The TRIPS Article 23 Extension Stalemate Continues: A Way-Ahead for the Developing Countries

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The GI-extension debate has brought conspicuous public attention on the unusual characteristic of the TRIPS Agreement. Unlike other classes of intellectual property, the TRIPS Agreement provides a pecking order in the levels of protection for a single definition of subject matter. While most of the Members admit that the pecking order in the levels of protection has neither logical nor legal basis, they continue to vehemently defend their positions on GI-extension. Though the debate over extension of Article 23 started out largely as a North-North issue, the current debate is an interesting amalgamation of North-North conflict and North-South split. This paper examines the provisions of TRIPS Agreement regarding GIs and utilizes the submissions made to the TRIPS Councils to critically analyse the issue of Article 23 extension in the background of North-South face-off. This article also evaluates the possibility of higher protection in addressing distinctive circumstances confronted by the developing countries. This paper concludes that in view of the diverging interests among Members, the current TRIPS Agreement provisions regarding protection of GIs should be maintained as the minimum standard to achieve an acceptable agreement, and the question of GI-extension should be decided after examining the issue on two counts - the allowances that would required to be conceded elsewhere in exchange for agreement on GI-extension, and the liabilities linked with protecting GIs of other Members.

Keywords: GI, TRIPS Agreement, free riding, GI-extension

A Geographical Indication of Origin (GI) is a place name that identifies the geographic source of a good and is used as an instrument to signify a distinctive quality, reputation or other characteristic of the good that is essentially attributable to its region of geographic origin. The connection between the good and region, particularly when the former is distinguishable with respect to similar goods, allows producers of such goods to adopt strategies of niche marketing and product differentiation.

Even though some of the earlier multilateral treaties dealt with GIs, the TRIPS Agreement is the first multilateral legal document that introduces GIs as a separate category of IPR and seeks to establish minimum standards and norms of protection for Members. The TRIPS Agreement requires the Members to protect geographical indication of origin of a good where ‘a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin’. The TRIPS Agreement requires the Members to provide legal means to interested parties to prevent use of a GI that (i) indicates or suggests that a good ‘originates in a geographical area other than the true place of origin in a manner, which misleads the public as to the geographical origin’; or (ii) constitutes an act of unfair competition, but provides protection of GIs for wines and spirits even where the public is not misled.

The above legal position in the TRIPS Agreement, prescribing pecking order in the levels of protection for GIs, did not attract much attention in the initial stages of negotiations of the TRIPS Agreement but after the issue of GI-extension was included in the negotiating mandate in the Doha Ministerial Declaration in 2001, it received huge attention of the Members at the WTO’s 5th Ministerial Conference in Cancún. At the Cancun meeting, the European Union (EU) and other Members pursued to enlarge the ambit of the higher protection, provided under Article 23 to wines and spirits, to other agricultural products, for example, cheeses like Comte, Reblochon, Roquefort from France, and meats like Mortadella Bologna, Prosciutto di Parma, Prosciutto di San Daniele, Prosciutto di Toscano from Italy. Since no consensus was possible in Cancún, the 5th Ministerial Conference closed with six-paragraph Ministerial Statement.
instructing Members to continue work on outstanding issues with a renewed sense of urgency, taking fully into account all the views expressed in the Cancún Ministerial Conference.

No constructive progress could be made on this issue in the intervening period until the WTO’s 6th Ministerial Conference held in Hong Kong in December, 2005. The 6th Ministerial Declaration requested the WTO Director General to focus attention on the negotiations on the issue of ‘extension’ in order to complete it within the overall time-frame that was foreseen in the Doha Ministerial Declaration, but no worthwhile progress could be made. However, subsequent to the revival of the Doha talks in early 2007, the issue of ‘extension’ has been a subject of informal deliberations and discussions among the Members, but the differences still exist among them even on the fundamental question: Whether the TRIPS Agreement authorizes to negotiate the issue of GI-extension?11

Though the current debate over the extension of Article 23 is an interesting hybrid of the North-North face-off and North-South face-off, the dispute over the GI-extension largely started as a North-North issue, especially between US and EU, in the initial stages of the negotiations leading up to the TRIPS Agreement. Subsequently, a few developing countries, including India, advanced the question of extension of Article 23 in the background of the North-South split, to various other products – both agricultural and non-agricultural indigenous products, which during the initial negotiations of the TRIPS Agreement were pitched up for provisions regarding other classes of intellectual property rights (IPR) but not for GIs. These developing countries aspire to utilize enhanced GI protection in addressing unique situations facing them; protection from exploitation of their rich biodiversity assets by the North. For example, in case of agricultural goods such as Basmati rice, jasmine rice, Darjeeling tea, etc.14

Submissions made by the Members to the TRIPS Council on GI-extension disclosed that there exists a serious conflict on multitude of issues between the Members such as protection of indigenous knowledge, sustainable development, consumer protection, product labeling, promotion of agri-rural development, etc. In addition, two other important issues also exist, i.e. allowances required to be conceded elsewhere in exchange for agreement on GI-extension, and the need to strike a balance between costs and benefits with respect to GI-extension.15

This article critically analyses the submissions made by the Members to the TRIPS Council on GI-extension and argues that though the developing countries have prima facie made a strong case in favour of extension of GI protection, extending the protection of GIs beyond the current level would require detailed economic and statistical analysis about the economic value of GI-extension. The article further argues that any concrete and objective economic and statistical analysis of GI-extension cannot ignore the political compulsions of multilateral negotiations, and the resultant compromises that are required to be struck.

**GIs in TRIPS Agreement**

Prior to the TRIPS Agreement, three international multilateral treaties dealt with the protection of GIs, the Paris Convention, the Madrid Agreement, and the Lisbon Agreement, but none of these international agreements addressed the issue from a global perspective. These regulations ensure protections only in case of misleading consumers or unfair competition, or they are too limited in scope, or in the number of countries covered to have any real impact on the global protection of GIs. The Madrid Agreement and the Lisbon Agreement also suffered from limited memberships.18

The TRIPS Agreement is the first multilateral agreement which endeavoured to comprehensively provide GI protection. Part II, Section 3 of the TRIPS Agreement consists of three Articles which contains provisions for the protection of GIs. Article 22 deals with the definition of subject matter and prescribes the minimum scope of protection that must be available to all GIs. Article 23 deals with the provision of additional protection for wines and spirits. Article 24 deals with the exceptions to the obligation and provides the framework for further negotiation and review for enhancing the scope of Article 23. TRIPS Agreement incorporates three critical changes to the protection of GIs; firstly, it provides enforcement provisions in case of violations/infringements, secondly, since all the WTO Members are signatories to the TRIPS Agreement, it also has substantial number of countries as its signatories and thirdly, it provides periodic review and negotiations aimed at increasing the GI protection.19 Large Membership to the TRIPS Agreement helped establish its status as a quantum
leap in the field of international protection of GIs. Article 22: General Substantive Standards
Article 22.1 provides definition of the subject matter to be protected, i.e., GI, and concurrently provides a framework for grant of protection. An indication is entitled for protection only if it (i) identifies the good and its area of geographical origin, (ii) possesses a given quality, reputation or other characteristics, which (iii) is essentially attributable to its area of geographical origin. Article 22.1, however, does not propose any criteria to test for what is considered ‘essentially attributable’. The inadequacy of definite criteria may be crucial in the enforcement of the GI provisions, as the determination and evaluation of the link between a product and its geographical origin is most difficult as well as essential for application and implementation of the TRIPS Agreement provisions on GIs. Similar to other classes of IPR under the TRIPS Agreement, the protection for GIs is subject to the laws of the country where the protection is being sought, and each Member is free to decide which indications fall under protection of the TRIPS Agreement.

The ambit of protection of GIs under Article 22 comprises of three parts; firstly, Article 22.2 provides general prohibition on deceptive use of designations or presentation of goods that misleads the public (similar to the Madrid Agreement); secondly, Article 22.2 also provides protection against the use of GIs which constitute acts of unfair competition (by including Article 10bis of the Paris Convention); and thirdly, Article 22.4 proscribes the use of an assertion that is ‘literally true as to the territory, region or locality in which the goods originate,’ but nevertheless ‘falsely represents to the public that the goods originate in another territory’. Article 22.2(a) enjoins two conditions for determining an infringement/violation of GI i.e., a description on a good referring to its origin, and this reference being false, deceptive or misleading. Though Article 22.2(a) does not categorically ban the use of GIs with descriptive or illustrative explanations, such use may be disallowed if it creates deception or public confusion. Article 22.3 prescribes the ambit of protection of GI in the context of trademarks by proscribing grant of trademark registration to those marks which contains or consists of a GI if the products do not originate in the geographical territory specified and if the use of such indication in the trademark misleads the public as to the true place of origin.

Article 23: Protection for Wines and Spirits
Article 23 offers a considerably higher level of protection to GIs of wines and spirits; it not only proscribes the use of the indication when the true origin is specified and translated but also proscribes delocalized use of indication. Article 23.1 proscribes the use of GIs for wines and spirits ‘even where the true origin of the good is indicated or the GI is used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like. Hence, Article 23 strictly proscribes usages of indications like ‘California Chablis,’ ‘American Champagne,’ ‘Antarctica Merlot’ and a sparkling wine ‘type Champagne’ even if they are truthful statements and not considered as misleading. Thus, Article 23 affords a higher level of protection to the GIs relating to wines and spirits because such indications are protected even when there is no danger of public being misled or of unfair competition. Hence, the ‘absolute prohibition’ criterion disallows the justification available under Article 22 that the description of the products is not misleading or deceptive.

Article 23.2 deals with the relationship between trademarks and GI that recognize wines and spirits and provides cancellation or refusal of trademarks that ‘contain or consist of’ GIs recognizing wines or spirits. Compared to Article 22.3, the ambit of protection under Article 23.2 is higher as it does not entail the interested party to prove that the consumers have been misled; it only requires substantiating the false origin of the goods having the infringing trademark.

Article 23.3 concerns with homonymous GIs, and is restricted exclusively to wine. It envisages bonafide use of the indication by producers in each of the different countries. The problem, however, becomes acute when the goods in question are identical, e.g., ‘Rioja’ is the name of a region in Spain as well as in Argentina and is used as an indication for wine produced in both countries. Article 23.3 requires each Member to ‘determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.’ Some scholars, however, contend that there is no need for finding equitable and systematic solution for all homonymous indications.
While Article 23 pursues to achieve an effective standard of protection against using names of wines and spirits as generic terms, Article 24.4 also provides exceptions to Article 23 to ensure that status quo is maintained and the past development in the field is not reversed or disturbed. Article 24.6 relieves a Member from the requirement of providing protection if a GI has become a generic term in the Member State. Since wines are usually named after grape varieties, Article 24.6 also permits the use of the grape name if the grape existed in the Member State’s territory prior to it becoming member of the WTO. In addition, Article 24.4 allows the ‘continued and similar use’ of GIs for wines and spirits by ‘nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services’ in that territory either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date. The case of ‘Bocksbeutel’ is a good example of use in good faith. Similarly, the case of ‘Budweiser beer’ is also a very good example for ‘continuous use’. The region of Budweis, Bohemia has been brewing beer since the thirteenth century and named its beer accordingly. Budweiser, however, has also been the name of a well-known American beer since the nineteenth century. The TRIPS Agreement does not attempt to decide this dispute; rather, it allows parallel use of the term and leaves it to the parties to fight the name war.

Articles 23.4, 24.1 and 24.2: Provisions for Further Negotiations

The divergent interests amongst the Members regarding the level of protection of GIs were so deep rooted that they could not be resolved completely at the time of negotiation of Part II, Section 3 of the TRIPS Agreement. Therefore, the only way to proceed further without snapping the negotiations was to agree to further negotiate. The Members, therefore, agreed to include provisions for further negotiations and review within the TRIPS Agreement.

To facilitate the protection of wines (later extended to include spirits), Article 23.4 obliges Members to enter into negotiations for establishment of a multi-lateral system of notification and registration of GIs. Article 23.4 is reflective of strong conflicting views on GIs which is why the obligation is for negotiations and not for establishing a system of notification and registration. A peculiar feature of this provision is that neither there is any deadline for beginning of negotiations nor there is an end date for the completion of the negotiations.

Article 24.1 sets out another provision for further negotiations under which Members have agreed to negotiate for ‘increasing the protection of individual geographical indications under Article 23’. In addition, it also prevents the Members from using the exceptions provided in Articles 24.4-24.8 ‘to refuse to conduct negotiations or to conclude bilateral or multilateral agreements’. It also acknowledges the ‘continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations’. Since Article 24.1 deals with individual GIs under Article 23, and Article 23 is meant only for indications for wines and spirits, it is argued that Article 24.1 applies solely to indications for wines and spirits, but some Members argue that this exposition is ‘narrow’ and ‘legalistic’ and advocate that if Article 24.1 is read with Article 24.2, it makes abundantly clear that the reference to Article 23 is not limited to the category of goods but to the method of protection.

Article 24.4 – 24.9: General Exceptions

In view of the apprehensions of some of the Members that protection of GIs would adversely affect the ‘acquired rights’, Articles 24.4-24.9 envisages exceptions and concessions with a view to balance the interests of GI-holders with those of the consumers and other users of GIs. These exceptions significantly lessen the advantages to owners of GIs; thus making it pertinent for demandeurs of GIs-extension to appreciate its implications.

Article 24.4 is an exception that is specifically limited to GIs for wines and spirits, and it prohibits the Members ‘to prevent continued and similar use’ of GIs of another Member State for wines or spirits by ‘nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services’ in the territory of that Member State either (a) for at least 10 years prior to 15 April 1994 or (b) in good faith prior to that date. The exception under Article 24.4 however, subject to certain limitations is that the nationals and domiciliaries can only aim to use the GI in connection with the goods or services or related goods, and secondly, prior and continuous use of the said GI must be proved substantively within the prescribed time frames. Despite the above limitation, this exception is considered broad and comprehensive.
because once the use of the indication is proved to be made for at least 10 years; it does not require proof of ‘good faith’. Moreover, the indication is not required to be considered generic.

Article 24.5 is an exception directed at negotiating the relationship between trademarks and GIs. Unlike Article 24.4, the application of Article 24.5 is not limited to GIs for wines and spirits, but applies to all GIs. It entails that if a trademark has been applied for or registered in ‘good faith’ or has been acquired through use in ‘good faith’ either (a) before the date of application of these provisions of TRIPS Agreement in the Member State, or (b) before the particular GI has been protected in its country of origin, it should not prejudice the eligibility for or validity of registration of the trademark, or the ‘right to use’ the trademark. Article 24.5, however, does not answer the question as to who has the burden of proof to establish ‘bad faith’.

The exception under Article 24.6 is designed to recognize the existence of generic GIs with respect to all goods or services including application of the provisions to ‘products of the vine.’ It allows exceptions to the Members from adhering to the provisions of Section 3 if two prerequisite conditions are fulfilled; firstly, the term is ‘customary in common language’, and secondly, it is the common name for such goods or services in the territory of that Member, e.g., ‘china’ for porcelain. Article 24.6 further expands the usage of the above principle specifically to ‘products of the vine’ by exempting the Members from protecting indications that are ‘identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement’. Proof of pervasive use of the indication would be considered adequate to attract this exception, e.g., case of ‘Cabernet Sauvignon’.

Article 24.7 is another exception that is aimed at negotiating the complex relationship between trademark and GIs. Under Articles 22.2, 22.3, 22.4 and 24.2, a Member State interested in defending GIs may oppose or seek invalidation of conflicting trademark registrations. It is worthwhile to note that Article 24.7 is about right of Member State, not an obligation and to exercise the said right with respect to a GI against a trademark, the GI-holder(s) must initiate the legal action within five years and establishes ‘bad faith’ for such opposition.

Article 24.8 recognizes the use of patronymic geographical names. It authorizes a person to use his/her name or the name of his/her predecessor in business in the course of trade provided that the usage of said name does not mislead the public.

Finally, Article 24.9 entails another important exception, which exempts member countries from ‘protecting geographical indications that are not or cease to be protected in their country of origin, or which have fallen into disuse in that country’. The principle underlined in Article 24.9 essentially emanates from the national treatment concept. Hence, if a particular indication is not protected nationally, allegations of its misappropriation and embezzlement would legally be untenable and invalid.

Debate over Extension of Article 23

The division between the Members over the issue of extension of Article 23 protection to products other than wines and spirits continues to remain extremely intense and acute. Arrays of assertions and counter-assertions have been made by the demandeurs and opponents of the ‘extension’ in their proposals submitted to the TRIPS Council. In view of the surfeit of issues underlying the debate, a comprehensive exposition of the same is beyond the ambit of the present paper. Nonetheless, based on the submissions of the Members before the TRIPS Council, an endeavour is made to briefly examine some of the key arguments and counter-arguments. The various points and counter-points regarding the merits and demerits of GI-extension can be divided into the following four main themes:

(i) Whether Section 3 hierarchy reflects a very sensitive compromise?
(ii) Whether the ambit of protection provided under Article 22 is adequate?
(iii) Whether the ambit of protection provided under Article 22 is absolute? and
(iv) The potential impact of GI-extension on producers, governments, consumers and TRIPS obligations.

Section 3 Hierarchy

Though Members have divergent views on the merits or demerits of GI-extension, they agree that the framework of Section 3 of the TRIPS Agreement, especially Article 23 providing additional protection for GIs of wines and spirits is a manifestation of last-minute bargaining during the Uruguay Round to arrive at compromise so that the negotiations are not
snapped. It appears that the Members overcame the stalemate after series negotiations during the 1990 Brussels Ministerial. The compromise on the issue of extension could be achieved between the Members, particularly US and EU, because of their competing interests in agriculture and GIs. Since, the European Community, Japan, and Korea were not prepared to negotiate serious commitments on agricultural reforms, the higher level of protection for wines and spirits was granted entirely for persuading EU to enlist its support on the Uruguay Round package, despite intense opposition from many other Members. The submissions of Members to the TRIPS Council on the issue of GIs raise two important questions: (a) whether continuing with the preferential treatment of wines and spirits is compatible with the TRIPS Agreement? and (b) whether there is legal or economic basis for negotiating GI-extension?

**Whether Continuing with the Preferential Treatment of Wines and Spirits is Compatible with the TRIPS Agreement?**

The *demandeurs* of GI-extension fathom no reason for the continuance of the two levels of protection under Section 3. They contend that because the definition of GIs does not differentiate between product types, providing different levels of GI-protection to different kinds of goods is both irrational and unwarranted. They further argue that postulating a differentiation between various types of an exceptionally defined IPR is incompatible with the TRIPS Agreement in general, because no other exceptionally defined IPR has separate levels of protection for disparate categories of goods. They further contend that discrimination between product categories is not only illogical but also illegal because it is not positioned on any inherent characteristics or attributes of the goods or the locale of its origin or dexterity linked with the means or procedure of production of the product.

The Members opposing GI-extension ignore to address this question, and instead suggest that this imbalance should not be given prominence by extension of scope to all products and further contend that:

> [I]f the extension debate were purely one of intellectual property policy, it would make sense to treat all products in the same manner legally. But since the WTO TRIPS Council discussions took place in the context of trade policy and the additional protection provided GIs for wines and spirits resulted from the Uruguay Round of multilateral trade negotiations, it should continue and restricted to wines and spirits only.

Thus, it appears that the Members opposing GI-extensions also acknowledge that there are no legal or logical grounds for continuance of separate levels of GI-protection in Section 3, but they yet want to carry on with it.

**Whether there is Commercial and Legal Basis for Negotiating GI-extension?**

Commercially, there is no significant difference between GIs on wines and spirits and GIs on other goods; the commercial value of GIs for goods other than wines and spirits, and the matching need to safeguard them from abuse and usurpation is no less than the GIs for wines and spirits. ‘In fact, very often, the trade value of GIs for products other than wines and spirits is observed to be even higher than a specific GI designating a wine or a spirit’. For example, Darjeeling tea, Carolina rice, Maine lobster, and Bukhara carpets. Differential treatment of GIs under Article 23 is the result of trade-offs specific to circumstances prevailing at the time of negotiations. Provisions for further negotiations are indicative of the level of disagreement on GIs at the time of negotiations of the TRIPS Agreement, which ensue a number of issues being left unattended. The issue of enlarging the ambit of Article 23 was one among many points which were left unresolved for future negotiations. Today, there are no economic and systemic reasons for protecting some GIs and not others. Though there is no specific stipulation to this effect in the TRIPS Agreement, the *demandeurs* of GI-extension contend that ‘provisions of Article 24.1 are of general application to all products and the reference to Article 23 does not relate to products contained therein but to a means of additional protection to be provided’. They further contend that a ‘constricted approach to the Article 24.1 focusing only on wines and spirits would exacerbate the pecking order in the levels of protection within Section 3’. They argue that since Article 24.2 directs the TRIPS Council to review Section 3 on GIs in order to foster its goals and the fact that the TRIPS Council reported to the 1996 Ministerial that inputs from the Members on the question of ambit of Article 23 were allowed indicates that scope of additional protection is not limited to wines and spirits only, and can be widened. On the contrary, the Members opposing GI-extension interpret Article 24.1 narrowly and contend that it is specifically dedicated on GIs for wines and spirits.
only.\textsuperscript{24} They further explain that Article 24.1 is explicitly focused on those GIs for wines and spirits that might be susceptible to exceptions provided in Article 24.\textsuperscript{2} They also argue that any attempt to pursue enhancement of the products covered under Article 23.1 would tantamount to renegotiate the TRIPS Agreement for which ‘there is no mandate in any of the existing provisions of the TRIPS Agreement that could serve as a legal basis’.\textsuperscript{25}

In other words, though the TRIPS Agreement ushers a notable enhancement in the standards of protection for GIs, there remains a serious difficulty of pecking order in the levels of protection based on an arbitrary and irrational classification of goods.\textsuperscript{30} Hence, unless and until the pecking order in the level of protection envisaged in Section 3, which is result of political expediency rather than any logical or legal basis, is eliminated, the purity and the upstanding of the TRIPS Agreement as an intellectual property instrument will always remain suspect.\textsuperscript{31}

### Whether the Ambit of Protection Provided under Article 22 is Adequate?

The Members opposing GI-extension claim that the availability of legal means to register and invoke GI protection through certification marks is indicative of the fact that Article 22 provides effective protection.\textsuperscript{25} For example, registered certification marks in the US include ‘Darjeeling’ for tea, ‘Stilton’ and ‘Roquefort’ for Cheese, ‘Swiss’ for chocolate; those in Canada include ‘Suisse/Swiss’ for chocolate, ‘Indian spieces’ for spices, ‘Ceylon’ for tea, ‘Florida’ for oranges, and ‘Freiburger’ for cheese.\textsuperscript{2} On the contrary, the demandeurs contend that the poor protection under Article 22 causes mainly three problems; (i) problem of ‘free-riding’, (ii) risk of becoming GIs as generic terms, and (iii) problem of appropriation.\textsuperscript{24}

### Problem of ‘Free-Riding’

The demandeurs of GI-extension contend that the standard of protection under Article 22 is low as compared to Article 23 in as much as the criterion for substantiating ‘unfair competition’ or the ‘public has been misled’ requires comparatively higher standard of proof; thus making it relatively easier for the producers from other regions to adopt reputable GIs and ‘free-ride’ on their reputation without the risk of transgressing Article 22 as long as the product’s true origin is displayed or described.\textsuperscript{2, 32} They further argue that the problem is further exacerbated by the restricted protection under Article 22, which does not prohibit the use of a GI together with expressions like ‘such as’, ‘type’, ‘kind’ or ‘imitation’.\textsuperscript{2} Hence, such use of GI should be prohibited as it damages the reputation of the original goods and leads to loss of profits.\textsuperscript{34}

The Members opposing the GI-extension view this from a negative point of view and argue that a certain level of ‘free-riding’ due to free and fair imitation of GI-protected products would actually enhance the intrinsic value of a GI.\textsuperscript{25} This argument is however short sighted and suffers from several deficiencies: first, if the quality of the free-riding product is below-par, the reputation of original GI good runs a serious and real risk of being harmed; second, since consumers would be willing to pay less for GI quality goods, it will compel producers to decrease the level of investment ‘in informal innovation and in the development of products offering higher quality and safety’.\textsuperscript{34}

### Risk of GIs becoming Generic Terms

Another problem intricately connected with the issue of ‘free-riding’ is the risk of GIs becoming generic terms. The demandeurs of GI-extension contend that even if the non-misleading, free-riding goods are not of poor quality compared to the genuine goods, it is susceptible to two types of risks: first, risk of its GI getting diluted due to its distribution, and risk of rendering the original GI as generic.\textsuperscript{32} For example, if ‘Etivaz’, a cheese with a special flavour produced in a specific area of Switzerland, is labeled with expression such as ‘Etivaz-like’ is allowed, there is a risk that Etivaz becomes a generic term for all cheese tasting similar to Etivaz cheese.\textsuperscript{32} The example of ‘feta’ cheese also serves as a good example of the potential danger of a famous GI becoming a generic if it is widely used with a de-localising indication.\textsuperscript{35}

While the Members opposing GI-extension argue that the risk is exaggerated,\textsuperscript{25} the Members advocating GI-extension assert that the danger is real.\textsuperscript{35} There are arguments on both sides to justify as to why these once famous GIs have become generic; while demandeurs of GI-extension argue that lack of effective protection has rendered these GIs as generic, the Members opposing GI-extension contend that poor enforcement and insufficient ‘policing’ of the reputational quality of the GIs permitted unrestricted use of the indication in translated form has led to its generic status.\textsuperscript{2} *Prima facie*, both sides of the arguments appear to be relevant and justified to some
extent. The Members opposing GI-extension also argue that the insufficiency or absence of evidences with reference to level of protection or economic loss due to limited protection under Article 22 weakens the case of the demandeurs.2

Problem of Appropriation

The demandeurs of GI-extension assert that the scope of protection provided under Article 22 is inadequate resulting into appropriations of their GIs by other countries.1 The Members opposing extension repudiate the appropriation allegations1 and assert that the current level of Article 22 protection is adequate.29 They build the controversy of appropriation around as one between ‘emigrant’ nations on one side and the ‘immigrant’ nations on the other side and contend that, in many instances, the local populace came to know about the products because the migrants continued to produce and consume the products in their new places of residence,18 and it is these very products which the European countries are now trying to protect under Article 23.29

Whether Ambit of Protection Provided under Article 23 is Absolute?

Though Article 23 bring forth a pecking order in the level of protection, Members opposing GI-extension emphasize that contrary to the contentions of the demandeurs, protection under Article 23 is not absolute in nature25, 29 since many products might not be entitled for protection36 because Article 22.1 and/or exceptions in Article 24 will attenuate the prospects of economic gains. To buttress this point, the Members opposing the GI-extension submit that:

(i) The provision of preserving existing use through Article 24.4 would be applicable to GIs of other products also if they were incorporated within the ambit of Article 23.2

(ii) According to Article 24.6, the terms that have already become generic would be exempt from protection, e.g., Bukhara carpets, Cheddar cheese, etc.

(iii) Other exceptions to Article 23 could either attenuate or proscribe the protection of some GIs.2

Article 24.6 gives a prerogative to a Member to choose whether an appellation is to be treated ‘generic’ within its jurisdiction. Thus, there may be circumstances where a specific GI is considered generic in one or some market(s), and at the same time being protected in other markets. Thus, to the extent to which Members consider a GI to be generic, and these considerations are held to be valid if contested, the potential economic gains of original GI-holder would be reduced to the extent of loss of a market.2 To overcome the threat of potential loss of markets due to treatment of such indications as ‘generic’, the strategy of entering into bilateral agreements can be adopted to seek absolute protection of such indications.37

In response, demandeurs point out to the difficulties with regard to the legal tests that are needed to prove transgression/infringement of GIs. According to Article 22, the ‘burden of proof’38 lies on the GI-holder.29, 36 It is observed that Article 22 concedes wide legal discretion, particularly to prove that the public is misled, resulting into inconsistent decisions and legal uncertainty [...] [which] undermines and damages the good functioning of international trade in goods having the added value of a GI.32 On the other hand, protection under Article 23 needs rather simpler test to prove that the product has actually originated from the place displayed or labeled by the GI. Consequently, protection provided under Article 23 is more efficacious, easily accessible, and cheaper to actualize and enforce.36 Hence, as compared to Article 23, it is relatively more difficult for a claimant to establish transgression/violation under Article 22. It also has clear economic ramifications in terms of the efficacy of protection and the incidental risk of rendering a GI generic.2 Members opposing GI-extension choose to remain silent on this point and have not made any explicit reply2 but they argue that the contention put forward by demandeurs conveying initiating and instituting uniformity across various territorial jurisdictions is contra to the essence of the TRIPS Agreement.2

Potential Costs of GI-extension

Members opposing GI-extension assert that financial implications associated with the extensions will be too enormous to undertake this exercise. The potential costs associated with GI-extension include (i) costs to governments, (ii) costs to consumers, and (iii) costs to producers.

Costs to Governments: The Administrative Burden of Implementing GI-extension

The Members opposing the GI-extension argue that it would burden Member State governments because implementation and administration of new laws entail costs and demand resources. They further argue that the financial and administrative cost of enlarging the
ambit of goods covered by Article 23 would eclipse the benefits of extension as the Members would have to incur expenditure on introduction of new administrative mechanisms.\textsuperscript{25} They also contend that governing Article 23 is more difficult than Article 22 and has the added ramifications of expanded EU arrangements like the register, bilateral treaties that endeavour to achieve ‘absolute’ protection and potential dispute settlement cases.\textsuperscript{29}

The demandeurs of GI-extension, however, argue that concerns about the financial implications of GI-extension to governments are exaggerated and give following reasons to buttress their argument:\textsuperscript{35}

(i) Article 23, primarily requires the Members to make available the legal instruments for interested parties to implement protection for GIs, and Section 3 provides flexibility to the Members to fulfill this obligation in number of different ways. Also, Article 1.1 gives the freedom to the Members to choose the suitable mechanism of implementation.

(ii) GI-extension does not require any fresh commitment per se, but it only calls for addition of the products covered under Article 23.

(iii) Expanding the scope of goods covered under Article 23 would lessen the legal costs associated with administration of GIs. Besides, a streamlined and efficient mechanism of administration of GIs would also help in decreasing the workload of the authorities.

However, a number of questions still remain unanswered, which the demandeurs and opponents of GI-extension have not appropriately addressed. Precedence should be granted to the assertion that the onus of GI-extension will fall incommensurately on developing countries. It may be noted that the EU have the largest number of GIs to protect and that, in comparison; developing countries have only a few of potential GIs, and many of the GIs that developing countries will be required to protect are already regarded generic or semi-generic by some developed countries, e.g., US and Canada.\textsuperscript{22} The following points have a bearing on the implementation costs of GIs:\textsuperscript{2}

(i) Increase in the scope of goods to be covered under Article 23 will require some static costs;

(ii) Level and frequency of use of GIs is comparatively less in comparison to any other IPR; and

(iii) Onus of implementation of GI-protection falls incommensurately on the right-holder.

It may, however, be noted that because the submissions at the TRIPS Council do not provide any quantitative evidence in support of their arguments, it is not easy to estimate the financial implications and the associated benefits of the GIs-extension.

**Costs to Consumers: On Account of Consumer Confusion**

Members opposing GI-extension contend that ‘extension’ for all goods would reduce competition, encourage monopoly positions for producers and, consequently, raise consumer prices.\textsuperscript{34} In addition, it would result in two more costs for consumers: first, search and transaction costs would increase due to consumer confusion because GI-extension would require re-naming and re-labeling of goods, and also because of disappearance of designations/descriptions ordinarily used to identify products;\textsuperscript{25} second, where the consumers may not be able to buy authentic goods because of its cost or for some other constraints, they should be able to find alternative goods or products, but GI-extension would make it difficult for them to find alternative goods and products, e.g., consumer not able to afford Parma Ham should be able to switch to ‘American-style Parma Ham’.

The first argument of increase in search and transaction costs due to re-labeling and re-naming of products may be exaggerated because it would not be a wide-spread consequence due to the exceptions provided under Article 24 of the TRIPS Agreement:\textsuperscript{31}

(i) Article 24.4 exempts the use of GIs for wines and spirits if it had been in continuous use for at least ten years prior to 1994. Hence, after extension of Article 23 to the goods and products covered under Article 22, this exemption would mutatis mutandis apply to the said goods also;

(ii) Article 24.5 exempts indications where trademarks has been ‘applied for or registered in good faith’ or where rights to a trademark have been ‘acquired through use in good faith’; and

(iii) Article 24.6 exempts GIs that have become generic or ordinary descriptions/designations in Member countries.

Moreover, the concern about costs to consumers due to re-labeling and re-naming of the goods is legitimate and valid, but the argument appears to be too short sighted because it would be a short/medium term problem,\textsuperscript{2} and what matters are ‘long-term effects and the guarantee of sustainable and fair competition’.\textsuperscript{34}

The second argument of the Members opposing
GI-extension may appear to be legitimate and valid at first instance but it suffers from a weakness; there is a large number of consumers who are more interested in genuine, traditional, and quality goods, and GI-extension facilitate such consumers’ choice because it makes them easily identifiable and guarantees’ that the products using a GI actually originate from where the GI indicates. In the long run, products will compete on their own merits under their own name and their own GIs.  

As against the assertion that GI-extension facilitates consumers to identify genuine, traditional, quality goods, some commentators argue that Article 22 already provides protection against consumer confusion. Hence, consumers have no difficulty in identifying these goods. But this argument also suffers from a serious weakness; consumers are protected from confusing and deceptive GIs only after infringement litigation has been filed and proved against producers using the deceptive descriptions, designations, etc., which entails delays and have financial implications as well. Besides, no protection is available to the consumers in those cases which do not go to the court and the consumer is left confused. Moreover, often the producers do not prefer infringement proceedings – may be because (i) the circulation of confusing or deceptive goods is not much, (ii) the lawsuit entail exorbitant costs, or (iii) the possibility of winning the litigations are doubtful. 

Costs to Producers: On Account of Trade and Production Disruption

The Members opposing GI-extension argue that it would ultimately tantamount to protectionism as GI-extension would restrict the future investment and expansion plans of producers who have been using indications which are not confusing or deceptive but are similar to authentic and valid GIs, and might even compel closure of certain emerging markets. GI-extension would also induce substantial costs to producers who have been legitimately using a specific GI and suddenly have to stop using it. The demandeurs of GI-extension, however, argue that this would entail only a one-time cost, and once the market is adjusted to the GI-extension, the costs would be compensated by the everlasting benefits of extension. Moreover, the loss to the producers would presumably be lessened by the ‘existing use’ exceptions contained in Article 24. The demandeurs also contend that if harm to the producers were still very high, flexibilities provided in the TRIPS Agreement with regard to implementation could always be utilized and the extension of Article 23 to new types of GIs could be combined with generous implementation exceptions, such as, (i) goods that would be made illegal by the GI-extension change could be phased out, rather than immediately pulled from the markets, (ii) the prerequisites to the existing use exceptions under Article 24 could be lowered. 

The demandeurs further argue that the use of GIs by others than the original producer, even by combining delocalizing qualifiers or descriptions add to the threat of a GI becoming generic which consequently could be critically detrimental to the original producer. Hence, eliminating the opportunities for free-riding must be balanced against market expansion possibilities for original producers. A GI-extension to all categories of goods and products will raise market entry barriers and will provide access to new and lucrative trade opportunities in emerging markets. 

The Stakes for the Developing Countries

The GI-extension debate started out largely as a North-North issue, but the growing demand for extension of the Article 23 protection from developing countries shifts the dispute out of the North-North deadlock between the United States and the European countries. The controversy has now become part of the larger North-South conflict over provisions of the TRIPS Agreement in general. The developing countries, such as, India, Pakistan, Thailand, etc. have now aggressively enlisted their support for extension of Article 23 protection with expectancy to rely on GIs to protect their rich biodiversity reserves and forestall traditional and indigenous communities from being abused by the North. These countries also view GIs as effective instrument for protection of their traditional knowledge. The use of GIs for products of indigenous and local communities’ traditional knowledge could be valuable tools. In addition, the developing countries endeavour to exploit the TRIPS Agreement provisions on GIs to protect their unique agricultural products such as Basmati rice, jasmine rice, jamun, etc. India has joined this debate in a big way since the WTO’s Seattle Meeting and has been vehemently advancing the arguments for extending Article 23 protection to all agricultural products to mitigate the North-South conflict. 

The developing countries contend that the incongruity
between Articles 22 and 23 asymmetrically afflicts them, especially because the inequality aggravates the economic disparity between the North and South. Since Article 22 does not forbid unauthorized use of a GI by a producer/manufacturer in a different region, so long as he displays the correct origin of the goods/products, it gives unequal advantages to those manufacturers/producers who have the capacity to copy or counterfeit products or goods of others in large-scale over those manufacturers/producers who does not have such capabilities. The incongruity in the levels of protection between Articles 22 and 23 favours Members having enormous production capacities as it facilitates them to free-ride, and works to the detriment of Members that depend on traditional forms of production, such as agriculture. Hence, corporations and cartels in more-developed countries can easily usurp the GIs originated in less-developed countries, supplement them with special designation or description, ‘such as’, ‘type’, ‘like’ and force the original producers in developing countries, out of the market, who depend on creative, characteristic or original methods of production to remain competitive.

Enhanced GI-protection is expected to have a significant positive impact on developing countries to achieve their long-term development goals in many ways:

(i) Since augmenting any intellectual property right makes investments safer and secured, strong GI-protection would attract investment in regional products, which exist in abundance in developing countries. This would consequently help the developing countries to acquire market-power and to achieve market-dominance. Also increased GI protection would attract investments in the developing countries because likelihood of lesser-developed countries having untapped, inimitable, distinctive niche products is higher. It is, therefore, asserted that ‘[d]eveloping countries . . . could benefit most from an effective protection of GIs. GIs contribute in a positive way to a business-friendly investment climate’.

(ii) GIs could be most effective tools for aiding and countervailing indigenous and local communities who protect and employ their regions’ biological diversity since GIs tend to protect the types of goods that are most common to developing societies; goods having special qualities attributable to its geographic origin, occur most frequently in countries having unique pockets of nature that have not been adulterated and polluted by extensive development. Moreover, GI goods ‘tend to be from the rural, agricultural and handicraft sectors of the economy’ further implicating the interests of developing countries. This helps to explain why ‘[a]s a public policy instrument, GIs have potentially positive implications towards the protection of indigenous knowledge and as a means for generating livelihood and income’.

(iii) Expanding the ambit of Article 23 protection would help augmenting the economic value of GIs, which would consequently spur entry of more quality and niche products/goods in the international markets. Besides, GIs-extension could foster development of local and rural communities in developing countries and give them the opportunity to sell their goods on a much broader scale than the national or regional level.

(iv) Since enhanced GI-protection would mitigate the threat of counterfeiting and spurious goods/products, legitimate producers can invest freely to expand sales, allowing them to achieve economies of scale. Producers with solid reputation of high quality products are more likely to invest continuously in upgrading their product portfolio to maintain competitive edge.

(v) Since GIs are based on collective traditions and decision-making processes and emphasize the relationship between human efforts, culture, land, resources and environment, they respond to the needs of indigenous and local communities and farmers. GIs could, therefore, be an efficient tool to promote manufacturing of local products and help establish market differentiation and provide access to a very specific group of consumers.

(vi) GIs could also be an indirect tool to promote tourism by increasing visibility and awareness of exotic products from the regions identified by GI.

Contrary to the preceding contentions, the Members opposing GIs-extension claim that extension would actually be disadvantageous to developing countries because their legal and administrative capacities are currently limited and would require costly expansion in order to
implement and administer new laws of GI protection. Hence, the advantages of GIs-extension to the developing countries might well be overridden by the costs of implementing the new legal and administrative changes. Some scholars argue that the above apprehensions are misplaced because the TRIPS Agreement flexibilities can be exploited in many ways to address the issues pertaining to costs, such as:

(i) The transition period arrangement provided in Article 65 should be utilized and instead of adopting identical implementation commitment for the developing and developed countries, Article 23 extension could be supplemented with special implementation exceptions that would lessen the cost of implementing the new legal and administrative regime for developing countries.

(ii) Since Article 1.1 affords wide discretion to the Members in adopting appropriate means to fulfill their TRIPS obligations, the developing countries could find ways and means to adopt appropriate mechanism to minimize the cost of compliance following substantive changes in the TRIPS Agreement. Moreover, pursuant to the obligations under Article 23, developing countries have administrative and legal mechanism to protect the GIs with regard to wines and spirits. Hence, though the ambit of goods/products covered under Article 23 would be different subsequent to extension of GIs, the legal mechanism to implement and enforce the same will remain the same.

(iii) More importantly, short-term financial burden should not come in way of exploiting opportunities for long-term development because given the widely-recognized economic potential of GIs and the concentration of such types of goods in developing countries; ultimately developing countries stand to gain significantly from enhanced GI protection.

Case studies

Through the case studies of neem tree, Basmati rice and turmeric, this section examines how the theoretical presumptions and arguments discussed above do actually translate on the ground. These cases are classical illustration of the conflict between the North and South, and the attempt of the South led by India to protect and preserve their rich biodiversity and indigenous culture through campaigning for extension of Article 23 protection to all GIs. Since the concerns of India are shared by other developing countries also, this section also draws lessons from the case studies to analyse whether enhanced level of GI protection would be an appropriate resolution to problems of the developing world.

Neem Tree Case

Neem tree (Azadirachta indica) is native to India but now grows in many parts of the world, such as, Australia, Africa, Fiji, Central America, South America, Puerto Rico, and Hawaii. Traditionally, Indians have used its extracts for pharmaceutical as well as other purposes because of its properties as a natural medicine, pesticide and fertilizer.

Having observed the usefulness of the neem tree in India, a US Corporation, W R Grace, developed the technology to extract the active ingredient in the neem seed in a stable solution and patented the stabilization process and the stabilized form of the ingredient with the USPTO (US Pat No 5,124,349, issued on 23 June 1992). In June 1994, the EPO granted a European Patent to W R Grace and the United States Department of Agriculture for a ‘method for controlling fungi on plants by the aid of hydrophobic extracted neem oil’. The consequence of grant of these patents was that India, in spite of its sovereign rights over the neem tree and having used it for time immemorial to cure several ailments, was deprived of its legal rights to develop it for medicinal or curative purposes.

The grant of neem patents to W R Grace irked hullabaloo and angry public protest in India and led to India’s long journey of persistent claim and legal challenges to restitute the rights over neem tree. In June 1995, a legal opposition against the grant of this patent was filed by Magda Aelvoet, MEP, on behalf of the Green Group in the European Parliament, Brussels, Dr. Vandana Shiva, on behalf of the Research Foundation for Science, Technology, and Natural Resource Policy, New Delhi, and the International Federation of Organic Agriculture Movements, based in Germany. Following extensive testimony by expert witness, the four-person panel judged that the claimed ‘invention’ was lacking in ‘inventive step,’ which is a prerequisite to obtaining patent protection. The panel had earlier ruled that the USA/Grace neem fungicide product was lacking...
in ‘novelty,’ another patent criterion, and established that its properties and use were ‘prior art’ years before the ‘proprieters’ applied for a patent.50

India ultimately succeeded in its legal challenge of the US acquisition of its neem tree ingredient before the EPO.6 After six years of persistent campaign and bitter legal battle by India, the Opposition Division of the EPO completely revoked the patent granted to the USDA and W R Grace in May 2000.50 The EPO also rejected W R Grace’s subsequent appeal.51

**Basmati Rice Case**

*Basmati* is perfumed long-grain rice with more than 400 varieties originating in the sub-Himalayan region of the Indian sub-continent.52 India and Pakistan experienced the need and importance of GIs in the case of *Basmati* Rice.52

In September 1997, the USPTO granted a patent to the US Company, RiceTec Inc for ‘novel rice lines and to plants and grains of these lines and to a method for breeding these lines’, a new variety of rice which was a cross between American long-grain rice and *Basmati* rice.17 Having acquired the *Basmati* patent rights, RiceTec was able not only to sell its aromatic rice under the brand name *Basmati* within the US, but was also legally permitted to label it as such for exports.54

This had serious economic ramifications for India; not only adversely affecting India’s *Basmati* export to the US, an important market for India,55 but also causing serious concerns for position of India vis-a-vis other crucial international markets such as the EU, United Kingdom, Middle East and West Asia.54 At stakes were exports of *Basmati* rice from India; these exports could be affected especially if the US version got a market permission as it could be sold cheaper than the Indian varieties.17 Apart from economic consequences, the *Basmati* patent evoked an extremely sentimental response as the patent granted to the US company was considered a theft of collective intellectual and biodiversity heritage on Indian farmers.56 Indian people felt the patent was ‘like snatching away our history and culture’.57

In order to protect India’s interest, particularly those of India’s growers and exporters, the Indian government reacted immediately by disputing the patent claims, and urging the USPTO to re-examine the patent to the US firm to grow and sell rice under the *Basmati* brand name.58 In addition to contesting the patent, India endeavoured to protect *Basmati* under TRIPS Agreement GI provisions.6 While India claimed, among other things, that *Basmati* is a GI, RiceTec Inc argued that it is a generic name and, therefore, it can not be protected as a GI.17 India contended that according to the definition given in the Article 22.1 *Basmati* is a non-generic GI because though *Basmati* was not the name of a geographical region, its character and reputation was inextricably linked to its region of origin; the Indian sub-continent due to a unique combination of the particular plant varieties cultivated, the climate and soil conditions and the cultivation process indigenous to northern India and Pakistan.59 The conflict between India and US over the patent on *Basmati* rice was settled when the USPTO ultimately granted a narrower patent to RiceTec.58 Since the new patent was limited to just a few variations of rice developed by Rice Tec, and would therefore not harm India’s own export of traditional *Basmati* rice, India decided not to further dispute the patent.58

**Turmeric Case**

Turmeric (*Curcuma longa*) is a plant of the ginger family yielding saffron-yellow rhizomes.46 It is grown throughout India and Pakistan and is used as a spice for flavouring cooking in the Indian sub-continent.46 It also has properties that make it an effective ingredient in medicines, cosmetics, colour dye and as an ant repellent.46 In March 1995, the USPTO granted a US patent for ‘use of turmeric in wound healing’ to two expatriate Indians at the University of Mississippi Medical Centre, Jackson.60

Although the patent discussed curcumin as possibly being the active ingredient in turmeric, it made no claim for a process of isolating curcumin or purifying it.61 The claims were simply for ‘[a] method of promoting healing of a wound in a patient, which consists essentially of administering a wound-healing agent consisting of an effective amount of turmeric powder to said patient,’ with additional claims for oral administration, for topical administration, for both topical and oral administration, for when the wound was a surgical wound, and for when the wound was a body ulcer.60 The same inventor received another patent for both oral and topical administration of turmeric to treat acne.62

The Council for Scientific and Industrial Research (CSIR) filed a case with the USPTO challenging the patent on the grounds of ‘prior art’.47 The CSIR presented 32 references in Re-examination Certificate,
some of them more than 100 years old, including an ancient Sanskrit text and an article published in 1953 in the Journal of the Indian Medical Association, showing that this use of turmeric was well known in the ‘prior art’. On 21 April 1998, the USPTO upheld the objections and cancelled all claims of the patent for the ‘use of turmeric in wound healing’ on the grounds that it did not meet the ‘novelty’ criteria.

The turmeric case was a landmark case as it was the first time that a patent based on the traditional knowledge of a developing country had been successfully challenged.

Implications of the Neem, Basmati and Turmeric Cases

Though India successfully challenged the neem tree, Basmati rice and turmeric patents, some scholars caution that India’s triumphs are restricted. In the case of Basmati rice, there is no immediate threat to India, but since the US still considers ‘Basmati’ as a generic term, the value of India’s Basmati rice may ultimately depreciate the international market.

Moreover, the neem tree, Basmati rice and turmeric cases are illustrative examples of the larger problem facing developing countries rich in biodiversity. Due to inadequate protection, valuable indigenous wealth, including plant varieties and traditional knowledge of the biodiversity rich South are under threat of commercial exploitation from the more economically and technologically advanced North. Some commentators argue that legal action on individual cases of bio-piracy would prove to be ineffective and inefficient tool and cannot be a substitute for an integrated approach to thwart developed countries from continuing to commit bio-piracy.

India and a few other developing countries seek to find solution to the threat to their rich biodiversity and traditional knowledge by adopting an integrated approach in utilizing the TRIPS Agreement GI provisions. These countries demand abolishing the pecking order in the levels of protection of GIs, and extending the higher level of protection under Article 23 to cover goods other than wines and spirits to suit their needs. They argue that abolishing the pecking order in the levels of GI-protection could have prevented the technology rich North from exploiting and usurping the traditions and natural resources of the developing countries like India, and would also mitigate the burden of costly individual legal disputes. However, a deeper analysis of India’s experience of the illustrative cases discussed above demonstrates that extension of Article 23 protection to products other than wines and spirits may not be the panacea to developing countries’ pursuit for balance of power and benefits under the TRIPS Agreement for the following reasons:

(i) Weak and inadequate legal framework in India to protect intellectual property was primarily responsible for neem tree, Basmati rice and turmeric incidents. For instance, W R Grace did not apply for a patent in India because India did not grant patents for agricultural products at the relevant time. Infact, weak and inadequate intellectual property laws coupled with the Indian government’s philosophical attitude that natural products should not be patented prompted RiceTec to take a US patent on Basmati.

(ii) Though the developing countries endeavour to adopt an integrated approach and formulate long-term strategies to ward off future bio-piracy by seeking protection of GIs, the definition of GI in TRIPS Agreement remains an impediment to their pursuit because it is questionable whether neem tree, Basmati rice, turmeric, etc. comes within the purview of the definition of GI provided under Article 22. The terms are not GIs per se as they do not indicate a distinct linkage between a good and a particular geographical area, e.g., it is difficult to determine the area of geographical origin of Basmati rice, because Basmati rice is considered native to more than one region of India and Pakistan. As a matter of fact, India and Pakistan differ on what qualifies as authentic Basmati rice.

(iii) Even if definition of GI is not an issue, the neem tree, turmeric and Basmati rice would still not qualify for the protection sanctioned by the GIs provisions of TRIPS Agreement, because they were not rendered any kind of GI-protection within India and Article 24.9 exempts Members States from rendering protection for GIs not recognized in their own country of origin. Besides, the TRIPS Agreement Article 22 does not forbid the use of expression such as ‘American-type Basmati Rice’. In order to obtain GI protection for GIs identifying rice, it must be proven that the wrongful use either misleads the public or constitutes unfair competition which can be a very tricky thing to do. Therefore, India would have had very weak cases for protecting the neem tree, turmeric and
Rights over traditional and natural resources. Abuse of biodiversity by the rich North and have also become more aware and vigilant against the TRIPS Agreement, and the local communities have conform to its international obligations under the strengthened its intellectual property legal regime to protect traditional and natural resources.

However, over the past few years, India has protected Basmati rice as TRIPS Agreement GIs, and even under the Article 23 absolute protection standard, success would have been extremely difficult. However, another point of view is that despite the lack of Indian domestic law protecting Basmati rice as a geographical indication, India’s ‘geographically indicated rights’ have long been protected in other nations such as the UK and Saudi Arabia.

Countries opposing Article 23 extension argue that there is no quantitative evidence put forward by the demandeurs suggesting that the current level of protection provided by Article 22 for general GIs is inadequate. Moreover, unlike EU Members, developing countries including India have not exhibited any distinct need for extension of higher level of protection to all GIs. These countries also argue that experience of India with respect to Neem tree, Basmati and turmeric cases suggest that alternatives means are available for the developing countries to protect their IPR even where the developing countries’ domestic protection is weak with respect to the GIs.

There is little merit in the argument of some scholars that GIs may be appropriate instrument for the protection of traditional knowledge, since it recognizes shared ownership, rather than individual ownership of rights, because the GIs as defined in the current TRIPS Agreement include only tangible goods and excludes tradition, craftsmanship, knowledge, skills and services. More importantly, since the protection of biodiversity and traditional knowledge involve complex ethical, socioeconomic, political, and cultural issues of different countries, increasing level of protection of GIs may not be the appropriate framework to address primary objective of developing countries to achieve a balance in the North-South split and protect their traditional knowledge, natural resources and biodiversity.

But the challenge continues because the domestic legislation may still fail to safeguard the biodiversity rights of the people as it has not kept pace with which the international trade agreements are being implemented.

Conclusion

The GI-extension debate has brought conspicuous focus on the unusual characteristics of Section 3, Part II of the TRIPS Agreement where a single definition of subject matter provides a pecking order in the levels of protection. While most of the Members admit that the pecking order in the levels of protection has neither logical nor legal basis, and that this hierarchy between goods encapsulated in Articles 22 and 23 resulted from a political compromise, they continue to defend their positions on the GI-extension vehemently.

While there is no doubt that GIs are economically valuable, a multitude of other factors helps to actualize the economic potential of such GIs. Hence, an in-depth economic study and statistical analysis is required at the country level as well as cross-country level to aid in evaluating the case for or against GI-extension. Besides, any objective economic and statistical evaluation of GI-extension cannot be oblivious to the political actuality of multilateral bargaining and the obvious tradeoffs that will be arrived at. It also needs to be appreciated that the TRIPS Agreement is an instrument for protection of IPRs within the framework of international trade. Therefore, Members having insignificant stakes in GIs are unlikely to accede to the demand to enhance the current level of GI-protection without attaining substantial allowances from countries demanding increased protections in return. Thus, the study should accept and evaluate the negotiation that might be struck to accomplish GI-extension. Besides, the distinct encumbrances linked with protecting GIs of other Members entail detailed evaluation. Hence, to truly actualize the TRIPS Agreement multilateral protection of GIs, WTO Members need to enter into fresh negotiations to enforce extant regulations under the TRIPS Agreement, as well as attending to specific interests of various Members.

While the WTO should be conscious to the distinctive interests of developing countries, extending Article 23 to protect all GIs may not necessarily be the panacea to the resolution of the North-South dispute in IPR. Lack of domestic
protection for GIs may often bar developing countries from claiming protection under the relevant TRIPS Agreement provisions in totality. Moreover, protecting the biodiversity and traditional knowledge of developing countries involves complex political, social, and economic undertakings that may be best dealt through venues other than international trade.

Currently, the WTO is at a climacteric and the question of GI-extension critically divides Members as the WTO is battling to advance ahead. Therefore, rather than exerting the peripheral extremities of GIs and creating new deadlocks, the Members should endeavour to safeguard the TRIPS Agreements’ trendsetting multipartite framework. Hence two pronged strategy is advisable at this stage: firstly, for the time being the Members should work with TRIPS Agreements’ current minimum standard of protection for GIs and endeavour to make their domestic legislations regarding GIs fully TRIPS Agreement compliant since the GI protection is effected through domestic legislations; secondly, since the needs of some Members for additional protection cannot be ignored at the present stage, it should be taken care of through reciprocal or bilateral arrangements that may not be attainable on a multilateral level, but which could complement TRIPS Agreements’ multipartite approach and bolsters its enforcement.

References
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5 Dawson Norma, Locating GIs – Perspectives from English Law, Trademark Representative, 90 (2000) 590, 590.
8 Cox James, What’s in a name? USA Today, 9 September 2003, 1B. It enumerates 41 food items for which the EU intended to seek additional protection under TRIPS Agreement during the Cancún Ministerial Conference.
12 Long Doris Estelle, ‘Democratizing’ globalization: Practicing the policies of cultural inclusion, Cardozo Journal of International & Comparative Law, 10 (16) (2002) 217, 223. It explains that in the context of WTO debate, ‘North-South’ refers to debates or disputes between developed and developing countries and ‘North-North’ refers to debates or disputes between developed countries.
13 Conrad Albrecht, The protection of GIs in the TRIPS Agreement, Trademark Representative, 86 (1996) 11, 31. It states that unlike other classes of IP, this dispute didn’t follow the North-South divide but between the US and the EC.
15 Rangnekar Dwijen, The Pros and Cons of GIs, Bridges, (3) (March-April 2002) 6.
20 Homonymous GIs are the indications that are either spelt or pronounced alike and used to designate the geographical origin of goods originating from different countries.
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WTO, Communication from Bulgaria, et al., IP/C/W/204, para 6 (18 September 2000). It explains that the differential treatment of GIs was result of the compromise reached during the negotiations because of the ‘link at that time between the negotiations on geographical indications and negotiations on agriculture’.

WTO, Communication from New Zealand, para 19, IP/C/W/205 (18 September 2002).

WTO, Communication from Bulgaria, et al., IP/C/W/289, para 9 (29 June 2001). This compromise (Article 23), sought by several wine-producing countries, particularly the EC, represented a significant concession by a number of Members, among them other wine-producing Members, that did not see the need to create an imbalance in GI protection by conferring increased protection on wine and spirit GIs.


TRIPS Agreement, Article 22.1 states that '[g]eographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin'.

WTO, Communication from Argentina et al., IP/C/W/386, para 3 (8 November 2002).


WTO, Proposal from Bulgaria et al., IP/C/W/247, para 7 (29 March 2001). “Eventually, Section 3, Part II of the TRIPS Agreement was agreed upon as a compromise in the Uruguay Round. However, a specific provision was included in Article 24 which envisioned further negotiations on increasing the protection of GIs’.


WTO, Communication from Bangladesh, et al., IP/C/W/308/Rev.1, para 18 (2 October 2001). It states that ‘… such a line of argument seems to lead to dangerous waters when applied to other fields of intellectual property rights. There is no valid argument why it should be different for GIs’.

In addition to being protected domestically, the indication must also fulfill all the conditions provided in Article 22.1 to qualify for protection.

EC has recently concluded several bilateral agreements referring to the protection of GIs, in particular the agreements with South Africa, Mexico, Australia and Chile.

TRIPS Agreement, Article 34.1 provides that the burden of proof lies on the defendant in civil proceedings concerning process patent infringements.

India Calls for Harmonizing TRIPS with CBD, Hindu, 3 September 1999.


Babcock Bruce A, GIs, property rights, and value-added agriculture, Iowa Agricultural Review, 2 (2003) 1, e.g.: Kraft and other companies generate millions of dollars annually from sales of inexpensive parmesan cheese, which takes its name from the world class Parmigiano Reggiano.


US Pat No 5,663,484, issued on 2 September 1997.


Bose Kunal, India to Fight US Move on Basmati Rice, Financial Times London, 25 February 1998, 35. At the relevant time of dispute over the Basmati patent, India exported some forty-five thousand tons of Basmati rice annually to the US.


1 UPI Farming Today, UPI, 16 February 1998, LEXIS, Nexis
Library, UPI File.


59 According to the Code of Practice for Rice, established by the Grain and Feed Trade Association in the UK and the UK Local Authorities Coordinating Body on Trade Standards (LACOTS), Basmati may only be used for the long-grain rice grown in the Indian sub-continent. Similarly, Saudi Arabia, the world’s largest importer of Basmati rice, permits, under its labeling regulations, only Basmati rice from Northern India and Pakistan to be marketed as Basmati rice.

60 US Pat No 5,401,504, issued on 28 March 1995.

61 One cannot obtain a patent on a naturally occurring substance, but under current USPTO practice, one can obtain a patent on a substance by being the first to ‘isolate and purify’ discovered substances. Demaine Linda J & Fellmeth Aaron Xavier, Reinventing the double helix: A novel and non-obvious reconceptualization of the biotechnology patent, *Stanford Law Review*, 55 (2002) 303, 462. It is not enough to merely isolate and purify the substance; there also must be a use for the substance. For example, in *Brenner v Manson*, Manson developed a process for making certain steroids. But, at the time he discovered the process, Manson did not realize the utility of the steroids he was producing. Therefore, the Court denied Manson’s process patent application. Yano Lester I, Protection of the ethno-biological knowledge of indigenous people, *UCLA Law Review*, 41 (1993) 443, 457.

62 US Pat No 6,048,533, issued on 11 April 2000.

63 35 USC Section 102(a) denies patentability ‘if the invention was known or used by others in this country’. If the patent was known in another country, but never described in a printed publication, a US patent can still be obtained.

64 Sampathkumar D, Basmati: The Threat Still Lingers, *Business Line*, 2 September 2001. He observes that the USPTO verdict on the Basmati patent was received as an ‘unalloyed victory’ as well as a ‘resounding defeat’ in India.


67 The Basmati Task for the New Government, http://www.rediff.com/business/1998/mar/23rice.htm (23 March 1998). It notes that as of March 1998, India had not ‘bothered with getting together a geographical appellation act which could have prevented RiceTec from using the name of basmati which it claims is a generic name and not a trademark.
