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ESTABLISHMENT OF GEOGRAPHICAL INDICATION PROTECTION SYSTEM IN INDONESIA, CASE IN COFFEE

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I. SUMMARY

1. Indonesia is one of the World Trade Organization (WTO) members, which has already ratified the agreement on Trade Related Aspects on Intellectual Property Rights (TRIPS). Through Law No. 7 of 1994 the country has fully adopted the Agreements Establishing the WTO. Therefore, the country recognizes Geographical Indications (GI) as a part of Intellectual Property Rights (IPR). In Indonesia GI protection is regulated under the Law No. 15 of 2001 about Trademark. In implementing GI protection system the Law has been followed up by Government Regulation No. 51 of 2007 about GI.

2. Indonesia is the biggest archipelago consists of about 17.000 islands having different land condition and traditional knowledge. The country rich of products having unique and specific quality based on different 'terroir'. The products are belonged to sectors of agriculture, forestry, fishery, handicraft, poultry, mining, etc. Coffee is one of the most important agriculture commodities for the country either as income source for millions of farmer's households or for foreign exchange earning. The country produces a number of specialty coffees from different geographical origin having distinctive cup taste profile.

3. A pilot project in implementing GI protection system has been initiated at Kintamani highland of Bali on arabica coffee since 2002. The pilot project was initiated by awakening up the Bali coffee quality as well as maintaining it consistency. The initiation was involving several stakeholders such as local producer organizations, research institutions (ICCRI and CIRAD), the government (Dsitrirect, Provincial and Central), private sectors (coffee exporters and local roasters) and French Embassy in Jakarta. Sosialization on quality and GI systems to different stakeholders was a key issue in getting succesfull achievement, at the small farmers levels in particular.

4. The pilot project has provided fruitfull results so that a certificate of GI protection for Kintamani Bali arabica coffee has bees issued by the Directorate General for Intellectual Property Rights, Ministry of Law and Human Rights, on 5 December 2008. This is the first GI protected product in Indonesia. The name of the product is 'Kintamani Bali kopi arabika'. This name is renowned as Bali coffee for a long time, as this coffee has been identified as good quality since the beginning of the 19th century. The GI protection will concern the green coffee or roasted and ground coffee obtained from the Kintamani fully wash processed arabica. In order to get consistent good quality coffee the standard of farming and post harvest handling practices has been written at the Book of Requirement.

5. The Kintamani Bali coffee beans size are generally larger than the arabica coffee beans in average from other origin in Indonesia. The main taste profile of Kintamani Bali arabica coffee is: (1) a medium to high acidity, (2) good to very good aroma quality and intensity, (3) a fruity taste (often lemony), (4) a medium body, a not too high bitterness, (5) a very light astringency and (6) a clean cup, free from defects. This means Kintamani Bali coffee has a good cup taste. This profile is almost similar to Java coffee, when the Java normally provides spicy note. However, Kintamani Bali coffee taste profile is different from Sumatra (Mandheling) coffee, which normally performs complex aroma and flavour as well as strong body (almost syrupy) in addition to lower acidity.

6. When the pilot project was started the price of arabica produced by the farmers very low (about 80 cents USD per kg of unsorted green coffee at the farmer gate), it was recorded less than price of robusta bean at the neighboring areas in the same island. However, by 2006 Kintamani Bali arabica coffee in one the most expensive coffee in Indonesia. In 2008 the price at farmer gate was about 310 cents USD per kg of unsorted green coffee.

7. In Indonesia the implementation of GI protection is moving forward. So far application of 6 domestic origin products and 2 foreign products have been received by DGIPR.

II. INTRODUCTION

8. Indonesia is one of the World Trade Organization (WTO) members which has already ratified the agreement on Trade Related Aspects on Intellectual Property Rights (TRIPS). Through Law No. 7 of 1994 the country has fully adopted the Agreements Establishing the WTO. Therefore, the country recognizes Geographical Indications (GI) as a part of Intellectual Property Rights (IPR).

9. In Indonesia GI protection is regulated under the Law No. 15 of 2001 about Trademark, Chapter VII, which provides the Protection of GI and Source of Origin. The definition of GI based on Article 56 (1) of Law No. 15 of 2001 is "GI shall be protected as a sign which indicates the place of origin of goods, which due to its geographical environment factors, including the factor of the nature, the people or the combination of the two factors, gives a specific characteristics and quality on the goods produced therein". In implementing GI protection system the Law has been followed up by Government Regulation No. 51 of 2007 about GI.

10. Application of the Protection of Law on GI products is justified to bear several benefits such as:

- GI can be used as product marketing strategy in both domestic and international trade,
- Adding more value for the potential GI product and to improve livelihood of the producers,
- A tool to develop rural areas having good reputation product quality,
- Improving the reputation of GI product in the global trade,
- Equal treatment on GI protection and tool for promotion abroad,
- GI as an action to avoid unfair competition, or misrepresentation in trade, or misleading and deceptive conduct.

11. Indonesia is one the biggest archipelago which consists of about 17.000 islands having different land condition and traditional knowledge due to specific ethnics. As consequence the country rich of products having unique and specific quality based on different 'terroir'. The products are belonged to sectors of agriculture, forestry, fishery, handicraft, poultry, mining, etc.

12. Coffee is one of the important products for Indonesia. A number of coffee from the the country has been recognized at the world market by using geographic name such as Java coffee from East Java, Toraja coffee from South Sulawesi, Mandheling coffee from North Sumatra, Gayo coffee from Aceh (Northern Sumatra), Java Robusta WIB from Java, etc.

13. A pilot project on the implementation of Geographical Indication (GI) system in Indonesia was established in Kintamani highland of Bali for Arabica coffee product in 2002. The choice of Arabica coffee as a primary case for establishing GI system in Indonesia was considered that the characteristics of the product similar to wine, which is taste beverage quality significantly affected by terroir.

14. The pilot project was running well, last December 2008 Arabica coffee of 'Kintamani Bali' has been registered as the first GI protected product in Indonesia. This first launching of the GI protected product is expected to be followed by other origin products in the country. So far the government is doing socialization on GI application to different stakeholders in Indonesia.

15. In the global market and tight competition situation, as coming up recently and for the future, product differentiation is an important tool to attract consumers. As trademark, GI will play its vital role in providing image to consumers about added value offered by such product, either on quality or other characteristics to improve competitiveness (WIPO, 2003). In order to market their product, so far a number of community based producers have in interest to apply GI protection on their products.

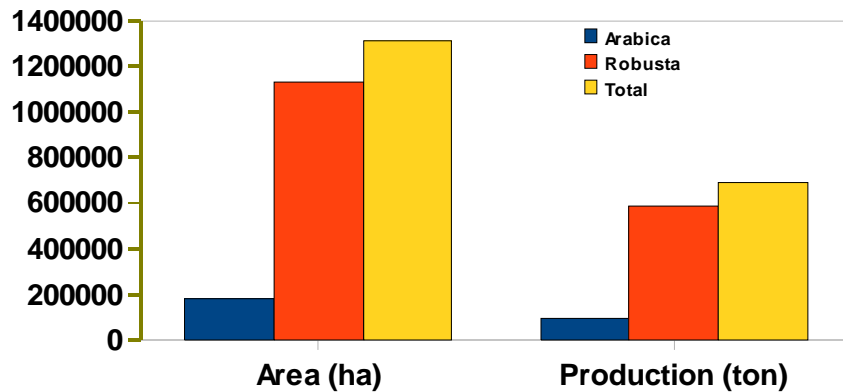
16. This paper is aimed to inform the experience of Indonesia in establishing GI protection system from the starting point to the present progress.

III. PROFILE OF COFFEE INDUSTRY IN INDONESIA

17. Recently Indonesia is the fourth biggest coffee exporter in the world after Brasil, Viet Nam and Colombia. By 2006 total coffee area was recorded 1,309,732 ha with the total production about 682.158 ton. The area consisted of 75 % of productive crops and 25 % of old/unproductive crops as well as immature crops. Average productivity of green coffee is about 700 kg/ha. The area and production consisted of 96 % smallholding farmers, 2 % of government estate and 2 % private estate. Coffee is grown scattering all over the country mainly in Sumatra, Java, Sulawesi, Bali, Kalimantan and Sunda Lesser islands (Flores, Sumba, Sumbawa, etc.). Sumatra is the main producing area namely represent about 70 % of the total national production. Coffee is grown by 1,589,334 farmer households as main income source (Directorate General for Estate Crops, 2007).

18. Indonesia produces four kind of coffees namely arabica (*Coffea arabica* L.), robusta (*C. canephora* Pierre) and liberica (*C. liberica* Bull.) as well as excelsa (*C. excelsa*). Recently, area of liberica and excelsa coffees are growing at the tidal swamp land in Kalimantan and Sumatra. Due to small quantity the two kind of coffees is marketed at robusta segment. Proportion of coffee area and production of arabica and robusta (including liberica and excelsa) coffees and its average growth rate as mentioned at Figure 1.

19. During last 10 years average growth rate of total coffee area in Indonesia is only 1.23 %, so that the total coffee area in Indonesia almost at stagnation situation. This is mainly caused by the so-called 'world coffee crisis' due to very low price at the early of 2000's. In this situation a number of robusta coffee farmers uprooted their coffee to be convert to other crops and food crops in particular. Average growth rate of total production was 4.04 % per annum, this is mainly due to intensification effort done by the farmers, mainly on arabica, by applying environmentally friendly new technologies.



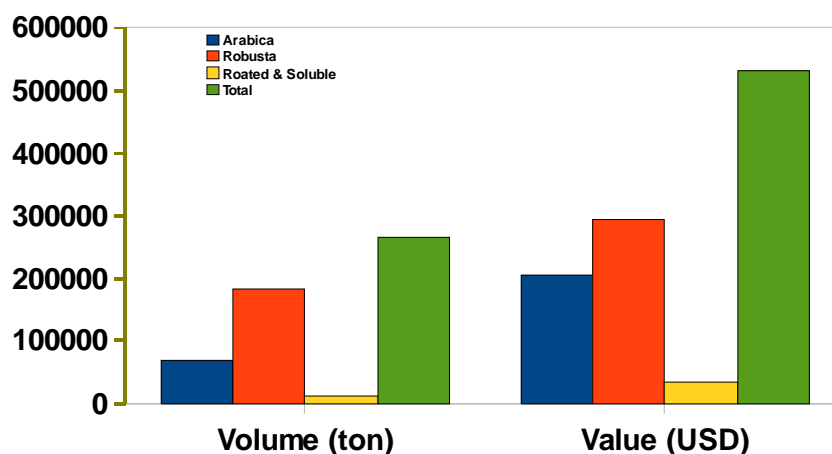
Growth rate during 10 years (%)	
Total area	1.23
Total production	4.04

Figure 1. Area and production in 2006 and its growth rate during last 10 years.

20. In 2006 the country exported equivalent to 307,880 ton of green coffee with the value \$ US 497 million. The main export destinations are USA, Japan, Germany, Italy and Singapore (Directorate General for Estate Crops, 2007). Total volume and value of coffee export from Indonesia and its average growth rate per annum during last 10 years at shown at Figure 2.

21. In 2005 coffee shared about 0.57 %, 0.74 % and 24.18 % to Gross National Product, Non oil and gas sector and Agricultural sector, respectively. Recently share proportion of coffee on foreign exchange earning is decreasing mainly due to the increase of share proportion from other commodities such as oil palm, fish products, natural rubber, etc. (AEKI, 2007).

22. Domestic consumption is estimated still at low level namely about 200,000 ton in total annually or about 0.90 kg/capita/year that most of the Indonesian coffees must be sold to international market. As consequence, it will face a tight competition with the other coffees from different countries that competitiveness will be a key factor to win the market. Since a number of coffee from Indonesia has been recognized as geographic origin at the international market and mostly produced by smallholding farmers at specific terroirs, then GI protection system is expected to be one of power tools to market it.



Growth rate of export volume in 10 years (%)	
Arabica	9.58
Robusta	-1.24
Roasted & soluble	0.91
Total	-1.49

Figure 2. Volume and value of coffee export and its growth rate during last 10 years.

IV. SPECIALTY COFFEES FROM DIFFERENT 'TERROIRS' IN INDONESIA AS POTENTIAL PRODUCTS TO BE PROTECTED BY GI

Indonesia is well known as robusta coffee producer, but during last 5 years the production of arabica coffee increases gradually as mentioned in Figure 3. By 2006 the country exported arabica coffee more than 1 million bag (60,000 ton) or equivalent to about 15 % of the total export annually (Association of the Indonesian Coffee Exporters, 2007). The government already set arabica development as national priority program in order to reach about 30 % of the total export. The target will be reached by intensification on farming practices and enlargement on suitable area such as in the highland Sumatra, Sulawesi and Western Papua.

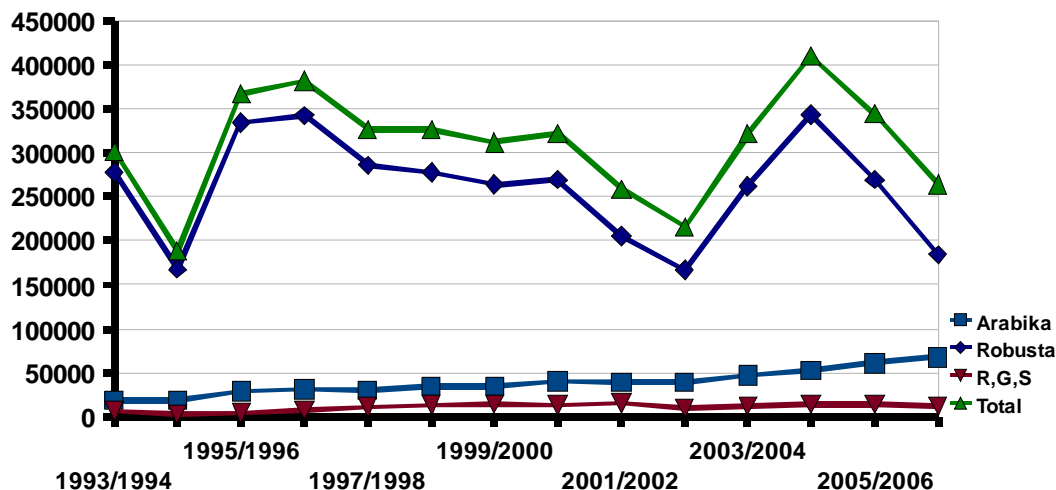


Figure 3. Progress of coffee export from Indonesia (1993/1994 – 2006/2007)

23. Recently world coffee market is segmented based on product characteristic, namely commercial and specialty. Commercial coffee will flood mainstream market where quantity will be the main judge. However specialty coffee will only fill small market segment or niche market where quality will be the main consideration. A study on specialty coffee consumption trend in the USA showed that the consumption of specialty coffee of adult peoples increased 3 % from 14 % in 2007 to be 17 % in 2008 (NCA, 2008). Trend on specialty coffee consumption also observed in the other coffee consuming countries. During the last 10 years specialty coffee has become a part of lifestyle when it consumed at special coffee shop or café.

Trend on increasing of specialty coffee consumption will be good opportunity for Indonesia. Recently most of arabica coffee from the country has been marketed to specialty segment. Table 1 showed various specialty from different origin in Indonesia.

Table 1. Specialty coffees from Indonesia already marketed by origin name

No	Variety of coffee	Name of product	Specific characteristic	Geographical origin	
				Natural factors	Ethnic
1	Arabica				
		Lintong coffee	Complex flavor and aroma, full body, low to medium acidity, good balance.	Slope area between Pinapah and Sihab mountain, south of Toba lake, North Sumatra, high rainfall	Bataknesse
		Mandheling coffee	Low acidity, full body, rich aroma and flavor	Northern Sumatra highland, medium to high rainfall	Bataknesse
		Gayo Mountain Coffee	Medium acidity, medium body, rich aroma and flavor	Gayo Highland (slope area of five mountains of Peutsago, Bateekeubelie, Geureudong, Leuser and Abongabong),	Gayonesse, Javanese

No	Variety of coffee	Name of product	Specific characteristic	Geographical origin	
				Natural factors	Ethnic
				Aceh (Northern Sumatra), medium rainfall	
		Toraja coffee	Balance between acidity and bitterness, rich aroma and flavor	Tana Toraja highland, Quarles mountainous area, South Sulawesi, medium rainfall	Torajanese
		Kalosi coffee	Balance taste, rich aroma and acidity, rich acidity, full body	Southern slope of Rantekombola mountain, South Sulawesi, low rainfall	Durinese
		Kintamani Bali coffee*)	Medium body, rich aroma and flavor, lemony taste	Kintamani highland at Southern slope of Penulisan and Batur mountains, Bali, low rainfall	Balinense
		Flores-Bajawa Coffee	Full body, rich acidity, rich aroma and flavor, balance taste	Ngada highland, Flores island, Eastern Sunda Lesser, low rainfall	Bajawanese
		Java Estate coffee	Medium body, high acidity, rich aroma and flavor, spicy tone	Ijen highland (slope area of three volcanoes of Ijen, Raung and Merapi), East Java, low rainfall	Javanese, Maduranese
		Java Preanger coffee	Medium body, medium acidity, rich flavor and aroma	Preanger highland (slope area of Patuha, Malabar, Guntur and Ciremay volcanoes), West Java, high rainfall	Sundanese
		Java 'Kopi Luwak' arabica	Very rich flavor and aroma, medium body, rich acidity, nice balance	Arabica coffee area in Java, mainly near natural forest, civet-cat of 'Luwak' (Paradoxorus hermaproditus)	
		Sumatra 'Kopi Luwak' arabica	Very rich flavor and aroma, medium body, rich acidity, nice balance	Arabica coffee area in Sumatra, mainly near natural forest, civet-cat of 'Luwak' (Paradoxorus hermaproditus)	
2	Robusta				
		Pagaralam coffee	Full body, medium robusta flavor, earthy hint	Pagaralam medium land (slope area of Dempo, Patuh and Bt. Besar mountains), South Sumatra, high rainfall	Sumendonese

No	Variety of coffee	Name of product	Specific characteristic	Geographical origin	
				Natural factors	Ethnic
		Lampung robusta AP	Full body, complex robusta flavor	Western Lampung medium land (slope of Pesegi, Sekincau, Tebak, Tanggamus and Ratai mountains), Southern Sumatra, high rainfall	Javanese, Lampungnese, Sumendonese
		Java Estate Robusta WIB	Medium body, rich robusta flavor, clean, often very light acidity, clean	Scattered at medium land of Central Java and East Java, low rainfall	Javanese, Maduranese
		Java Dampit coffee	Full body, neutral taste, rich robusta flavor	Southern slope of Mahameru volcano, medium land, East Java, low rainfall	Javanese, Maduranese
		Java Bangelan coffee	Medium body, rich robusta flavor, neytral medium mild, clean	Slope area between Kelud and Kawi mountain, medium land, East Java, low rainfall	Javanese
		Bali Robusta WIB	Full body, rich robusta flavor, clean, neutral, less astringent	Central Bali medium land (western slope of Batuakau and Ponon mountains), Bali, low rainfall	Balinese
		Flores robusta	Full body, neutral taste, rich robusta flavor	Western Flores medium land (slope area of Pocoranaka and Guronumbang mountains), Flores island of Sunda Lesser, low rainfall.	Manggarainese
		Java 'Kopi Luwak' Robusta	Full body, very rich robusta flavor, less astringent and bitterness	Robusta coffee area in Java, mainly near natural forest, civet-cat of 'Luwak' (Paradoxorus hermaproditus)	Javanese, Maduranese
		Sumatra 'Kopi Luwak' robusta	Full body, very rich robusta flavor, less astringent and bitterness	Robusta coffee area in Sumatra, mainly near natural forest, civet-cat of 'Luwak' (Paradoxorus hermaproditus)	Bataknese, Gayonese, Javanese

Note: *) Already GI protected under Indonesian law.

24. Rare, distinct and unique coffee in the world is 'Kopi Luwak' which is produced by involving native animal behavior. Human hands don't harvest the bean that makes this rare brew, but "luwak" (Paradoxorus hermaproditus) – a civet cat, does it. "Luwak" is native at South East Asia region particularly in Sumatra and Java islands. They move at night, creep a long the limbs of coffee bush, sniffing out of sweet red coffee cherries and selecting only the tastiest. After chewing off the fruity

exterior, they swallow the hard innards. In the animals' stomachs, enzymes in the gastric juices massage the beans. Since the animal belongs to carnivore, it only need the coffee mucilage mainly to obtain sugar, fiber and vitamins. Human then collects and process the rest of the droppings to have green coffee for roasting. The result is a delicacy beverage. It's called "KOPI LUWAK"!, the most expensive coffee in the world. Then, the coffee is vulnerable to counterfeiting and product imitation.

V. LESSON LEARN FROM TRADEMARK DISPUTE ON COFFEE

25. There were interesting lessons for Indonesia to learn dealing with the use of geographic origin name in coffee trading. The first case was the coffee trademark dispute in Japan using 'Toraja' word (Key Coffee Co. , 2002) and the use of 'Gayo' word as trademark on coffee trading (The Jakarta Post, 2008).

26. Since the first marketing of Toarco Toraja coffee in 1978, its imitation product was also marketed in Japan. Key Coffee Co. along with Toshoku Ltd. has asked to register a trademark of Toraja (also written in Japanese letter) to the Agency of Patent Registration on 22 July 1974. The registration was announced on 21 February 1976 then fully completed on 14 January 1977.

27. After launching, the popularity of Toarco Toraja coffee was being increased by time, if there a company or a shop sold a product by using same trademarks, then Key Coffee Co. informed that the right of the mentioned trademark was belonged to the company. Key Coffee Co. also requested to the illegal trademark user to stop it.

28. Along with the increasing of popularity of Toarco Toraja coffee in Japan, other coffee business parties mentioned that the monopoly using of such name by Key Coffee Co. was incorrect since Toraja is a name of geographic region. They asked Key Coffee Co. to act in releasing its trademark right to all parties of coffee business in the world. Even three coffee business associations have formally requested to the Japanese Authority, Key Coffee Co. won't to release the right due to the historical background of Toraja coffee development.

29. Key Coffee Co. brought Avance Trading Co. to the Court of Urawa on 4 April 1997 due to misuse of Toraja trademark. The company registered trademark of AVANCETORAJA (also written in Japanese letter) in 1992. The company claimed that "Toraja is a name of a geographic region and a noun", therefore everybody is able to use the name legally!

On 24 December 1999 Key Coffee Co. and Avance Trading Co. agreed on three aspects as follows:

- Avance Trading Co. admitted that "Toraja" is a trade mark socialized by Key Coffee Co.
- Avance Trading Co. in using of "Toraja" trade mark must aware to high quality product in order to maintain its good image,
- Key Coffee Co. permitted Avance Trading Co. to use trade mark of "AVANCETORAJA".

30. Reputation of Toraja coffee was initiated at an advertisement of Kimura Coffee Co. in 1934 as follow: "In Celebes, an island of the Dutch East Indies there is a coffee which is produced in a very low quantity. Its aroma and flavor is recognized as the best in the world, and it is also said the quality is

better than that of the famous coffee of Mandheling from Sumatra. However, due to the very small quantity the coffee is not exported that only be honored by such coffee lovers. This is TORAJA COFFEE, the import result of our shop". Cup taste characteristics: excellent harmonic taste blend of acidity and bitterness.

31. Other lesson on the use of geographic name as trademark was also found on the news of The Jakarta Post of 11 February 2008 with the title of "Dutch Company Claims Int'l Trade Rights over Gayo Coffee". On the news it was said that:

- The Gayo ethnic in Nanggroe Aceh Darussalam (Sumatra) may already have lost the right to use their own name in international trade for their own brand of coffee after a Dutch firm officially claim Gayo coffee as its trademark.
- The Gayo trademark can only be used in international trade by Amsterdam-based company of Holland Coffee B. V.
- Holland Coffee claimed to have registered the world as one of its brand, Gayo Mountain Coffee.
- Lesson can be learn from the two above case are as follows:
 - Quality and its protection is very important thing in the world coffee market.
 - Toraja and Gayo is a name of region as well as a name of ethnic inhibits the region.
 - Toraja and Gayo name already used as trademarks by several companies for commercial purposes.
 - Legal disputes on the use of Toraja name as trade marks was found in Japan.
 - Toraja coffee is a well-known product, it high price has stimulated counterfeiting with green coffee from different origins in Indonesia.
 - GI protection system for coffee is needed in Indonesia.

VI. GI PROTECTION SYSTEM IN INDONESIA

32. GI protection system in Indonesia is based on five law principles namely (1) constitutive, (2) first to file principle, (3) substantive checking (evaluation), (4) universal concept and (5) apart of Intellectual Property Rights.

33. The system has been elaborated on the Government Regulation No. 51/2007 about Geographical Indication (based on Law No. 15/2001), it was signed by the President of the Republic on 4 September 2007. The Regulation describes in detail the procedure how to register a GI product from such territory of the country to be protected as well as other aspects deal with.

34. Based on the mentioned Law a sign shall be a name of place, region, or any signs, which indicates the place of origin of the goods that is protected by the GI. The goods may be agricultural products, foodstuffs, handicrafts or any other goods complying with the provision. GI is a geographic term used in relation to a product indicating three aspects of (1) its place or area of origin, (2) qualities or characteristics of the product and (3) qualities or characteristics due to the geographical and human characteristics of the place of origin.

35. Registration of GI products is executed by Directorate General of Intellectual Property Rights (DGIPR), Ministry of Law and Human Rights. DGIPR is supported by a Geographical Indications Expert Team (GIAT) consists of 7 members originated from Ministry of Agriculture, Ministry of Law and Human Rights, Ministry of Industry as well as Ministry of Sea and Fisheries.

36. GI application can not be enlisted if it contains indications as follow:

- Contradicting with the morality of religion, and public order;
- Misleading the public as to the specific characteristic, quality, place of origin, production process, and/or uses; and
- The name of a plant variety, which is protected by plant variety law, except that the name of the plant variety originated from the name of a place or region;
- Has become generic name.

37. As mentioned at Article 5 (3), applicant for GI protection can be as follows: (1) an institution that represents the people in the area, which produces the goods concerned (consists of parties who undertakes business on goods of natural products or natural resources, producers of agricultural products and people who make handicrafts or industrial products), (2) an institution that is given the authority to do so, and (3) group of consumers of the mentioned origin products.

38. Application of GI protection shall be conducted by an applicant by filling a form or through his Proxy at the DGIPR. An application shall be filed in writing in the Bahasa Indonesia (Indonesian language) then to be submitted to the DGIPR. The application shall contain the following formality matters:

- The name and address of the applicant,
- The complete name and address of the Proxy, if the application is filed through his Proxy,
- A special power of attorney, in case of Application is filed through a proxy,
- The filing date of the application,
- Recommendation from relevant Government Institution,
- The Book of Requirement (BoR),
- Receipt of application cost.

39. The BoR will be an essential administrative document in obtaining GI protection, it should contain informations as mentioned below.

- The name of the Geographical Indication that is filed for registration;
- The type of goods covered by the Geographical Indication;
- The description of the specific characteristic and the quality which allows the objective differentiation of the product from other products of the same category through characteristics conferred to the product by its origin, with the description of the geographical environment and with the inherent natural and human factor which have an effect on quality or characteristic of the products;
- The boundaries and/or map of the area that is protected by the Geographical Indication;
- A description of the history and tradition in relation to the using of Geographical Indication to designate the goods in that area including a description of the recognition by the relevant

public of the Geographical Indication;

- The description of the production process explained in such a way so as to allow any producer within the region to produce the given product on the basis of the information given in the specification;
- A description of the method used to control the goods as well as measures taken to ensure the traceability of a good;
- The specific labeling details to be used relating to the Geographical Indication.

40. Maximum within 14 days after the application date an administrative checking will be carried out, and the result will be inform to the applicant soon. If there is (are) incomplete requirement(s) the applicant must do completion within 3 months. Within the period if there is no response from the applicant, it is assumed the application pulled by the applicant.

41. Geographical Indication Expert Team (GIET) will conduct substantive examination/checking maximum within 2 years after the date completion of administrative requirements. The checking is done by visiting production area and a long the supply chain of the product to confirm the BoR. If the BoR confirm to the actual field condition GIET will provide recommendation to the Director General of IPR to consider in issuing certificate of GI protection. Within three months before issuing GI protection certificate the DGIPR will make announcement for public.

42. Written opposition and rebuttal dealing with the issuing of GI protection can be submitted by any parties, but it must be completed by proofs or evidences. Within 14 days after the date of submitting the objection DGIPR will provide written information to the applicant, then his written response must be received maximum within two months.

43. Figure 4 showed the flow diagram in registering GI protection under Indonesian Government Rule No. 51/2007.

44. A foreign GI product can be registered in Indonesia too when application is made by producers or operators holding legitimate interest or by the representative administrations or authorities of the foreign country in Indonesia. To be admissible for registration a foreign GI product as referred must have been recognized and/or registered in accordance with the provisions of the country of origin.

45. Registered Geographical Indications shall be protected against any:

- Direct or indirect commercial use of a registered GI in respect of goods not complying with the book of requirements;
- Direct or indirect commercial use of a registered GI in respect of goods covered as well as not covered by the registration to the extent that those goods are comparable to those covered under this registered GI or to the extent that this use benefits or could benefit from the reputation of the Geographical Indication;
- Commercial use of a registered GI which misleading the public as to the true origin of the good;
- GI use in respect of accompanied by an expression such as “style”, “type”, “method”, “manner”, “imitation”, or translations of such expressions, or a similar expression.

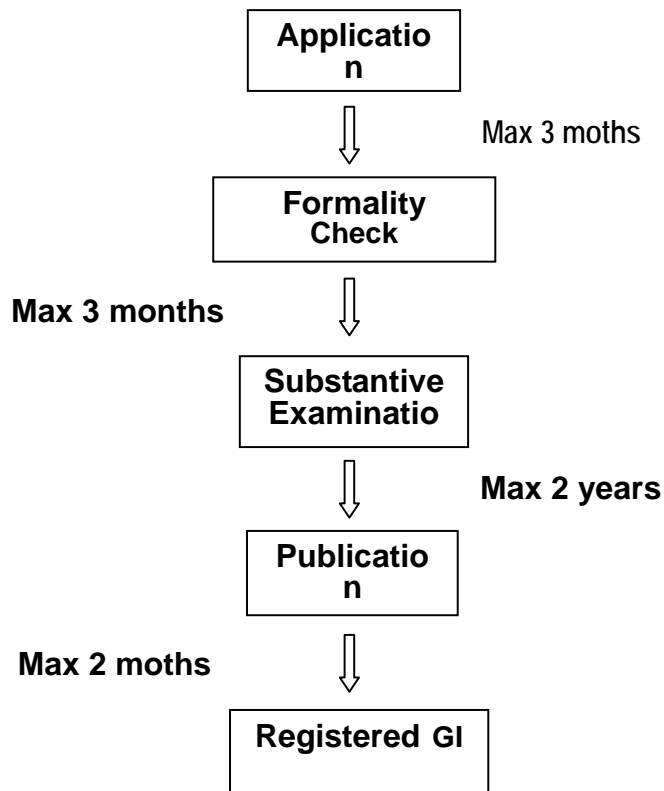


Figure 4. Flow diagram of Geographical Indication registration under Indonesian Government Rule no. 51/2007.

- Other false or misleading indication as to the provenance, origin, nature or essential qualities of the good appearing on packaging or wrapping, in advertising materials or on documents concerning the good, as well as the packing of the product in a container liable to convey a false impression as to its origin;
- Other practices likely to mislead the general public as to the true origin of good.

VII. PILOT PROJECT IN GI PROTECTION: KINTAMANI BALI ARABICA COFFEE

46. After adopting TRIPs Agreement of the WTO the Indonesian government interested to develop GI system in order to improve competitiveness of origin products. A pilot project in implementing the GI was initiated at Kintamani highland of Bali for arabica coffee in 2002. The pilot project was initiated by awakening up of Bali coffee quality as well as maintaining it consistency. Actually quality improvement program has been commenced by the government in collaboration with private sector in 1977, however the intensive activities were carried out since 2002 a long with the execution of pilot project on GI implementation.

47. The initiation in establishing of GI system in Indonesia was time consuming and need involment of different stakeholders such as local producers organization, research institutions (ICCRI and CIRAD), the government (local and central), private sectors (coffee exporters and local roasters) and French Embassy in Jakarta. Sosialization on quality and GI systems to different stakeholders was to be a key issue in getting succesfull achievement, at the small farmers levels in particular.

48. The pilot project has provided fruitfull results so that a certificate of GI protection for Kintamani Bali arabica coffee was issued by the Directorate General for Intellectual Property Rights, Ministry of Law and Human Rights, 5 December 2008. This the first GI protected product in Indonesia.

49. The mention protected GI product is arabica coffee originated from the area of Kintamani, Bali. The name of that product is Kintamani Bali kopi arabika. This name is renowned as Bali coffee for a long time, as this coffee has been identified as specific quality coffee since the beginning of the 19th century (Laerne. 1885). The GI protection will concern the green coffee or roasted / ground coffee obtained from the Kintamani fully washed arabica.

50. Kintamani Bali coffee is produced from arabica coffee trees which are grown in the highland of Kintamani, at an altitude above 900 m. Kintamani territory lies in the slopes of volcanic Mount Batur, with fertile Entisol and Inceptisol soils. It has cool and dry climate, with abundant rainfalls during the 6 – 7 months rainy season. The land characteristics of the Kintamani territory are favourable for Arabica coffee growing. The territory is inhabited by the Balinese people whom hold tightly Hinduism philosophy of 'Tri Hita Karana' (three happiness causes) meaning good relations to the God, other men and environment.

51. Several selected planting materials is used to produce Kintamani Bali coffe. The coffee bushes are grown under shade trees, combined with other crops, and managed as well as fertilized organically. The coffee cherries are hand picked and are carefully sorted, with a minimum of 95 % of red cherries. The red cherries then are processed by using wet method, fermentation period is 12 h or 36 h, and clean parchment beans are naturally full sun dried. The post harvest processing techniques applied by Kintamani farmers allow revealing the quality potential of the territory. Combined together, these local specific characteristics and agricultural as well as processing practices allow producing coffee beans which have high quality and specific taste.

52. The Kintamani coffee beans size are generally larger than the arabica coffee beans in average from other origin in Indonesia. In average, 84 % of the coffee beans retained by “screen 17” or “screen 18” (and 87% of the coffee beans have a diameter corresponding to sizes “Medium (M) ” or “Large (L)” according to INS classification). This means that the size grading which should be done in order to be in conformity with specialty coffee market requirement, which is a coffee beans size equal or superior to “screen 16”, is easily performed for Kintamani Bali coffee.

53. Finally, the main taste profile of Kintamani Bali coffee is : (1) a medium to high acidity, (2) good to very good aroma quality and intensity, (3) a fruity taste (often lemony), (4) a medium body, a not too high bitterness, (5) a very light astringency and (6) a clean cup, free from defects. This means Kintamani Bali coffee has a good cup taste potential.

54. This profile is almost similar to Java Coffee, when the Java normally provides spicy note. However, Kintamani Bali coffee taste profile is different from Sumatra (Mandheling) coffee, which normally performs complex aroma and flavour as well as strong body (almost syrupy) in addition to very low acidity.

55. When the pilot project was started the price of arabica produced by the farmers very low (about 70 cents USD per kg of unsorted green coffee at the farmer gate), it was recorded less than price of robusta bean ta the neighboring areas in the same island. However, by 2006 Kintamani Bali arabica coffee in one the most expensive coffee in Indonesia. In 2008 the price at farmer gate was about 310 cents USD per kg of unsorted green coffee.



Figure 5. Logo of GI protected of 'Kintamani Bali' arabica coffee.
New Application for GI Protection

56. The implementation of GI protection system in Indonesia is moving forward gradually. After issuing the first GI protection certificate for Kintamani Bali arabica coffee, applications a number of domestic and foreign products have been received by DGIP.

57. New application for GI protection of domestic products were (1) Jepara carving furniture from Jepara (Central Java), (2) Jepara sea roasted peanut from Jepara (Central Java), (3) Ngemplak dried fish from Jepara (Central Java), (4) Jepara king fish craker from Jepara (Central Java), Kali Gesing goat milk from Purworejo (Central Java) and Muntok white pepper from Muntok (Bangka island).

58. Application for foreign GI consisted of Champagne sparkling wine from France and Pisco wine from Peru.

59. Products in preparation for application are Flores Bajawa arabica coffee from Flores island (Eastern Sunda Lesser) and Gayo arabica coffee from Aceh (Northern Sumatra).

VIII. CONCLUSION

- Geographical Indication protection system as apart of Intellectual Property Right has been established in Indonesia.
- A pilot project in implementing GI protection system has been successfully conducted at Kintamani highland of Bali for arabica coffee. From the pilot project, the first GI protection certificate for Kintamani Bali arabica has been issued by DGIPR.
- Implementation of GI protection in Indonesia is moving forward gradually, the launching the GI product of Kintamani Bali arabica coffee has followed by new applications of several origin products.

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