign customer.

Description:
pineapple fields of La Piña de la Chorrera



Source: <http://panamoesteenelmundo.blogspot.com>

Description: workers at the pineapple fields of
La Piña de la Chorrera



Source:
Consultancy report of Pedro Bolivar (WIPO)

PHASE II TRAINING FOR ASSOCIATIONS

In the training phase of the Associations was difficult, because the members were discouraged and had no knowledge of what it meant to use Intellectual Property as a tool to capture intangible values embodied in exports of their products and therefore increase their income with the use of collective marks.

They were showed the importance of a collective mark, as a differentiator that allows the final consumer to identify the product that wants to be bought. It was noted that the farmer does not use a brand, until the packers or the intermediary market puts their brand, without the end user know the origin of the product that are been buying.

They were trained on the union of associations, encouraging them to work together for the common good as that is the key to reaping the benefits and achieve common goals and the patience needed with this project start, also with the help of the National Government of Panama.

In this sense, trainings were conducted with government entities such as the Ministry of Agricultural Development (MIDA), the Authority of the Micro, Small and Medium Enterprises (AMPYME), the National Bank, the General Directorate of Industrial Property Registry (DIGERPI), and the Vice ministry of Foreign Trade of the Ministry of Commerce and Industry, who informed them of the options offered by the Government of as support in funding, promotion, training and methods to export their products.

The producers participated and there was a clear understanding that the group's collective mark is a tool to identify the origin of their product and make more profits, this brand would identify as a group, the need to establish minimum standards of production and care that meet the rules of the collective mark and also they exchanged ideas of the design that they would like to have to represent them and their product.

Description: Training for the Association



Source: Consultancy report of Pedro Bolivar (WIPO)

PHASE III
THE COLLECTIVE TRADEMARK REGISTRATION

CAFÉ DE PALMIRA

The logo was designed to reflect the elements such as mountains, the sun, the message of tradition, rooted and coffee quality.



Source: www.wipo.int

PIÑA DE LA CHORRERA

Was performed the preparation of the design of PIÑAS DE LA CHORRERA –PANAMA, presented with background waterfall (the waterfall) and her four pineapples type MD2 (type of pineapple produced in the area). The waterfall known as the landmark district, the combination of water and pineapple seeks to represent that it is juicy and fresh. The green circle represents the brand integrity with nature.

After the development of the logo, we proceeded to the development of regulations of use containing the rules that must follow the collective mark for the use and administration of collective marks "PIÑA DE LA CHORRERA –PANAMA" and CAFÉ DE PALMIRA and proceeded to register with the Directorate General of the Industrial Property registry, collective marks, which are protected by the over 10 years renewable indefinitely every ten years.

Description: registration of Piña de la Chorrera
as collective mark



Source: Consultancy report of Pedro Bolivar (WIPO)

PHASE IV MARKETING

The impact of the product with the registration of a collective mark must be measured through the commercialization phase, is clearly that is not sufficient with the registration of the collective mark in the Office of Industrial Property Registry, to contribute to the producer welfare; But, we are in the first stage of the challenge that keep these producers.

The marketing of collective marks "PIÑA DE LA CHORRERA" and "CAFÉ DE PALMIRA" will focus on informing the consumer public of the origin of that product which will be identified through the distinctive logo of the product.

This logo will inform consumers of product quality and production environment and thus will be recognized for its unique flavor and distinctive characteristics, and in this way the consumer can identify and differentiate the product from the products without any distinctive type indicating their origin or manufacture.

With the hallmark of the collective mark is being given the product an identity in the market, in which consumers can assess product features and would be able to associate it with its geographical origin product features , which may offer communities of producers farmers important benefits levied on income that is recognized as product quality.

As a result of this, including the creation of the brand, penetrate markets and making the final consumer associate the brand with the product will allow this important group of consumers looks at that product markets covered by the mark compared to other products of the same type, which has no marks or have other brands. That is, the consumer will learn to ask for that product over the existence of others, which should have a direct effect on the consumption growth and improved price, and therefore this change should positively affect the economic performance of agriculture to that productive sector.

Currently, both COFFEE ASSOCIATION OF CONSERVATION AND OTHER ITEMS as AGROINDUSTRIAL NATIONAL ASSOCIATION OF PRODUCERS AND EXPORTERS OF PINEAPPLE (AANPEP) are made up of farmers with small plots of land where they grow and harvest their products manually, of which his origin remained in anonymity, so that the product of the area, had no distinctive differentiate it from another inferior product, which kept

in total ignorance consumer to distinguish these products, so that, despite the best efforts of the producer, this was not offset the costs of sale could not compete with the low price of other products of lower quality and being unable to distinguish one product from another, the consumer can only be guided by that that has a lower price.

Thanks to the register of the collective marks is achieved to identify the Piña de la Chorrera and Café de Palmira, of other similar products in the market, creating not only a design to help consumers to differentiate the product of others within market, but to the producer's own perception towards their product has changed since they know their product has value and is not in anonymity without anyone distinguish, but has a name and a symbol that represents their product and them as a producers, and that has value.

This distinctive sign of the collective mark can be seen as a tool that can help empower rural areas, using agriculture as a mechanism for poverty reduction in rural areas and the collective mark as a sign of product differentiation based on their quality with emphasis on the origin as a distinguishing feature that makes it possible for the farmer is perceived efforts on increasing revenues and improving the quality of life of small farmers.

MARKETING LIMITATION

The development and registration of collective marks "PIÑA DE LA CHORRERA" and "CAFÉ DE PALMIRA", form the basis for the small farmer to start marketing the brand that identifies and recognizes the geographical origin of the product.

However at this phase we found some limitations, such as funding for infrastructure and achieve the marketing of their products, whether locally or internationally through its own collective mark.

Funding is a vital part of this phase of the project, since producers must calculate the marketing through collective mark, and lack the following aspects needed to start this phase:

1. A physical infrastructure to work the product, which can carry out all the steps to the process of washing, packaging, labeling and other steps so that the product is ready for commercialization.
2. Administrative structure and human resources in which they can hold meetings among partners or prospective customer whether local or foreign, for commercialization of its products.
3. Mechanisms for the protection of the collective mark. Register internationally the collective mark. (Nationally Registered).
4. Getting partners increase sales locally and internationally, through better prices achieved by the collective brand positioning in the market.
5. Having socioeconomic indicators to assess the impact of the collective mark to its users and the community.

NATIONAL GOVERNMENT COMMITMENTS PANAMA

The Government of Panama, is aware of the need to provide assistance to small producers so they can market their products, using its geographical origin and brand marketing and attracting consumers to buy their products, because we are convinced that products originating in these geographic areas of Panama are of excellent quality and exquisite taste.

Therefore, in order to promote these collective marks, to be known in a future as country marks or geographical indications that will give greater recognition to the country, we have started all the paperwork for an interagency agreement between the government entities that may support small producers in this new era of marketing.

The objective of this government support, through state agencies constantly seeks to provide training, advice and support in the projects proposed to be achieved in this way encourage small producers to achieve a change in the welfare of farmers improving their quality of life level.

We are convinced that with the support of the Government of Panama, the World Intellectual Property Organization (WIPO) and the associations of small producers, these collective marks are going to be a successfully mechanism to protect internationally la PIÑA CHORRERANA, CAFE PALMIRA and the MOLA KUNA.

Description: Vice Minister of Domestic Trade and Industry of Panama on a visit to Café Palmira farm.



Source: www.mici.gob.pa

“THE MOLA KUNA”

The indigenous community located in the autonomous region formerly known as Kuna Yala, from 2011 Guna Yala, is one of the first indigenous autonomies of Panama. Located on the Atlantic coast of Panama, where the inhabitants live on agriculture, fishing, tourism and the trade of handicrafts among these the MOLA.

Description: Guna Yala region (in red).



Source: www.commons.wikimedia.org

The Gunas Mola are textiles compositions made from a technique applied to overlap different layers of tissue transforming all kinds of figures in complex fabric panels that intertwined traditional culture and modern influences, transmitted from generation to generation by women of this ethnic Indian.

Description: Guna woman with “Molas” in the background.



Source: <http://500px.com/photo/4480953>

The Mola besides being a cultural product is the regular and primary source of income for Gunas women. Today the Gunas women have small stalls in the craft markets, their only source of family income. Their children's studies are funded by the sale of these crafts, but due to illegal copying of their molas by natural and legal persons, Gunas women requested the necessary records to certify the ownership Mola as Gunas.

The difficulty that existed to protect expressions of folklore by ordinary legislation on copyright or industrial property, forced the creation of a new law or some sort of "sui generis", especially to the folklore. Protecting the Panamanian Mola was considered of primary importance for the economic and cultural value to indigenous peoples in Panama. Concerned by imitations of Molas, in the 80s, a Special Committee was formed to ensure the Mola and all its designs as intellectual property of the Guna people. The Mola could not be

located within the intellectual property system that existed, therefore could not be registered as intellectual property of the Gunas.

While Panama had the Law on Copyright and Industrial Property Law, these did not protect the indigenous intellectual property. The traditional intellectual property regime, Copyright and Industrial Property, only protects individual interests or knowledge or individual creations and not the collective.

One of the features of Industrial Property Regime is that there must be a certain person appearing as a creator or inventor, who is the owner of the record and who is credited with the rights. In the case of the Mola and other Guna arts and crafts, this presupposes a difficulty because there is no single creator or a specific person; it is a knowledge that is of a group of people and knowledge that have been transmitted from generation to generation. The Mola is a product, resulted of the intellectual capacity of the Guna community, therefore, is a collective property and from this point of view could not be registered under the Industrial Property System.

The Department of Industrial Property Registry of the Ministry of Commerce and Industry, proposed to the Guna General Congress the protection of the Mola through the figure of Collective Marks.

Panamanian law favors the collective trademark only for associations or cooperatives; therefore, the Guna General Congress refused the proposed because they needed a proper legal framework for the protection of all Guna community.

All the knowledge and creations of the indigenous are collective, as they have arisen through the participation of its members and the worldview of indigenous peoples is based on the collective, which is, the property belongs to the community, and therefore, all his knowledge and intellectual creations belong to all of them.

LEGISLATION ON INDIGENOUS ART

For the problem that had arisen from the illegal copy of the Mola, the State of Panama emitted the Law 26 of October 22, 1984, by which prohibits the importation of copies of the Molas, but it only forbade copies of Molas entered the Panamanian soil and thus not illegal copies which were held in Panama, without foreseeing that these Molas were owned by the Guna people.

Subsequently, was emitted the Law No. 27 of 1997, which extends the protection of Indian handicraft, as not only included Mola but also copies of other indigenous art, however, did not establish a record of indigenous knowledge, including the arts and crafts, such as intellectual property of indigenous people.

This is why the Panamanian Government, with the support of WIPO, approved the Law No. 20 of 2000, creating the "Special regime of intellectual property about the collective rights of the indigenous peoples for the protection and defense of their cultural identity and their traditional knowledge".

The Law No. 20 of 2000, aims to protect the collective rights of intellectual property and traditional knowledge of indigenous peoples over their creations, such as inventions, models, designs and drawings, among others, through a system of special registration, sui generis; Also the Indian Copyright Law protects under his regime the history, music, art and the artistic expression.

The Article 7 of the law of indigenous intellectual property, created within the Directorate of Industrial Property Registry, the Department of Collective Rights and Expressions of Folklore, which has the duty to receive and process all applications for registration on indigenous knowledge and grant the registration of collective rights of indigenous peoples, as long as they meet all the requirements of the law.

It also states that the record will be requested by the GENERAL CONGRESS OR INDIGENOUS TRADITIONAL AUTHORITIES to protect their clothes, arts, music and other traditional law protectable.

The Department of Collective Rights and Expressions of Folklore can only register the collective knowledge of an indigenous people, and not the knowledge or inventions or creations of members of indigenous peoples as an individual. If a indigenous member wants to record their knowledge or creation must comply with the procedures established by the Industrial Property Law or the Copyright Law.

A total of ten indigenous knowledge were processed in the Department of Collective Rights and Expressions of Folklore and all have been recorded, the first of these the Mola.

KNOWLEDGE	EMBLEM	PEOPLE	HOLDERS	DATE
1. Mola Kuna Panama	<p>Kalu Tukbis (Galu Dugbis)</p> 	Kuna	<p>Guna General Congress Magundandi General Congress Wargandi General Congress Dagargunayala General Congress</p>	25-11-2002

The Mola is a knowledge of Kuna culture, therefore, the four General Congress of Guna, composed by the General Congress Kuna or Kuna Yala , the Kuna General Congress of Madungandi, the Kuna General Congress of Wargandi and the Kuna General Congress of Takarkunyala agreed to apply for the registration of the Mola as collective rights.

Through the Resolution No. 1 of 21 November 2002, by which it approves and registers the Regulation of Use of Collective Rights MOLA KUNA PANAMA and by Resolution No. 1 of 22 November 2002, the DIGERPI issued the Record of Intellectual Property Rights Collective of indigenous peoples called MOLA (Morra) PANAMA KUNA, in favor of the Guna community. Was called MOLA (Morra) KUNA PANAMA, to differentiate it from the Molas that are produced in the small communities Gunas of Colombia.

In the Resolution No. 1 of 22 November 2002 the DIGERPI also recognizes that the emblem that will have Panamá Kuna Mola is the Tukbis Kalu.



DIFFERENCE BETWEEN THE BRAND AND THE COLLECTIVE MARK OF TRADITIONAL KNOWLEDGE

1. The records of indigenous knowledge protect the collective interests (communities), while an ordinary record protects the interests of individual associations.
2. The records of indigenous knowledge not expire while the regular registration expires.
3. For registration of indigenous knowledge is not required to hire a lawyer, as can be done by traditional indigenous authority or person authorized by the General Congress.
4. The record of indigenous knowledge doesn't have to pay taxes or fees, while regular records of knowledge have to pay taxes or fees.

COLLECTIVE TRADEMARK REGISTRATION OF MOLA KUNA PANAMA AND KALU TUKBIS AS EMBLEM IDENTIFYING THE GUNA PEOPLE OF THE DISTRICT OF SAN BLAS

The process of protecting indigenous knowledge in Panama was developed slowly and was in discussion for about 20 years, but thanks to the assistance of the World Intellectual Property Organization and the Government of Panama, was emitted in 2000 the Law No. 20 "SPECIAL REGIME OF INTELLECTUAL PROPERTY FOR THE COLLECTIVE RIGHTS OF THE INDIGENOUS PEOPLE, FOR THE PROTECTION AND DEFENSE OF THEIR CULTURE IDENTITY AND THEIR TRADITIONAL KNOWLEDGE".

According to Article 8 of Law No. 20 of 2000, a cooperative or group of artisans or indigenous craftsmen can create their own collective mark or certification mark, but also always keeping in their product the registration of the collective, which identifies that the Mola is the collective individually property of the Guna people .

For consumers, the brand is a guarantee of authenticity, the security that the Mola bearing the mark has been made by artisans Guna and for the community, is a strategic tool that adds market value to their more valuable product and can identify that this craft comes from the community of Guna Yala in Panama.

Description: Guna women working on the "Mola Kuna".



Source: www.folkartmarket.org



Source: <http://yachtlatina.com>

CONCLUSION

In conclusion, we can say that thanks to the initiative of WIPO, which has always been an organization that has supported the development Intellectual Property in Panama and that has been one of the main protagonists together with the Ministry of Commerce and Industry in this experience with the brands "PIÑA CHORRERANA" "CAFÉ DE PALMIRA" and the "MOLA KUNA", which are a reality due to the development agenda of the "Intellectual Property and product Marketing for enterprise development in developing countries and least developed countries " of WIPO.

As we have seen, a step of great importance and relevance has been made for associations of small agricultural farmers of our ethnic Indian, and has been an achievement through the collective and certification marks that protect a product with specific geographic areas of Panama, preventing others from using this right protected.

In this regard, we believe that registering these collective marks, which refer to the origin of the product harvested or processed either for associations or communities of Panama, we will attribute an invaluable quality reputation to the product, which will be attributable to its geographical origin and also may lead to an increase in tourism to these areas and the increase of the consumption of the product, which will raise the quality of life for these producers.

These three cases highlight the importance of actively engaging with the community of producers in implementing a branding strategy for local products. Behind every collective mark lie multiple personal stories, and each community has its own characteristics and peculiarities. These all need to be taken into consideration in designing and implementing an effective branding strategy. The assistance of committed legal professionals who understand the challenges local producers face also makes a big difference.

These three new marks promise to transform the livelihoods of small farmers and producers in Panama and to help support the country's economic development goals. The challenge now is to continue to increase the visibility of the marks at home and abroad so that they become truly global brands and to encourage other producers to follow suit based on the experience gained.

GEOGRAPHICAL INDICATIONS FOR NON-AGRICULTURAL PRODUCTS

*prepared by Thierry Moysset,
Manager, Forge de Laguiole, Laguiole, France*

The process of globalization has led to disputes between companies from across the global which do not meet the same social, fiscal, health, environmental and other requirements.

Here at Forge de Laguiole, we view these prerequisites, not as a source of surcharges or as obstacles to the company's development, but rather as the price that must be paid if any economic project is to be lasting. In our eyes, these requirements are, therefore, both beneficial and justified. Consequently, however, an imbalance arises in terms of the cost structures affecting companies of different nationalities, thus rendering any comparison completely null and void. It is this difference which is threatening our companies and our jobs.

There is a principle in physics according to which no single thing is comparable unless the units in which it is measured are themselves comparable. At a time when there is worldwide competition within an ever more unified global market, the prevailing conditions in terms of production and calculation, as well as the frameworks imposed upon said conditions, fail the test of the abovementioned principle.

Clearly, Forge de Laguiole is completely opposed to any solution involving cuts across the board. However, the quality of our work must be protected and promoted as we wait for the emerging countries to catch up in terms of the criteria of the developed countries concerning responsible production.

We are appalled by the ineffective nature of the existing labels and certificates designed to support manufacturers struggling to avoid having to move production abroad. This short coming is highlighted by Mr. Yves Jégo in his report entitled "Ending Anonymous Globalization: Traceability in the Service of the Consumer and of Employment", which focuses in particular on the lack of clarity concerning the "*Made in France*" label. In the summary of his report (page 76), Mr. Jégo explains that "in the absence of a Community legal basis, the "*Made in*" label remains undefined, optional and difficult to monitor", with this lack of precision providing an opportunity for fraudsters. Moreover, as Mr. Jégo points out in his report, the conditions governing the use of the "*Made in France*" label are particularly complicated. In addition to the complex nature of the European regulations concerning origin marking, our national administrations also have interpretive guides designed to provide clarification in cases where too much latitude has been granted. However, there is often a lack of coherence between such guides.

The ineffectiveness of these labels is also a result of their criteria in terms of distinguishing between products. Thus, the requirement that 45 or 50 per cent of the added value of a product should originate from a specific country in order for that product to be deemed to originate from that country will not make sense as long as the basis for calculation, the added value, places disparate realities on the same level. Added value is actually a combination of capital and labor, with labor itself being a product of the time spent manufacturing goods or services and of the cost of that time, that is to say, the hourly rate. Even if time management depends on the choices made by a company, that company will still have very little control in terms of the hourly rate. Depending on whether the company is operating in France or in a country where labor costs are low,

that company could benefit from a difference in costs of one to 50. Furthermore, this gap means that one hour of work in France and 50 hours of work in another country can have the same value. As a result, origin-marking labels based on added value are rendered ineffective. Therefore, given the huge difference existing between countries in terms of the production process, we feel that this type of label is highly unsatisfactory.

By clearly defining a production zone, protected geographical indications (PGIs) eliminate this issue and place all the producers concerned on an equal footing thanks to precise specifications. It is for these reasons that it is vital for us that attempts to extend PGIs to cover manufactured products with a view to protecting consumers and manufacturers should succeed.

MARKETING AND PROTECTING GEOGRAPHICAL INDICATIONS AROUND THE WORLD

prepared by Mr. Miguel Angel Medina,
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QUESTIONS RELATED TO THE WORLDWIDE MARKETING OF PRODUCTS IDENTIFIED WITH GEOGRAPHICAL INDICATIONS.

1. INTRODUCTION

I have been asked to speak about some of the issues that arise when marketing GIs around the world like its protection and enforcement and the challenges that arise when trying to enforce said protection. A topic which is a challenge itself, even more if it is dealt with at this time of the day, just after lunch, at the typical siesta time. By the way, I wonder if "*Spanish siesta*" could be protected as a GI, possibly based on reputation.

As we have been listening these days, GIs are a very complex matter in all aspects and the many different problems which arise around them can have different solutions depending on the systems of protection of GIs applied in each place.

A very important decision to be taken when marketing GIs around the world is the kind of protection to choose among those available.

If we take a look at the world around we observe many different systems, which could be classified into three main groups according to the legislation on which that protection of the

* This text reproduces the speech made by the author on the 28th March 2013 at the World Symposium on Geographical Indications held in Bangkok. The author wishes to give special thanks to Jorge Afonso Cruz, Lionel Lalagüe, Vincent Martin and Alessandro Sciarra for providing and sharing useful information about their experience and cases relating to these matters.

GIs is based (Unfair Competition -and another unspecified protection like passing-off, consumer protection, advertising Law-, Trademark systems and the so-called “sui generis” systems), which to some extent also imply three different levels and scopes of protection, which sometimes can coexist in certain countries and often they do.

2. GENERAL FRAME (TRIPS)

As a ground floor for protection we have TRIPs which sets forth the minimum protection that all country members of the WTO (which must be the case of all or practically all the countries represented here today) must afford to their nationals.

Said protection has also two different levels depending on the products to which the GI applies. A minimum level is established by article 22 of TRIPs and is applicable without limitation to any kind of goods (while it leaves services out) and sets a wide definition of geographical indication, by saying that it is an indication which identifies “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”. It does not restrict the GIs to names, as other regulations do.

As to the protection, it compels its Members to prevent:

- (a) any use 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).

The latter is something which is already supposed to be present in the legislation of those WTO members, who already were parties to the Paris Convention.

Also at WTO level, there is an Additional Protection for Geographical Indications for Wines and Spirits, which does protect GIs against use of “delocalizers” (“kind”, “type”, “style”, “imitation” or the like) or translation when the products do not originate in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated. And the protection even goes further to become an “objective protection” independently of the “subjective perception” or effects that might produce in the consumer when it comes to registration of trademarks, as it reads that the registration of a trademark for wines which contains or consists of a GI identifying wines shall be refused or invalidated with respect to such wines not having this origin. The same is applicable to spirits. Likelihood of confusion or other effects are not a requirement.

An advantage of TRIPs is that it is an agreement which is accepted practically worldwide, it contains a definition of GI and a level of protection which are valid worldwide and it is compulsory for Members.

A disadvantage it is that it is not directly applicable, but it must be implemented by the States by adopting the corresponding legislation, and this has led to very different interpretations according to the country.

This frame of minimum protection is a starting point, which in some countries has been more developed than in others.

3. SYSTEMS OF PROTECTION OF GIs

3.1. Unfair competition and unspecified legislation

There are some countries which basically rely just on the protection based on unfair competition, passing-off and similar legal regimes. This is no more than the application to the competition in the market of the basic legal principle of civil Law of good faith and others derived from it. One important limitation of this approach is that it is usually restricted to situations where there is competition in the market, even if this is sometimes interpreted in a very broad sense, and that, if you sue someone and you cannot rely on a registration, you do not only have to prove the unfair competition or infringement acts, but you also have to substantiate the very existence of your right in each procedure.

Different from that, the other systems, trademark system and sui generis systems offer the possibility of relying on registrations or at least on a public certificate or declaration which can be checked through documentation easily accessible to the public and makes that, when trying to enforce it, you only have to convince the Court or the corresponding Office or ministerial Department that the acts that you are challenging collide with the protection of your GI, but not about the very existence of the GI.

Furthermore the scope of protection offered by these other two systems is much stronger.

3.2. Trademark Systems

3.2.1. Characteristics

On one side, Trademark systems usually protect against identical or similar signs for identical or similar products or services which are likely to lead consumers to confusion or, where the trademark is well-known or has a reputation, even beyond, against different goods/services, if the use of a new sign may dilute the reputation or distinctive character of the prior trademark or be detrimental to it or might give place to the new sign taking unfair advantage of said reputation without due cause.

It must be taken into account that in order to benefit from that wider protection of a reputed trademark, that reputation must be proven, something which sometimes can be very difficult with some Offices and Courts.

Following with trademark systems, although there are exceptions, in general the protection of geographical indications is through “collective” or “certification” (also called “guarantee”) marks. Basically, because the use of a geographical indication is a right which in principle belongs to groups of individuals, not just to one individual, and also because GIs are often considered to be descriptive as individual trademarks, unless they have acquired a “secondary meaning” or are accompanied by a distinctive design.

Regulations concerning collective and certification trademarks often contain a derogation of the prohibition of registering signs which are descriptive as to the geographical origin of the goods and/or explicitly establish that they will not entitle their proprietor to invoke its trademark against any third party who is entitled to use a geographical name.

Furthermore, Collective and Certification trademarks have regulations governing use (which resemble to the specifications of the GIs of the sui Generis systems) and cannot exclude from its use those who comply with the requirements set in them.

3.2.2. Differences between collective and certification (or guarantee) marks

Nevertheless, between them there are also differences that can make us take one decision or another depending on the specific circumstances of each case.

In the case of collective marks, the owner is usually an association and it is used by the members of the association, while in the case of certification marks, the message that the trademark intends to transmit to the consumers is that the goods which bear that trademark have the specific characteristic(s) certified by its owner, and the owners usually are not entitled to use the certification mark and its use by it can be a ground for revoking the trademark.

Summarising, different from GIs, Collective and Certification marks do not necessarily imply the existence of a link between a certain characteristic of the goods and the geographical name and it neither derives from them so a strong right on the geographical name as the one derived from the GIs. It must not be forgotten that trademarks are basically indicators of a business origin, while GIs indicate a qualified geographical origin.

A system which is usually considered as a typical example of protection of GIs by means of trademarks is the U.S. system.

3.2.3. Advantages of Trademark Systems

Some other advantages of trademarks compared to GIs are that they can be registered for many different classes of goods and services and provide a good protection for memorabilia or merchandising goods and against the use of a GI or similar signs in services and domain names. Furthermore, they can be very easily and conveniently protected internationally through the "Madrid System" for the international registration of trademarks. Sometimes, the national offices of the member States of the Madrid system where the protection of the International registration has been granted do not even request the submission the regulations governing use, what sometimes can be due to the fact that they are not aware that the trademark the protection of which has been requested through the Madrid system is a collective or a certification mark.

Some arguments used by the defenders of Trade Mark Systems for the protection of GIs are that the system is already working and known by those who intervene in trade, that it is respectful with prior rights, protection is available for any kind of product or service, governments do not have to commit additional enforcement resources to ensure compliance and the owner can determine when to take action, and that with this system it is easier to accommodate GIs which are not merely names (but "signs", i.e., designs, slogans, designs, 3-D, colours or even sounds) and it can benefit from a widely accepted International registration System (Madrid System).

3.2.4. Advantages of Sui Generis Systems compared with Trademark Systems

Some advantages of the GIs generally, when compared with trademarks, are that there is usually no need for maintenance/renewal (no renewal costs), as most of the countries (with some exceptions like, e.g., the Indian or the Andean Community systems) have an unlimited duration and do not need any renewal or maintenance, they cannot become generic, there is a strongest action and a public action to protect them, in many countries they cannot lapse or be revoked based on lack of use -I have set an asterisk on the slide to mark that this has recently changed in the EU regulations concerning agricultural products and foodstuffs, as EU regulation 1151/2012 foresees this possibility-, and there is no need to prove use of the GIs in infringement or opposition proceedings where other rights may need to be proven.

3.3. “Sui Generis” Systems (special Reference to the EU system)

3.3.1. General remarks

If we now turn to the so-called Sui Generis systems of protection of geographical indications, these are systems that provide with specific regulations aimed at protecting geographical indications, and in the vast majority of the cases through a registration system. They usually give GIs a protection which is much stronger than that given by the other systems and even stronger than the protection enjoyed by other modalities of IP-Rights.

A system which is considered as a paradigm of this type of protection is the EU system, which works as a “Sui generis” system only for certain products (wines, spirits, and agricultural products and foodstuffs). These regulations have many points in common among them. E.g., all of them have a registration system, which starts, at national level with the filing of an application in which one of its most important parts is the product specifications (where the goods are carefully described, with all its characteristics and the link between the name and the product is established and proven) and where any natural or legal person having a legitimate interest and established or resident in the territory of that country can oppose to the GI application. If the application goes ahead, it is sent to the European Commission, who scrutinises if it meets the conditions of the respective scheme and, if so, publishes it in the OJEU for opposition purposes by any person having a legitimate interest and established in a Member State other than that from which the application was submitted. Finally the Commission takes a decision. In case of GIs coming from non-EU countries, they can be directly filed with the Commission, even through internet, but it must be proven that they are already protected in their home country.

As a reference we shall use the EU system of protection of agricultural products and foodstuffs, which is, strictly speaking, the first EU system of registration and protection of geographical indications and which now is ruled by Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs.

This system foresees two different modalities: “PDO” (Protected Designation of Origin” and “PGI” (Protected Geographical Indication).

3.3.2. PDOs & PGIs

As main differences between them we could briefly mention that in the case of the PDO the quality or characteristics of the product are “essentially or exclusively due to a particular geographical environment with its inherent natural and human factors”, while in the case of the PGI, these are “essentially attributable to its geographical origin”, and that in the case of a PDO the production steps all take place in the defined geographical area, while in the case of a PGI, only at least one of the production steps takes place in said area. The production steps are: production, processing and preparation. This implies that the link between the place and the good is stronger in the case of the PDO than in the case of the PGI, and PDOs seem to be more appreciated by consumers.

Nevertheless, the protection of a PGI and a PDO is exactly the same, they follow the same registration procedure, have practically the same legal requirements, registration is compulsory to enjoy the legal protection linked to those categories, none of them can become generic and both can be cancelled if compliance with the conditions and product specifications is no longer ensured.

The argument given by the establishment where the drinks were offered was that they have Spanish and foreign clients, and that foreign clients were not so familiar with “Cava” wines. For that reason, and as both PDOs were for sparkling wines, they identified the same wines as “Champagne” or “Cava” depending on which clients they were aimed to.

They were ordered to cease all use of “Champagne” by the Court, even in T-Shirts and many other merchandising products, as domain name (something difficult to obtain through UDRP or other procedures, but that it can sometimes be obtained at Court).

(c) Another supposition of fact where we can observe one of the most peculiar characteristics of the strong protection of PDOs/PGIs by EU regulations is the one concerning protection against any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by “delocalizers”, including when those products are used as an ingredient.

Evocation is very often considered as one of the most useful features for an efficient enforcement of the protection of GIs and one of the most remarkable and appreciated characteristics of the EU systems of protection of GIs, as it gets where other kinds of protection do not get.

Some examples of applicability of the concept of evocation by the OHIM (Community Trade Mark Office) have been cases where it considered that RONCARIFORT evoked (PDO) ROQUEFORT and CAZORLIVA evoked (PDO) SIERRA DE CAZORLA. Among the cases by the Court of Justice of the European Union, we can mention C-87/97, where it was considered that CAMBOZOLA evoked GORGONZOLA, C-132/05, where it was declared that PARMESAN evoked (PDO) PARMIGIANO REGGIANO, and cases C-4/10 and C-27/10 COGNAC vs Korkein hallinto-oikeus (KONJAKKI, KONJAKKIA).

The question is: how far must the protection against evocation get? Where is its limit? Must it be applied in situations where designs or other elements remind a specific geographical area?

I would not wish to omit a very useful tool for the enforcement of GIs (and of trademarks too) in the EU, which is EU regulation 1383/2003. Once an application for customs actions based on the existence of a PDO/PGI is filed, the customs officers of the 27 Member States of the EU will inform you of every shipment that they detect and consider suspicious of infringing the mentioned right, so that the applicant can act. It is free and has a duration of 1 year, which is renewable.

Now that we have had an overview of the different systems, we may wonder which way to follow.

4. CONCLUSIONS

We have seen that there are some differences and nuances according to the different systems, which can be useful to have in mind at the moment of planning the marketing of the goods. It is important to remember that they must not necessarily be considered as alternative options and in some cases they can supplement, and even reinforce, each other, as we saw this morning in the session about branding.

In other cases there will be no alternative, as it is the case where in a specific country there is not any “sui generis” system, and the only possibility is trying to register a mark to protect your GI; and if GIs are not accepted as trademarks either, then the only option may be the protection based on unfair competition legislation.

In others the costs will be an issue and the economic capacity may limit the options available, but in others all the options are available and, in those cases, generally, the most practical course of action will be to try to obtain protection by all means, namely, as a GI (which in the EU is the strongest protection) and as a trademark to cover the aspects where the GI might not be so strong (merchandising, services, designs & labels), so that both can be used depending on the case. E.g, in case of challenging domain names by means of certain dispute resolution systems or if you wish to have some preference in the sunrise periods to register domain names under new extensions, it seems that trademarks are usually a good way, while GIs are not always accepted and may be more difficult to enforce with some exceptions. Summarising:

“Use different weapons for different battles”

Well, let us now listen to the voice of the producers

5. THE VOICE OF THE PRODUCERS

In order bring an up-to-date view of the practical problems that GI producers are facing nowadays, before coming I conducted a kind of survey, whereby I asked several of my GI clients about their current concerns in the enforcement of the protection of their GIs around the world, and here are the results that I have summarised as follows:

5.1. Some challenges that can be faced in the enforcement of the protection of GIs

(a) Problems when applying for protection of a GI abroad

This refers to a lack of understanding by the Officers of the documentation demanded by themselves in order to acknowledge the protection in the home country or other aspects of the GIs.

This often leads to several official actions being issued, whereby documents already provided or new ones which do not bring any additional information are requested. This is an economic burden for the applicant, who has to make several submissions of documents and translations.

A possible action that could solve or at least contribute to alleviate this problem would be to give some training to the Officers in charge of those tasks, and reinforce technical cooperation between the offices/agencies in charge of the different systems (about 15 years ago this situation was very usual in the field of trademarks, but now as there is more networking between the offices and easy access to databases, etc., this has changed drastically and it is more exceptional).

(b) Lack of protection of GIs in trademark registration procedures

On the one side, many producers feel a lack of proactivity in the sense that the national IP Offices do not tend to cite “ex officio” prior GIs as objections to trademark applications (while they do tend to cite prior trademarks in those cases where there are “ex officio” examination of prior rights).

Maybe sometimes they do not know where to search or sometimes they do not know exactly which protection GIs enjoy additionally beyond what is written in Trademark Laws.

These situations take place even though in many cases of oppositions based on GIs are filed “ex parte” and accepted. They miss some proactivity on the side of the IP Offices, as GIs should be protected even if no oppositions were filed.

In this sense a good service by the IP Offices would be beneficial for all those who are present in the market, as a good check from the beginning would avoid that later actions brought or undertaken by the producers would lead to the invalidation of a trademark when its owner might have already made important investments in it.

A better understanding of the protection afforded to GIs by the different Laws (not only Trademark Law) and of how to search protected GIs would possibly be of help.

Also sometimes IP-Offices/courts tend to consider the prior GI as if it was a trademark and restrict itself to only assess the likelihood of confusion between it and the new trademark application without taking into account the specific scope of protection of GIs.

(c) Problems in understanding/recognizing where there is a local infringement.

When working with different cultures, sometimes what it is felt in the home country to be a clear infringement of a GI abroad, it seems not to be so clear in the foreign country and vice versa.

This may in some occasions have to do with the fact that different words may evoke different concepts (due to different cultural or historical associations) or have different phonetics in different countries.

The advice and collaboration of good and honest local counsels and distributors is of utmost importance here.

(d) GIs as an ingredient

A current worry of many producers today is the use of a PDO/PGI as an ingredient of food. This is sometimes discussed in terms of a conflict between GI protection and the right of the consumer to receive accurate information.

Some producers tend to use the expression “100%” accompanied with the name PDO/PGI in order to stress that the good that they are providing is not a mere ingredient of a blend, but the real product. This not considered to be satisfactory as it should not be necessary.

In other cases, the use of the PDO/PGI as an ingredient is in order to make reference to the fact that a certain dish is prepared with a PDO/PGI flavour or a sauce that contains the PDO/PGI product as an ingredient. The Cour d’appel (The Court of appeal) of Paris decided on 15 March this year that such use (in the case decided upon: “le foie gras au Champagne et 2 poivres”, something difficult to translate without missing some nuances, but which might

be translated as “foie gras made with Champagne and 2 types of pepper”) constituted an exploitation of the reputation of the name Champagne and a risk of dilution of the reputation of this PDO.

(e) Problems with the semi-generic or generics

The current situation of the GIs, which are protected as such in some countries while in others they are considered as semi-generic or generic is not satisfactory for the GI producers. Particularly, they consider that when bilateral agreements are reached, where a temporary coexistence is accepted, it should be set forth that exports of the «semi-generic» or «generic» products should cease during the transitional period.

(f) A worldwide registration system for GIs

The users of the Lisbon system are happy with the functioning of the system as a tool which facilitates and streamlines the protection procedure of a GI abroad and trust in its potential, but are sorry about its relatively low number of parties (27), which for EU members is lower, as the protection between EU members for products covered by the EU GI-schemes is already given through EU procedures.

5.2. In the hands of producers

Meanwhile a solution is found for the above described situations, the producers also have in their hands some means and tools that can be used to mitigate them. In this sense: “An ounce of prevention is worth a pound of cure”. Among them, we can mention the following:

(a) Preliminary Search

Before applying for a trademark or a GI it is advisable to make a search in order to be sure that there are no prior rights which can block your application or later cause the invalidation of your registration or make you cease use of your trademark.

(b) Monitor the market

Since the moment where you have started using or applied for a trademark or a GI, it is advisable to start monitoring the market in order to detect infringements before it is too late. If you act before the infringer has created a “goodwill”, it will be easier to solve it without the need to go to Court.

Monitoring bulletins and databases where applications for new trademarks or other signs are published for opposition or invalidation purposes, searching the internet for identical or similar signs and setting devices which alert you each time that your product appears in the Internet is advisable.

(c) Using a design trademark for the GI, which accompanies the GI (name) might help.

Some producers or traders may claim that they are allowed to make use of the GI name or a similar name or a name of the same geographical area which could collide or create confusion about its relation to the authentic GI, but if you use it with a distinctive design and people tend to associate your GI with a specific design, you will be much more relaxed.

(d) educating consumers

Advertising campaigns to facilitate the recognition of the real product can be helpful and avoid some cases of consumers' deception.

(e) educating officers (training courses on GIs and on "your GIs")

I am not thinking about gifts, unless you consider that to give training is a gift (in this case I share it).

Certain producers organise specific training sessions for, e.g., customs. Nowadays with the crisis it is still more difficult that public agencies have money to invest in training, but if you can afford it, maybe you can organise yourself courses to train your customs. This way you can profit of the public actions that sometimes simply do not take place because the officers in charge thereof are not sufficiently aware of the existence of your GI, the protection it enjoys, or even simply it dares not do it because they do not know how to tell in practice a counterfeit good from the real product. For these reasons it can also be said that: "Sometimes a good education (consumers & officials) is the best protection".

MARKETING AND PROTECTING GEOGRAPHICAL INDICATIONS ABROAD: GEORGIA

*Prepared by Ekaterine Egutia,
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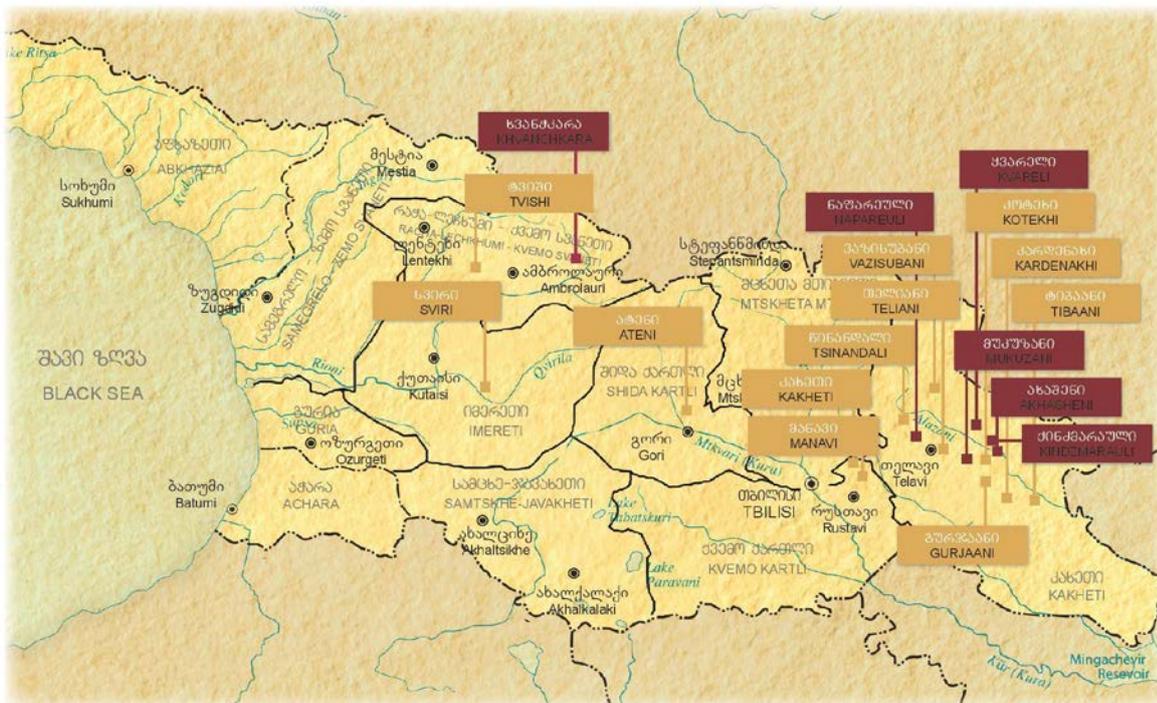
PROTECTION OF AOs AND GIs IN ACCORDANCE WITH THE LAW OF GEORGIA ON APPELLATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS

In accordance with the laws of Georgia, national AOs and GIs are protected in Georgia by way of their registration at the National Intellectual Property Center of Georgia “Sakpatenti” (through national proceedings), while foreign AOs and GIs are protected on the basis of intergovernmental agreement or an international treaty. Presently, foreign AOs or GIs are protected in Georgia by virtue of the following instruments:

- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (Georgia party since 1999);
- International bilateral agreements between Georgia and a foreign state: examples: 1. EU-Georgia Agreement on Mutual Recognition of Geographical Indications of Agricultural Products and Foodstuffs (entered into force on 1 April 2012); 2. Intergovernmental Agreement between Georgia and Ukraine on mutual protection of the geographical indications of wines, spirits and mineral waters (2007).

Sakpatenti runs an official registry of the authorized users of Georgian geographical indications and appellations of origin. In total 37 national GIs/AOs are registered in Georgia (mineral waters; wines; other agricultural foodstuffs), as well as 774 foreign AOs (under the Lisbon Treaty) and over 3000 GIs of the European Union member states are protected in Georgia (by virtue of EU-Georgia Agreement).

Exhibit 1: Appellations of Origin of Georgian Wines



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MAIN TRADING PARTNERS IN GIs

Main trading partners where Georgian GIs /AOs are exported are predominantly CIS countries (except Russia) and the EU (wine, mineral waters, and some dairy products). Among the EU countries most of the Georgian GIs and AOs are sold in Baltic states, Scandinavia, Germany and the UK. Fewer quantities of appellations of origin of Georgia (primarily wines and mineral waters) are exported in the USA. It is notable that past few years has seen a growing trend of Georgian wine and spirits exports to China.

COOPERATION BETWEEN STATE AGENCIES AND PRODUCERS OF GIS

Sakpatenti has an ongoing dialogue with producers/ exporters and the business associations on various matters of mutual interest when it comes to marketing and exporting Georgian GIs/ AOs abroad; Often times, producers and exporters value the assistance of Sakpatenti, especially its activities directed at combatting the counterfeit GIs/AOs abroad.

Sakpatenti is empowered by law to carry out registration and protection measures of Georgian GIs/AOs in foreign states, as well as take legal action to remedy the infringement of Georgian GIs/AOs in other countries. The decision to register /protect a given GI or an AO abroad is largely based on exports data supplied by the Statistics Agency and the Ministry of Economy. Thus, the IP Office of Georgia normally registers and protects those GIs in a foreign country that are exported and present on a given market. Close cooperation with wine association as well as the national wine agency, regarding matters related to priority markets, protection and enforcement strategies is of utmost importance when deciding on different legal actions in view of protecting Georgian GIs/AOs. Occasionally, when remedying the infringement in foreign states, official warnings are sufficient, although in some cases Sakpatenti resorts to litigation. Sakpatenti covers all costs related to enforcement and protection of Georgian GIs/ AOs abroad out of its own budgetary proceeds. When collecting evidence on various infringements abroad, private producers, diaspora and the embassies in various countries do cooperate efficiently with Sakpatenti and provide invaluable information with respect to fake products and their distribution chains in a given country.

THE ROLE OF MEDIA AND PUBLICITY IN MARKETING GEORGIAN GIS/AOS

Georgian media outlets and journalists (in some cases international media sources) frequently make stories about the enforcement or infringement proceedings of Georgian GIs in various countries. TV and printed media of Georgia are usually interested in making stories about Georgian “national brands” (exhibit 2: Georgian AOs and GIs: wines and cheeses) and related challenges; opinion of producers and the official statements of Sakpatenti are frequently broadcasted by Georgian media outlets. The above mentioned campaign serves as an indirect marketing tool for the exporters of Georgian GIs and AOs. Besides, the awareness raising and media related activities encourages local producers to maintain these products in good quality and export them abroad, in order to gain profits as well as preserve the reputation of Georgian GIs/AOs.



Copyright Sakpatenti

Exhibit 2: Georgian AOs and GIs: wines and cheeses

CASE STUDY

USA

Two famous Georgian appellations of origin of wines were registered in the name of a private distributor in the US. Sakpatenti disputed the registration of the marks: Khvanchkara and Kindzmarauli (red wines, popular in the former soviet area); Sakpatenti took legal action and filed an appeal against the registration of these marks in the name of a distributor in question. The case ended with the settlement. Thereafter, Sakpatenti registered Georgian AOs of wines as certification marks in the USPTO. All costs of registration and maintenance of Georgian marks in the US, as well as costs of legal proceedings, were born by Sakpatenti. However, challenges remain with respect to “statement of use” requirement in the US system. Some of the Georgian marks that were filed for registration are not yet used in trade in the USA. For this reason, Sakpatenti in cooperation with the National Wine Agency holds active consultations with the local wine producers with the aim of exporting these appellations to the US, in order to maintain the registrations for all Georgian AOs in the USA.

GERMANY

Sakpatenti had a similar dispute in Germany with regards to Georgian wine appellations: Khvanchkara, Kindzmarauli, Tsinandali. Sakpatenti hired lawyers and filed an appeal against the private party (distributor) who registered Georgian appellations in his name at the German Patent and Trademark Office. As a result, the respondent abandoned the case and the disputed marks were cancelled.

Presently, EU-Georgia agreement on mutual recognition and protection of GIs guarantees the protection of Georgian GIs/AOs in the territory of the European Union (including Germany); therefore, Sakpatenti did not have to file for registration separately in Germany in order to obtain the legal protection for Georgian GIs.

ONGOING EFFORTS OF NATIONAL INTELLECTUAL PROPERTY CENTER OF GEORGIA SAKPATENTI TO PROTECT GEORGIA'S AOS/GIS ABROAD

Sakpatenti registered the marks “Qvevri” and “cradle of wine” in the European Union (OHIM registrations), primarily for marketing purposes and for the use of Georgian wine producers and exporters. The word “Qvevri” denotes Georgian traditional ceramic vessel for wine, traditionally used for fermentation and storage of the wine in ancient times of Georgia; this ancient method of winemaking is still widely used by Georgian wine-makers.

Other ongoing efforts of protecting Georgian AOs and GIs abroad are carried out mainly through diplomatic channels, with the view to achieve mutual recognition agreements with different countries; Sakpatenti, actively cooperates with other Georgian state agencies such as Ministry of Agriculture and Ministry of Economy in this matter. Where bilateral agreements are not achieved, normally, Sakpatenti (on behalf of Georgia) files for registrations directly in the target country, through national procedures. At the moment Sakpatenti has filed for registrations of Georgian GIs and AOs in Kazakhstan and Belarus. Furthermore, Sakpatenti plans to file for GI registrations in Russia (in view of anticipated abolition of trade embargo by Russia), China and Azerbaijan in the nearest future.

MARKETING AND PROTECTING GEOGRAPHICAL INDICATIONS AROUND THE WORLD
THE VIEW FROM THE SCOTCH WHISKY ASSOCIATION

*prepared by Alan Park,
Legal Advisor, Scotch Whisky Association, Edinburgh, United Kingdom*

The Scotch Whisky Association (SWA) is the trade association for the Scotch Whisky industry and dates back to 1912. It is funded by subscriptions from its members, which are the producers of internationally traded brands of Scotch Whisky such as JOHNNIE WALKER, CHIVAS REGAL, J&B and GLENFIDDICH. Our remit is to protect the mutual interest of producers of Scotch Whisky, principally the description Scotch Whisky itself.

Scotch Whisky is of enormous importance to the Scottish and UK economies. There are over 100 distilleries licensed to produce Scotch Whisky and these are spread from the south of the country to its northern islands. More than 1 billion bottles of Scotch Whisky are sold every year and 90% of these sales are overseas. The value of those exports in 2011 was over \$6.6 billion. The industry is one of the UK's top five manufactured exports and it supports 1 in 50 Scottish jobs. Over one million tourists visit Scotch Whisky distilleries every year. It is to protect this vitally important industry that the SWA takes legal action worldwide.

As with other geographical indications (GIs) the protection of Scotch Whisky is not just about the protection of intellectual property; it is also about protecting cultural heritage and employment in rural areas. All of us involved in protecting GIs want to ensure that the GI never becomes generic in any market. If that does happen, we would find ourselves in the nightmare scenario of attempting to re-establish the GI. It can take years to recover lost ground, even if it is possible. So how do we ensure that does not happen in any market in the world?

Firstly, promotion of the GI must go hand in hand with protection at the earliest possible stage. As early as 1908 a Royal Commission set up by the United Kingdom government looked at how Scotch Whisky should be produced and confirmed that Scotch Whisky is whisky produced in Scotland. That is the basis on which the definition has rested ever since, namely, that the goods have a reputation for being tied to a particular geographical area. Another important finding of the Commission was that certain other geographic descriptions such as the different Scotch Whisky producing regions, such as "Highlands", are recognised trade descriptions denoting distinct classes of Scotch Whisky and the parts of Scotland in which they are distilled. In reaching this conclusion the Royal Commission anticipated another important GI principle, namely, that there should be a link between the characteristics of the product and its place of manufacture. In other words, it was recognition of Scotch Whisky as a geographical indication long before the concept of a GI was legally defined. Given that Scotch Whisky has been exported globally since the 19th Century, the Scotch Whisky trade has in effect been marketing the concept of a geographical indication for more than 100 years. It was the need to protect that geographical indication from an early stage that partly led to the formation of the Scotch Whisky Association.

The second issue which needs to be considered is whether the GI rights holder is prepared to tolerate any type of behaviour which trades on the reputation of the genuine product. The SWA has always applied a zero tolerance policy to the protection of Scotch Whisky and, though that might first strike you as being an unaffordable luxury, in some ways such an approach can turn out more economic in the long run. I explain some of the reasons for that.

If courts, particularly in common law countries, are to protect Scotch Whisky, they will expect the SWA to protect it on a universal basis. It will be more difficult to persuade courts to protect

Scotch Whisky if the SWA appears to pick and choose where and when it takes action. One has to remember in this context that courts in some countries may look for reasons to protect their local producers, whether or not they are technically sound. There are examples of GI rights holders running into difficulties with their legal action to stop misuse of the GI in one country because some of the producers of that GI had been co-operating with local producers in other countries who were misusing the GI on their goods.

If action is not taken immediately the SWA becomes aware of a misleadingly labelled product, that may prejudice the ability to take action later if and when the brand becomes more commercially important. Delay can be interpreted as acquiescence and a bar to action at a later date.

Equally, a market which may at one time seem commercially unimportant may become commercially very significant in the future. Thirty years ago, because of import controls, only limited volumes of Scotch Whisky could be imported into India. Although India is now becoming a very important Scotch Whisky market, the SWA has been taking legal action there for many years.

A misleadingly labelled product which may seem initially insignificant can go on to become very significant commercially if action is not taken promptly to stop its sale. Here are two products which we found a few years ago being sold from the boots of cars and from licensed premises in the UK.



Although not described as Scotch Whisky, they were labelled with names associated with Scotland and other misleading indications of origin. When we traced the source of the product to a French company and carried out a raid, we found that some 2.5 million bottles of these brands had been smuggled into the UK over a two year period.

Allowing any misleadingly labelled product, however minor, to continue to be sold on the market encourages other manufacturers to follow suit and with globalization, it has become impossible to isolate problems. If the description "Scotch Whisky" is abused in one market that damage will spread to other markets. I will give you one example. We were passed one can of a product claiming to be Scotch Whisky by a German businessman who had obtained it in Iraq.



We tracked the can back through Turkey to Europe and, by means of applications to Customs in various European countries, we obtained a seizure of a shipment, which led us to the source in Austria. Following a police raid, we discovered that this Austrian company had been responsible for supplying more than 15 million cans of fake Scotch Whisky through Turkey to Iraq, Iran and the wider region.

We have been very successful in the protection of Scotch Whisky over 50 years because we have aggressively sought to broaden the protection granted by the courts and because we have not ignored what might seem to be minor problems.

Not only do we take a zero tolerance approach, but we also ensure that the Scotch Whisky GI is protected against all forms of unfair competition. We have around 70 court actions, more than 300 trade mark oppositions and many other administrative complaints, proceedings and investigations current worldwide. I should say at this point that the SWA is not involved in brand protection as that is undertaken by brand owners. Whether we take civil or criminal proceedings or an administrative complaint will depend on the country concerned, the circumstances of the case and what will be effective and cost efficient.

There are a wide variety of ways in which spirits can be passed off as Scotch Whisky and I will provide some examples.

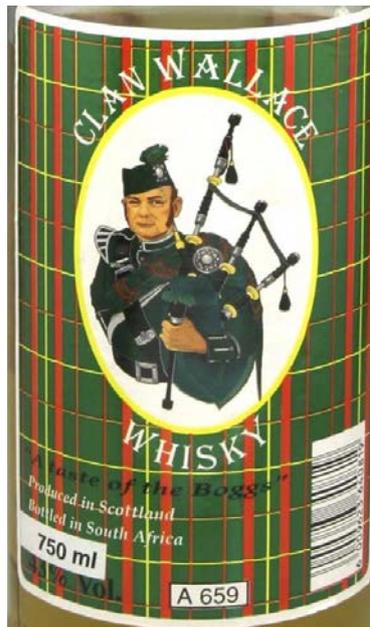
The most obvious is the use of the description "Scotch Whisky" itself.



However, exactly the same result can be achieved by the use of Scottish names or devices. The marketing of GIs is often linked with names and images associated with their origin. Some Scotch Whisky examples are shown here, in which a Scottish castle scene, a bagpiper and tartan patterns are all used to market the brands in question.



Below is a product from South Africa which used a Scottish name, a bagpiper and tartan to suggest the product was Scotch Whisky, when it was not.



It is the use of indirect means, such as names associated with Scotland, the use of tartan or pictures of Scottish landmarks, to suggest Scottish origin, which is addressed by Article 22(2) of WTO TRIPS:

“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;”

The use of more subtle means to take unfair advantage of the reputation of a GI is increasing and it is therefore important for courts and trade mark examiners to recognize that protecting the GI is not just about protecting the name of the GI itself.

A good example comes from our host country for this symposium. The prefix “Mac” or “Mc” is a typical part of many Scottish surnames, such as MacKenzie and McDonald. As a result, we find traders around the world using brand names which include the prefix “Mac” or “Mc” to suggest that their product is Scotch Whisky, when it is not. In a judgment given by the Central Intellectual Property and International Trade Court in Bangkok in 2008 the court decided that the trade mark ‘McCARTER’ could mislead consumers into believing that, when used on whisky, the product was Scotch Whisky:

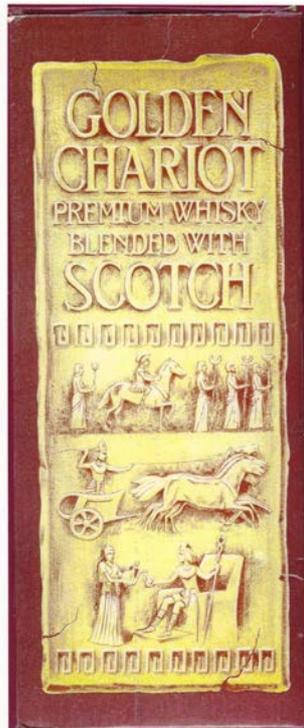
“Although Thai people do not descend from Scotland or the United Kingdom, the public are now well educated, increasingly communicate with foreigners, travel abroad, and are able to receive more information from books, the Internet and product advertisements..... This are not limited to know only information relating to Thailand.....The word “Mc” implies a person from Scotland. The facts previously presented show that Scotch Whisky is widely recognised in Thailand and the public realise that Scotch Whisky is related to its origin; i.e. Scotland.....Hence, the Thai public.....who become familiar with whisky can conclude that the prefix “Mac” or “Mc” is used in relation to whisky from Scotland or Scotch Whisky only.”

(Unofficial translation of an excerpt from the judgment)

The decision recognizes consumers' awareness of global marketing and the importance of indirect indications of origin for goods which have a reputation associated with their origin.

Let us look at other methods of deception. Some whiskies produced abroad do contain a proportion of Scotch Whisky. However, frequently reference is made to the Scotch Whisky constituent without making clear that the product also contains local spirit.

Descriptions such as "blended with Scotch" are likely to lead consumers to believe the product as a whole is Scotch Whisky.



In other situations, we sometimes find traders selling genuine Scotch Whisky and then changing the brand to a cheaper whisky which is not Scotch but continuing to sell it under an almost identical label so that consumers do not notice the difference.



As Scotch Whisky is a type of whisky, it competes against whiskies of other origins. Our view is that a comprehensive approach to protecting the GI means ensuring that products which compete in the same category are also genuine and accurately labelled.

For example, many countries have a definition of whisky to ensure that consumers are not sold inferior spirits under the description “whisky”. It is in our interest to ensure that the reputation of whisky as a category is not damaged by the sale of inferior products as whisky and ensure that competitors do not gain an unfair price advantage by selling, for example, molasses alcohol or unaged spirits as whisky. It is for that reason we are very active globally in ensuring that products which do not comply with the definition of whisky in the market in which they are sold are removed from sale. For example, we will take action against any product on sale in the EU as ‘whisky’ if it does not comply with the EU definition of whisky, a summary of which is shown below:

- distilled from cereals
- distilled at an alcoholic strength of less than 94.8% vol. so that it has the aroma and taste derived from the raw materials used
- aged for at least 3 years in wooden casks of 700 litres capacity or less
- retains the colour, aroma and taste derived from the production process
- a minimum alcoholic strength of 40% abv
- contains no added flavouring or sweetening or other alcohol

(Annex II(2) of EC Regulation 110/2008)

Another example is the use of age statements on whiskies. It has become a common practice in certain markets for whiskies to be sold with false age claims or featuring numerals on the labels which are likely to be taken by consumers as age claims.



I mentioned earlier that, in effect, the Scotch Whisky trade has been promoting the concept of a geographical indication for more than a hundred years. Since the SWA's establishment we have put considerable efforts into persuading countries to incorporate in their legislation recognition that Scotch Whisky is whisky produced in Scotland in accordance with UK legislation.

In addition to the EU, more than 30 other countries have now done so. An example is the definition in the USA:

“a distinctive product of Scotland manufactured in Scotland in compliance with the laws of the United Kingdom”

The great advantage of getting such a definition is that it is clear to enforcement authorities that Scotch Whisky is a protected description and the chances of persuading them to take criminal or administrative action is therefore considerably higher. Equally, if we are to take passing off or unfair competition proceedings, the first hurdle of proving what the description Scotch Whisky means in the country of concern is removed.

We were seeking definitions of Scotch Whisky around the world well before WTO TRIPS. With the introduction of WTO TRIPS, the obligation on member states to implement the Agreement has resulted in the improvement of laws protecting geographical indications worldwide and some countries, such as our host country, have introduced registers of geographical indications. However, as not all countries have registration systems so the SWA will continue to seek definitions of Scotch Whisky in those countries. Of course, seeking to improve protection for Scotch Whisky around the world in this way involves promoting and marketing the concept of the GI.

When considering how to improve protection for the GI in different markets we believe it is important to be flexible. As it may not be possible to register as a GI or obtain proper protection as a GI, we must be prepared to look at alternatives, such as the possibility of protecting the GI as a certification or collective trade mark. An example is Australia. Since 2005 the SWA has found in the market in Australia a large number of spirits falsely described as Scotch Whisky

and has needed to take fifteen legal actions and other measures to restrain the sale of around 40 brands of fake Scotch Whisky. Australia does not have a GI registration system. Instead, protection is given to GIs generally in its Food Standards Code. But the lack of specific protection for Scotch Whisky means that each time the SWA takes legal action before the courts it must prove the reputation of Scotch Whisky and what the description Scotch Whisky means. Consequently the SWA has applied to register Scotch Whisky as a certification trade mark in Australia and has also registered Scotch Whisky as a collective trade mark in China. Although Scotch Whisky is now registered as a GI in China as well, collective trade mark status has enabled the Chinese authorities to take prompt action to protect Scotch Whisky in over 50 cases.

As part of our wide strategy for protecting Scotch Whisky we also carry out trade mark monitoring and to assist on this we employ a trademark watching service. Monitoring trademarks globally is a very useful source of intelligence and acts as an early warning of the intention to use a deceptive mark. This can allow us to take pre-emptive action before the offending products are launched. It also allows us to defend the principle worldwide that a mark associated with Scotland should not be used on, or registered for, any whisky which is not Scotch Whisky. For example, we would not wish to see a Russian company registering the mark Edinburgh Castle for use on a range of goods which would give protection for use of the mark on Russian Whisky. It is also usually cheaper to oppose a mark when it is applied for than to cancel it later and of course it is much cheaper than legal proceedings against an infringing brand which is actually on the market. In a number of countries, for example, the USA, registration of a trademark is regarded as having been put on notice of the potential misuse of the mark. If legal action is subsequently taken, a litigant can be deemed as having constructive knowledge of the use of the mark on the goods which are the subject of registration, making it much more difficult to restrain the sale of a misleadingly labelled product.

A final but important area is the provision of advice to producers, brand owners and bottlers of Scotch Whisky on compliance with the labelling and other marketing requirements set out in the rules for Scotch Whisky. However, black letter law cannot anticipate every innovation thought up by marketing departments. Inevitably there will be questions as to whether something is legal or not and it is essential that the industry is given consistent advice on these matters. Thirdly, European Union rules enshrine traditional production processes in law and it is therefore important to have an impartial body which can research what is and what is not traditional in the industry. Consequently, the SWA works with producers to consider these matters and based on this industry input and the laws in force, the SWA issues guidance and advice to the industry which explain the effect of the relevant legal provisions.

Let me conclude briefly. The threats to GIs are numerous. The premium value tied up in GIs, the employment which relies on them, and the cultural heritage they promote, make it important for GI rights holders to work together and share knowledge to ensure those threats are addressed. I would like to thank WIPO and the DIP for helping that process with this conference.

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