

**Geographical Indications in Pakistan: The Need for Legal
and Institutional Reforms and Economic Development**

By

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DECLARATION

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ABSTRACT

Geographical indications assumed prominence in terms of juridical development and economic importance with their inclusion in the TRIPS Agreement. Due to their nexus with place of origin, the importance of agricultural GIs has increased manifold. Pakistan has a strong agriculture-based economy. It has many valuable GIs, like Basmati rice, with significant trade worth billions of dollars. Nevertheless, not a single GI has been registered in Pakistan due to factors such as the inadequacies in the present system of protection of GIs in Pakistan, institutional weaknesses and the absence of an active role of the state. This thesis argues that a sui generis law for the regulation of agricultural GIs will facilitate better protection of GIs and economic development in Pakistan provided that it is also accompanied by the necessary institutional reforms. Pakistan is making efforts to enact a separate GI law for better protection of its GIs. However, there are administrative hurdles and institutional incapacities in Pakistan which need to be reformed. Examples have been taken from the sui generis laws of the EU and India in the discussions on legislative and institutional reforms in Pakistan. The EU and Indian sui generis laws have shown better protection of their GIs resulting in the registration of hundreds of their GIs and economic development. The situation in neighbouring India was the same as is currently found in Pakistan until 2003 when it introduced its sui generis law; it has now registered hundreds of GIs. Besides literature reviews, interviews have been conducted with public and private sector stakeholders to gain an insight into the weaknesses and strengths of the system of protection of GIs in Pakistan, as well as potential reforms. Based on the findings, a sui generis law and institutional reforms for better protection of agricultural GIs and economic development in Pakistan are proposed.

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TABLE OF ABBREVIATIONS

ACP	Africa, Caribbean and Pacific
ADB	Asian Development Bank
AOs	Appellations of Origin
AOC	Appellation d'Origine Controlee
APEDA	Agriculture and Processed Food Products Export Development Authority
CAP	Common Agricultural Policy
CJEU	Court of Justice of the European Union
BGA	Basmati Growers Association
DD	Deputy Director
DNA	Deoxyribonucleic Acid
DDA	Doha Development Agenda
ECJ	European Court of Justice
EC – TRTA	European Commission – Trade Related Technical Assistance
EMDF	Export Marketing Development Fund
EU	European Union
FITFIR	First in Time First in Right
GATT	General Agreement on Tariff and Trade
GIs	Geographical Indications
GOP	Government of Punjab
ICTSD	International Centre for Trade and Sustainable Development

INAO	Institut National des Appellations d'Origine
IPO	Intellectual Property Office
IPR	Intellectual Property Rights
JS	Joint Secretary
MINFAL	Ministry of Food and Agriculture
MOC	Ministry of Commerce
PDOs	Protected Designations of Origin
PGIs	Protected Geographical Indications
PHDEB	Pakistan Horticulture Development and Export Board
PIPRA	Pakistan Industrial and Intellectual Property Rights Association
PIPRO	Pakistan Intellectual Property Rights Organization
PNAC	Pakistan National Accreditation Council
PSQC	Pakistan Standards and Quality Control
QSR	Quality Schemes Regulation
REAP	Rice Exporters Association of Pakistan
RFID	Radio Frequency Identification
SPS	Sanitary and Phytosanitary Measures
TCP	Trading Corporation of Pakistan
TBT	Technical Barriers to Trade

TDAP	Trade Development Authority of Pakistan
TRIPS	Trade Related Aspects of Intellectual Property Rights
TSGs	Traditional Specialities Guaranteed
UNCTAD	United Nations Conference on Trade and Development
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

CHAPTER 1

GENERAL INTRODUCTION TO THE THESIS

1.1 GIS AND THEIR PROTECTION IN INTERNATIONAL LAW

Geographical Indications (GIs) have been recognised as part of intellectual property rights for centuries. However, their legal protection regime has developed at a relatively slow pace compared to trademarks and copyright.¹ GIs have assumed greater importance with their inclusion in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)² of the World Trade Organization (WTO). This has given a fillip to their protection and the implementation of GI laws. The juridical development of GIs has evolved through geographical names showing ‘indications of source’ and ‘appellations of origin’. This practice originated in the 1883 Paris Convention and was later refined in the 1958 Lisbon Convention.³ Different terms and definitions for GIs existed before the TRIPS Agreement in national and international legal frameworks. However, the definition of GIs provided by the TRIPS Agreement, which was adopted in 1994, has become the broader reference. Article 22.1 of the TRIPS Agreement defines GIs as ‘indications which identify a good as originating in

¹ Bernard O’Connor, *The Law of Geographical Indications* (Cameron May 2004).

² Agreement on Trade-Related Aspects of Intellectual Property Rights, (Annex 1c, Marrakesh Agreement Establishing the World Trade Organization, signed 15 April 1994).

³ Wagle, S, ‘Geographical Indications as Trade-Related Intellectual Property: Relevance and Implications for Human Development in Asia- Pacific’ (Discussion Paper, Asia-Pacific Trade and Investment Initiative: UNDP Regional Centre in Colombo, 2007). Further see Article 1(2) of the Paris Convention which states: ‘The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition’; Paris Convention for the Protection of Industrial Property (20 March 1883, amended 28 September 1979). There has been an evolution towards protection of GIs and this can be seen in the definition of Appellation of Origin in the Lisbon Agreement. Lisbon Agreement describes Appellation of Origin as ‘the geographical denomination of a country, region or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors’; Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (31 October 1958, amended 28 September 1979).

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’.

Articles 22 to 25 of the TRIPS Agreement pertain to GIs and set minimum standards for the protection of GIs by member countries of the WTO. The TRIPS Agreement is flexible for the members of the WTO in protecting the GIs as it does not specify a particular legal means for their protection. Rather, it is left to countries to provide for the protection of GIs in their respective laws.⁴ There are different ways prevalent in the world for the protection of GIs. These include sui generis law, certification marks, collective marks, unfair competition and passing off.⁵ Most countries protect their GIs either through a sui generis law or trademark law, and this has given rise to varying degrees of protection.⁶ The older economies tend to give more protection to GIs through separate legislation whereas newer economies tend to protect GIs within trademark legislation. This is the reason why ‘countries in Europe and the former Soviet Union tend to have a stronger interest in protecting geographic indications than do countries with more recently developed economies, such as the United States’.⁷ The trademark registration system protects GIs through certification marks and collective marks. In contrast, in a sui generis system GIs are mainly protected under terroir⁸ logic.

⁴ Article 22-24 of the TRIPS Agreement of WTO.

⁵ O’Connor (n 1).

⁶ For example, the EU and India protect their GIs through a sui generis system, whereas countries like USA and Australia protect their GIs through trademarks law in the form of collective marks and certification marks.

⁷ Lee Bendekgey and Caroline H Mead, ‘International Protection of Appellations of Origin and Other Geographic Indications’ (1992) 82 Trademark Reporter 765.

⁸ Elizabeth Barham, ‘Translating terroir: the global challenge of French AOC labelling’ (2003) Journal of Rural Studies 127. The French appellation system emerged on the notion of terroir. Barham (p 131) defines terroir as ‘expression of place’ which refers ‘to an area or terrain, usually rather small, whose soil and microclimate impart distinctive qualities to food products. The word is particularly closely associated with the production of wine. A terroir can be identified, for example, as one that produces a grand cru, or a particularly excellent wine. It can also be said that a certain wine has a gout, or taste, of its particular terroir’.

GIs are now seen as an important tool for rural and economic development and poverty reduction. There is empirical evidence which shows a substantial increase in consumer demand for GIs. Apart from wines and spirits, an EU estimate puts wholesale consumption of GIs for agricultural products and foodstuffs somewhere in the region of 14.2 billion Euros.⁹ According to a comprehensive study in 2012 in the European Union, where GIs are protected under sui generis law, the worldwide sales value of GI products relating to agriculture and foodstuffs is 15.8 billion Euros. It is 29% of the overall sales value of GIs of Europe worldwide.¹⁰

They have assumed a central place in the debate between the member countries of the WTO in the Doha Development Agenda (DDA)¹¹ with respect to the higher level of

⁹ See Dev Gangjee, *Relocating the Law of Geographical Indications* (Cambridge University Press 2012) 183. Also see Commission, 'Proposal for a Regulation of the European Parliament and of the Council on Agricultural Product Quality Schemes' COM (2010) 733 final, 6. 'The overall value of agricultural products and foodstuffs sold under PDOs and PGIs is 14.2 (Euro) billion (1997) at wholesale prices, and estimated at 21 (Euro) billion at consumer prices'.

¹⁰ Tanguy Chever, Christian Renault, Severine Renault and Violen Romieu, 'Value of Production of Agricultural products and Foodstuffs, Wines, Aromatised Wines and Spirits Protected by a Geographical Indication (GI)' (Final Report for European Commission, 2012) 6 <http://ec.europa.eu/agriculture/external-studies/2012/value-gi/final-report_en.pdf>. 'The worldwide sales value of GI products registered in the EU 27 was estimated at €4.3 billion in 2010 at wholesale stage in the region of production; it increased by 12% between 2005 and 2010. GIs represented 5.7% of the total food and drink sector in the EU27 (€56.2 billion, source: FoodDrinkEurope). Wines accounted for 56% of total sales (€30.4 billion), agricultural products and foodstuffs for 29% (€15.8 billion), spirit drinks for 15% (€8.1 billion) and aromatised wines for 0.1% (€1.3 million). Domestic sales remained the main markets for GI products (60%), intra-EU trade accounted for 20% and extra-EU accounted for 19%. Over the period, extra-EU trade increased by 29%.'

¹¹ WTO, 'The Doha Agenda' <http://www.wto.org/english/thewto_e/whatis_e/tif_e/doha1_e.htm> accessed 5 January 2014; 'At the Fourth Ministerial Conference in Doha, Qatar, in November 2001 WTO member governments agreed to launch new negotiations. They also agreed to work on other issues, in particular the implementation of the present agreements. The entire package is called Doha Development Agenda (DDA)'.

protection¹² and the creation of a multilateral register with respect to wines and spirits.¹³ Under paragraph 18 of the DDA,¹⁴ many developing countries have advocated an extension of additional protection of GIs for agricultural products beyond wines and spirits. Further negotiations on implementation and extension of GIs by developing countries have formed part of the DDA since these are seen as a tool of rural development. Pakistan is part of the group entitled ‘Friends of GIs’. This group includes the EU, the ACP Group, the African Group, India, Switzerland, Turkey and fourteen other countries. They have submitted draft modalities for consideration by ministers for TRIPS related issues. These draft modalities include extension of the protection of Article 23 of the TRIPS Agreement to GIs for all products, including the extension of the Register.¹⁵

1.2 PAKISTAN AND GIS

Pakistan is a developing country with a strong agriculture base which amounts to 21% percent of its GDP. The agriculture sector employs 43.7% of the country’s labour force,

¹² Higher level of protection or additional protection refers to the protection given to wines and spirits under the TRIPS Agreement. Article 23.1 of the TRIPS Agreement states that: ‘Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.’ This means that even if the consumers are not confused regarding the origin, GIs cannot be used by unauthorised users. For example, a Pakistani trader or an American trader cannot write ‘Pakistani made Roquefort Cheese’ or ‘Made in America Roquefort Cheese’ to sell cheese originally made in Pakistan or the USA.

¹³ Article 23.4 of the TRIPS Agreement states that: ‘In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system’.

¹⁴ WTO, ‘Doha Development Agenda’ <http://www.wto.org/english/tratop_e/dda_e/dda_e.htm> accessed 26 April 2006.

¹⁵ WTO, ‘Draft Modalities for TRIPS Related Issues’ (19 July 2008) (Communication) TN/C/W/52.

and around 42% of the merchandise export of Pakistan is earned through this sector.¹⁶

Agriculture has an important direct and indirect role in generating economic growth.

The importance of agriculture to the economy is seen in three ways: first, it provides food to consumers and fibres for the domestic industry; second, it is a source of scarce foreign exchange earnings; and third, it provides a market for industrial goods.¹⁷

In the case of developing countries such as Pakistan and India which have competing economies and strong agriculture, handicrafts and traditional knowledge sectors, GIs can be a very important public policy tool for the development of their economies and the maintenance of the livelihoods of farmers and skilled workers. GIs have the potential to increase rural incomes and establish broader rural development dynamics as evidenced by the policies of the EU¹⁸ and supported by international academic literature.¹⁹ GIs can play an important role in the rural development of Pakistan and increase its exports earnings.

¹⁶ See, Government of Pakistan, 'Overview of the Economy' <http://finance.gov.pk/survey/chapters_14/Overview.pdf> accessed 14 August 2014; Current Social, 'Agriculture Studies & Updates' <<http://www.currentsocial.com/agriculture/agriculture-sector-of-pakistan-introduction.html>> accessed 14 August 2014.

¹⁷ See overview of Pakistan's agricultural sector at <<http://www.pakistan.com/english/agri.overview/fao.agricultural.sector.pakistan1.shtml>> accessed 14 August 2014.

¹⁸ See Preamble to Council Regulation (EEC) No. 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [1992] OJ L208/1. It states that: 'The desire to protect agricultural products or foodstuffs which have an identifiable geographical origin has led certain Member States to introduce 'registered designations of origin'; whereas these have proved successful with producers, who have secured higher incomes in return for a genuine effort to improve quality, and with consumers, who can purchase high quality products with guarantees as to the method of production and origin'. See also the preamble to Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [2006] OJ L93/12 (EU GI Regulation): 'The diversification of agricultural production should be encouraged so as to achieve a better balance between supply and demand on the markets. The promotion of products having certain characteristics can be of considerable benefit to the rural economy, particularly in less favoured or remote areas, by improving the incomes of farmers and by retaining the rural population in these areas.' See also Regulation (EU) No 1511/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs [2012] OJ L343/1, Recital 4 and Recital 18.

¹⁹ See Alessandro Pacciani and others, 'The role of typical products in fostering rural development and the effects of regulation (EEC 2081/92)' (73rd Seminar of the European Association of Agricultural Economists, ANCONA, 28-30 June 2001) <<http://www.origin-food.org/pdf/partners/belmariscaparole.pdf>> accessed 13 August 2014.

Currently, GIs may only be registered in Pakistan as collective marks or certification marks under the Trademarks Ordinance 2001.²⁰ As Pakistan's region is rich in culture and traditions, there are a number of GIs in both the agriculture and the manufacturing sector.²¹ The most famous agriculture GIs of Pakistan are Basmati rice,²² Kinos²³ and Sindhri mangoes.²⁴ The valuable trade of GIs of Pakistan amounts to billions of dollars. Rice exports alone are worth around 2 billion dollars annually.²⁵ Pakistan also exports millions of dollars of mangoes and kinos. In addition to this, Pakistan has a sizeable population of over 180 million people and there is huge domestic consumption of GIs. Rice is the second most important staple food of Pakistan after wheat and the livelihood of thousands of farmers is dependent on this crop. It is the third largest crop in terms of the farming area it occupies.²⁶ Hence, it is important for Pakistan to protect its valuable GIs as these will promote rural and economic development.

²⁰ An Ordinance to amend and consolidate the law relating to trade marks (Ordinance No 19 of 2001, 13 April 2001) (Trademarks Ordinance).

²¹ Pakistan has a number of GIs; these include, Chiniot woodwork, Gujrat Pashmina, Sharakpur Guava, Phulkari, Kinnos (citrus family fruit), Sindhri mangoes, Qasoori Maithi, Pakistani Shu (Windproof clothing), Ajrak (designed cloth from Sindh), Thadal (beverage), Manawala Carrot, Falsa (A special kind of berries) and Makai (Maize from Punjab).

²² Around 2 billion dollars export every year.

²³ Kino is a citrus family fruit. It has a unique taste. In the fiscal year 2012-2013, Kino contributed over 25 per cent of the overall exports of fruits, both fresh and dried, totalling \$83.155 million while its share in the fresh fruit exports was much bigger, 50 per cent excluding dried dates (\$23.449 million) and dried fruits (\$8.766 million). See Pakistan Economist, 'The prospects for Kino Exports' <<http://www.pakistaneconomist.com/issue2003/issue50/i&e2.asp>> accessed 13 August 2014.

²⁴ Sindhri is the most famous of Pakistan's mango varieties, often referred to as the Honey mango – the national fruit of Pakistan. This is an incredibly delicate fruit with a deep yellow thin peel and a distinct elongated and pointed curved shape. The flesh is also deep yellow, soft and melting with incredible sweetness and flavour. See <<http://goodfruitguide.co.uk/fruits/mangoes/sindhri>> accessed 14 August 2014.

²⁵ 'The rice exports hit all time high level of \$2.265 billion in the year 2009 - 10, and in the fiscal year 2010-11, total rice exports stood at \$2.091 billion.' Export News, 'Rice exports cross \$2bn mark yet again' <http://www.tdap.gov.pk/pdf/Vol_09_2012.pdf> accessed 14 August 2014.

²⁶ Muhammad Zulfiqar and others, 'Trade Liberalization could Improve Producers Profitability in Agriculture: A case of Basmati Rice' 1 <<http://pide.org.pk/psde/pdf/Day2/Muhammad%20Zulfiqar.pdf>> accessed 15 August, 2014.

Despite having hundreds of potential GIs, paradoxically, not a single GI has been registered in Pakistan.²⁷ Pakistan shares its history, Indus civilization and common law system with its neighbour India, where GIs are protected under a sui generis law. Until 2003, like Pakistan, India did not have a separate law for protection of its GIs. It protected its GIs under a trademark system and the registration of GIs was non-existent.²⁸ However, the implementation of its sui generis law encouraged the registration of GIs in India. By March 2014, India had registered 215 GIs for different products ranging from tea, coffee, agricultural products, textiles, horticulture to foodstuff and handicrafts. Out of these, 52²⁹ registered GIs belong to the agriculture sector. This registration for the protection of GIs in India started on the 15th of September 2003.³⁰ Both India and Pakistan were one country before the 14th of August 1947 and, therefore, there are a number of homonymous³¹ GIs in the two countries such as Phulkari,³² Green cardamom³³ and Basmati rice.³⁴ India has already registered many

²⁷ The application for registration of Basmati as a GI under a collective mark has been decided by the Trademarks Registry of Pakistan but the decision of the Registrar is being challenged in the High Court of Sindh. Interview with Registrar of Trademarks (Pakistan, September, 2013).

²⁸ Interview with Registrar of Trademarks (September, 2013).

²⁹ Out of these 52, 49 GIs are registered in Agriculture category and 3 in Foodstuff Category.

³⁰ To see the complete list of Indian GIs, see <<http://ipindia.nic.in/girindia/>> accessed 15 August 2014.

³¹ See WIPO, 'Possible solutions for conflicts between trademarks and geographical indications and for conflicts between homonymous geographical indications' (Document SCT 5/3, 8 June 2000) 20 <http://www.wipo.int/edocs/mdocs/sct/en/sct_5/sct_5_3.doc> accessed 14 August 2014. 'The term homonym is defined in Merriam Webster's Collegiate Dictionary (10th edn, 2002) as "one of two or more words spelled and pronounced alike but different in meaning"'. This definition describes accurately the problems created by the use of homonymous geographical indications, namely two or more identical geographical indications used to designate the geographical origin of products stemming from different countries. The most frequent cases of homonymous geographical indications concern the names of regions which are located in different countries. An example of such a region would be an area situated along a river running through several countries, such as the Rhine river'. However homonymous marks between Pakistan and India have identical meaning although they stem from different countries. On this, the document says that 'Conflicts typically arise where products on which homonymous geographical indications are used are sold into the same market. The problem is accentuated where the homonymous geographical indications in question are used on identical products. Honest use of such geographical indications should be possible, because the indications designate the true geographical origin of the products on which they are used.'

³² It is a special kind of embroidery and a potential GI of Punjab in Pakistan. It is common to industrial civilization. See news report in 'The Nation', Sunday, 7 November 2010 (on file with author).

³³ It is an expensive spice grown in Pakistan and India.

³⁴ There are a number of homonymous marks in India and Pakistan. India has already registered many of these homonymous marks as GIs, such as 'Phulkari'. Pakistan is losing in terms of economic gains by delaying the registration of 'Phulkari' and other GIs abroad. Registration of its GIs will help

of these homonymous marks like ‘Phulkari’ and ‘Green cardamom’ as its GIs. Pakistan is losing in terms of economic gains by delaying the registration of its GIs abroad. Registration of its GIs will help Pakistan in the promotion and marketing of its GIs in the domestic market and abroad. This will also encourage India and Pakistan to consider a bilateral agreement for the protection and registration of homonymous marks between the two countries.³⁵ The most famous homonymous mark shared by India and Pakistan is Basmati rice. Pakistan is losing its international market and India is gaining maximum market access including Pakistan’s due share.

Pakistan does not have a separate law on GIs like India. However, a sui generis GI law is being prepared by the government of Pakistan which has yet to be enacted through legislation.³⁶ The trademark system of protection which is prevalent in Pakistan is indifferent to terroir factors. This absence of terroir factors for the protection of GIs is likely to compromise the quality of the GIs and cause damage to their reputation.³⁷ Terroir factors are part and parcel of the sui generis system for the protection of GIs. In order to improve the protection of its GIs, Pakistan should look at the Indian and EU model of sui generis law. The EU is the biggest proponent of sui generis law for GIs

Pakistan in the promotion and marketing of its GIs in the domestic market and abroad. This will also encourage India and Pakistan to consider a bilateral agreement for the protection and registration of homonymous marks between the two countries. The most famous homonymous mark in India and Pakistan is Basmati rice. Pakistan is losing its international market and India is gaining maximum market access including due share of Pakistan because of the inability of Pakistan to register its homonymous GIs with India abroad.

³⁵ Interview with Additional Secretary Cabinet (September 2013, Pakistan). Indian Minister Kamal Nath wrote a letter to the Commerce Minister of Pakistan regarding negotiations on joint registration of ‘Basmati’ rice between Pakistan and India in 2006. There have been continuous exchanges between Pakistan and India with regard to joint registration of Basmati rice since then. No agreement has been reached yet and there is much to be done especially with regard to consent and preparation of the private sector in both Pakistan and India.

³⁶ Interview with DD Law of IPO (September 2013). DD Law of IPO confirmed in her interview that efforts are underway for the enactment of a separate GI Law. Trade policies of Pakistan also envisage a separate law for the protection of GIs in Pakistan.

³⁷ Gangjee (n 9) 208. ‘The French AOC system emerged in response to concerns that the quality guarantee was eroding, which was damaging to the reputation of well-known wines’.

and it has played a large part in developing this specific law.³⁸ Further, the Indian sui generis law should be analysed because of its shared history, common law system and the similarities in its economic development. The importance of GIs in Pakistan, like India, should be seen in the broader context of protecting GIs of traditional cultures, products and production methods in one of the world's oldest human civilizations.³⁹

Pakistan may not be able to register and protect its GIs abroad until it provides for their protection at home. According to Article 29 of the TRIPS Agreement, a country is not obliged to register a GI which is not protected in its country of origin. This potentially impedes any association or government body from applying for registration of GIs in different jurisdictions outside Pakistan. Pakistan needs to register and protect its GIs at home and abroad. This would usher in economic development and increase Pakistan's exports. Besides the preservation of culture, this would also be an important tool in poverty reduction in different geographical areas. It should follow the EC and Indian models. Once product names are protected as GIs, European products can be sold at higher prices, thus ensuring their quality.⁴⁰

³⁸ Jean-Louis Rastoin, 'The Concept of Terroir as the Basis of Corporate Strategy in Agribusiness: The European Social, Economic and Institutional Model' in Louis Augustin-Jean, Hélène Ilbert and Neantro Saavedra-Rivano (eds), *Geographical indications and international agricultural trade: the challenge for Asia* (Palgrave Macmillan 2012) 126.

³⁹ Waglé (n 3).

⁴⁰ See preamble to EC Regulation 2081/92 (n 16). Also see Banga, R. (2008) 'Geographical Indications: 'UNCTAD's Initiatives', Presentation delivered in the 'Regional Conference on IPR Protection through Geographical Indications', co-organized by the UNCTAD India Programme and the Textile Committee, Lucknow, India, 4-5 September. According to it, a study conducted by UNCTAD India Programme showed that price premium in terms of agriculture based GIs was around 10-15%.

1.3 OBJECTIVES, SCOPE AND LIMITATIONS

Pakistan has a strong agriculture-based economy with hundreds of potential GIs. However, at present, there is not a single GI registered in Pakistan. Due to this, Pakistan cannot protect its many valuable GIs in foreign countries as well.⁴¹ Hence, Pakistan is losing in terms of its economic development, especially in rural and export sectors.

There are inadequacies in the present law and the state is not playing an active role in the protection of GIs in Pakistan due to administrative incapacities and legal hurdles.⁴² The private sector has a lack of capacity to deal with matters such as registration, promotion and protection of GIs. Hence, reforms are necessary of the present law and the public sector institutions.

1.3.1 Hypothesis and the Research Questions

The hypothesis is that a sui generis law for the regulation of agricultural GIs would facilitate better protection of GIs and economic development in Pakistan provided that it was also accompanied by the necessary institutional reforms. The main research questions examined in the thesis are the following:

- What are the inadequacies in the present system of protection of GIs in Pakistan?
- What are the inadequacies in the institutional framework of the public and private sector for the protection of GIs in Pakistan?
- What is the way forward for introducing sui generis law in Pakistan?
- What is the way forward for institutional reforms in both the public and the private sector in Pakistan?

⁴¹ As already discussed in this chapter, a country cannot register its GIs abroad until it is protected in the country of origin as per the TRIPS Agreement.

⁴² There are few applications for GIs in Trademarks Registry of Pakistan under collective mark. However government bodies cannot apply for GIs as collective marks under current trademarks law of Pakistan.

- What is the role of the State in Pakistan?
- How will the legal and institutional reforms in the GIs regime usher in economic development in Pakistan?

These are the main questions that this thesis attempts to tackle by examining the inadequacies in the present system of protection for GIs and the institutional framework for the protection of GIs in the public and the private sector. This thesis proposes a sui generis law for Pakistan along the lines of the sui generis laws found in the EU and India. Further, it addresses the questions of institutional weaknesses and suggests the way forward for its reforms. This thesis shows the connection between law, institutions and development and argues that institutional and legal reforms of the GIs regime will usher in economic development.

1.3.2 Scope and Limitations

There are numerous GIs in Pakistan besides agriculture GIs, such as handicrafts and textiles. Nevertheless, the subject of this thesis is limited to agriculture GIs.⁴³ The economic development described in the thesis focuses on improvements in the rural income of farmers, rural sustainability and enhancement of agriculture exports from Pakistan. The scope of the thesis is not to provide a definite solution for improvements in the system of protection of GIs but to show that for Pakistan, which is a developing country like India with an agriculture-based economy, the provision of a sui generis law coupled with institutional reforms will promote better protection for its GIs and economic development.

⁴³ 'The impact of agriculture GIs is huge in terms of agriculture economy and exports of Pakistan'. Interview with Additional Secretary Cabinet (September, 2013, Lahore, Pakistan). Also see footnotes 22 and 23.

There is no case law with regard to GIs in Pakistan. Hence, there will not be any citation in the thesis on GI-related case law from Pakistan. The case law of Europe and India will be used as examples. Further, there are no economic studies on the economic benefits of GIs in Pakistan. Therefore, examples of a correlation between GIs and economic development are mainly taken from Europe due to its key role in the development of sui generis law and from India because of its similar background. Further, in this thesis, the term GIs will be used in its widest sense. It covers indication of source, GI (within the meaning of Article 22.1 of the TRIPS Agreement) and appellation of origin. However, depending on the applicable notion of protection, dissimilarities exist concerning the condition of protection, the right to use and the scope of protection of GIs.

1.4 METHODOLOGY

This thesis contains both the theoretical and the qualitative review. The theoretical review is based on intensive literature review, case law, news items, reports and documents of the WTO and World Intellectual Property Organization (WIPO), official documents⁴⁴ of the government of Pakistan and analysis by the author. The official documents obtained were from the Ministry of Agriculture, Ministry of Commerce, Trademarks Registry of Pakistan, Intellectual Property Office of Pakistan, and the Department of Commerce and Industries, government of Punjab.

The qualitative review is based on in-depth interviews with different stakeholders of GIs in Pakistan. The stakeholders consisted of growers, exporters and government

⁴⁴ These documents were given by the stakeholders of GIs in Pakistan during their interviews or afterwards by email.

representatives. These interviews were carried out in Pakistan and the expenses for the author's travel were borne by Queen Mary, University of London. The interviews were duly carried out and used in this thesis with the approval of the ethics committee of Queen Mary, University of London.⁴⁵ There is a dearth of GI literature on Pakistan and the awareness of the subject is minimal amongst the farmers and users of GIs in Pakistan. Therefore, a detailed questionnaire for the interviews was made in order to get maximum feedback from the stakeholders. The questionnaire is attached to the thesis at Annexure II. Representatives of the private sector dealing with Basmati were chosen for interview since Basmati is the most famous GI of Pakistan and makes a substantial contribution to Pakistan's economy. Interviews were conducted with regard to the overall potential for agricultural GIs in Pakistan. However, the issues that were raised with the private sector representatives were mainly about Basmati rice. Government sector representatives discussed in detail the policy issues which were applicable to the overall protection of GIs in Pakistan. Questions were also posed with special reference to agricultural GIs during the interviews. The responses are used in this thesis at different places. However, most of the responses are used in chapter 6 on the 'Role of the state and institutional reforms'. Twenty individuals were contacted for the interviews. Out of these, twelve gave interviews. The rest were not available primarily due to pre-scheduled engagements.

Amongst the private sector interviewees, the growers were represented by the President of Basmati Growers Association of Pakistan, Chaudhry Hamid Malhi and Mr. Asad Ullah who, besides being a farmer, is also currently a member of the Punjab Provincial Assembly. Whereas the exporters of Basmati were represented by the ex-President of

⁴⁵ Letter of Ethics Committee attached (Annexure I).

the Rice Exporters Association of Pakistan, Mr. Islam Ahmed and two⁴⁶ more prominent domestic traders and exporters of rice.

The government sector interviewees were the former Additional Secretary, Cabinet Division of Pakistan, Mr. Naved Arif,⁴⁷ the ex-Registrar of the Trademarks Registry of Pakistan, Mr. Khalid Hidayat, Deputy Director (DD) Law, the Intellectual Property Office of Pakistan, Ms. Nadia Shah, Joint Secretary (WTO), the Ministry of Commerce of Pakistan, Mr. Asad Hayauddin, Civil Judge, Sheikh Kashif and Additional Secretary and Chief WTO, Department of Commerce and Industries, government of Punjab, Mr. Nasir Rafique. Further, Mr. Zulfiqar Ahmed, a prominent lawyer specializing in intellectual property laws and a long-standing member of the Pakistan Industrial and Intellectual Property Rights Association (PIPRA) was also interviewed. Efforts were made to cover all the main stakeholders in the interviews. The interviewees also shared a number of official documents and news reports which will be used for analysis in this thesis.

1.5 OUTLINE OF THE PARTS

This chapter has provided a general introduction to GIs and this thesis. After defining GIs, it has described the emergence of GIs at the international level and different approaches for its protection by member countries of the WTO. This was followed by a brief introduction to Pakistan and its GI regime, its weaknesses and the need for a

⁴⁶ Two domestic traders and exporters of rice wanted to remain anonymous. However they signed the consent form for the interviews.

⁴⁷ The Secretary of the Cabinet Division in Pakistan is the federal secretary head of all the matters with regard to intellectual property law and institutions in Pakistan. Mr. Naved Arif was in charge of intellectual property matters in the capacity of Additional Secretary Cabinet Division and as Special Secretary Cabinet in the years 2010-2011 and 2011-2012. Before this, he was the Secretary (Executive Head) of Trade Development Authority of Pakistan for 2 years. The entire policy making with regard to intellectual property matters was ultimately made and approved by his office with regards to proposals for the enactment of laws or institutional administration and reforms.

way forward for reforms in the law and institutional framework of Pakistan to improve the protection of its GIs and economic development. Finally, this chapter outlined the objectives, scope and limitations of the thesis as well as methodology in order to assess the hypothesis.

This thesis will be divided into five largely self-contained chapters. In chapter 2, the thesis discusses the legal and economic basis of GIs. The difference between the legal and economic rationale of trademarks and GIs and the terroir logic for the protection of GIs is considered. Since the focus of the thesis is on the protection of agricultural GIs, the link between protection of agriculture-based GIs and development is also deliberated. The current hypothesis suggests that the provision of a *sui generis* law in Pakistan for the regulation of its agriculture-based GIs would provide better protection of GIs and economic development provided that it was accompanied by institutional reforms. In this regard, the literature on the correlation between law and development, and law and institutions is discussed as a basis for justifying the connection between law, institutions and development.

Chapter 3 discusses the present system of protection of GIs in Pakistan and its inadequacies. It looks at the main provisions of the Trademarks Ordinance of Pakistan for the protection of its GIs and examines its shortcomings. It looks at the case law and legislation in Europe and India in order to quote them as examples and compare the protection given by EU and India with Pakistan. This chapter also shows the importance of *sui generis* law whilst considering the inadequacies of the present system of protection for GIs in Pakistan.

Chapter 4 gives an overview of the history of international juridical development of GIs from before the Paris Convention of 1883 to the TRIPS Agreement. There is also a

section on the history of development of sui generis law. Finally, this chapter discusses the efforts of the government of Pakistan in enacting a sui generis law for the protection of its GIs.

Chapter 5 of the thesis analyses the main provisions of EU and Indian sui generis laws. It shows the success of both the EU and India in registering and protecting their GIs to the advantage of their farmers and users of GIs. This chapter examines the strengths of the EU and Indian sui generis laws and highlights the weaknesses of the system of protection of GIs in Pakistan. On the basis of these strengths and the protection of GIs with terroir logic, this chapter suggests a way forward for Pakistan in enacting its own GI law for the better protection of its GIs and economic development.

After looking at the way forward for a sui generis law for Pakistan in chapter 5, this thesis examines the role of the state and institutional weaknesses in the arena of GIs in Pakistan in chapter 6. This chapter mainly focuses on the interviews of different stakeholders of GIs in Pakistan. On the basis of the feedback, literature review and analysis of the author, this chapter proposes the way forward for the active role of the state and institutional reforms in Pakistan for protecting its GIs and economic development.

Finally, in the concluding chapter the thesis summarises the findings of all the previous chapters and tests the hypothesis that a sui generis model for the regulation of GIs would provide a more effective means of facilitating better protection of GIs and economic development in Pakistan provided that it is also accompanied by the necessary institutional reforms.

The bibliography incorporates full references to all the sources mentioned in the thesis. It includes news items and newspaper articles.

CHAPTER 2

LEGAL AND ECONOMIC RATIONALE OF GIS, AGRICULTURE GIS AND THE RELATIONSHIP BETWEEN LAW, INSTITUTIONS AND DEVELOPMENT

2.1 INTRODUCTION

This chapter will discuss the legal and economic justification for the protection of GIs. Since the focus of the thesis is on the protection of agricultural GIs, the correlation between agriculture-centred GIs and development will also be discussed. It will also be proposed that provision of a separate GI law and institutional reforms will usher in economic development. At the end of the chapter, the theoretical perspective of the correlation between law and development will be discussed. Similarly, the correlation between institutions and development will also be shown.

2.2 LEGAL BASIS AND RATIONALE OF GIS

2.2.1 Legal Basis of GIs

The present legal structure of GIs is governed by the TRIPS Agreement.¹ GIs have a long history. However, in contrast to other forms of intellectual property rights (IPRs), such as trademarks and copyrights, they are a new addition to the TRIPS Agreement. This aspect has already been discussed in chapter 1.

¹ Agreement on Trade-Related Aspects of Intellectual Property Rights, (Annex 1c, Marrakesh Agreement Establishing the World Trade Organization, signed 15 April 1994).

Many countries prefer a sui generis system which offers a discrete system of regulation for GIs. This is the approach in the EU and India, and this gives stronger protection to GIs. Other countries, such as the USA and Australia, protect GIs under trademark legislation. Trademarks and GIs may gain commercial value and good reputation and because of this they may be counterfeited and misappropriated. However, there are dissimilarities between GIs and trademarks.²

2.2.2 Difference Between Trademarks and GIs

Trademarks identify goods or services from a specific producer, manufacturer or service provider in order to distinguish such goods or services from those provided by other producers, manufacturers or service providers. In contrast, GIs do not identify the manufacturer or producer of a good but rather the place of origin and specific quality of the good originating in that place. Moreover, a trademark is a personal property whereas a GI is a collective right. That is why, unlike trademarks, GIs cannot be licensed to third parties.. No individual can own GIs but rather they are owned by the community of users of a locality or region which they represent. A trademark is developed by human creativity in the shape of a novel sign or expression that differentiates a certain product or service from similar products or services. In contrast, a geographical indication is associated with something more than human creativity and

² M Vitoria, 'Trademarks; geographical names' (March 1982) *Journal of Business Law* 137; D Lagrugne, 'Trademarks and geographical names in the field of wine production' (1983) 81 *Patent and Trademark Review* 60. See also Dwijen Rangnekar, 'The Socio-Economics of Geographical Indications: A Review of Empirical Evidence from Europe' (UNCTAD/ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development, 2004) 16 <<http://www.ictsd.org/downloads/2008/07/a.pdf>> accessed 14 August 2014. Further, see Dev Gangjee, *Relocating the Law of Geographical Indications* (Cambridge University Press 2012) 255.

it often represents the topography, climate or other factors that are free from human creativity.³

Unlike trademarks, GIs maintain a strong product-place nexus and sui generis systems respond to the GI rationale through an institutional plan that allows for strong public oversight and ensures localisation of a GI right. The rural development impact of GIs goes beyond the standard criteria of higher prices, higher sales, employment and income levels to include also the spread of economic effects within the rural area, the level of participation of local stakeholders, the sustainability of the social system and environmental impacts.⁴ GIs as a distinctive sign are understood to signal a value proposition which extends beyond a mere link with the region to elements such as specific production methods, authenticity and traceability.⁵

The countries with sui generis systems tend to view GIs as public goods. It is argued that the TRIPS Agreement describes them as private property.⁶ The reasons for describing intellectual property rights as private rights are given in order to identify private party interests as the focus of TRIPS, contrary to governmental measures in the other agreements of the WTO.⁷ According to Gangjee, ‘this implicit taxonomic status as private property has important repercussions in at least two situations. The first

³ Bernard O’Connor, *Geographical Indications and TRIPS* (Cameron May 2004) 113: ‘The link between the product and its geographical origin cannot be broken and no delocalization of the production is possible, for example “Ecuadorian bananas” as a geographical indication, could only be used in relation to bananas from Ecuador. In the case of a trademark “Dole Banana”, this name could be used on bananas of whatever origin. Consequently whereas trademarks put emphasis on the producer of a product, a geographical indication underlines the geographical origin of a good and the characteristics that are derived therefrom.’ Also see AIPPI, ‘Resolution on Appellations of Origin’ (23rd Congress of Stockholm, 26-31 May 1958) *Annuaire* 44.

⁴ B Sylvander, ‘Development of Origin labelled Products: Humanity, Innovation and Sustainability’ (Dolphins WP7 Report, January 2004).

⁵ Gail Evans, ‘The Strategic Exploitation of Geographical Indications and Community Trademarks for the Marketing of Agricultural Products in the European Union’ (2010) 1(2) *WIPO J* 159. Also see Warren Moran, ‘Rural Space as Intellectual Property’ (1993) 12(3) *Political Geography* 263.

⁶ See TRIPS Preamble.

⁷ Correa, CM, *Trade Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement* (Oxford University Press, 2007) 10-11; see also Gangjee (n 2) 202.

concerns ... expropriation ... the second situation ... relates to conflicts between trademarks and GIs'.⁸ With regard to denial of the right to use GIs by state action, the ECJ's *Tocai* decision rejected the expropriation argument and hence dismissed the question of compensation. This case discussed the legality of an exclusion of the use in Italy on wine labels of the grape variety names 'Tocai Friulano' and its synonym 'Tocai Italico'. This prohibition originally stemmed from the agreement between Hungary and the EU to protect the Hungarian geographical indication 'Tokaj'. In this challenge to Italian law, it was maintained that the prohibition was not consistent with the right of ownership. It was argued that the right of ownership was protected by the Charter of Fundamental Rights of the European Union⁹ and the European Convention on Human Rights¹⁰.

The Court decided that a grape varietal designation is different from a geographical indication. The Court took into account the facts and circumstances of this case in the broader category of 'incorporeal goods of economic value'. However, the Court held that the prohibition was reasonable and it was not disproportionate. The Court further held that:

[T]here has been no suggestion that continued use of the name "Tocai Friulano" for the grape variety used in the production of wines from the Friuli Venezia Giulia region is one of the principal conditions for carrying on the business of producing such wines, nor any substantiation of the Italian Government's implication that prohibiting such use would have adverse effects on the goodwill and value of that business. The wine

⁸ Gangjee (n 2) 202-203.

⁹ 7 December 2000; OJ 2000 C 364, 1, Article 17 of the Charter.

¹⁰ Convention for the Protection of Human Rights and Fundamental Freedoms (adopted on 4 November 1950, First Protocol adopted on 20 March 1952). Article 1 of the First Protocol to the European Convention on Human Rights provides that 'every natural or legal person is entitled to the peaceful enjoyment of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law'.

producers affected will remain entitled to market their wines under the various designations of origin which have been registered for the area.¹¹

The second situation referred to above by Gangjee with regard to the private property tag on GIs relates to conflicts between GIs and trademarks.¹² He maintains that it is not even clear if GIs as appellations of origin (AOs) are part of conventional private property rights. He states that:

[T]hose who contrast GI law with trademark law suggest that GIs lack key indicia of private property since they cannot be bought, sold or licensed to producers outside of the region. This is further developed in a debate between Professors Jim Chen and Louis Lorvellec when considering the French AOC regime. While the former focuses on the powerful property-like rights of producers to exclude outsiders in situations of misrepresentation and misappropriation under French appellation laws, the latter argues that ‘it is legally inaccurate to characterize this as a perpetual property right’ since the AOC ‘can never be privately owned, and this is where AOC law differs from intellectual property law’.¹³

According to the WIPO paper on emerging economies, an appellation is a public good. It belongs inalienably to the respective national or regional community. Further, it is usually the responsibility of the state or the public authorities to protect AOs. They are ‘considered part of the national heritage and ultimately under State Control’.¹⁴ Supporting the above assertion, in a WTO survey, France officially maintained that appellations were not associated with private ownership but in its place they were

¹¹ Case C-347/03 *Regione autonoma Friuli-Venezia Giulia v Ministero delle Politiche Agricole e Forestali* [2005] ECR I-3785, Opinion of Advocate General Jacob. See also Gangjee (n 2) 202.

¹² See L Beresford, ‘Geographical Indications: The Current Landscape’ (2007) 17 *Fordham Intellectual Property Media & Entertainment Law Journal* 979.

¹³ Gangjee (n 2) 204. See also L Baeumer, ‘Protection of Geographical Indications under WIPO Treaties and Questions Concerning the Relationship between those Treaties and the TRIPS Agreement’ (October 1997) WIPO/GEO/EGR/97/1 Rev, [19]; Y Benard, ‘Geographical Indication around the World’ (22 July 2003) WIPO/GEO/SFO/O3/20/Rev, 2; J Chen, ‘A Sober Second Look at Appellation of origin: How the United States will Crash France’s Wine and Cheese Party’ (1996) 5 *Minnesota Journal of Global Trade* 37-8; L Lorvellec, ‘You’ve Got to Fight for Your Right to Party: A Response to Professor Jim Chen’ (1996) 5 *Minnesota Journal of Global Trade* 65.

¹⁴ cf LA Garcia Munoz-Na’jar, ‘Some Notes on the Protection of Appellations of Origin in Countries with Emerging Economies: the Andean Community’ (November 2001) WIPO/GEO/MVD/01/6, 6. See also Gangjee (n 2) 203.

associated with a right to use.¹⁵ Similarly, in a survey by AIPPI most of the countries said that GIs were not parts of private property rights.¹⁶

2.2.3 Terroir Logic of GIs

GIs for agriculture goods are known for their links to the land and environment from which they come, a concept which is described by the French as ‘terroir’ logic.¹⁷

According to Gangjee:¹⁸

[W]hile the IS represented a simplified link between product and place of origin, terroir suggested that certain products were anchored more tightly to their origins, thereby strengthening opposition to use by outsiders. At this stage the communicative logic supporting IS protection, that is shared with trade mark law, is layered over with terroir logic.

Terroir means ‘expression of place’¹⁹ and is the foundation for the French appellation system which appeared as a result of the urgency for state intervention due to the

¹⁵ European Commission, ‘Response to the Checklist of Questions: Review under Art 24.2’ (26 March 1999) IP/C/W/117/Add.10, 61, Question 17. See also Gangjee (n 2) 204.

¹⁶ AIPPI Working Committee, ‘Response to Question 191: Relationship between Trademarks and Geographical Indications’ (2006) 3

<<https://www.aippi.org/download/committees/191/SR191English.pdf>> accessed 17 August 2014.

According to the Committee, ‘some of the Group Reports (Argentina, Chile, Czech Republic, Denmark, Egypt, Indonesia, Italy, Norway, Panama, Romania and Thailand) state that GIs are (industrial) property rights. However, the majority of Group Reports (Australia, Belgium, Brazil, Estonia, Germany, Latvia, Luxembourg, Malaysia, Peru, Portugal, Republic of Korea, Singapore, Switzerland and the UK) note that the registration of a GI does not confer a property right. Similarly, there is generally no individual “proprietor” or “right holder” in these countries. A number of Group Reports (Belgium, Brazil, France, Latvia, Luxembourg, Portugal, Russia, Slovenia, Spain and Thailand) state that a GI is best seen as a public good or a collective right. The Slovenian Group speaks of a collective property right, the French Group of a sui generis right. A number of Groups (Belgium, Bulgaria, Croatia, Germany, Luxembourg, Malaysia, New Zealand, Norway, Russia, Spain, Sweden, Switzerland and the UK) point out that anyone may use a GI as long as the goods in respect of which the GI is used meet the specific geographic and quality requirements set forth by the law. The Group Reports from Mexico, Peru and Venezuela note that the GI right belongs to the state and the state may authorize the use of such right.’

¹⁷ The French appellation system emerged from the notion of terroir. See Gangjee (n 2) 83.

¹⁸ See Gangjee (n 2) 75-76.

¹⁹ Elizabeth Barham, ‘Translating terroir: the global challenge of French AOC labelling’ (2003) 19(1) *Journal of Rural Studies* 127, 131. See also E Barham, ‘Translating “Terroir”: Social Movement Appropriation of a French Concept’ (Paper presented at the Workshop on International Perspectives on Alternative Agro-Food Networks, Quality, Embeddedness, and Bio-Politics, at the University of

Phylloxera crisis²⁰ of the nineteenth century. This resulted in terroir becoming a key ingredient in differentiating wines by indicating a distinct region.²¹ However, Moran points out the limitations of the French model founded on terroir logic:

The justifiability of appellation systems depends on the validity of their assumptions, the most important of which is that the character of the product derives from the physical and human environment in which it is produced. While at first sight this statement seems like a truism, its truth really depends on the extent that the various components that give agricultural products character and quality are irrevocably tied to territory. Could a product with exactly the same characteristics be produced in a different locality?²²

Soil and climate cannot be duplicated. The two characteristics of prime importance for the uniqueness of Champagne, for instance, are soil and climate, where the grapes are grown and the process of manufacture by skilled workers. Here, the soil and climate cannot be exactly duplicated whereas the process of manufacture may be duplicated. That is why wine experts recognise that precise geographical location for the growth of a vine is the most important factor governing the final product.²³

In addition to terroir, the human factor is also acknowledged by authors such as Barham, Wilson²⁴ and Gangjee. According to Barham:

[T]he historical terroir concept viewed wine production is a complex dance with nature with the goal of interpreting or translating the local ecology, displaying its qualities to

California, Santa Cruz October 12-13, 2001)

<http://cgirs.ucsc.edu/conferences/agro/2374893432035342/papers/barham_paper.pdf> accessed 14 August 2014.

²⁰ A widespread disease which destroys the roots of wine plantations.

²¹ See Gangjee (n 2) 83. Terroir 'is a cipher operating as the explanation for why place of origin influences quality.'

²² W Moran, 'Rural Space as Intellectual Property' (1993) 12 *Political Geography* 263, 266-7.

²³ *Comite' Interprofessional du Vin de Champagne v Wineworths Group Ltd* [1991] 2 NZLR 432, [10] (Wellington HC).

²⁴ James E Wilson, 'Terroir: The Role of Geology, Climate, and Culture in the Making of French Wines' (Wine Wheels) (Wine Appreciation Guild 1998) 55.

best advantage. A great deal of knowledge about the local terrain is needed for success, as well as respect for local natural conditions that can be expressed through the wine.²⁵

According to Josling, the concept of products of terroir has been provided with a legal existence by the term ‘geographical indications’. Nevertheless, the concept of terroir also has wider connotations in terms of international agriculture trade.²⁶ This type of trade is discussed in detail in section 2.4.1 of this chapter.

Having considered the legal rationale of GIs, the economic justification of GIs will be deliberated below followed by a discussion on agriculture-based GIs and their connection with economic development.

2.3 ECONOMICS OF GIs

GIs are one of the oldest categories of trademarks and hence there is a shared history of commonality between trademarks and GIs as far as the economic rationale for their protection is concerned. The common rationale for the protection of trademarks and GIs is ‘based on the informational asymmetries between buyers and sellers and the role of reputation, conveyed through distinctive signs, in ameliorating such asymmetries’.²⁷

It would be worthwhile to look into three aspects of GIs in terms of economics. These

²⁵ Elizabeth Barham (n 19) 127, 131. See also Gangjee (n 2) 83 who describes human agency alongside terrain as the ‘ideal pairing of people and place’.

²⁶ T Josling, ‘The War on Terroir: Geographical Indications as a Transatlantic Trade Conflict’ (2006) 57(3) *Journal of Agricultural Economics* 337. According to Josling, ‘The issues raised by the concept of terroir and the protection of GIs are of some significance for those who study trade and policy in agricultural and food products. Yet the topic has not been given much attention. The subject tends to be treated primarily as a legal issue, of reconciliation between alternative ways of granting protection to producers from usurpation of names and signs. The sociology of terroir and its significance in establishing and preserving identity has also been the subject of some research. But the question as to what level of protection to grant to a geographical identifier in a open trading system is rarely asked. And yet it is of considerable importance in the framing of trade rules and in the understanding of the process of globalisation in food markets’. See also Louis Augustin-Jean, Hélène Ilbert and Neantro Saavedra-Rivano (eds), *Geographical indications and international agricultural trade: the challenge for Asia* (Palgrave Macmillan 2012) 2.

²⁷ Rangnekar (n 2).

are the signalling role of GIs; the consumers' aspect of GIs; and the producers' aspect of GIs.

2.3.1 The Signalling Role of GIs

GIs are signs that identify a link between a product's quality, reputation or some other characteristic and its geographical origin. Attributes linked to environment and the local knowledge used during the production process of these products create unique product characteristics which are signalled through the GI. The justification for the protection of GIs stems from the economics of reputation and information in the same way as with trademarks. Here, the impact of product quality is focused with regard to inhibiting information asymmetry for the consumers and the producers by giving information about the provenance of the goods. Further, the role of reputation is also highlighted with regard to preventing negative impacts of information asymmetry on the consumers and the producers.²⁸

The signalling role of GIs is recognised by Josling. According to him, the protection of GIs that are beneficial for transmitting information needed by consumers could well be welfare enhancing. It can 'improve quality as well as signal to consumers the quality attribute that they expect'.²⁹ Bramley also stresses the importance of conveying

²⁸ Cerka Bramley, 'A Review of the Socio-Economic Impact of Geographical Indications: Considerations for The Developing World' (Paper prepared for presentation at the WIPO Worldwide Symposium on Geographical Indications, Lima, Peru, 22 June 2011) 1. See also Elmer William Hanak, 'The Quality Assurance Function of Trademarks' (1974) 43(3) *Fordham Law Review* 363; K Lancaster, 'A New Approach to Consumer Theory' (1966) 74 *Journal of Political Economy* 132.

²⁹ Tim Josling, 'What is in a Name? The economics, law and politics of Geographical Indications for foods and beverages' (Freeman Spogli Institute for International Studies, Stanford University, January 2006) 3, 4. Josling states that, 'The protection is of a reputation associated with a quality attribute linked to a geographical area ... Though the rents from GI protection can be ploughed back into improvements of quality, another impact is to restrict the use of technology to substitute for the elements contributed by geography. So the economic benefits of GIs must rest in large part on the provision of information to consumers who may need help in making wise choices of experience and credence goods'.

information of benefit to consumers as the economic and social justification of GIs.

According to Bramley:

The idea of including the place of origin on a label deserves to be taken seriously as a way of correcting consumer information asymmetries, by providing information about the provenance of a product that might be otherwise difficult to divine. So long as that information relates in a reasonably reliable way to a consumer attribute (real or perceived) then it can be presumed to be of benefit. So, using a GI as a proxy for information about the consumer attributes of a good may have sound economic as well as social justification.³⁰

Nelson describes three categories of goods through which consumers can access a product's quality:³¹

1. Search goods for which consumers can determine quality before purchase by means of inspection and/ or research.
2. Experience goods for which consumers can determine quality only after purchase through use and experience.
3. Credence goods for which neither inspection nor use enables an assessment of quality.

Agricultural markets are characterised by search, experience and credence goods. Consumers look for credible information to make their choices as there are huge risks of adverse selection. Here, GIs play a key role as signalling devices by conveying quality signals and support in the form of reputation. This reduces search costs for consumers.³² GIs have a lot of value in the case of experience goods and credence goods. According to Josling, Roberts and Orden:

³⁰ Cerka Bramley, Estelle Biénabe and Johan Kirsten (eds), *Developing Geographical Indications in the South: the Southern African Experience* (Springer Science + Business Media 2013)

³¹ See P Nelson, 'Information and Consumer Behaviour' (March-April 1970) *Journal of Political Economy* 78. See also Bramley (n 28) 2.

³² See Rangnekar (n 2); Bramley (n 28) 2.

GIs are unlikely to be of much value in the case of search goods, where consumers can see the quality attributes without knowing the origin. Experience goods, where repeated purchases can overcome information asymmetries, are natural candidates for trademarks and GIs as these improve the information flow. For credence goods, where the consumer cannot easily ascertain the quality even by experience, GIs can also provide a valuable signal. In essence, the label showing the region of origin turns both an experience good and a credence good into a search good.³³

2.3.2 Information for Consumers

The fact that a geographical place name indicates taste, quality or other associated attributes to the consumers is the core of a GI. Consumers cannot appreciate the quality of the goods without search and use. In contrast, the producer already knows about the quality of the goods. This gives rise to the problem of asymmetrical information. As such, some producers may lower the quality and those who maintain high quality are exposed to unfair competition and free riding.³⁴

One of the economic justifications of GIs is based on this consumer information. If the benefit that the exclusive labelling of the region of origin gives to the consumers outweighs the cost associated with the provision of that information and the restrictions associated with it then the GI is justified. Here, the role of the state is also important. In some cases, information is provided by the producers as in the case of trademarks, and the maintenance of quality is a private concern. The state provides the legal framework for protecting GIs in order to prevent deception and fraud.

The use of GIs requires for definition of specific qualities and demonstration of their link to the geographical origin. This necessitates GI rules rather than labelling laws.

³³ Tim Josling, Donna Roberts and David Orden, *Food Regulation and Trade* (Peterson Institute for International Economics 2004) 129.

³⁴ Bramley (n 32) 2. See also Josling (n 29) 4; Josling, Roberts and Orden (n 33) 2, 4-8.

The product's definition along with the indigenous rules which are followed by the value chain actors during the production of a GI product are described in the form of a document called 'code of practice'. This code provides quality assurance to the consumers and gives clear guidance to the local producers.³⁵ However, when the attributes are linked with a group of people, unlike trademarks, there are capacity problems and limitations where these producers cannot provide a credible system of information and quality with regard to respective GIs. In such cases, government intervention is justified as there can be regional public good problems without regulatory intervention. The government has a greater role than simply providing a legal means to curb deception. Public authorities can establish a registry, provide for quality control and can ensure protection of GIs with regard to their reputation.³⁶ There is an increased role for government in the countries which protect their GIs through a sui generis system of protection. In these countries, there is a separate law for GIs and state institutions control the quality by sustained verification checks on the specifications of registered GIs. In India, state institutions not only regulate GIs but also register GIs in their own names. According to Belletti, market efficiency can be improved by reputation provided there is a process of 'institutionalisation of reputation' and this is provided by legal instruments, such as GIs, which create a causal link between a product's attributes and its origin.³⁷ Here, it is worth mentioning that the protection of

³⁵ Janice Albert (ed), *Innovations in food labelling* (FAO and Woodhead Publishing 2010) 139.

³⁶ Josling (n 29) 4 '[T]here may be situations where a greater degree of government involvement is justified. If the attributes are linked with a group of producers in a region, rather than one firm that establishes a trademark, and these producers are unable to operate a credible information/quality scheme then there could be a regional public good problem if there were no regulatory intervention. So public authorities may need to do more than provide legal remedies for deception: they may need to establish a registry, define quality standards and take steps to protect the reputation inherent in the GI from devaluation. In either case "protection" of the GI is essentially a public policy, but the responsibility for quality maintenance can be assumed by the public authorities or left to the private sector'. There are other economic and social justifications with regard to providers of GIs, rural sustainability, traditional knowledge preservation etc.

³⁷ G Belletti, 'Origin labelled products, reputation and heterogeneity of firms' in B Sylvander, D Barjolle and F Arfini, *The socio-economics of origin labelled products in agro-food supply chains:*

GIs is essentially a public policy issue and governments decide according to their national circumstances whether to protect them under a trademark system or under a sui generis system.³⁸

2.3.3 Benefits of GIs for Producers

Although it is widely believed that GIs are for the protection of consumers, producer groups are also major stakeholders in advocating systems of GI registration. Hence, disputes tend to arise amongst producers regarding the extent of protection of GIs.

According to Josling:

The keenest advocates of systems of GI registration are producer groups, and the disputes tend to be among those groups, whether “old world” or “new world” producers, domestic and foreign farmers or large and small firms. GIs confer some degree of market power, and the associated rents are the reward for gaining legal protection against competitors. For firms, or groups of firms, to rise from the flat plains of perfect competition to the foothills of monopolistic competition is a major transformation. Product differentiation converts farmers into active market participants, with the need to consider consumer desires and meet unfilled needs. But, at the same time, relations with those with more market power, the processors and supermarkets on the mountain peaks of oligopoly markets can also be improved. Participation in a food chain as a source of a specialised product is likely to be more rewarding (if possibly more risky) than providing undifferentiated raw materials to a wholesale market.³⁹

spatial, institutional and co-ordination aspects (Serie Actes et Communications, 17, INRA, Paris 2000). See also Bramley (n 28) 2.

³⁸ See WIPO, ‘Geographical Indications: Historical Background, Nature of Rights, Existing Systems for Protection and Obtaining Effective Protection in Other Countries (SCT/6/3, 6th Session, Geneva 2001) <www.wipo.int/edocs/mdocs/sct/en/sct_6/sct_6_3.pdf> accessed 14 August 2014. ‘Protection of geographical indications on the national and regional levels is characterized by the existence of a variety of different legal concepts. Those concepts were developed in accordance with different national legal traditions and within a framework of specific historical and economic conditions. These differences have a direct bearing on important questions such as condition of protection, entitlement to use and scope of protection.’

³⁹ Josling (n 29).

According to Zago and Pick, the impact of GIs for producers is also welfare enhancing where there are high quality differences and imperfect information. In the same way as trademarks, GIs become commercial assets for their respective firms and organisations with the role of signalling quality and reputation.⁴⁰

Following this discussion of the economics of GIs, the international trade and development aspect of agriculture GIs will be discussed below.

2.4 AGRICULTURE GIS

Traditionally, the use of GIs is linked to agricultural products, their topography, specific geographical, climatic and geological conditions. GIs may also highlight the specific qualities of a product due to human factors that can only be found in the place of origin of the products, such as specific manufacturing skills and traditions. Therefore, the inclusion of handicraft and industrial products within the scope of protection of geographical names is also justified and can be found in the legislation of a number of countries.⁴¹ Pakistan is an agriculture-based economy and most of its potential GIs, such as rice, mangoes, kinoos, and apples are agriculture-centred. The protection of agriculture-based GIs promotes rural development and improves the living conditions of the farmers. This has been shown in the case of Basmati rice growers in Pakistan.⁴²

⁴⁰ Bramley (n 28) 3. See also AM Zago and D Pick, 'Labelling policies in Food Markets: Private Incentives, Public Intervention and Welfare Effects (2004) 29(1) *Journal of Agricultural and Resource Economics*.

⁴¹ 'Traditionally, the use of GIs is linked to agricultural products due to specific geographical, climatic and geological conditions ... However GIs may also highlight the specific qualities of a product due to human factors that can only be found in the place of origin of the products such as specific manufacturing skills and traditions. Therefore inclusion of handicraft and industrial products within the scope of protection of geographical names is also justified and can be found in the legislation of a number of countries.' See Irina Kireeva and Bernard O'Connor, 'Geographical Indications and the TRIPS Agreement: What Protection is Provided to Geographical Indications in WTO Members?' (2010) 13(2) *JWIP* 275, 281.

⁴² This information was given by the President of the Basmati Growers Association of Pakistan, September 2013.

Jena and Grote have determined that adoption of a GI increases household welfare. They did this by testing the income effect of the Basmati GI on an empirical basis.⁴³ The potential of Pakistan's agriculture-centred GIs is significant. The rice crop of Pakistan accounts for 0.6% of the GDP of Pakistan and this crop is a major source of foreign exchange earnings for Pakistan, at more than 2 billion dollars every year. Basmati has a major share in the exports of different varieties of rice from Pakistan.⁴⁴

2.4.1 GIs and International Agriculture Trade

Immediately following the Second World War, the dominant food production model, particularly in developed countries, was characterised by economies of scale, mass consumption and production of standardised goods aiming to attain cheaper prices. This is termed the Fordist model of food production.⁴⁵

During the period of reconstruction that followed the Second World War, there came a shift in this model of production due to the increase in food production in Europe and the New World. Europe developed the Common Agricultural Policy (CAP), and there was a growing appetite from consumers for quality products with specific labelling that indicated source of origin and quality.⁴⁶ This led to alternative modes of production, such as products of origin, organic food, fair trade products and products of terroir.

⁴³ Pradyot R Jena and Ulrike Grote, 'Changing institutions to protect regional heritage: A case for geographical indications in the Indian Agrifood sector' (2010) 28(2) *Development Policy Review* 217. However, Jean and Grote have said there are caveats as well. See also Bramley (n 32) 1, 'The lack of empirical studies on a broader diversity of GI products however clearly limits definitive conclusions on the socio-economic impact of GIs.'

⁴⁴ See Haris Zamir (article on agriculture, *The Dawn*, 16 September 2013).

⁴⁵ See Louis Augustin-Jean, 'The Globalization of Geographical Indications: The Challenge for Asia' in Louis Augustin-Jean, H  l  ne Ilbert and Neantro Saavedra-Rivano (eds), *Geographical Indications and International Agricultural Trade: The Challenge for Asia* (Palgrave Macmillan 2012) 1.

⁴⁶ *ibid* 1.

Both GI products and products of terroir emphasise the geographical origin of the product which adds a premium to the products.⁴⁷

Due to broader economic and social factors, there is a growing demand and search in the international trade for ‘authenticity’ and ‘tradition’. This shows the growing desire and the need for products of terroir and GIs. A number of factors has led to the growing demand for GIs, such as rising living standards after the 1970s in the developed world, sanitary and phyto-sanitary issues⁴⁸ with regard to multiple food crises, such as BSE or avian flu, and the appetite of consumers for quality and authentic traditional food and products.⁴⁹

2.4.2 Rural development aspect of agriculture GIs

Rural development has become increasingly important on government agendas in both developed and developing countries. The potential of agriculture GIs, in terms of rural development, comes from their strong link to their geographical origin and from the use of specific local resources in the production process.⁵⁰

Unlike trademarks, GIs maintain a strong product-place nexus. Bramley states that:

[This rationale] gives rise to unique product characteristic(s). As a distinctive sign, GIs attach to a product from a specific region rather than to a particular producer, signalling geographical rather than commercial origin and constructing a collective rather than an individual right. Given their regional embeddedness and collective nature, *sui generis* systems respond to the GI rationale through an institutional design that allows for

⁴⁷ *ibid* 2.

⁴⁸ The sanitary and phyto-sanitary issues have become very important in international trade with the inclusion of the Sanitary and Phyto-Sanitary (SPS) Agreement in the WTO.

⁴⁹ Augustin-Jean (n 45) 3.

⁵⁰ Giovanni Belletti and Andrea Merescotti, ‘Origin Products, Geographical Indications and Rural Development’ in Elizabeth Barham and Bertil Sylvander (eds), *Labels of Origin For Food: Local Development, Global Recognition* (CABI 2011) 75.

strong public oversight and collective right of use, and which ensures localisation of the GI right.⁵¹

The rural development aspect of GIs and its impact go beyond the usual criteria of better sales, higher prices and better income levels and employment. It also includes the range of economic effects within the rural area, the level of involvement of local actors, environmental sways and the sustainability of the social system.⁵² As a distinctive sign, a GI is understood as signalling a significant proposition which is beyond a mere link with the region to features such as traceability, authenticity and specific production methods.⁵³ There are also other social benefits attached to GIs, such as the protection of biodiversity, traditional knowledge and cultural preservation. However, they will not be specifically addressed in this thesis. According to Belletti and Merescotti:

[C]onsumers are looking for a reconnection to the locality where food is being produced, sometimes for reasons of identity, in other cases for food safety and quality. Given this conjuncture, GI production systems are expected to exert positive rural development effects: economic effects (both inside and outside the OP supply chain, at a local level), and social, cultural and environmental effects.⁵⁴

The economies of developing countries depend heavily on agriculture and many of their GIs, such as Antigua coffee, Jasmine rice, Argan oil, Sindhri mangoes, Sumatra Mandheling coffee, Basmati rice and Darjeeling tea. According to empirical evidence, more Darjeeling tea and Antigua coffee are sold compared to the actual production of these GIs in Darjeeling and Antigua. This proves that there is an increasing market for GIs. However, it also proves that there are elements that are deceiving a section of the

⁵¹ Bramley (n 28) 24.

⁵² B Sylvander, 'Development of Origin labelled Products: Humanity, Innovation and Sustainability' (Dolphins WP7 Report, January 2004). See also Bramley (n 28) 24.

⁵³ See Gail E Evans, 'The Comparative Advantages of Geographical Indications and Community Trade Marks for the Marketing of Agricultural Products in the European Union' (2010) 29 (1) Yearbook of European Law 224. See also Bramley (n 28) 25.

⁵⁴ Belletti and Merescotti (n 50) 75-76.

consuming public.⁵⁵ This is why it is important to protect these GIs for the welfare of the farmers and the economic development of developing countries.

Developing countries are also lobbying for the grant of additional protection to agricultural products like wines and spirits under the TRIPS Agreement. Despite the positive efforts of the Tea Board of India to protect 'Darjeeling' tea, it is still facing large scale counterfeiting and passing off. According to Das, 'the prime reason behind this inadequacy is ... discriminatory treatment of TRIPS against GIs other than those designating wines and spirits, which leaves sufficient scope for misuse of the goodwill and reputation associated with "Darjeeling", along with all other GIs of Indian origin'.⁵⁶

The sui generis system benefits small farmers. In the EU vision, 'collective' organisation' has a strong effect on the EU GI Regulation. The EU considers GIs as collective property.⁵⁷ Small farmers are unable to negotiate a reasonable price for the special quality products. Once they are part of the collective organisation, they become part of collective bargaining to achieve a high premium. Belletti and Merescotti add that: 'Research studies conducted in Europe and worldwide acknowledge the ability of

⁵⁵ LR Nair and R Kumar, *Geographical Indications: A Search for Identity* (LexisNexis Butterworths 2005) 8. See also Dwijen Rangnekar, 'The International Protection of Geographical Indications: The Asian Experience' (UNCTAD/ICTSD Regional Dialogue in collaboration with IDRC, University of Hong Kong, Hong Kong, November 2004). Darjeeling tea is reputed to be one of the best teas for flavour and quality. It is considered the 'Champagne of teas' on account of the exclusive geographical location, the processing method and the type of tea plant. Nonetheless, according to estimates, 80% of internationally traded Darjeeling tea is counterfeit, with most of the tea being passed off as Darjeeling when it is actually coming from Kenya, Sri Lanka and Nepal. See also Daphne Zagafos, 'Geographical Indications and Socio-Economic Development' (IQ Sensato, Working Paper 3, December 2008). 'See for example US trade mark application of RiceTec Inc, a Texas based corporation, for TEXMATI and US patent nb5663484 on "Basmati Rice Lines and Grains" granted in September 1997 to the same company. Following India's protest, RiceTec withdrew four of its 20 claims in September 2000. In March 2001, the USPTO approved three of the 20 initial claims and issued RiceTec with a varietal patent to market the types of Basmati developed by itself alone, as opposed to the ones cultivated and developed by farmers in India and Pakistan.' For further empirical evidence on GIs like rice lines of 'Basmati', 'Jasmine' and on Antigua Coffee, see U Grote, 'Environmental Labeling, Protected Geographical Indications and the Interests of Developing Countries' (2009) 10(1) *The Estey Centre Journal of International Law and Trade Policy* 105.

⁵⁶ Kasturi Das, 'International Protection of India's Geographical Indications with Special Reference to "Darjeeling" Tea' (2006) 9(5) *JWIP* 483, 484.

⁵⁷ Belletti and Merescotti (n 50) 46.

GI product organizations to create and distribute added value among partners through an efficient marketing strategy and organisational performance'.⁵⁸

GIs signal the origin and the quality of products to consumers. There is a need to adequately protect those GIs which have acquired valuable reputations. Otherwise, they can be misrepresented by dishonest commercial operators. Any such false use of GIs is detrimental to consumers and legitimate producers. The former are deceived and they end up buying worthless imitations. The latter lose their valuable business and their established reputation once their GIs are damaged.⁵⁹

According to the EC, many European goods are sold at a premium price once their names are protected as GIs.⁶⁰ Evidence in the case study of Tuscany (extra virgin olive oil) shows that the indication is the reference point for quality and it commands a premium price.⁶¹

Barham states that:

[A]gro-food literature contains many references to the growing consumer demand for these products, often as evidence of the emergence of a new rural development paradigm ... Most authors identify origin labeled products as important manifestations of "local", "quality", or "endogenous" food systems. They are seen as contributing to the "consumer turn" which may portend major shifts in the conventional agricultural model, in fact, estimates that as global agricultural production differentiates into a bipolar system of high volume "day-to-day" foods produced and distributed by multinational corporations and lower volume niche or specialty products such as those

⁵⁸ *ibid* 48.

⁵⁹ WIPO, 'About Geographical Indications: Why do Geographical Indications need Protection' <www.wipo.int/geo_indications/en/about.html> accessed 14 August 2014.

⁶⁰ European Commission, 'Why do Geographical Indications matter to us? (Memo/03/160/Brussels, 30 July 2003).

⁶¹ Rangnekar (n 2).

produced under labels of origin, the latter category could come to account for as much as 30 percent of overall food sales due to their higher value.⁶²

The turnover for food products bearing GIs in France amounted to €18 billion in 2004. The total turnover for the global food industry was €23 billion. Thus, the turnover in France accounted for 15% of global industry turnover. With regard to exports of food products, out of €38 billion total food exports, GI exports were worth €1 billion. This was almost 30% of the overall exports.⁶³ These encouraging figures show the importance and potential of GIs in Europe. Over the last decade, there has been an increased interest amongst developing countries with regard to GIs,⁶⁴ and it has been claimed that GIs can be valuable development tools.⁶⁵

There is a need for enhanced protection of agricultural GIs⁶⁶ at national and international levels. GIs deserve special attention as collective public rights with a huge potential for rural development. The Millennium Development Goals (MDGs) may not have a direct link with the significance of GIs. Nevertheless, if the MDGs are localized then 'better protection and marketing of GIs could be seen as capable of directly contributing to MDG-1 (reducing income poverty) through increased local inflow of

⁶² Barham (n 19). See also T Marsden, J Banks and G Bristow, 'Food supply chain approaches: exploring their role in rural development, (2000) 40(4) *Sociologia Ruralis* 224; JD Van der Ploeg and A Long (eds), *Born from Within: Practice and Perspectives of Endogenous Rural Development* (Van Gorcum 1994); M FitzSimmons and D Goodman, 'Incorporating nature: environmental narratives and the reproduction of food' in B Bruce and N Castree (eds), *Remaking Reality: Nature at the Millennium* (Routledge 1998) 194; B Fine and E Leopold, *The World of Consumption* (Routledge 1993); J Urry, *Consuming Places* (Routledge 1995); A Gilg, *Countryside Planning: The First Half Century* (2nd edn, Routledge 1996) 71.

⁶³ Stephane Passeri, Protection and Development of Geographical Indications (GIs) in Asia (Conference on IP in Hong Kong and Mainland China: Best Practices and International Impact, 22 March 2007) 8.

⁶⁴ Some famous GIs of developing countries are Basmati rice, Darjeeling, Phu Quoc fish sauce, Argan oil, Korla Pears, Pinggu peaches and Ceylon teas.

⁶⁵ For example, see Gail E Evans and Michael Blakeney, 'The Protection of Geographical Indications after Doha: Quo Vadis?' (2006) *Journal of International Economic Law* 575; See also Rangnekar (n 56).

⁶⁶ There are famous agricultural GIs in Pakistan, such as Basmati rice, Chaunsa mangoes, Sindhri mangoes and Kinoos.

cash earnings. Higher incomes are also correlated with successes in other development goals, like the reduction of disease burden and child and maternal mortality'.⁶⁷

According to Josling, GIs have an old history and their basic rationale is on sound footings. He states that:

Clearly, GIs are here to stay ... they have a long history, and a basic rationale that is difficult to fault. The idea of including the place of origin on a label deserves to be taken seriously as a way of correcting consumer information asymmetries, by providing information about the provenance of a product that might be otherwise difficult to divine. So long as that information relates in a reasonably reliable way to a consumer attribute (real or perceived) then it can be presumed to be of benefit. So, using a GI as a proxy for information about the consumer attributes of a good may have sound economic as well as social justification.⁶⁸

The benefits of GIs can be realized in a system where there is a provision of a law for their protection which is supported by an enabling institutional framework. The inadequacies of the present law and institutions in Pakistan will be discussed in detail in the next chapters, as well as the way forward. The relationship between law, institutions and development is discussed below.

2.5 LAW, INSTITUTIONS AND DEVELOPMENT

The lack of capacity of institutions and the absence of adequate laws and governance are major factors affecting the protection of GIs in Pakistan. For any GI strategy to

⁶⁷ Swarnim Waglé, *Geographical Indications as Trade Related Intellectual Property: Relevance and Implications for Human Development in Asia-Pacific* (Asia Pacific Trade and Investment Initiative, UNDP Regional Centre in Colombo, 2007) 14.

⁶⁸ Josling (n 29) 338. Josling states that in this case, the concept of terroir is useful and if the link between location and quality is not reliable then the information may reflect choice and instead provide marketing advantages to one group of producers at the cost of restricting competition. Here the 'asymmetric information' argument for GIs rests on an empirical foundation as a principle at least and demands further investigation. Josling has also described here the 'cultural context' as peripheral to this argument.

work, the first and most important step is to ensure that there is a good legal system available for the protection of GIs. Further, this system has to be governed by efficient organizations. Here, the state has to play an important role by providing an enabling environment through the enactment of laws and by providing an efficient institutional framework.

2.5.1 Law and Development

The claim about law and development is not new and was made in the early 1960s as part of the ‘law and development movement’. This was based on the assumption that law was vital for development and that educating the lawyers of developing countries would usher in reforms.⁶⁹ This movement did not prove to be sustainable and shortly after it began it was declared dead by two of its founders, David Trubek and Marc Galanter.⁷⁰ Tamanaha⁷¹ criticises them by pointing out that:

Informative though it was, the legal liberal paradigm elucidated by Trubek and Galanter was seriously misleading insofar as it implied that all the elements described were prerequisite to a rule of law system. Even the United States as they observed, did not satisfy the description. Operating around the world today are many variations of the rule of law, coexisting with individualist-oriented as well as with communication-oriented cultures. It has always consisted more of a bundle of ideals than a specific or necessary set of institutional arrangements.

Although the law and development movement fizzled out by the 1970s, there was a resurgence of scholarly interest in the link between law and development in the 1990s.

⁶⁹ Michael J Trebilcock and Mariana Mota Prado, *What Makes Poor Countries Poor? Institutional Determinants of Development* (Edward Elgar 2011) 45.

⁷⁰ David Trubek and Marc Galanter, ‘Scholars in Self-Estrangement: Some Reflections on the Crisis in Law and Development Studies in the United States’ (1974) 4 *Wisconsin Law Review* 1062.

⁷¹ Brian Tamanaha, ‘The Lessons of Law and Development Studies’ (1995) 89 *Journal of International Law* 470.

This was coupled with a huge surge in the assistance in the development of law reform projects in developing and transition economies which were worth billions of dollars.⁷²

Economists dominated development theory and practice in the years after the Second World War. Nevertheless, it was gradually acknowledged that law was inextricably linked with development as it ‘focuses on the idea that institutions in general – and legal institutions in particular – matter for development’. There is empirical evidence to support the argument that institutions matter for development’ in the World Bank’s publication *Governance Matters* and in the papers by the economist Dani Rodrik.⁷³

There are likely to be dramatic impacts on the outcome of development by improving the rule of law.⁷⁴ The World Bank has maintained that an improvement in the rule of law by one standard deviation from the current levels in Ukraine up to the current middling levels in South Africa would result in a fourfold increase in per capita income in the long run.⁷⁵ Hernando de Soto in his book, *The Other Path*, states that: ‘The legal system may be the main explanation in the difference in development that exists between industrialized countries and those that are not industrialized.’⁷⁶

McAdams has argued that formal law and legal institutions have the potential to shape and modify social norms over time.⁷⁷ Similarly, Trebilcock and Mota Prado in their book refer to a body of literature that ‘finds a two way relationship between trade policy

⁷² David Trubek, ‘The Rule of Law and Development Assistance: Past, Present and Future’ in David Trubek and Alvaro Santos (eds), *The New Law and Economic Development: A Critical Appraisal* (CUP 2006) 74. See also Trebilcock and Mota Prado (n 69) 41.

⁷³ Trebilcock and Mota Prado (n 69) preface vi.

⁷⁴ *ibid* 41.

⁷⁵ Daniel Kaufmann, ‘Governance Redux: The Empirical Challenge’ in Xavier Sala-i-Martin (ed), *The Global Competitive Report 2003-2004* (OUP 2004).

⁷⁶ Hernando de Soto, *The Other Path: The Invisible Revolution in the Third World* (Basic Books 1989) 185.

⁷⁷ Richard McAdams, ‘The Origin, Development and Regulation of Norms’ (1997) 96 *Michigan Law Review* 338; Richard McAdams, ‘The Legal Construction of Norms: A Focal Point Theory of Expressive Law’ (2000) 86 *Virginia Law Review* 1649.

and domestic institutional quality: countries with better domestic institutions (especially legal institutions) tend to be more successful exporters (especially of more complex products) because of credible commitments they can offer to their customers'.⁷⁸ This makes a lot of sense as formal law and legal institutions provide predictability and transparency.

2.5.2 Development and Economic Theories

In the post war period, different economic theories of development emerged, such as capital fundamentalism (linear stages approach); structural change theories or international dependent theories; the Washington Consensus – the neoliberal theory or market fundamentalism; endogenous growth theories; and an eclectic combination of all of the foregoing.⁷⁹ However, 'despite generally ignoring or rejecting the importance of institutions for development, most of these theories have institutional connections ... these so-called non-institutional theories have important institutional implications that are not always acknowledged or recognized.'⁸⁰

The class of theories identified as 'capital fundamentalism' or 'linear stages approach' state that in order to create adequate investment and accelerate GDP growth, countries have to activate foreign investment and domestic savings.⁸¹ This theory had a central policy implication of a state-centred approach for the promotion of savings and investments in the post-war period. There were tax incentives for production by private

⁷⁸ Trebilcock and Mota Prado (n 69) 41.

⁷⁹ *ibid* 8.

⁸⁰ *ibid*.

⁸¹ Michael Todaro and Stephen Smith, *Economic Development* (11th edn, Addison Wesley 2012) 110.

companies to promote savings and investment. Further, there were high levels of investment in state-owned companies.⁸²

The ‘capital fundamentalists’ presumed that there was a functioning bureaucracy, tax organisation and institutional features of a working economy. Nevertheless, they did not find the solution for acquiring these institutions.⁸³

Two competing categories of theories, structural change theories and international dependence theories replaced the ‘linear stages approach’ in the 1970s. These two theories went further than economic policies and emphasised the need for political and social change to foster development.⁸⁴ According to structural change theories, ‘underdeveloped economies transform their domestic economic structures from a heavy emphasis on traditional subsistence agriculture to a more modern, more urbanized, and more industrially diverse manufacturing and service economy’.⁸⁵

Dependency theories emerged in developing nations, such as those in Latin America, in response to an overly-simplistic consideration of economic development. According to these theories, the international economic order is divided and there is a need for a link between an agrarian boundary and the industrial centre.⁸⁶ These theorists advocated economic nationalism.⁸⁷ The theories envisaged high levels of tariff protection to safeguard local industry based on import substitution industrialisation.⁸⁸

⁸² Michael Trebilcock, ‘What makes poor countries poor? The role of institutional capital in economic development’, in Eduardo Buscaglia and others (eds), *The Law and Economics of Development* (JAI Press 1997) 17.

⁸³ Pranab Bardhan, ‘Symposium on the State and Economic Development’ (1990) 4 *Journal of Economic Perspectives* 3.

⁸⁴ Trebilcock and Mota Prado (n 69) 9.

⁸⁵ Todaro and Smith (n 81) 110-111.

⁸⁶ *ibid* 122.

⁸⁷ Brian Tamanaha, ‘The Lessons of Law and Development Studies’ (1995) 89(2) *American Journal of International Law* 478.

⁸⁸ John Coatsworth, ‘Structures, Endowments and Institutions in the Economic History of Latin America’ (2005) 40(3) *Latin America Research Review* 126.

Regarding the polarisation of the international economic order, these theories based their claim on the assumption that exploitation of former colonies had remained, and in some cases had been intensified, after independence. The transformation required under these theories demanded that the state implement policies to nurture industrialisation and modernisation of the agricultural sector. This needed a modern educational system to train the agriculturists and workforce as well as urban planning and infrastructure investments. However, these assumptions did not take into account the complex institutional framework that is required by the state to implement them. Hence, like ‘capital fundamentalism’ or the ‘linear stages approach’, these theories did not address the institutional implications in their theoretical models.⁸⁹

Structural change and dependence theories were replaced by the development theory and practice which was dominated by a single predominant paradigm that positioned market forces at the centre of the policy. That prevailing paradigm was termed ‘market fundamentalism’ by financier George Soros. This theory and practice came to be known as ‘neoliberalism’ in Latin America.⁹⁰ This neoliberal theory comprised policy prescriptions known as the ‘Washington Consensus’.⁹¹

The main principles of the Washington Consensus were liberalisation, macro-economic stability, foreign direct investment (FDI) priority, privatisation and stimulation of private entrepreneurship. It was followed by Latin American countries in a meticulous

⁸⁹ Trebilcock and Mota Prado (n 69) 9, 10 and 45: ‘some *dependencistas* were also influenced by Marxist ideas that the division between rich and poor is required to support the global capitalist system.’

⁹⁰ Robin Broad, ‘The Washington Consensus Meets the Global Backlash: Shifting Debates and Policies’ (December 2004) 1(2) *Globalizations* 129. See also G Soros, *On Globalization* (Public Affairs 2002) 4–10.

⁹¹ See John Williamson, ‘The Washington Consensus as policy prescription for development’ in Timothy Besley and Roberto Zaghera (eds), *Development Challenges in the 1990s: Leading Policymakers Speak from Experience* (OUP 2005) 33.

manner. However, the approach of developing countries in other regions of the world was more cautious.⁹²

The neoliberal theory or the Washington Consensus disregarded the role of the state in the provision of pre-conditions for the markets to operate. Markets require the regulation of the banking sector, capital markets, the trade system, the tax system, healthcare, education, competition policies, infrastructure investment and an effective legal system. The lack of attention on these institutional networks became one of the main reasons for the failure of the Washington Consensus.⁹³ The neoliberal theory did not explain the rates of technological change and productivity growth. Neither could it explain the fickle, long-term growth rates experienced by various countries.⁹⁴

Endogenous growth theory replaced the neoliberal theory. This theory emphasises that economic development is an endogenous outcome of an economic system. It is not the consequence of forces that intrude from outside.⁹⁵ Trebilcock states that:

Endogeneity, in economics, refers to the fact that variables in a certain model are not independent – that is, changes in one variable will produce changes in another variable, and vice versa. Endogenous theories of growth thus claim that these variables, such as technological change, are not independent: they impact on growth, which in turn impacts on them.⁹⁶

In this theory, there is a two way interaction between economic life and technology for economic growth. Technological progress in this system transforms the very economic

⁹² V Bulmer-Thomas, *The Economic History of Latin America since Independence* (CUP 2003) 3.

⁹³ Dani Rodrick, 'Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s: Learning from a Decade of Reform' (2006) 44(4) *Journal of Economic Literature* 973. Also see Robin Broad and John Cavanagh, 'The death of the Washington Consensus' in Walden F Bello, Nicola Bullard and Kamal Malhotra (eds), *Global Finance: New Thinking on Regulating Speculative Capital Markets* (Zed Books 2000).

⁹⁴ Subrata Ghatak, *Introduction to Development Economics* (4th edn, Routledge 2003) 58.

⁹⁵ Paul M Romer, 'The Origins of Endogenous Growth' (1994) 8 *Journal of Economic Perspectives* 3.

⁹⁶ Trebilcock and Mota Prado (n 69) 12.

system that generates it. Endogenous growth theories understand and concentrate on this interplay to achieve economic growth.⁹⁷

It is striking with regard to this theory that, in contrast to the neo-liberal theory, it is ‘somewhat more sympathetic to a more activist policy role for the state in realizing the dynamic economies associated with the introduction and exploitation of modern technology and its accompanying externalities and spillovers’.⁹⁸

This theory is the one that most explicitly advocates the role of institutions amongst all economic theories of development. However, this theory lacks any insight that would improve the institutions. Eventually, because of the deficiencies in neoliberal policies, an agreement has evolved that it is the quality of state intervention which matters rather than its quantity. In the last decade, the institutional perspective on development has become important in development thinking as depicted in the mantra, ‘institutions matters’ or ‘governance matters’.⁹⁹

2.5.3 Development and Institutional Theory

The fact that institutions matter for development has both ‘a theoretical and an empirical pedigree’.¹⁰⁰ The theoretical pedigree is based on arguments developed by new institutional economics (NIE).¹⁰¹ According to North, ‘the basic assumption of NIE is that people are rational actors who respond to incentives and these incentives are

⁹⁷ Phillippe Aghion and Peter Howitt, *Endogenous Growth Theory* (MIT Press 1998) 1. See also Todaro and Smith (n 81) 150. ‘According to endogenous growth theories, technological change is dependent upon investment in education, human capital, research and development in knowledge based industries and infrastructure, by public and private sector.’

⁹⁸ Trebilcock (n 82) 18.

⁹⁹ Trebilcock (n 69) 45.

¹⁰⁰ *ibid* 26.

¹⁰¹ Geoffrey M Hodgson, ‘The Approach of Institutional Economics’ (1998) XXXVI *Journal of Economic Literature* 168.

influenced, if not determined, by institutions that induce individuals and organizations to engage in productive activities - or the converse'.¹⁰² Regarding empirical pedigree, there are cross-country studies which show that institutional quality and growth have a correlation with development.¹⁰³

There are a number of definitions of institution, including one by North which is used by many scholars.¹⁰⁴ Nevertheless, this thesis deals with legal institutions and so the definition by Trebilcock is worth mentioning and following. This depicts 'institutions to mean those organizations (formal and informal) that are charged or entrusted by a society with making, administering, enforcing or adjudicating its laws or policies'.¹⁰⁵

According to North, 'the institutional framework dictates the kind of skills and knowledge perceived to have the maximum payoff ... If the institutional matrix rewards piracy (or more generally redistributive activities) more than productive activity, then learning will take the form of learning to be better pirates.'¹⁰⁶ On an expanded conception of development, such as Sen's conception of development as freedom, institutions matter not only for growth or development but also for deontological reasons, such as freedom of expression and association.¹⁰⁷ Fukuyama acknowledges that institutionalists have won the debate over the causes of underdevelopment.¹⁰⁸

¹⁰² Douglass North, 'The new institutional economics in Third World development' in J Harris and others (eds), *Economics and Third World Development* (Routledge 1995) 17.

¹⁰³ Trebilcock and Mota Prado (n 69) 26.

¹⁰⁴ 'Institutions are the rules of the game of a society, or, more formally, are the humanly devised constraints that structure human interactions. They are composed of formal rules (statute law, common law, regulation), informal constraints (convention, norms of behaviour and self-imposed codes of conduct), and the enforcement characteristics of both. Organizations are the players: groups of individuals bound by a common purpose to achieve objectives. They include political bodies (political parties, the senate, a city council, a regulatory agency); economic bodies (firms, trade unions, family farms, cooperatives); social bodies (churches, clubs, athletic associations); and educational bodies (schools, colleges, vocational training centres).' North (n 102) 18.

¹⁰⁵ Trebilcock and Mota Prado (n 69) 27-28.

¹⁰⁶ North (n 102) 17.

¹⁰⁷ Trebilcock and Mota Prado (n 69) 33.

¹⁰⁸ Francis Fukuyama, 'Development and the limits of institutional design' in *Global Development Network* (St Petersburg, Russia, 20 January 2006) 1

According to him, the specification of good institutions depends upon the context. This will change over time and interact with the values, informal norms and traditions of the society in which they are embedded.¹⁰⁹

According to Pande and Udry:¹¹⁰

[R]ecent years have seen a remarkable and exciting revival of interest in the empirical analysis of how a broad set of institutions affect growth. The focus of the recent outpouring of research is on exploiting cross-country variation in ‘institutional quality’ to identify whether a causal effect runs from institutions to growth. These papers conclude that institutional quality is a significant determinant of a country’s growth performance.

There is no one size fits all solution for institutional building or legal reforms in a country. It is more useful for a developing country to reform its institutions based on the information, ideas and experience of those developing countries which share the same historical experience and institutional characteristics than those countries which share few common characteristics with it.¹¹¹ This is why the Indian legal regime is being compared with Pakistan in order to make law reforms for the protection of GIs in Pakistan. Since the most established and elaborate sui generis system of protection for GIs exists in Europe, it will also be discussed and compared in the next chapters.

http://depot.gdnet.org:6666/gdnshare/pdf2/gdn_library/annual_conferences/seventh_annual_conference/Fukuyama_Plenary1.pdf accessed 14 August 2014.

¹⁰⁹ Trebilcock and Mota Prado (n 69) 34.

¹¹⁰ Rohini Pande and Christopher Udry, ‘Institutions and development: a view from below’ in R Blundell, W Newey and T Persson (eds), *Proceedings of the 9th World Congress of the Econometric Society* (CUP, 2005).

¹¹¹ Sharun Mukand and Dani Rodrick, ‘In Search of the Holy Grail: Policy Convergence, Experimentation and Economic Performance’ (2005) 95 *American Economic Review* 374.

2.6 CONCLUSION

This chapter has discussed the legal and economic rationale behind GIs, the development aspect of agricultural GIs, and the theoretical perspective of law, institutions and development. This background has been given in order to understand the legal and economic rationale of GIs with an emphasis on the rural and economic development aspect of agriculture-based GIs. Further, it has been shown that laws and institutions are inextricably linked with development. It was important to discuss in the background that the current thesis is proposing a separate GI law for Pakistan, for the better protection of GIs and economic development provided that there is also institutional reform.

The next chapters will discuss the inadequacies in the present system of protection of GIs in Pakistan. Whilst examining the shortcomings of the trademark law of Pakistan, the legislation and case law of the EU and India will be considered as examples of the protection of agricultural GIs.

CHAPTER 3

THE SYSTEM OF PROTECTION OF GEOGRAPHICAL INDICATIONS IN PAKISTAN AND ITS INADEQUACIES

3.1 INTRODUCTION

The last chapter considered the legal and economic justifications of GIs. It also discussed the correlation between law, institutions and development. This chapter will examine the present system of protection of GIs in Pakistan and will shed light on its inadequacies. While examining the shortcomings of the trademark law of Pakistan, the legislation and case law of the EU and India will also be looked at as examples of protection for their agricultural GIs.

There is no denying that the emergence of the WTO acted as a catalyst for resolving the decades old, contentious issues surrounding GI protection globally. In fact, the TRIPS Agreement has endeavoured to effectuate a compromise in terms of different demands. It 'has succeeded in effecting a compromise between civil and common law systems, arguably by providing no more than minimum standards of protection, and allowing members the freedom to choose the legal means of protection'.¹

Out of the 167 countries that protect GIs, 111 have adopted a sui generis or other specific system of protection and 56 countries rely on their trademark protection systems.² In the case of developing countries, such as Pakistan and India which have a strong agriculture sector and a tradition in handicrafts and potentially valuable

¹ Gail Evans: Protection of Geographical Indications in the EU and US under Sui Generis & Trademarks Systems(19), See also Article 22.2 of the TRIPS Agreement. Agreement on Trade-Related Aspects of Intellectual Property Rights, (Annex 1c, Marrakesh Agreement Establishing the World Trade Organization, signed 15 April 1994).

² See Dev Gangjee, *Relocating the Law of Geographical Indications* (Cambridge University Press 2012) 201.

traditional knowledge, GIs can be an important public policy tool for the development of the economy and livelihood of farmers and skilled workers. According to Waglé, ‘the importance of GIs in Asia-Pacific has to be understood in the wider context of protecting and preserving IP pertaining to traditional cultures, assets and production methods in some of the world’s oldest human settlements’.³

The aim of this chapter is to examine the present Trademarks Ordinance⁴ of Pakistan and to shed light on its inadequacies with regard to legal protection of GIs. There is no case law on GIs in Pakistan, hence the case law of Europe will be used in this chapter for examples. The legislations of both EU and India will also be looked at as examples for comparison in this chapter. In the case of Europe, both the recently repealed EU Regulation 510/2006 and the current Quality Schemes Regulation 1511/2012 (QSR) will be referred to.⁵

³ Swarnim Waglé, *Geographical Indications as Trade Related Intellectual Property: Relevance and Implications for Human Development in Asia-Pacific* (Asia Pacific Trade and Investment Initiative, UNDP Regional Centre in Colombo, 2007) 6, 7.

⁴ The Trademarks Ordinance 2001 of Pakistan was promulgated in order to comply with the TRIPS Agreement; An Ordinance to amend and consolidate the law relating to trade marks (Ordinance No 19 of 2001, 13 April 2001) (Trademarks Ordinance). Due to the coup in Pakistan in October 1999, there was no Parliament Assembly until 2002. The Chief Executive/President at that time could only promulgate Ordinances and this is why it is not written as an Act. However, it has the same effect as an Act of Parliament, since after Parliament was restored in Pakistan, it was ratified by the Assembly as part of the Seventeenth Amendment in the Constitution of the Islamic Republic of Pakistan. The Trademarks Ordinance 2001 was made implementable after the issuance of its Rules in 2003.

⁵ The main case law on GIs in Europe has developed from the interpretation and application of EU Regulation 510/2006 and its predecessor Regulation 2081/92. EU Regulation 1511/2012 has been enforced only since last year. Both the former EU Regulation 510/2006 and current Regulation 1511/2012 are used for having broad spectrum to use as examples. Nevertheless, the Quality Schemes Regulation 1511/2012 is discussed in detail in Chapter 5. Regulation (EU) No 1511/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs [2012] OJ L343/1; Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [1992] OJ L208/1; Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [2006] OJ L93/12.

3.2 PRESENT LEGAL REGIME OF GEOGRAPHICAL INDICATIONS IN PAKISTAN

GIs in Pakistan are currently protected under the Trademarks Ordinance in the form of collective marks⁶ and certification marks.⁷ In the TRIPS Agreement, a trademark is defined⁸ as a mark which is composed of a sign that is capable of distinguishing the goods or services of one undertaking from those of other undertakings; this means a sign that distinguishes the goods or services of one business undertaking from that of another. The Trademarks Ordinance defines⁹ a trademark as ‘any mark capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings’.

The Trademarks Ordinance defines GIs as follows:

[G]eographical indication in relation to goods originating in a particular country or in a region or locality of that country means a mark recognized in that country as a mark indicating that the goods: (a) originated in that country, region or locality; and (b) have a quality, reputation or other characteristic attributable to their geographical region.¹⁰

⁶ Section 82 of the Trademarks Ordinance: ‘Collective marks - (1) A collective mark shall be a mark distinguishing the goods or services of members of the association which is the proprietor of the mark from those of other undertakings. (2) The provision of this Ordinance shall apply to collective marks subject to the provisions of the First Schedule.’

⁷ Section 83 of the Trademarks Ordinance: ‘Certification marks - (1) A certification mark shall be a mark indicating that the goods or services in connection with which it is used are certified by the proprietor of the mark in respect of origin, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics (2) The provisions of this Ordinance shall apply to certification marks subject to the provisions of the Second Schedule.’

⁸ ‘Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability dependent on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.’

⁹ Section 2(xlvii) of the Trademarks Ordinance introduces the registration of service marks for the first time in Pakistan as per the TRIPS Agreement. Before this under the Trademarks Act 1940 of Pakistan, there was no provision for the registration of service marks.

¹⁰ Trademarks Ordinance, Section 2(xix).

Section 2(xix) defines GIs for ‘goods’ only. Therefore, if a GI is registered under this Act, it will only be for goods. Further, Schedule 1¹¹ and Schedule 2¹² of the Trademarks Ordinance allow registration of GIs as collective and certification marks.¹³

If a trademark is applied to be registered and it is descriptive of the quality of the goods applied for registration or if it contains a geographical expression then such a trademark may be registered depending on the distinctiveness acquired through use. For the registration of GIs, there are derogations in the Trademarks Ordinance with regard to the obstacle of geographical descriptiveness, which will be discussed below under the headings of collective marks and certification marks.

3.3 COLLECTIVE MARKS UNDER THE TRADEMARKS ORDINANCE

Collective marks are governed by Schedule 1 of the Trademarks Ordinance.¹⁴ Section 82(1) of the Trademarks Ordinance defines a collective mark as a ‘mark distinguishing the goods or services of members of the association which is the proprietor of the mark from those of other undertakings’. Further, according to Schedule 1 of the Trademarks Ordinance, ‘a collective mark may be registered which consists of marks or indications which may serve, in trade, to distinguish the geographical origin of goods or services’.¹⁵

¹¹ Schedule 1 of the Trademarks Ordinance may be seen in Appendix 2.

¹² Schedule 1 of the Trademarks Ordinance may be seen in Appendix 3.

¹³ Schedule 1 and Schedule 2 of the Trademarks Ordinance.

¹⁴ Trademarks Ordinance, Schedule 1, para 1.

¹⁵ Trademarks Ordinance, Section 3 of Collective Marks, Schedule 1. Section 49(1) of the UK Trademarks Act 1994 also defines a collective mark as ‘a mark distinguishing the goods or services of members of the association which is the proprietor of the mark from those of other undertakings’. Further, collective marks are subject to the provisions of Schedule 1. See UK Trademarks Act, Section 49(2).

However, in the definition of GIs in Section 2(xix), GIs may only be registered for goods.

This form of mark is different from an ordinary trademark. There has to be an association to register this mark which is a legal entity and its members will be the owners of the mark collectively. According to the Registrar of Trademarks, the government cannot apply for collective marks under the Trademarks Ordinance. This could hinder the government in Pakistan from playing any direct role in registering GIs in its name. In a developing country like Pakistan, there is a weak private sector and the role of the state is significant in registering and protecting its GIs. In the interview, the Registrar gave the example of India where most of the GIs are registered in the name of the government of India and its institutions. He further said that in the case of Basmati which was applied to be registered as a GI collective mark by a private organisation, the government of Pakistan, despite its desire, could not oppose it due to the prevailing law. However, he stated that the Indian government sought to oppose it through its state organisation, APEDA.¹⁶ In developing countries like Pakistan, the role of the state is significant in registering, facilitating and protecting GIs. Giovanucci sees that this role of the government in taking an active part in registering and facilitating registration of geographical indications can be better realised in a sui generis system. He states that 'publicly oriented or sui generis systems of GI protection can be bureaucratic but tend to conceive of GIs as a public good and thus cover many of the costs associated with securing and enforcing their protection. Privately oriented systems, such as those that rely primarily on trade mark law ... can be more accessible and responsive but the responsibility and costs, especially for detection and

¹⁶ Interview with Registrar of Trademarks (July 2013).

enforcement, are borne by the GI [applicant] itself'.¹⁷ At present, there is not a single GI registered in Pakistan.¹⁸ There are a number of reasons for this lack of registration. One of the reasons is the inability of the government to play an active role in the registration of GIs under the Trademarks Ordinance. This is also partly due to a lack of awareness and capacity issues, such as weak private and public sectors related to GIs in Pakistan. There is also the issue of clear policy direction. Despite the presence of a trademark registration system for GIs, the government of Pakistan envisages the enactment of a separate sui generis law for GIs as is evident from the trade policies of Pakistan.¹⁹ These aspects are further explored in Chapter 5 and Chapter 6.

Geographic descriptiveness is a major hurdle in registering trademarks. The problem of registrability of collective marks with respect to geographical descriptiveness is overcome by statutory provisions. GIs can be registered as collective marks according to Section 3²⁰ of Schedule 1 of the Trademarks Ordinance which provides derogation from Section 14(1)c of the Trademarks Ordinance. Under it, 'a collective mark may be registered which consists of marks or indications which may serve to distinguish the geographical origin of the goods or services'.

The term of registration of collective marks is 10 years, and this is renewable indefinitely as long as the mark continues to be in use. In contrast, the GI is more absolute in nature insofar as the rights the EU accords to Protected Geographical

¹⁷ Daniele Giovanucci and others, 'Guide to Geographical Indications: Linking Products and their Origins' (2009) 14 <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1736713> accessed 10 August 2014.

The cost of a sui generis system and the role of government are discussed in detail in Chapter 6.

¹⁸ Official document from Trade Marks Registry of Pakistan, 2012.

¹⁹ Part of the Trade policy 2010-2012 and also earlier trade policies.

²⁰ '3. Indication of geographical origin. (1) Notwithstanding the provisions of clause (c) of sub-section (1) of section 14, a collective mark may be registered which consists of marks or indications which may serve, to distinguish the geographical origin of the goods or services.'

Indications (PGIs) and Protected Designations of Origin (PDOs) are of indefinite duration provided the conditions of the product specification continue to be met.²¹

3.4 CERTIFICATION MARKS UNDER THE TRADE MARKS ORDINANCE

GIs under the Trademarks Ordinance can also be registered as certification marks. Schedule 2 of the Trademarks Ordinance relates to certification marks. It states that ‘a certification mark may be registered which consists of signs or indications which may serve, in trade, to designate the geographical origin of the goods or services’. Just as in the case of collective marks, GIs can only be registered for goods as certification marks. Services cannot be registered as GIs under the Trademarks Ordinance.²²

Section 83(1) of the Trademarks Ordinance defines certification marks as follows:

A certification mark shall be a mark indicating that the goods or services in connection with which it is used are certified by the proprietor of the mark in respect of origin, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics.

Schedule 2 clarifies that:

[I]n relation to a certification mark the reference in clause (x1vii) of Section two to distinguish goods or services of one undertaking from those of other undertakings shall be construed as a reference to distinguish goods or services which are certified from those which are not.²³

²¹ Gail Evans, ‘Protection of Geographical Indications in the European Union and the United States under Sui Generis and Trade Mark Systems: Signs of Harmonisation?’ (2013) 1 IPQ 25, 26. However in the case of India, a GI is renewable after every ten years even as part of sui generis law.

²² See Trademarks Ordinance, Section 2(xix).

²³ Trademarks Ordinance, Schedule 2, para 2. Section 50(1) of the UK Trademarks Act 1994 is also similar. It states that, ‘a certification mark is a mark indicating that the goods or services in connection with which it is used are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics’.

The problem of registrability with respect to geographic descriptiveness is overcome by statutory provision. Just as in the case of collective marks, Section 3(1) of Schedule 2 of the Trademarks Ordinance provides for the derogation from certification marks for registering the geographical names as certification marks. It states that:

[N]otwithstanding the provisions of clause (c) of sub-section (1) of section 14, a certification mark may be registered which consist of signs or indications which may serve, in trade, to designate the geographical origin of the goods or services.²⁴

In the case of collective marks, the users of the marks are also their proprietors. However, in the case of certification marks, the proprietor is not the user of the mark. The proprietor certifies the quality, manufacture and geographical origin of the mark. Hence, any third party who is not involved in any business activity with regard to the GI product can apply for registration of a GI as a certification mark.²⁵

The certification mark is subject to revocation if the proprietor has begun to carry on a business involving the supply of goods or services of the kind certified. This goes to the heart of the nature of a certification mark. The owner may not use the mark. The owner's function is to exercise control over the use of the mark by others, thereby ensuring that their products meet his required standards. This 'arm's length' requirement is intended to ensure objectivity in the certification process.

Like a collective mark, the certification mark is registered for 10 years and is indefinitely renewable subject to the continuous use of the mark. A certification mark does not have a statutory requirement to demarcate a geographic area. It can be registered as a GI under a certification mark which certifies that it originates from a

²⁴ Trademarks Ordinance, Schedule 2, Section 3(1).

²⁵ *ibid* Schedule 2, para 4.

particular region. For example, Roquefort²⁶ cheese registered as a certification mark in the USA showed only that it originated from a particular region.²⁷ On the other hand, a geographical area is to be demarcated under sui generis law.

After this brief overview of the present legal regime of GIs in Pakistan, this chapter will discuss in detail the inadequacies of the trademark registration system in Pakistan. The chapter will look at the definition of GIs, registrability and generic indications, coexistence between trademarks and GIs, the need for additional protection for products beyond wines and spirits, enforcement of GIs including infringement, dilution and product specification with respect to protection of GIs in Pakistan. Due to the absence of case law in the juridical development of GIs in Pakistan, this chapter will refer to EU and Indian legislation. Further, EU case law will be used in this chapter as examples.

3.5 PRESENT INADEQUACIES OF THE DEFINITION OF GEOGRAPHICAL INDICATIONS

The TRIPS Agreement is flexible in terms of its definition, catering for the preferences of different countries that protect their GIs under the trademark registration system or sui generis system. Article 22.1 of the TRIPS Agreement defines GIs as ‘indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.’

The definition of GIs in the Trademarks Ordinance is covered under Section 2(xix). It states that ‘geographical indication’ in relation to goods originating in a particular

²⁶ A type of sheep’s milk cheese originating from the caves of Roquefort, France; see *Community of Roquefort v William Fehndrich Inc* 303 F 2d 494, 133 USPQ 633 (2d Cir 1962).

²⁷ Evans (n 21) 26.

country or in a region or locality of that country means a mark recognised in that country as a mark indicating that the goods: ‘(a) originated in that country, region or locality; and (b) have a quality, reputation or other characteristic attributable in then geographical region’. It can be noted that in the last part of the definition of GIs under Pakistan’s law, where it refers to GIs which ‘have quality, reputation or other characteristics attributable in their Geographical Origin’, the word essentially is missing from the definition of GIs. This is in contrast to the TRIPS Agreement definition of GIs: ‘indications which identify a good as originating in a territory ... where a given quality, reputation and other characteristics of the good is essentially attributable to its geographical region’.

This absence of the word essentially makes the connection of quality, reputation and other characteristics comparatively weaker. The words ‘essentially attributable’ are understood as establishing a causal connection between the quality of the product or other distinctive features and the origin of the goods.²⁸ This causal connection is a link and, according to the EU Guide to PDOs and PGIs, this link ‘must provide an explanation of why a product is linked to one area, and not another, i.e. how far the final product is affected by the characteristics of the region in which it is produced’.²⁹

Apart from this inadequacy, the registration of GIs under the trademark system does not primarily base itself on terroir logic³⁰ ‘which is a crucial ingredient in the process of legitimation whereby IGOs are treated as a discrete category of protected signs’.³¹

²⁸ See Gangjee (n 2) 233.

²⁹ European Commission, ‘Protection of Geographical Indications of Origin, Designations of Origin and Certificates of Special Character for Agricultural Products and Foodstuffs: Guide to Community Regulations’ (Working Document of the Commission Services, 2nd edn, 2004) 13.

³⁰ Jean-Louis Rastoin, ‘The Concept of Terroir as the Basis of Corporate Strategy in Agribusiness: The European Social, Economic and Institutional Model’ in Louis Augustin-Jean, H el ene Ilbert and Neantro Saavedra-Rivano (eds), *Geographical indications and international agricultural trade: the challenge for Asia* (Palgrave Macmillan 2012) 126.

³¹ See Gangjee (n 2) 77.

According to Audier, ‘the link between agricultural products and foodstuffs, the goods and their originating place can be understood in different ways. The stronger the technical, historical, cultural and social link is, the more the producers will demand an efficient protection of the geographical name used to designate the product.’³² The underlying rationale of protection under a trademark system is different from a GI protection system. It is reasonable to say that ‘by and large, the trademark regime is indifferent to terroir factors’.³³ The Italian Supreme Court aptly stated that the reputation of a product for GI protection rests upon the qualities derived from a geographical source. It also noted that:

[T]he reason for affording protection [for designation of origin] lies in the fact that the product draws a particular character from its place of origin. This character is objectively discernible through a complex of the natural and human elements making up its environment of production ... [It] is aimed at reassuring the consumer of the place of origin, itself also an assurance of quality.³⁴

The Indian GI Act³⁵ has a more extensive definition of a GI. It states that:

[G]eographical indication, in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.

³² Jacques Audier, ‘Protection of Geographical Indications in France’ (Lecture, Symposium on the Protection of Geographical Indications in the Worldwide Context, WIPO, Eger, Hungary, 24-25 October 1997) 2. See also D Gervais, ‘The Lisbon Agreement’s Misunderstood Potential’ (2009) 1 WIPO Journal 87.

³³ See *Gangjee* (n 2) 208.

³⁴ *Pilsen Urquell v Industrie Poretti SpA* [1998] ETMR 168, 172 (Corte Suprema di Cassazione 1996).

³⁵ The Geographical Indications of Goods (Registration and Protection) Act, 1999, Section 2(1) (Indian GI Act).

This definition is closer to the TRIPS definition. It includes all the goods in the category of admissible GIs and the words ‘essentially attributable’, as discussed above, establishing a causal link as part of the definition. There is also flexibility and predictability in terms of a single definition compared to different definitions in the EU GI Regulation.

Under the repealed EU Regulation 510/2006, GIs could be registered in two ways, either as PGIs or as PDOs.³⁶ Both PDO and PGI were different with regard to the scope of the linkage of production to the defined geographical region. The requirements for the registration of GIs as PDOs were stringent for registration compared to the requirements for registration of GIs as PGIs. In the case of PDOs, the product must originate in the place and its quality should also be exclusively due to the specific geographical environment along with its integral natural and human factors. On the other hand, there were relaxed criteria for registration of GIs as PGIs. In order to register as a PGI, the product has to be produced, processed or prepared in the geographical area. Further, the quality, reputation or other characteristics of the product ought to be generally ‘attributable’ rather than ‘essentially due’ to that area.³⁷ In the EU QSR, the definition of PDO³⁸ remains almost the same. However, the definition of PGI was amended to make it similar to the definition of GIs in the TRIPS Agreement. Article 5(2)³⁹ of the current Regulation 1151/2012 makes the link between the product and the specific geographical origin stronger compared to the one in the former EU Regulation

³⁶ See Article 2(1a) and 2(1b) of EU Regulation 510/2006 for definitions of PGI and PDO. GIs can also be protected in the EU as Community Trademarks under Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community Trade Mark [2009] OJ L78/1.

³⁷ Evans (n 21) 22.

³⁸ See Article 5(1) of EU Regulation 1511/2012.

³⁹ Article 5 (2) of EU Regulation states:

‘For the purpose of this Regulation, ‘geographical indication’ is a name which identifies a product: (a) originating in a specific place, region or country; (b) whose given quality, reputation or other characteristic is essentially attributable to its geographical origin; and (c) at least one of the production steps of which take place in the defined geographical area’.

510/2006. This development is further discussed in detail in chapter 5 under the heading 5.5.

There is a single definition of GIs under the Indian GI Act. It states that:

[G]eographical indication, in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.⁴⁰

This definition is more comprehensive than the definition of PGI under the EU Regulations discussed above. Nevertheless, it is less stringent than the definition of PDO under the EU Regulations.⁴¹

Pakistan therefore has room to further improve its definition of GIs by adding the word ‘essentially’ and by inserting ‘quality, reputation or other characteristics of the good is essentially attributable to its geographical origin’ within its existing definition rather than saying ‘quality, reputation and other characteristics of the good is attributable to its geographical origin’. By introducing provisions similar to definitions of GIs under Indian law and the one given for PDO in the EU Regulations, Pakistan can strongly protect its GIs, such as Basmati rice, Hunza apricots and Sindhri mangoes. This will enhance the income of its farmers since GIs are much more than simply the identification of a product with a place and as a type of intellectual property which is attached to territory; GIs are a means for social and industrial groups to protect and

⁴⁰ See Section 2 of the Indian GI Act 1999.

⁴¹ This is further discussed in Chapter 5 under heading 5.5.

distinguish their products. This is especially the case for small local producers and farmers who are able to use them to enhance their reputations and compete effectively with large corporations.⁴²

3.6 REGISTRABILITY AND GENERIC INDICATIONS

Pakistan's legislation does not define factors of genericness.⁴³ However, Section 73 of the Trademarks Ordinance does refer to such situations. It says that the registration of a trademark may be revoked 'if it has become a common name in the trade for a product or service for which it has been registered' and 'that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services'.⁴⁴ This disqualification applies to GIs registered as collective or certification marks.⁴⁵ Even if GIs are registered under the Trademarks Ordinance, the certification or collective marks have to be renewed every 10 years.⁴⁶ According to the Registrar of Trademarks, this treatment of renewal of GIs under the Trademarks Ordinance would be problematic as it would include legal costs and possible litigation for the GI proprietors at the time of renewal in the future.

⁴² W Moran, 'Rural Space as intellectual property' (1993) *Political Geography* 263.

⁴³ The Registrar of the Trade Marks Registry said in the interview that there was no definition of generic names in the Trademarks Ordinance and this area needed juridical development.

⁴⁴ Section 73. 'Revocation of registration. (1) The registration of a trade mark may be revoked on any of the following grounds, namely: (a) that within the period of five years following the date of completion of registration procedure it has not been put to bona fide use in Pakistan by the proprietor or by an authorised user thereof, in relation to the goods or services for which it is registered and there are no proper reasons for its non-use; (b) that the bona fide use has been suspended for an uninterrupted period of five years and there are no proper reasons for its non-use; (c) that in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered.'

⁴⁵ As per Schedules 1 and 2 of the Trademarks Ordinance.

⁴⁶ This aspect has already been addressed before under the 'Present legal regime of GIs in Pakistan' in this chapter. Under Section 34(1), a trademark may be registered for 10 years and under Section 35 it can be renewed for another 10 years provided that it has been in use.

According to Article 3(1) of the EU Regulation 510/2006, a generic name means the name of a GI (such as an agriculture product) which relates to the place or the region where this GI was originally produced or marketed and which has become the common name of that product in the Community.⁴⁷ The definition of ‘generic’ under EU Regulation 1511/2012 is ostensibly the same.⁴⁸ Referring to the issue of ‘common name in the trade’, the Registrar of Trademarks said that Pakistan had lost a few of its potential GIs owing to a lack of protection. He said that one of the examples is that of ‘Nimko’⁴⁹ which had become a generic name whereas it could have been protected as a GI.⁵⁰ Article 3(1) of the EU Regulation further states that in order to establish whether or not a name has become generic, authorities and courts should take all factors into account. In particular, they should consider (a) the existing situation in the member states and in areas of consumption; and (b) the relevant national or Community laws. Further, in the *Parmesan* case the CJEU elaborated on the factors for determining the status of a name.⁵¹

⁴⁷ EU GI Regulation, Article 3(1) states that:

‘Names that have become generic may not be registered.

For the purposes of this Regulation, a “name that has become generic” means the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff in the Community.

To establish whether or not a name has become generic, account shall be taken of all factors, in particular:

(a) the existing situation in the Member States and in areas of consumption;

(b) the relevant national or Community laws.’

⁴⁸ According to Article 3(6) of the EU Regulation 1511/2012,

“‘generic terms” means the names of products which, although relating to the place, region or country where the product was originally produced or marketed, have become the common name of a product in the Union’.

⁴⁹ It comprises of a mixture of spicy dried ingredients. It may include peanuts, fried lentils, chickpea flour noodles, corns, chickpeas, vegetables, curry leaves, dried raisins, flaked rice, coriander salt and a blend of spices.

⁵⁰ Interview with Registrar of Trademarks (July 2013).

⁵¹ *Parmesan* [2008] ECR I-957, [2008] ETMR 32 [53] and [101]; See also *Feta* [2005] ECR I-9115, [2006] ETMR 16 [76]-[99].

Under EU sui generis law, once registered, a GI may not become generic. It does not need to be renewed every ten years as is required for GIs registered under the Trademarks Ordinance. According to Article 13(2) of the EU GI Regulation, ‘protected names may not become generic’. This means that a GI as per the EU Regulation may alter or may even be lost but the usage and understanding of the protected name remains intact.⁵²

Further, Pakistan does not subscribe to any international agreement which protects its GIs from becoming generic. Pakistan is not a signatory of either the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods,⁵³ or the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.⁵⁴ The Madrid Agreement grants discretion to the national courts to determine whether a product, with the exception of wines, has become generic. As per Article 6 of the Lisbon Agreement, AOs⁵⁵ cannot become generic for any member of the Lisbon Union as far as they are protected in the country of origin. This makes it more important for Pakistan to legislate to protect its GIs.

It can be seen that, in terms of case law, courts have taken a narrow interpretation of genericness in the EU. In the *Feta* case,⁵⁶ ‘the Commission reasoned that because feta labelling made references to Greek images and iconography, this specifically (and misleadingly) communicated a Greek origin for the product, thereby suggesting it was

⁵² Evans (n 21) 28. However it is subject to interpretation by the courts.

⁵³ The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (14 April 1891, as amended 14 July 1967) 828 UNTS 389.

⁵⁴ Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (31 October 1958, amended 28 September 1979). It entered into force on 25 September 1966, and is administered by the World Intellectual Property Organization (WIPO).

⁵⁵ AOs are defined in Article 2(1) of the Lisbon Agreement as indications whose qualities and characteristics are ‘exclusively or essentially due to the geographical environment, including natural and human factors.’

⁵⁶ See *Feta* [2005] ECR I-9115; [2006] ETMR 16.

not used generically ... The Court seems to have endorsed the Commission's view that such labelling could cause a "real risk of consumer confusion" when this may have been merely evocative referencing'.⁵⁷ Thus the CJEU rejected claims that 'Feta' was generic in the EU.⁵⁸

The Court held in this case that:

[M]ore than 85% of Community consumption of feta, per capita and per year, takes place in Greece. As noted by the scientific committee, the consumption of feta is therefore concentrated in Greece. The information provided to the court indicates that the majority of consumers in Greece consider that the name 'feta' carries a geographical and not a generic connotation ... The evidence adduced to the Court also shows that, in member states other than Greece, feta is commonly marketed with labels referring to Greek cultural traditions and civilization. It is legitimate to infer from this that consumers in those member states perceive feta as a cheese associated with the Hellenic Republic, even if in reality it has been produced in another member state.⁵⁹

Further, it is possible to see the difference in the protection levels for GIs that is given by a trademark registration system and a sui generis law if the protection of Parmesan cheese is considered in these systems. Parmesan cheese is a geographical name which is now generic in the US where GIs are registered under trademark law whereas in the EU 'Parmigiano Reggiano' is a protected designation of origin⁶⁰ and is under a sui generis law.

Section 9(f) of the Indian GI Act prohibits registration of GIs, including those which are determined to be generic names or indications of goods and are, therefore, not or

⁵⁷ Dev Gangjee, 'Say Cheese! A Sharper Image of Generic Use through the Lens of Feta' (Oxford Intellectual Property Research Centre, 2007) 18 <<http://www.oiprc.ox.ac.uk/papers/EJWP0706.pdf>> accessed 24 August 2014.

⁵⁸ See also Evans (n 21) 31. See also *Feta* [2005] ECR I-9115; [2006] ETMR 16, [21], [53], [54], [89] and [10].

⁵⁹ See *Feta* [2005] ECR I-9115; [2006] ETMR 16, [21], [53], [54], [89] and [10].

⁶⁰ Evans (n 21) 26.

have ceased to be protected in their country of origin, or which have fallen into disuse in that country. There are two explanations⁶¹ given in Section 9 of the Indian GI Act for defining generic names or indications. According to it, a generic good is one that 'has lost its original meaning and has become the common name for that good ... and account shall be taken of all factors including the existing situation in the region or place in which the name originates'. However under Section 18 of the Indian GI Act, a GI has to be renewed every ten years. This seems to be a hybrid approach in a sui generis law.

Under the TRIPS Agreement, if GIs in a country are not protected or have ceased to be protected then those GIs may not be protected by other member states. As per Article 24.9 of TRIPS,⁶² there is no obligation for a member to protect a geographical indication which is not protected in its country of origin, which ceases to be protected in that country, or which has fallen into disuse in that country. Here, those GIs which are referred to as having been 'ceased to be protected' would, inter alia, also fall under the category of those GIs which become generic. In the trademark system, the benchmark for deciding the generic status is different from the one in the EU with its sui generis law. The threshold in EU law is higher in order to protect GIs from easily becoming generic.⁶³ Regarding the benchmark for becoming generic in the US,⁶⁴ the

⁶¹ Explanation 1: 'For the purpose of this section, "generic names or indications" in relation to Goods means the name of a good which, although relates to the place or the region where the good was originally produced or manufactured, has lost its original meaning and has become the common name of such goods and serves as a designation for or indication of the kind, nature, type or other property or characteristic of the goods.'

Explanation 2: 'In determining whether the name has become generic, account shall be taken of all factors including the existing situation in the region or place in which the name originates and the area of consumption of the goods.'

⁶² Article 24.9 of the TRIPs Agreement states that: 'There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.'

⁶³ See Gangjee (n 2) 251.

⁶⁴ In the US, GIs are protected as certification marks under trademark law.

test is determined on the basis of the perception of the majority of consumers that the ‘primary significance’ of the sign is to describe a class or category of goods.⁶⁵ In contrast to this ‘majoritarian’ approach, it can be seen in the *Feta* case in the EU that generic status is achieved ‘only when there is in the relevant territory no significant part of the public concerned that still considers the indication as a geographical indication’.⁶⁶

There have been threats of generic status to established GIs like Darjeeling tea⁶⁷ and Kobe beef⁶⁸. Keeping in mind the potential number of GIs in Pakistan, it can be seen that a sui generis system provides better protection in terms of protecting GIs from genericness when compared with the protection under a trademark registration system.

3.7 COEXISTENCE BETWEEN TRADEMARKS AND GEOGRAPHICAL INDICATIONS

Countries with a trademark registration system provide more protection to trademarks in case of conflict with GIs following the FITFIR⁶⁹ principle. On the other hand, countries with a sui generis system give more protection to GIs and also allow the coexistence of later GIs with earlier trademarks. In a sui generis system, GIs enjoy a

⁶⁵ Lanham Act, Section 14(3), 15 USCA S 1064(30). See also JT McCarthy, *McCarthy on Trademarks and Unfair Competition* (4th edn, Thomson West 2011) S 12:6; See also Gangjee (n 2) 251.

⁶⁶ Commission Regulation (EC) No 1829/2002 of 14 October 2002 amending the annex to Regulation (EC) No 1107/96 with regard to the name Feta [2002] OJ L277/10, Recital 23. See also Gangjee (n 2).

⁶⁷ See *Tea Board of India v The Republic of Tea* (92006) 80 USPQ 2d 1881 (TTAB). See also Gangjee (n 2) 250. ‘An applicant for ‘Darjeeling Nouveau’ unsuccessfully argued that the ‘Darjeeling’ certification mark registered by the Tea Board of India was invalid, having become generic in the US’.

⁶⁸ See D Gangjee, ‘Protecting Geographical Indications as Trade Marks: Prospects and Pitfalls’ (Report for the Institute of Intellectual Property, Tokyo 2006).

⁶⁹ It stands for ‘first in time, first in right’ and the formal fairness of this right ‘rests on the assumption of complete functional equivalence between these two types of signs’, which are trademarks and GIs. See Gangjee (n 2) 255. WIPO, ‘Possible solutions for conflicts between trademarks and geographical indications and for conflicts between homonymous geographical indications’ (Document SCT 5/3, 8 June 2000) 20 <http://www.wipo.int/edocs/mdocs/sct/en/sct_5/sct_5_3.doc> accessed 14 August 2014.

privileged position in the case of conflict between a trademark and a later registered GI.⁷⁰

Pakistan's law allows the possibility of registration of trademarks even after a GI has been registered that contains geographical terms. Section 3(2) of Schedule 1⁷¹ and Section 3(2) of Schedule 2⁷² of the Trademarks Ordinance provides for the possibility of the use of the geographical name by other trademark holders in accordance with honest practices.

Under the EU Regulation on GIs, a trademark may be challenged by a later registered PGI or PDO unless, due to a trademark's reputation and renown and the length of time it has been used, the registration of the PDO or PGI is liable to mislead the consumer as to the true identity of the product.⁷³ Further, under EU law GIs also have a better prospect with regard to the 'principle of co-existence'. In the case of conflict between trademarks and later registered GIs, the latter may coexist. Article 14(2) of EU Regulation 510/2006 on GIs states that:

With due regard to community law, a trademark the use of which corresponds to one of the situations referred to in Art 13 which has been applied for, registered, or established by use, in good faith within the territory of the community, before either the date of protection of the designation of origin or geographical indication in the country of origin or before 1 Jan 1996, may continue to be used notwithstanding the registration of a designation of origin or geographical indication.

⁷⁰ Evans (n 21) 40.

⁷¹ Section 3(2) of Schedule 1 of the Trademarks Ordinance regarding collective marks states that: 'The proprietor of such a mark shall not be entitled to prohibit the use of the marks or indications in accordance with honest practices in industrial or commercial matters, in particular, by a person who is entitled to use a geographical name'.

⁷² Trademarks Ordinance, Schedule 2, Section 3(2) regarding certification marks states that: 'The proprietor of such a mark shall not be entitled to prohibit the use of the marks or indications in accordance with honest practices in industrial or commercial matters, in particular, by a person who is entitled to use a geographical name'.

⁷³ Article 3(4) of EU GI Regulation: 'A designation of origin or geographical indication shall not be registered where, in the light of a trademark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.'

There is a slight change in the same article of the current EU Regulation 1511/2012. Here it does not refer to '1 January 1996' with regard to the date of protection of any conflicting trademark.⁷⁴

This position of allowing coexistence of later registered GIs has been endorsed by the WTO in a dispute between the USA and Australia as complainants and the EU as defendant.⁷⁵ In this dispute, the TRIPS notion of 'legitimate interests' was developed by the Panel as a 'normative claim calling for protection of interests that are "justifiable" in the sense that they are supported by relevant public policies or other social norms'.⁷⁶

With respect to coexistence of GIs and trademarks, the WTO Panel looked at Article 17 of the TRIPS Agreement which provides that, 'members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties'. The EC maintained that Article 17⁷⁷ is an exception to the requirements contained in Article 16⁷⁸ and, furthermore, citing the viewpoint of

⁷⁴ See Article 14(2) of EU Regulation 1511/2012. This is further discussed in Chapter 5 under heading 5.11.

⁷⁵ WTO, *European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs–Report of the Panel* (15 March 2005) WTO/DS174/R. The EC won its argument before the WTO Panel where it stated that GIs and trademarks were independent but equal form of intellectual property as per the structure of TRIPS Agreement and especially Article 24.5 of the TRIPS Agreement concerning their interrelationship. Their co-existence comes under the general exception on to trademarks rights as per TRIPS Article 17, which constitutes a valid defence against the exclusive rights of trademark holders. See WTO Report of the Panel, paras 7.512 to 7.531.

⁷⁶ See WTO (n 75) 143-145.

⁷⁷ Article 17 of TRIPS Agreement deals with 'Exceptions'. It states that 'members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.'

⁷⁸ Article 16 TRIPS deals with 'Rights Conferred'. It states that:

'1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not

previous panels it accepted that the EC bears the burden of proof in this case. The EC maintained that, ‘the coexistence of GIs and earlier trademarks would be justified under Article 17 of the TRIPS Agreement’.⁷⁹

The Panel agreed that Article 17 limited the rights available in Article 16.1. Nevertheless, this was only to a limited extent. These are ‘limited exceptions’ and subject to the proviso that ‘such exceptions take account of the legitimate interests of the owner of the trademark and of third parties’.⁸⁰ Therefore, the Panel started examining the Article 17 defense of the EC by looking at the ‘limited exceptions’ as used in Article 17. In order to ascertain this, the Panel agreed with the interpretation of Article 30⁸¹ of the TRIPS Agreement of a previous Panel in *Canada – Pharmaceutical patents* that ‘the word “exception” by itself connotes a limited derogation, one that does not undercut the body of rules from which it is made’. The Panel observed, ‘the addition of the word “limited” emphasises that the exception must be narrow and permits only a small diminution of rights’. It also observed that these limited exceptions applied to the rights conferred by trademarks which in this case were the exclusive rights of the owner of a trademark under Article 16.1 of the TRIPS Agreement.⁸²

prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

2. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.

3. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.’

⁷⁹ WTO (n 75) paras 7.640-641.

⁸⁰ WTO (n 75) para 7.648.

⁸¹ Article 30 of the TRIPS Agreement states that: ‘Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties’.

⁸² WTO (n 75) paras 7.650-7.651.

The Panel also discussed ‘fair use of descriptive terms’ in the text of Article 17 and observed that it implicitly applied only to those third parties who would use those in the course of trade and to those goods or services which those terms described. It stated that it would not matter what number of trademarks or trademark owners were affected but that those marks which were used in a descriptive manner would be affected implicitly.⁸³

The Panel found that:

[The Regulation] curtails the trademark’s owner’s right in respect of certain goods but not all goods identical or similar to those in respect of which the trademark is registered. It prevents the trademark owner from exercising the right to prevent confusing uses of a sign for the agricultural product or foodstuff produced in accordance with the product specification in the GI registration.⁸⁴

The Panel then turned to the proviso in Article 17 which states that ‘such exceptions take account of the legitimate interests of the owner of the trademark and of third parties’. In order to interpret this, the Panel again referred to the previous Panel finding in *Canada – Pharmaceutical Patents* which interpreted the term ‘legitimate interests’ for a patent owner and third parties in Article 30 of the TRIPS Agreement as follows:

To make sense of the term ‘legitimate interests’ in this context, that term must be defined in the way that it is often used in legal discourse – as a normative claim calling for protection of interests that are “justifiable” in the sense that they are supported by relevant public policies or other social norms.

Regarding the ‘legitimate interests’ of the owner of the trademark, the Panel said that the function of trademarks could be understood by reference to Article 15.1 that distinguishes ‘goods and services of undertakings in the course of trade’. The Panel observed that the legitimacy of some interests of a trademark owner was there in Article

⁸³ *ibid* para 7.654.

⁸⁴ *ibid* para 7.655.

17. This legitimate interest also takes account of the ‘trademark owner’s interest in the economic value of its mark arising from the reputation that it enjoys and the quality that it denotes’.⁸⁵ Article 24.5 of the TRIPS Agreement also protects trademarks applied or registered in good faith or which have been in use before the date of application of provisions of the GI Section in that member state in part VI or before the GI is protected in its country of origin. In this way, the steps taken for the implementation of this section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a GI. Taking stock of the above, the Panel concluded that:

[The EC] has succeeded in raising a presumption that the exception created by the Regulation to the trademark owner’s right provided for in Article 16.1 of the TRIPS Agreement but, on the basis of the evidence presented to the Panel, this is justified by Article 17 of the TRIPS Agreement. Article 24.3 and Article 24.5 of the TRIPS Agreement are inapplicable.⁸⁶

Hence, coexistence was endorsed as permissible under Article 17 of the TRIPS Agreement.

Under the trademark registration system in Pakistan, there is a risk of GIs being registered as trademarks by different proprietors. For example, Kobe beef from Japan has already been registered as a trademark by producers based outside Japan in the countries with trademark registration systems for protecting GIs, such as the US, Australia and Canada.⁸⁷ On the other hand, under sui generis law, GIs are better protected in terms of their co-existence with trademarks.

⁸⁵ WTO (n 75) para 7.664.

⁸⁶ *ibid* para 7.688.

⁸⁷ See Gangjee (n 2) 256. See also Dev Gangjee, ‘Protecting Geographical Indications as Trademarks: The Prospects and Pitfalls’ (Institute of Intellectual Property, Tokyo, March 2006) <http://www.lse.ac.uk/collections/law/staff%20publications%20full%20text/gangjee/Gangjee_IIP%20Report%202006.pdf> accessed 13 August 2014.

The principle of co-existence is evident in the EU sui generis system. In the case of *Bavaria NV and Bavaria Italia Srl v Bayerischer Brauerbund*,⁸⁸ Bayerischer Brauerbund, an association of Bavarian brewers,⁸⁹ was having a PGI registered in its name for Bavarian beer. The dispute was about the geographical name Bavaria for beer. Brauerei Bavaria started using the designation ‘Bavaria’ in 1925 and in 1930 it became part of its company name. It was one of the biggest producers of beer in the Netherlands. This company also owned various trademarks internationally for the name ‘Bavaria’ along with a few figurative elements or expressions.⁹⁰ Subsequently, in 2001, the PGI ‘Bayerisches Bier’ was registered in the name of Bayerische Brauerbund⁹¹ of Munich.

Later, the Bavarian Brewers’ Association brought a case against Bavaria NV in Italy to prevent the Dutch company from using the name Bavaria in Italy and sought cancellation of the company’s trademark that was registered in Italy. When the matter came in front of the Turin Court of Appeal, it referred it to the Court of Appeal of the CJEU. The question it posed was whether the fact that a PGI had been granted protection after the registration of the trademark in the name of a Dutch company meant that the company could still continue using the marks. In reply to this question, in July 2009 the CJEU affirmed the principle of co-existence, holding that the trademarks of third parties registered before the date of application for registration of PGI ‘Bayerisches Bier’, in which the word ‘Bavaria’ was used, could continue to exist.⁹² Hence, under a sui generis system there is more protection to later registered GIs and

⁸⁸ *Bayerische Bier* [2009] ECR I-5491, [2009] ETMR 61.

⁸⁹ It is an old association whose statutes date back to 1917 and it has been the proprietor of registered collective trademarks Bayrisch Beer and Bayerisches Bier from 1968.

⁹⁰ The registration dates were 1947, 1971, 1982, 1991, 1992 and 1995; *Bayerische Bier* [2009] ECR I-5491, [2009] ETMR 61 at [17].

⁹¹ The Bavarian Brewers Association.

⁹² The CJEU saw no adverse impact of the registration of PGI upon the validity of Bavaria trademarks; the co-existence principle as enshrined in Article 14(2) of the former EU Regulation 2081/92 was endorsed to continue. *Bayerische Bier* [2009] ECR I-5491; [2009] ETMR 61 at [125]. See also the opinion of AG Mazek at [161].

they can be registered even in the presence of prior registered similar or identical trademarks.⁹³

Pakistan has many potential GIs which are yet to be registered. The current trademark system for protection for GIs in Pakistan does not support registration of GIs in the presence of earlier registered similar or identical trademarks. The above analysis highlights the strengths of a sui generis system and the weakness of a trademark system with regard to the coexistence of trademarks and GIs.

3.8 ADDITIONAL PROTECTION FOR GI GOODS BEYOND WINES AND SPIRITS

Pakistan's trademark law does not provide for additional protection of its GIs. Article 23.1 of TRIPS provides for additional protection for GIs for wines and spirits. It states that:

Each member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.

This Article gives an absolute protection against any type of use of a registered GI by a third party. Article 23.1 is the most important and contentious provision of TRIPS with regard to GIs. It has caused an impasse in DDA negotiations between countries following the trademark model, in particular the USA and Australia, and those asking

⁹³ Article 14(2) of the EU GI Regulation allows registration by a later GI applicant under the co-existence principle provided that the earlier registered trademarks are not well known.

for additional protection for GIs beyond wines and spirits, such as the EU, India, Turkey, Russia and Pakistan.⁹⁴

In a trademark system, the exclusive rights afforded to trademark owners are not affected if in the course of trade third parties use geographical origin provided they do it in accordance with honest commercial practice.⁹⁵ For example, use of terms by third parties, like Basmati type, Basmati style etc. may not attract any legal action as long as the true origin of the product is clearly shown on the label. In contrast, under the EU's sui generis system, registered PDOs or PGIs are protected against terms used by third parties directly or indirectly for commercial use of the registered product, for comparable names and any misuse, imitation or evocation. For example, for Basmati, using like Basmati type, style, kind, imitation etc. will infringe the GI and will attract legal action in the EU.⁹⁶

⁹⁴ It is paradoxical that Pakistan supports more protection for GIs at the WTO yet it currently protects its GIs through the trademark system. See WTO Doc WT/MIN(01)/11 of 14 Nov 2002).

⁹⁵ Council Regulation 207/09 (n 35), Article 12. See also *Gerolsteiner Brunnen GmbH & Co v Putsch GmbH* (C-100/02) [2004] ECR I-69, [2004] ETMR 40.

⁹⁶ Article 13(1)b of repealed EU Regulation 510/2006 says that registered names shall be protected against 'any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation" or similar'. Similarly, Article 13(1)b of EU Regulation 1511/2012 says that registered names shall be protected against 'any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation' or similar, including when those products are used as an ingredient'.

'1- Registered names shall be protected against:

any direct or indirect commercial use of a registered name in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or in so far as using the name exploits the reputation of the protected name; (b); (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin; (d) any other practice liable to mislead the consumer as to the true origin of the product.

Where a registered name contains within it the name of an agricultural product or foodstuff which is considered generic, the use of that generic name on the appropriate agricultural product or foodstuff shall not be considered to be contrary to points (a) or (b) in the first subparagraph. Also see CTM Regulation art 7 (1) (k). Example of Basmati is given supposing if it is registered.'

3.8.1 Evocation

There have been two cases where the CJEU has interpreted the term ‘evocation’. In *Gorgonzola*⁹⁷ the issue was whether a PDO ‘Gorgonzola (Italy)’ was infringed by the packaging of the cheese ‘Cambozola’ which clearly bore the indication of the country of manufacture as Germany. It was held in this case that the protected name was evoked under Article 13(1)(b) of Regulation 2081/92. The CJEU held that the concept of evocation ‘covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image brought to his mind is that of the product whose designation is protected’.⁹⁸

Similarly, under Indian GI law, GIs notified by the central government of India have additional protection in the same way as the EU. India protects its GIs through Sections 22(2)⁹⁹ and 22(3)¹⁰⁰ of its GI Act. The registration of GIs in India does not qualify them for ‘additional protection’. Rather, according to the Indian GI law, the central government, ‘if it thinks necessary’ notifies in the Official Gazette of India such goods which have to be given ‘additional protection’.

⁹⁷ Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301.

⁹⁸ *ibid* para. 25. It was also affirmed in the second *Parmesan* Case C-132/05 *Commission of the European Communities v Federal Republic of Germany* [2008] ECR I-00957, para. 44.

⁹⁹ Section 22 (2) of the EU GI Act states that: ‘The Central Government may, if it thinks necessary so to do for providing additional protection to certain goods or classes of goods under sub-section (3), by notification in the Official Gazette, specify such goods or class or classes of goods, for the purposes of such protection.’

¹⁰⁰ Section 22(3) states that: ‘Any person who is not an authorised user of a geographical indication registered under this Act in respect of the goods or any class or classes of goods notified under sub-section (2), uses any other geographical indication to such goods or class or classes of goods not originating in the place indicated by such other geographical indication or uses such other geographical indication to such goods or class or classes of goods even indicating true origin of such goods or uses such other geographical indication to such goods or class or classes of goods in translation of the true place of origin or accompanied by expression such as “kind”, “style”, “imitation”, or the like expression, shall infringe such registered geographical indication.’

Provision of additional protection to all GIs by Pakistan will decrease the legal costs for the users of GIs because confusion of the consumers does not need to be proved by the owners of GIs in case of infringement. Without this, for each case of alleged violation of its rights the owner would have to establish the confusion of the consumer because in the trademark systems, costs linked to the trial or, upstream, to the monitoring of the compliance with the defined standards are entirely supported by the owner.¹⁰¹

Pakistan has many potential agricultural products which need additional protection, such as Basmati rice, Phulkari, Sindhi Ajrak and Sindhri mangoes to name but a few. Pakistan does not have a sui generis law and its trademark system does not provide any legal means or administrative action to provide additional protection to its GIs. Because of this inadequacy, Pakistan's GIs are vulnerable to dilution and infringement.

3.9 ENFORCEMENT - INFRINGEMENT, DILUTION AND PRODUCT SPECIFICATION

There are inadequacies in the trademark law of Pakistan with regard to the enforcement of GIs in terms of infringement (covering both traditional confusion and dilution), the scope of the defences on types of use by third parties and in terms of product specification. The Trademarks Ordinance gives exclusive rights to a proprietor of a registered trademark. Any use of the mark without the proprietor's consent is deemed to be an infringement.¹⁰² Article 11¹⁰³ and 12¹⁰⁴ of Schedule 1 of the Trademarks

¹⁰¹ Bernard O'Connor, Geographical Indications and TRIPS (Cameron May 2004) 14-19.

¹⁰² Trademarks Ordinance, Section 39.

¹⁰³ 11. 'Infringement of rights of authorized user- The following provisions shall apply in relation to an authorized user of a registered collective mark as in relation to a licensee of a trade mark, namely:- (a) sub-section (7) of section 40; (b) sub-section (2) of section 51; and (c) section 53.'

¹⁰⁴ 12. 'Infringement of a registered collective mark- (1) The provisions of this para shall have effect as regards the rights of an authorized user in relation to infringement of a registered collective mark.'

Ordinance covers the infringement actions for GIs registered as collective marks.

Article 13¹⁰⁵ of Schedule 2 of the Trademarks Ordinance covers infringement actions for GIs registered as certification marks.

Section 40(7) states that a person who applies a registered trademark¹⁰⁶ to material intended to be used for labelling or packaging goods will be treated as a party to any use of the material which infringes the registered trademark if when he applied the mark he knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

Section 51(2) states that, in considering what order, if any should be made, the High Court or District Court should consider whether other remedies available in an action for infringement of the registered trademark (in the case of GIs it will be registered GIs as per Article 11 of Schedule 1 and Article 13 of Schedule 2 of the Trademarks Ordinance) would be adequate to compensate the proprietor and any licensee and protect their interests.

(2) An authorized user shall be entitled, subject to any agreement to the contrary between him and the proprietor, to call on the proprietor to take infringement proceedings in respect of any matter which affect his interests.

(3) If the proprietor - (a) refuses to do so; or (b) fails to do so within two months after being called upon. The authorized user may bring the proceedings in his own name as if he were the proprietor.

(4) Where infringement proceedings are brought under this para, the authorized user may not, without the leave of the High Court, proceed with the action unless the proprietor is either joined as a plaintiff or added as a defendant.

(5) The provisions of para (4) shall not affect the granting of interlocutory relief on an application by an authorized user alone.

(6) A proprietor who is added as a defendant as provided in sub-para (4) shall not be made liable for any costs in the action unless he takes part in the proceedings.

(7) In infringement proceedings brought by the proprietor of a registered collective mark, any loss suffered or likely to be suffered by authorised user shall be taken into account, and the High Court or a District Court may give such directions as it thinks fit as to the extent to which the plaintiff shall hold the proceeds of any pecuniary remedy on behalf of such users.'

¹⁰⁵ 13. 'Infringement of rights of authorised user: The following provisions shall apply in relation to an authorised user of a registered certification mark as in relation to a licensee of a trade mark, namely:- (a) sub-section (7) of section 40; (b) sub-section (2) of section 51; and (c) section 53.'

¹⁰⁶ In the case of GIs, it will be registered GIs as per Article 11 of Schedule 1 and Article 13 of Schedule 2 of the Trademarks Ordinance.

Under Article 4 of Schedule 1, a collective mark should not be registered if the public is liable to be misled as regards the character or significance of the mark, in particular, if it is likely to be taken to be something other than a collective mark. Similarly, under Article 5(1) of Schedule 2, a certification mark should not be registered if the public is liable to be misled as regards the character or significance of the mark; in particular, if it is likely to be taken to be something other than a certification mark.

There is a scope of defence on the type of use by third parties. Although the Trademarks Ordinance gives exclusive rights to the proprietor of the trademark, there are derogations in the law with respect to exclusive rights enjoyed by a trademark proprietor. The derogations allow third parties to use, in the course of trade, indications of geographical origin, and ‘the proprietor of such a mark shall not be entitled to prohibit the use of the marks or indications in accordance with honest practices in industrial or commercial matters, in particular, by a person who is entitled to use a geographical name’.¹⁰⁷ This means that third party use of terms like ‘Basmati type’ or ‘Basmati style’ will not be actionable under the Trademarks Ordinance as long as the true origin of the product is clearly shown. There are no cases of passing off on GIs in the courts in Pakistan.¹⁰⁸ However, as a common law country it is likely that protection will be granted to GIs. In the *Spanish Champagne* decision,¹⁰⁹ an injunction was sought by Champagne producers to prevent import and sale of sparkling wine from Spain under the labels ‘Champagne’ and ‘Spanish Champagne’. The court in this case held that:

¹⁰⁷ See Article 3(2) of Schedule 1 pertaining to collective marks in the Trademarks Ordinance; see also Article 3(2) of Schedule 2 pertaining to certification marks in the Trademarks Ordinance.

¹⁰⁸ Interviews with Mr. Khalid Hidayat Registrar of the Trademarks and Sheikh Kashif, Civil Judge (Pakistan, September 2013).

¹⁰⁹ *J Bollinger v Costa Brava Wine Co Ltd* [1960] Ch 262 (*Spanish Champagne*).

[I]t ought not to matter that the persons truly entitled to describe their goods by the name and description are a class producing goods in a certain locality, and not merely one individual. The description is part of their goodwill and a right of property.

This was based on the fact that consumers would be misled into thinking that goods were associated with someone else, and the fact that ‘someone else’ was an individual or a group should not matter. This was a doctrinal expansion into ‘extended passing off’ as it recognised collective goodwill.¹¹⁰ There was further juridical development of this concept of collective goodwill in the *Advocaat* case¹¹¹ where traders of a product of a particular quality or characteristics can stop rival traders from using that term or a confusingly similar term with regards to the products which do not correspond to that particular quality or characteristics. The court in this case held that:

[It] is the reputation that the type of product itself has gained in the market by reason of its recognisable and distinctive qualities that has generated the relevant goodwill. So if one can define with reasonable precision the type of product that has acquired the reputation, one can identify the members of the class entitled to share in the goodwill as being all those traders who have supplied a product which possesses those recognisable and distinctive qualities ... it cannot make any difference in principle whether the recognisable and distinctive qualities by which the reputation of the type of product has been gained are the results of having been made in, or from ingredients produced in, a particular locality or are the result of its having been made from particular ingredients regardless of their provenance.¹¹²

¹¹⁰ See *Gangjee* (n 2) 121. See also Champagne case involving *HP Bulmer Ltd and Showerings Ltd V J Bollinger SA*, 636 (Buckley LJ), where it was held that ‘the ability of any one Champagne House to describe its products as Champagne is of value to it not in relation to the Champagne market but in relation to the wider wine market distinguishing their products from other wines’.

¹¹¹ *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] FSR 397 (HL). See also *Gangjee* (n 2) 121.

¹¹² *Erven Warnink BV v J Townend* (n 111). For further juridical development, see also *Chocosuisse Union des Fabricants Suisse de Chocolat v Cadbury Ltd* [1998] RPC 117, 128 (Ch D). In this case, Laddie J expanded the extended passing off and held that it was applicable when ‘a reasonably identifiable group of products ... have a perceived distinctive quality and ingredients between goods sold under or by reference to the term and competing goods, that should not prevent a successful passing off action from being brought.’

Nevertheless, the court in this case also observed that geographical limitation might make it easier to outline the qualities and type of product, and the resultant harm to goodwill.

According to the Registrar of the Trademarks Registry of Pakistan, there are a few reported cases of passing off in the case of renowned trademarks in Pakistan. However, there is no case of collective trademarks or certification trademarks being passed off. Passing off protects proprietors of potential GIs against misappropriation as a common law remedy. According to the Registrar, this remedy is not widely used in Pakistan because of a lack of awareness amongst proprietors. He said that case law development in Pakistan was also very lean in this field.

Further, there is the problem of dilution under the trademark registration system where a mark registered by a proprietor for one product may be registered by another proprietor for a different product. Nevertheless, if the mark is a well-known mark then it is well protected. Section 86 of the Trademarks Ordinance states that a well-known trademark is entitled to protection under the Paris Convention and sets out the criteria for a tribunal or court to use to determine the well-known status of a trademark without requiring registration or actual use in the form of sales of goods or services under the trademark law in Pakistan. The most important criteria are:¹¹³

- the degree of Pakistani or worldwide recognition of the trademark (this may include public awareness of the mark in Pakistan, neighbouring countries and the region);
- the degree of inherent or acquired distinctiveness of the trademark (on the basis of worldwide use);
- the duration of the use and advertising of the trademark in Pakistan or worldwide (this may include sales and publicity/advertising and the amount invested in promoting the trademarked product);

¹¹³ Trademarks Ordinance, Section 86.

- the commercial value attributed to the trademark in Pakistan or worldwide (i.e. accrued value of use and registrations);
- the geographical scope of the use and advertising of the trademark in Pakistan or worldwide (this may include the number of countries in which the mark is registered and used, and the geographical extent and duration of its use);
- the quality and image that the trademark has acquired in Pakistan or worldwide; and
- the exclusivity of use and registration attained by the trademark in Pakistan or worldwide and the presence or absence of identical or deceptively similar third-party trademarks validly registered or used in relation to identical or similar goods and services.

Under Section 86(3) of the Ordinance, the proprietor of a well-known trademark can also initiate court action to restrain by injunction the use by others of a mark that is identical or deceptively similar to the well-known trademark and that is likely to cause confusion with and/or dilute the distinctive quality of the well-known trademark in Pakistan. ‘Dilution’ as defined in the ordinance refers to the ‘lessening of the capacity of a well-known trademark to identify and distinguish the goods or services’.¹¹⁴ Further, under Section 29(4) of the Ordinance, the owner of a well-known trademark (registered or not) or a trademark with an acquired reputation in Pakistan may oppose the registration of a mark on the grounds that it is substantially identical or deceptively similar to its own mark and/or would cause dilution or is likely to deceive or cause confusion.

Section 17(3) of the Ordinance caters for relative grounds for refusal of registration of a trademark. It states that a mark cannot be registered if it is similar or identical to an ‘earlier trademark’¹¹⁵ and is used for dissimilar goods if the earlier trademark has a

¹¹⁴ Trademarks Ordinance, Section 2(XIII).

¹¹⁵ Section 18 of the Trademarks Ordinance defines ‘earlier trademark’ in the following way:
‘(a) a registered trade mark or a Convention trade mark as per the Paris Convention which has a date of application for registration earlier than that of the trade mark in question, taking account, where appropriate, of the priorities claimed in respect of the trade marks;
(b) a trade mark filed under sub-section(1) of section 26; or

reputation in Pakistan and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trademark.

Courts in Pakistan were protecting well-known marks long before the legislation on well-known marks under the Trademarks Ordinance was enacted. Initially, courts were not amenable to the idea of dilution as can be seen in the *7UP* case. In this case, the proprietor used and registered the trademark 7UP for beverages and opposed the registration of the identical trademark for confectionery items such as ‘pan-masala’.¹¹⁶ The High Court viewed the matter as an attempt to enforce a monopoly.¹¹⁷ However, the Supreme Court¹¹⁸ of Pakistan did not adopt this approach and refused registration to the applicants. The Supreme Court was not deterred in refusing registration by the difference in the goods for which registration was sought and for which the proprietor had used and registered the trademark. This trend was continued in the subsequent cases of *Philips*,¹¹⁹ where Philips, a foreign company, had never used or registered that brand for sewing machines for which the same mark was sought to be registered by a local person; and *Toshiba*,¹²⁰ where Toshiba, a Japanese company, had never used or registered a trademark for fans for which the same mark was sought to be registered by a local trader. This juridical development is a healthy sign for well-known GIs in

(c) a trade mark which, on the date of application for registration of the trade mark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.

(2) References in this Ordinance to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of clause (a) or (b) of sub-section (1), subject to its being so registered.

(3) A trade mark shall, within clause (a) or (b) of sub-section (1), where registration expires, continue to be taken into account in determining of a later mark for a period of one year after the unless the Registrar is satisfied that there was no bona fide use of the mark during two years immediately preceding the expiry.’

¹¹⁶ This is a famous confectionery item in Pakistan.

¹¹⁷ See *PLD 1976 Karachi 895, 900*.

¹¹⁸ See *PLD 1990 SC 313*.

¹¹⁹ *PLD 1990 SC 1074*.

¹²⁰ *PLJ 1991 SC 57*.

Pakistan as it discourages registration of a trademark that is similar to a well-known GI in other classes of goods. However, the problem remains for those potential GIs which are not well-known.

GIs are well protected under sui generis law against infringement, dilution and use by third parties. Article 13 of the former EU Regulation 510/2006 is comprehensive in this regard.¹²¹ Article 13 of EU Regulation 1511/2012 is similar to Article 13 of EU Regulation 510/2006 except with the addition in Article 13(3) of further responsibilities for member states to take administrative and judicial steps.¹²² Generally, infringement actions in relation to GIs arise in two cases. Firstly, for the wrongful use of a GI in breach of Article 13(1)(a) of both former and current EU Regulations for the protection of GIs. In this case, an action is brought by the entity responsible for protecting the integrity of the GI. Secondly, with regard to a misleading use of a GI in breach of Article 13(1)(b), (c) or (d) of the Regulations.¹²³

¹²¹ Article 13 of EU Regulation 510/2006 states:

‘1- Registered names shall be protected against:

any direct or indirect commercial use of a registered name in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or in so far as using the name exploits the reputation of the protected name; (b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation” or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin; (d) any other practice liable to mislead the consumer as to the true origin of the product.’

Where a registered name contains within it the name of an agricultural product or foodstuff which is considered generic, the use of that generic name on the appropriate agricultural product or foodstuff shall not be considered to be contrary to points (a) or (b) in the first subparagraph. See also CTM Regulation, Article 7(1)(k). Example of Basmati is given supposing if it is registered.

¹²² See Article 13 of EU Regulation 1511/2012. Further details are discussed under heading 5.13 in Chapter 5.

¹²³ See Michael Blakeney, *The Protection of Geographical Indications, Law and Practice* (Edward Elgar 2014) 116.

In criminal proceedings cases in France (Cases C-129/97 and C-130/97),¹²⁴ the ECJ was requested by the Tribunal de Grande Instance, Dijon, France to offer a preliminary ruling in the criminal proceedings pending in that court regarding, inter alia, whether an action could be brought against an undertaking that used part of a compound PDO. France had provided for the registration of 'Époisses de Bourgogne' as a PDO under its law. Two enterprises were prosecuted under the law because they used the name *Époisses* for their cheeses. In response to a question, the ECJ ruled that with regard to a compound designation of origin, the non-appearance of the footnote in the applicable regulation specifying that registration was not sought for one of the parts of that designation of origin did not essentially mean that each of its parts was protected.¹²⁵

Article 13(1)(b) of EU Regulation 510/2006 extends the additional protection guaranteed for wines and spirits in the TRIPS Agreement to all the agricultural products under the EU's GI Regulation, thus extending the scope of infringement.

Further, Article 14(1) of the EU Regulation 510/2006 states that:

[W]here a designation of origin or a geographical indication is registered under this Regulation, the application for registration of a trademark corresponding to one of the situations referred to in Article 13 and relating to the same class of product shall be refused if the application for registration of the trademark is submitted after the date of submission of the registration application to the Commission.¹²⁶

¹²⁴ Criminal Proceedings against *Yvon Chiciak and Others (Époisses)* C-129/97 and C-130/97 [1998] ECR I-3315.

¹²⁵ Michael Blakeney, *The Protection of Geographical Indications, Law and Practice* (Edward Elgar 2014) 116.

¹²⁶ Article 13 of EU GI Regulation relates to protection accorded to PDOs and PGIs. Article 13(4) referred to in Article 14 states that: 'Without prejudice to Article 14, the Commission may decide to allow, under the procedure provided for in Article 15(2), the coexistence of a registered name and an unregistered name designating a place in a Member State or in a third country where that name is identical to the registered name, provided that all the following conditions are met: the identical unregistered name has been in legal use consistently and equitably for at least 25 years before 24 July 1993; it is shown that the purpose of its use has not at any time been to profit from the reputation of the registered name and that the consumer has not been nor could be misled as to the true origin of the product; the problem resulting from the identical names was raised before registration of the name. The registered name and the identical unregistered name concerned may co-exist for a period not exceeding

Under this Article, the proprietor of the PDO, Grana Padano,¹²⁷ received the declaration of cancellation of the CTM ‘Grana Biraghi’ registered by Biraghi SpA in 1998.¹²⁸ This can also be seen in the case of *Bureau National Interprofessionnel du Cognac v Gust Ranin*,¹²⁹ where the association of producers responsible for the enforcement of PGI ‘Cognac’¹³⁰ in the EU successfully opposed registration of two Finnish trademarks containing the name Cognac. Evans states that:

[This] shows how under the GI system, producers of Cognac may effectively reserve the name Cognac to their exclusive use. This was the case even though “Cognac”, as incorporated in the defendant’s mark, did not seek to mislead consumers about the origin of the goods with respect to liqueurs containing Cognac.¹³¹

Section 22(1) of the Indian GI law provides that a registered GI is infringed by a person who, not being an authorised user thereof, uses such a GI by any means in the designations or presentation of goods that indicates or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which misleads the persons as to the geographical origin of such goods or uses any geographical indications in such a manner which constitutes an act of unfair competition including passing off in respect of registered GI. Moreover, like Article 22.2 of TRIPS Agreement,¹³² competition is elucidated in explanations 1 and 2 after

a maximum of 15 years, after which the unregistered name shall cease to be used. Use of the unregistered geographical name concerned shall be authorised only where the country of origin is clearly and visibly indicated on the label.’

¹²⁷ Portuguese (Brazil) ‘Consorzio per la Tutela del Formaggio Grana Padano’. Grana Padano was registered as a PDO in 1996 for Italian hard cheese.

¹²⁸ *Consorzio per la Tutela del Formaggio Grana Padano v OHIM, Biraghi SpA* (T-291/03) [2007] ECR II-3081, [2008] ETMR 3, [89] regarding Biraghi’s defence that the ‘grana’ is generic.

¹²⁹ *Bureau National Interprofessionnel du Cognac v Gust. Ranin Oy (GRO)* (C-4/10 and C-27/10) [2011] ETMR 53.

¹³⁰ Cognac is a GI protected under Regulation 110/2008 (Annex III) which identifies it in Category No.4, in the wine spirit category, with France as its country of origin. Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89.

¹³¹ Evans (n 21).

¹³² Article 22.2 of the TRIPS Agreement states that: ‘In respect of geographical indications, Members shall provide the legal means for interested parties to prevent: (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a

Section 22(1) of Indian GI Act in consonance with Article 10bis of the Paris Convention.¹³³ It can be seen from that there is scope for better enforcement under the sui generis system as in the European cases discussed above.

3.10 SCOPE OF PROTECTION UNDER PRODUCT SPECIFICATION

In a trademark protection system, specifications of GIs are given by the proprietors in certification mark and collective mark applications. However, these specifications are generally narrower than the one demanded by sui generis law. Further, an applicant under the trademark system for a GI, as under a certification system, may include details regarding local geographical conditions, environment and methods of production. Nevertheless, the system is not designed around the verification of such requirements.¹³⁴ A sui generis system caters for verification of details of the specifications to ensure quality and sustainability of the GI products. There are inadequacies with regard to product specification and their verifications in the system of protection of GIs in Pakistan. If the government of Pakistan decides to introduce sui generis law for the protection of GIs,¹³⁵ it will have to legislate for the provision of

geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good; (b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967)'.
¹³³ Explanation 1: 'For the purposes of this clause, "act of unfair competition" means any act of competition

contrary to honest practices in industrial or commercial matters.'

Explanation 2: 'For the removal of doubt, it is hereby clarified that the following acts shall be deemed to be acts of unfair competition, namely:

- (i) all acts of such a nature as to create confusion by any means whatsoever with the establishment, the goods or the industrial or commercial activities, of a competitor;
- (ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial or commercial activities, of a competitor;
- (iii) geographical indications, the use of which in the course of trade is liable to mislead the persons as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.'

¹³⁴ See Gangjee (n 2) 208.

¹³⁵ The priority for the government of Pakistan is to enact a sui generis law. This has been confirmed by the Special Secretary of the Cabinet Division, the Registrar of the Trademarks Registry, DD Law and the Intellectual Property Office. (Interviews taken in September 2013)

detailed product specifications by applicants of GIs. Further, it will have to equip its system for sustained verification of specifications given by the applicants of GIs. Such a system is working efficiently for the protection of GIs in Europe under the EU's sui generis law.

Article 4 of the EU GI Regulation provides for a description of the agricultural product or foodstuff, including the raw materials, if appropriate, and principal physical, chemical, microbiological or organoleptic characteristics of the product or the foodstuff. It also provides a description of the method of obtaining the agricultural product or foodstuff and, if appropriate, the authentic and unvarying local methods as well as information concerning packaging, the definition of the geographical area, a description of the method of obtaining the agricultural product or foodstuff and, if appropriate, the authentic and unvarying local methods as well as information concerning packaging etc. as detailed in Article 4¹³⁶ of the Regulation. Article 7 of the current EU Regulation 1511/2012 is similar to Article 4 of the former EU Regulation 510/2006 with some additions. These are discussed in detail under heading 5.6 in chapter 5. Although there is not yet any case law in Pakistan to show the extent of

¹³⁶ Article 4 of the EC GI Regulation: 'To be eligible for a protected designation of origin (PDO) or a protected geographical indication (PGI), an agricultural product or foodstuff shall comply with a product specification. The product specification shall include at least: the name of the agricultural product or foodstuff comprising the designation of origin or the geographical indication; a description of the agricultural product or foodstuff, including the raw materials, if appropriate, and principal physical, chemical, microbiological or organoleptic characteristics of the product or the foodstuff; the definition of the geographical area and, where appropriate, details indicating compliance with the requirements of Article 2(3); evidence that the agricultural product or the foodstuff originates in the defined geographical area referred to in Article 2(1)(a) or (b), as the case may be; a description of the method of obtaining the agricultural product or foodstuff and, if appropriate, the authentic and unvarying local methods as well as information concerning packaging, if the applicant group within the meaning of Article 5(1) so determines and gives reasons why the packaging must take place in the defined geographical area to safeguard quality or ensure the origin or ensure control; details bearing out the following link between the quality or characteristics of the agricultural product or foodstuff and the geographical environment referred to in Article 2(1)(a) or, as the case may be, the link between a specific quality, the reputation or other characteristic of the agricultural product or foodstuff and the geographical origin referred to in Article 2(1)(b); the name and address of the authorities or bodies verifying compliance with the provisions of the specification and their specific tasks; any specific labelling rule for the agricultural product or foodstuff in question; any requirements laid down by Community or national provisions.'

protection under product specification, it is possible to analyse the case law in the EC. For example, the case of *Consorzio del Prosciutto di Parma v Asda Stores Ltd*¹³⁷ illustrates the breadth and the way in which the specification may be drawn and the standards it contains may be enforced against third parties to maintain premium rates.¹³⁸

The action in this case was brought by the Consorzio di Parma¹³⁹ against the defendant Asda Stores Ltd¹⁴⁰ which was selling *Prosciutto di Parma* bearing the description 'Parma Ham'. This had been purchased from the second defendant Hygrade Foods Ltd and the packets bore the words 'Genuine Italian Parma Ham'. The ham was purchased by Hygrade from an Italian producer who was a member of the Consorzio. Subsequently, Hygrade undertook the packaging, labelling and slicing for Asda. In this case, it was affirmed by the ECJ that under the GI Regulation, the Consorzio di Parma, as proprietor of the PDO, had the right to restrain the retail sale of Parma ham which had not been sliced, packaged, and labelled in the region of production, provided that it was consistent with the specification'.¹⁴¹

Hence, it can be seen that a sui generis system gives the applicants for a PGI or PDO the opportunity to exercise control over marketing and distribution by exploiting the product specification containing the conditions and standards for quality control and inspection.¹⁴²

¹³⁷ *Consorzio del Prosciutto di Parma & Salumificio S RitaSpA v Asda Stores Ltd & Hygrades Food Ltd* (C-108/01) [2003] ECR I-5121, [2004] ETMR 23 (*Parma v Asda*).

¹³⁸ Evans (n 21) 44.

¹³⁹ The Association responsible for the administration of PDO 'Prosciutto di Parma' registered for dry cured ham.

¹⁴⁰ A UK supermarket chain.

¹⁴¹ Evans GE, 'The Comparative Advantages of Geographical Indications and Community Trade Marks for the Marketing of Agricultural Products in the European Union' (2010) 41(6) *IIC-INT REV* 645, 10

<https://qmro.qmul.ac.uk/jspui/bitstream/123456789/2047/2/GEvans_Comparative%20advantage.pdf> accessed 26 August 2014.

¹⁴² *ibid* 9.

3.11 CONCLUSION

There are inadequacies in a trademark registration system for a country like Pakistan with a strong agricultural background and an old economy with traditional knowledge and a rich cultural heritage. In developing countries like Pakistan, the state can play an important role in registration and protection of its GIs. Nonetheless, the role of the state is marginalized in the trademark registration system of Pakistan. There is a lack of protection under the trademark registration system of Pakistan with regard to registrability, dilution, coexistence issues between GIs and trademarks, and enforcement as compared to a sui generis registration system. The registration of a geographical name under the current system does not prevent a third party from using its GIs¹⁴³ in translated version in another language, using the name preceded by a place name like ‘Texas Basmati’ or using terms like ‘style’, ‘type’ and ‘kind’.

Pakistan has hundreds of potential GIs which need to be registered. The protection of GIs under a trademark system does not support the registration of GIs in the presence of similar earlier trademarks. Further, the trademark system does not cater for GIs as a separate intellectual property right and there are no provisions for the protection of GIs against genericness.¹⁴⁴ Further, the threshold of GIs to become generic is high under trademark law as compared to sui generis law. The registration of GIs under the Trademarks Ordinance is not of an indefinite nature like those registered under the EU’s sui generis law. It has to be renewed every ten years.

¹⁴³ Pakistan has many agriculture-based GIs, such as Basmati rice, Hunza apricots, Sindhri mangoes, Kinos and Phulkari worth billions of dollars of domestic and international trade that benefit traders and farmers.

¹⁴⁴ Interview with the Registrar of Trademarks (September 2013, Pakistan).

The trademark registration system is not stringent with regard to specifications of the products given by GI applicants. A certification mark does not require an applicant to demarcate a geographical area. It is enough for the applicant to make it clear that the product originates from a particular region. The definition of a GI under the Trademarks Ordinance ignores the terroir logic for the protection of GIs under sui generis law.

The sui generis system allows the state to play an active role in registering and protecting GIs. This is important for developing countries with a weak private sector.¹⁴⁵ The protection of GIs against misuse, imitation or evocation¹⁴⁶ in sui generis systems such as the one found in the EU is strong as it effectively amounts to the protection of GIs similar to the common law action of passing off without the burden on right holders to prove consumer confusion.¹⁴⁷ It is also likely to lower the costs of renewal of GIs and associated legal costs. A sui generis system protects GIs from genericness and also allows coexistence of later registered GIs along with earlier registered GIs.

In addition, there are advantages for enacting sui generis law because of the multifunctional nature of GIs proposed as an instrument for strengthening market access, promoting sustainable rural development and preserving elements of biodiversity and indigenous knowledge.¹⁴⁸ Better protection of GIs in Pakistan will help the farmers and skilled workers that own GIs to realise better price premiums on their products. Both Pakistan and its farmers and skilled workers will benefit as a result of

¹⁴⁵ India has benefitted a great deal from the role that the government has played in registering and promoting GIs.

¹⁴⁶ See Article 13(1) of the EU GI Regulation.

¹⁴⁷ It is not necessary to show the likelihood of confusion as ruled by the ECJ. See *Gorgonzola/Cambozola* (87/97, 4 March 1999) (1999) ECR I 1301.

¹⁴⁸ Cerkia Bramley and Estelle Biénabe, 'Why the need to consider GIs in the South' in C Bramley, E Biénabe and Johan Kirsten (eds), *Developing Geographical Indications in the South: the Southern African Experience* (Springer Science + Business Media 2013) 6. See also D Rangnekar, 'The Socio-Economics of Geographical Indications: A Review of Empirical Evidence from Europe' (UNCTAD/ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development, 2004) <<http://www.ictsd.org/downloads/2008/07/a.pdf>> accessed 10 August 2014.

economic and social sustainability attached to well-protected GIs in terms of employment generation, higher income and export benefits, besides domestic commerce. In the long run, Pakistan will benefit from a sui generis system as ‘the greater breadth of protection offered by the GI system will better maintain price premium’¹⁴⁹ of the GIs of Pakistan.

This chapter has examined the insufficiencies of the current system of protection of GIs under the trademark law in Pakistan. It has also shown the strengths of a sui generis system of protection in comparison to the trademarks law in an agriculture-based country like Pakistan. The next chapter will discuss the evolution of GIs in international law and the development of a sui generis law. It will further examine the steps taken by the government of Pakistan to enact a sui generis law and protect its GIs.

¹⁴⁹ Evans (n 141) 646-647.

CHAPTER 4

DEVELOPMENT OF GIS IN INTERNATIONAL LAW, DEVELOPMENT OF THE SUI GENERIS SYSTEM OF PROTECTION AND EFFORTS TO ESTABLISH A SUI GENERIS LAW IN PAKISTAN

4.1 INTRODUCTION

The last chapter considered the inadequacies of the present system of protection of GIs in Pakistan. It was concluded that Pakistan needs to legislate a sui generis law in order to better enforce and protect its GIs, and for rural development.

This chapter will discuss the history of development of GIs in international law. It will be followed by the history of the development of sui generis law. At the end of this chapter, efforts to enact a sui generis law in Pakistan will be examined.

4.2 DEVELOPMENT OF GIS IN INTERNATIONAL LAW

The development of GIs law at an international level has had an impact in shaping sui generis laws. Marks indicating appellation of geographical origin were the earliest types of trademark. For example, tapestries made in continental Europe were marked with the place of origin. Sometimes, these tapestries displayed an official stamp. Some tapestries also showed the personal mark of the weaver. Another example of the use of marks of geographical origin was in the cloth trade in England. These marks became

known by the end of the fifteenth century as ones that identified cloth of a superior quality.¹

Laws which protect GIs have existed for hundreds of years and used to be issued by local and regional authorities. For example, the sale of wine was governed by a Charter of Steven 1 as early as 1222. The 'guild marks' were a common means to indicate the geographical origin of goods in the Middle Ages. Many of these, such as Murano glass, are still in use today.² The products of specific regions were historically more saleable than products of other regions because of quality traits due to climate, geology, manufacturing skills, indigenous raw material and/or food processing techniques of a region.³

France provided the most comprehensive system of protection for GIs.⁴ However, protection of GIs was not common in many parts of the world. According to Ladas, before the Paris Convention of 1883⁵ 'few countries protected indications of origin by their domestic law, and the remedies for the repression of false indications of origin were very inadequate'.⁶ The first effort to internationalise GI law was through the Paris Convention of 1883.

¹ See SA Diamond, 'The Historical Development of Trademarks' (1983) 73 TMR 230; FI Schechter, *The Historical Foundation of Law Relating to Trade-Marks* (1925); O'Connor, *The Law of Geographical Indications* (Cameron May 2004) 21.

² O'Connor (n 1). Murano Glass is from the island of Murano. This island is near Venice, Italy.

³ O'Connor (n 1) 21, 22. 'A study by the Swiss Institute IHA shows that consumers pay a great deal of attention to the geographical origin of products at the time of purchase. For example when buying wine, the place of origin remains the most important purchasing criterion: it accounts for 45 percent of the decision to purchase, compared with 25 percent for the price, 11 percent for the vintage, 10 percent for the type of grape, 4 percent for the type of label, 4 percent for the producer, and 1 percent for the shape of bottle.'

⁴ L Berard and P Marchenay, 'Tradition, regulation and intellectual property: local agricultural products and foodstuffs in France' in SB Brush and D Stabinsky (eds) *Valuing Local Knowledge: Indigenous Peoples and Intellectual Property Rights* (Island Press 1996) 230.

⁵ Paris Convention for the Protection of Industrial Property (20 March 1883, last amended 28 September 1979).

⁶ SP Ladas, *The International Protection of Industrial Property* (Harvard University Press 1930), 658-9.

4.3 PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY 1883

The development of GI law at an international level started with the Paris Convention of 1883. Since its creation it has gone through a number of revisions.⁷ Among other protected subject matter, it included ‘indications of source or appellations of origin’. It protected industrial property in general. It stated that: ‘the protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellation of origin (AOs), and the repression of unfair competition.’⁸

The Paris Convention provides for a clear distinction between trademarks and GIs in terms of the protection given to trademarks under Article 1(2) which includes indications of source or AOs and trademarks.⁹ However, it does not define ‘indications of source’ or ‘appellations of origin’.¹⁰ The Convention defines industrial property broadly. It states that ‘industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, mineral waters, beer, flowers and flour’.

Further under Article 6,¹¹ trademarks may be invalidated when they are:

⁷ WIPO, ‘Summary’ <http://www.wipo.int/treaties/en/ip/paris/summary_paris.html> accessed 1 August 2014. ‘The Paris Convention, concluded in 1883, was revised at Brussels in 1900, at Washington in 1911, at The Hague in 1925, at London in 1934, at Lisbon in 1958 and at Stockholm in 1967, and it was amended in 1979.’

⁸ Article 1(2) Paris Convention states that: ‘the protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.’

⁹ Paris Convention, Article 1(2). See also O’Connor (n 1) 28.

¹⁰ Nair, LR and Kumar, R, *Geographical Indications, A Search for Identity* (LexisNexis Butterworths 2005) 13. ‘The Paris Convention does not use the term “geographical indications” but it is the first multilateral agreement which provided protection of “indications of source” and “appellations of origin”.’

¹¹ Paris Convention, Article 6 (quinquies)(B)(2).

[D]evoid of any distinctive character or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quantity, quality, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed.

The term ‘indications of source’ was included within the Paris Convention ‘on the basis of collective reputation protection’.¹² Ladas explains this protection as the ‘common right to use the name of a place ... by all the producers, manufacturers, or traders of, and the right of these persons to exclude others from the use of the same name’.¹³ Recognising this valuable collective reputation in ‘indications of source’, the Paris Convention provided for collective marks under Article 7bis.¹⁴

¹² See Dev Gangjee, *Relocating the Law of Geographical Indications* (Cambridge University Press 2012) 40. ‘The “indications of source” differ here from trademarks because of two aspects. Firstly, there is collective ownership for ‘indications of source’ and they are used by only those who are from designated place. Secondly, ‘indications of source’ indicate geographical signs which are descriptive and prima facie make it unsuitable for a trademark to be registered under trademark registration rules.’

¹³ See S Ladas, *Patents, Trademarks and Related Rights* (Harvard 1975) 36, 158. See also GD Cushing, ‘On Certain Cases Analogous to Trade Marks’ (1891) 4 *Harvard Law Review* 321; Gangjee (n 12) 39, 40. According to Gangjee, ‘by the close of the nineteenth century, indications of source were placed in the conceptual category of unregistered designation protection alongside trade names.’ Ladas opines that, ‘Trade marks are only one means of distinguishing the goods of one producer from those of another and generally, of protecting advantageous business relations. This end may also be served by the trade name of a producer, by the indication of the place of origin of his product or by any other distinctive badge.’

¹⁴ Paris Convention, Article 7bis defines collective marks as follows:

‘(1) The countries of the Union undertake to accept for filing and to protect collective marks belonging to associations the existence of which is not contrary to the law of the country of origin, even if such associations do not possess an industrial or commercial establishment. (2) Each country shall be the judge of the particular conditions under which a collective mark shall be protected and may refuse protection if the mark is contrary to the public interest. (3) Nevertheless, the protection of these marks shall not be refused to any association the existence of which is not contrary to the law of the country of origin, on the ground that such association is not established in the country where protection is sought or is not constituted according to the law of the latter country.’

It is the first international agreement in the field of intellectual property law which granted 'national treatment' for foreigners.¹⁵ Under Article 4(A)1,¹⁶ the Paris Convention provided for 'minimum substantive standards for its protection ... however, a well-recognised limitation is the variable implementation of its substantive standards at the national level'.¹⁷

With regard to protection of GIs under the Paris Convention, Article 10(1) provides for seizure upon importation with respect to goods bearing false indication of the source of the goods or the identity of the producer.¹⁸ It states that, 'the provisions of the preceding Article shall apply in case of direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant.'¹⁹

¹⁵ Paris Convention, Article 2 on the 'National Treatment for Nationals of Countries of the Union' states that: '(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with. (2) However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of countries of the Union for the enjoyment of any industrial property rights. (3) The provisions of the laws of each of the countries of the Union relating to judicial and administrative procedure and to jurisdiction, and to the designation of an address for service or the appointment of an agent, which may be required by the laws on industrial property are expressly reserved.'

¹⁶ Paris Convention, Article 4(a)1 states that: 'any person who has duly filed an application for a patent, or for the registration of a utility model, or of an industrial design, or of a trademark, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter fixed.'

¹⁷ See Gangjee (n 12) 24. See Paris Convention Article 1 (definition of industrial property); Article 9 (sanctions including seizure on importation); Article 1 (proscription against false indications); Article 10bis (unfair competition) and Article 10ter (standing to initiate proceedings and remedies). See also GHC Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property* (Bureau de l'Union 1968) 15. Paris Convention leaves 'considerable freedom to the countries of the Union to legislate on questions of industrial property according to their interests or preferences'.

¹⁸ Michael Blakeney, 'Geographical Indications and TRIPS' in Michael Blakeney and others, *Extending the Protection of Geographical indications* (Earthscan 2012) 10.

¹⁹ The preceding Article referred to here is Article 9 of the Paris Convention. Article 9 deals with 'Seizure, on Importation, etc., of Goods Unlawfully Bearing a Mark or Trade Name.' It states that: '(1) All goods unlawfully bearing a trademark or trade name shall be seized on importation into those countries of the Union where such mark or trade name is entitled to legal protection. (2) Seizure shall likewise be effected in the country where the unlawful affixation occurred or in the country into which the goods were imported. (3) Seizure shall take place at the request of the public prosecutor, or any other competent authority, or any interested party, whether a natural person or a legal entity, in conformity with the domestic legislation of each country. (4) The authorities shall not be bound to effect seizure of goods in transit. (5) If the legislation of a country does not permit seizure on

At the time of importation, seizure of the goods or the prohibition of importation and seizure within the country are the available remedies against the unlawful use of an indication of source under the Paris Convention.²⁰ With regard to ‘interested parties’ applying to competent authorities for seizure of the goods,²¹ Article 10(2) of the Paris Convention states that:

Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.

On the face of it, Article 10 of the Paris Convention does not use the term AOs. However, this is covered by the expression ‘indications of source’ because the Paris Convention gives both expressions the same treatment and AO at a minimum constitutes an indication of source.²²

Further, protection is also available under Article 10bis of the Paris Convention which binds member countries to provide protection against unfair competition.²³ The

importation, seizure shall be replaced by prohibition of importation or by seizure inside the country. (6) If the legislation of a country permits neither seizure on importation nor prohibition of importation nor seizure inside the country, then, until such time as the legislation is modified accordingly, these measures shall be replaced by the actions and remedies available in such cases to nationals under the law of such country.’

²⁰ Paris Convention (n 19).

²¹ Under Article 9(3), request for seizure can be made by the ‘public prosecutor, or any other competent authority, or any interested party, whether a natural person or a legal entity, in conformity with the domestic legislation of each country’.

²² See JT McCarthy and VC Devitt, ‘Protection of geographical denominations: domestic and international’ (1979) 69 TMR 199. See also O’Connor (n 1) 30.

²³ Article 10bis (1) of the Paris Convention deals with unfair competition. It states:

‘1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition. 2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition. (3) The following in particular shall be prohibited:

(i) all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor; (ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor; (iii) indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.’

implementation of unfair competition varies noticeably in form and effect across jurisdictions.²⁴ This is contended by Nims. According to him:

[T]he law of unfair competition has developed in part also in response to a general feeling that the honest and fair-dealing merchant is entitled to the fruits of his skill and industry, and must be protected against loss caused by fraudulent and unfair methods used by business rivals. It is recognition by the courts of the duty to be honest and fair in all relations of business life ... The gradual judicial development of this doctrine is an embodiment of the principles of sound common sense and business morality although it involves nice discriminations between what may not be done in honourable business rivalry.²⁵

Under Article 19, the Paris Convention of 1883 provided the countries of the Union with the right to make special agreements with regard to protection.²⁶ It was an important article in the sense that the Madrid Agreement²⁷ and the Lisbon Agreement²⁸ were concluded in pursuance of this Article.²⁹

4.4 MADRID AGREEMENT FOR THE REPRESSION OF FALSE OR DECEPTIVE INDICATIONS OF SOURCE OF GOODS, 1891

The Madrid Agreement has an important place in the juridical development of GI law. This Agreement was established under Article 19 of the Paris Convention which allows its members to carry out special agreements for the protection of industrial property.

²⁴ See Gangjee (n 12) 54.

²⁵ HD Nims, *The Law of Unfair Business Competition* (Baker, Voorhis & Co 1909) iii-iv. See also Gangjee (n 12) 54.

²⁶ Paris Convention Article 19 deals with special agreements. It states that: 'it is understood that the countries of the Union reserve the right to make separately between themselves special agreements for the protection of industrial property, in so far as these agreements do not contravene the provisions of this Convention'.

²⁷ The Madrid Agreement for the Repression of false or Deceptive Indications of Source (adopted 14 April 1891, entered into force 145 July 1892).

²⁸ Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (concluded 31 October 1958), revised 14 July 1967, further amended 28 September 1979).

²⁹ O'Connor (n 1) 30.

The intention of this agreement was to protect ‘celebrated goods’ manufactured at places which were well known for them.³⁰

This Agreement was negotiated to mitigate the ‘dissatisfaction with the original Article 10 of the Paris Convention, almost before the ink was dry’.³¹ The proponents of ‘indications of source’ realised the limitations of communicative logic of a sign for GIs and this limitation is there to this today. If a sign is considered generic, for example, Champagne in the US, the infringement proceedings cannot take place. In order to safeguard ‘indications of source’, this is where the transition towards AOs based on terroir logic started.³²

The Paris Convention of 1883 prohibited the use of false geographical indications. However, a number of signatory countries proposed a more comprehensive regulation and prohibited false or deceptive indications under the Madrid Agreement.³³ Article 1(1) of this Agreement states that:

All goods bearing a false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries.

According to Article 1(2) of this agreement, the seizure shall also be effected in the country into which the goods bearing that false indication have already been imported or in the country where the false or deceptive indications have been applied.

³⁰ M Ostertag, ‘International Unions for the Protection of Industrial, Literary and Artistic Property’ (1926) 25 Michigan Law Review 107, 115.

³¹ See Gangjee (n 12) 65.

³² *ibid.* ‘The vector of the AO and its undergirding *terroir* logic are subsequently mobilised in response to the limits of a truth-telling model. The Madrid Agreement is interesting because it represents the beginning of this transition.’

³³ Blakeney (n 18) 10.

This was an important agreement as it prohibited deceptive indications from registration. A deceptive indication of source may be the true name of the place from where goods originate. The true name may be deceptive where the indication usurps the renown of a famous GI and the purchaser is confused with regard to the quality and true origin of the good. On the contrary, a false indication cannot be the true name of the place from where the product originates.³⁴

According to Article 3bis of the Madrid Agreement:

[T]he countries to which this Agreement applies also undertake to prohibit the use, in connection with the sale or display or offering for sale of any goods, of all indications in the nature of publicity capable of deceiving the public as to the source of the goods, and appearing on signs, advertisements, invoices, wine lists, business letters or papers, or any other commercial communication.

This Article expanded the number of situations in which misleading uses could be recognised. This provision, coupled with other provisions, gave better protection against infringing uses compared to the Paris Convention.³⁵

The Madrid Agreement lost much of its effectiveness because many important trading countries, such as Germany, the USA and Italy did not accede to it. They did not do so for two reasons. One was the 'home' rule based registration. There was an inherent inequality in the prevailing systems in different countries. Registration was given in France by depositing the registration whereas in many countries a thorough examination was a pre-requisite before a name was granted. The second problem was the inability of member countries to agree on the issue of names that may have become generic or homonymous.³⁶ Under Article 4 of the Agreement, national courts were to

³⁴ O'Connor (n 1) 31.

³⁵ See Gangjee (n 12) 69.

³⁶ O'Connor (n 1) 32.

determine whether the product had become generic.³⁷ This means that the name of those products which have been declared generic could be used on products not coming from the designated area and would not be taken as misleading. Further, under Article 4, vine products were excluded from the judicial scrutiny and given special status. This is how terroir became part of multilateral negotiations.³⁸ Nevertheless, adherence to the Madrid Agreement was and remains limited.³⁹

4.5 THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS 1891

Both the Madrid Agreement of 1891⁴⁰ and the Protocol relating to the Madrid Agreement 1989⁴¹ for the International Registration of Marks provide for an international registration system for trademarks and also for the registration of GIs

³⁷ Article 4 of the Madrid Agreement states that: ‘the courts of each country shall decide what appellations, on account of their generic character. Do not fall within the provisions of this Agreement, regional appellations concerning the source of products of the vine being, however, excluded from the reservation specified by this Article.’

³⁸ See Gangjee (n 12) 68, 69. ‘The original draft of this provision (Article 4) contained a straightforward rule exempting all generic expressions from Article 1 scrutiny and was passed by the delegates, whereupon the Portuguese delegate proposed an additional rider to this rule (Actes de Madrid, 82). M. De Oliveira Martins recommended that *all agricultural products* should be excluded as they could never become merely descriptive of a type or class. He distinguished between industrial or manufactured products such as eau de Cologne or Russian Leather which were susceptible to the vagaries of genericide as they could be reproduced anywhere and, by contrast, agricultural products such as the wines of Bordeaux, which were *uniquely* causally linked to the climate and *terroir* of a particular region. Designations for such products could never legitimately be used in a generic sense. It is therefore on 8 April 1990 that terroir makes its appearance in multilateral IGO negotiations. This term encapsulates the epistemic shift from the IS to the AO by suggesting that certain products are uniquely, or at least distinctively, linked to specific regions.’

³⁹ WIPO, ‘List of the Contracting Parties’

<http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_source.pdf> accessed 24 August 2014.

⁴⁰ Madrid Agreement Concerning the International Registration of Marks (adopted 14 April 1891 amended 28 September 1979).

⁴¹ The Protocol relating to the Madrid Agreement Concerning the International Registration of Marks (signed 28 June 1989)

internationally. GIs can be registered under them as collective marks, certification marks or guarantee marks.⁴²

The Agreement itself was not initially successful for two reasons. Firstly, there was a lack of international acceptance. Countries like the USA, the UK and Japan as well as many others did not join it. Secondly, there was an absence of an actual registration system. The International Bureau under this Agreement merely forwarded a uniform application to different member countries.⁴³

In order to strengthen the Madrid Agreement, WIPO supplemented it with the Madrid Protocol. It has been a success and up to the present 91 countries have signed the Protocol.⁴⁴ An international registration under the Protocol gives the same results as an application for the registration of a mark by an applicant in each of the designated countries. Under the Protocol, if the Trademark Office of a designated country does not refuse an application within a specified period of 12 or 18 months then the mark gets protected as if it had been registered by that office.⁴⁵

Nevertheless, the Madrid Agreement and the Protocol have limitations for many countries who desire to register their GIs. Only countries with a trademark protection system for the registration of their GIs can take advantage of this system. The countries which protect their GIs through sui generis law cannot use this system for the registration of their GIs.

⁴² O'Connor (n 1) 32, 33. 'The Madrid System gives a trademark owner the possibility of having his mark protected in several countries by simply filing one application with a single Trademark office, in one language, with one set of fees in one currency.'

⁴³ O'Connor (n 1) 33, 34. Attempts were made to improve the situation with regard to international registration of trademarks. The Trademarks Registration Treaty came into effect in 1980 but it also failed. It is no longer in force.

⁴⁴ Madrid Protocol, 'List of Contracting Parties' <http://www.wipo.int/treaties/en/ShowResults.jsp?treaty_id=8> accessed 11 August 2014.

⁴⁵ O'Connor (n 1) 34.

4.6 THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) 1947⁴⁶

The GATT 1947 addresses marks of origin in its Article IX.⁴⁷ Article IX:1 required contracting parties to the GATT 1947 to apply the Most Favoured Nation (MFN) treatment for marks of origin. Article IX:2 addresses the question of protection of consumers against fraudulent marks. Article IX:3 to Article IX:5 discuss the scope of marks of origin to be affixed at the time of importation.

Article IX:6 previews the concept of GIs.⁴⁸ It states that:

The contracting parties shall co-operate with each other with a view to preventing the use of trade names in such manner as to misrepresent the true origin of a product, to the detriment of such distinctive regional or geographical names of products of the territory of a contracting party as are protected by its legislation. Each contracting party shall accord full and sympathetic consideration to such requests or representations as may be made by any other contracting party regarding the application of the

⁴⁶ WTO, 'General Agreement on Tariffs and Trade: General Text of the Agreement' (Geneva, July 1986) Preface: 'The General Agreement on Tariffs and Trade came into force on 1 January 1948 ... The General Agreement is applied "provisionally" by all contracting parties. The original contracting parties, and also those former territories of Belgium, France, the Netherlands and the United Kingdom which, after attaining independence, acceded to the General Agreement under Article XXVI:5(c), apply the GATT under the Protocol of Provisional Application, the text of which is reproduced in this volume. Chile applies the General Agreement under a Special Protocol of September 1948. The contracting parties which have acceded since 1948 apply the General Agreement under their respective Protocols of Accession'.

⁴⁷ Article IX of GATT 1947 on 'Marks of Origin' states:

'1. Each contracting party shall accord to the products of the territories of other contracting parties treatment with regard to marking requirements no less favourable than the treatment accorded to like products of any third country.

2. The contracting parties recognize that, in adopting and enforcing laws and regulations relating to marks of origin, the difficulties and inconveniences which such measures may cause to the commerce and industry of exporting countries should be reduced to a minimum, due regard being had to the necessity of protecting consumers against fraudulent or misleading indications.

3. Whenever it is administratively practicable to do so, contracting parties should permit required marks of origin to be affixed at the time of importation.

4. The laws and regulations of contracting parties relating to the marking of imported products shall be such as to permit compliance without seriously damaging the products, or materially reducing their value, or unreasonably increasing their cost.

5. As a general rule, no special duty or penalty should be imposed by any contracting party for failure to comply with marking requirements prior to importation unless corrective marking is unreasonably delayed or deceptive marks have been affixed or the required marking has been intentionally omitted.

6. [see in the text on the page below].'

⁴⁸ *Resource Book on TRIPS and Development, UNCTAD-ICTSD (CUP 2005) 272.*

undertaking set forth in the preceding sentence to names of products which have been communicated to it by the other contracting party.

Article IX:6 of the GATT 1947 previews the concept of GIs. It was not made for strict obligation rather in terms of cooperation to prevent misrepresentation. Further, this article states that, ‘the duty to cooperation is based on the protection of a distinctive regional or geographic name by legislation in the country requesting cooperation, and further based on notification of the applicable names.’⁴⁹

4.7 THE STRESA CONVENTION OF 1951

The first specific international framework for the protection of GIs was the International Convention for the Use of Appellations of Origin and Denominations of Cheese. It was also known as the Stresa Convention and was signed in the Italian town of Stresa in 1951 by eight cheese-producing European states: Austria, France, Denmark, the Netherlands, Italy, Norway, Sweden and Switzerland. As listed in Annex A, the Convention accorded the highest degree of protection to four cheese GIs as AOs. These are: Gorgonzola, Parmigiano Reggiano, Pecorino Romano and Roquefort.⁵⁰ This higher degree of protection can be compared with the Additional Protection granted to wines and spirits under Article 23 of the TRIPS Agreement. Under Article 3 of the Stresa Convention, the AOs of Annex A listed cheeses ‘manufactured or matured in traditional regions, by virtue of local, loyal and uninterrupted usages’ as exclusively reserved for those cheeses, ‘whether they are used alone or accompanied by a qualifying or even corrective term such as “type”, “kind”, “imitation” or other term’.⁵¹ There is another

⁴⁹ *ibid.*

⁵⁰ Nod-Mottet and D Marie-Vivien, ‘Legal Debates on Geographical Indications’ in Elizabeth Barham and Bertil Sylvander (eds), *Labels of Origin For Food*; O’Connor ‘The Law of Geographical Indications’ 34.

⁵¹ Blakeney (n 18) 11.

second group of products which have less extensive protection compared to Annex A products. These are listed in Annex B of the Convention and include Camembert, Danablu, Emmental, Pinzgauer Berkase and Samsø.⁵²

The Stresa Convention did not attract large numbers of signatories. However, it gave the idea of greater protection of AOs and this idea was further confirmed in the juridical development of GI law at an international level by the Lisbon Agreement.

4.8 LISBON AGREEMENT FOR THE PROTECTION OF APPELLATIONS OF ORIGIN AND THEIR REGISTRATION, 1958

The Lisbon Agreement was an important and comprehensive agreement for the international registration and protection of AOs. This Agreement created another ‘Special Union’ under Article 19 of the Paris Convention after the Madrid Agreement on the Indications of Source, 1891. It strengthened AOs beyond the protection provided to them under the Paris Convention of 1883 and the Madrid Agreement on the Indications of Source, 1891.⁵³

This agreement defined AOs along French lines. It restricted protected GIs to the cases where the characteristics and quality of a product were ‘due exclusively or essentially to the geographical environment, including natural and human factors’.⁵⁴ Article 2 of the Lisbon Agreement defines AOs as ‘the geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or

⁵² O’Connor (n 1) 35.

⁵³ See Gangjee (n 12) 127. See also ‘The Law of Geographical Indications’ 37.

⁵⁴ Blakeney (n 18) 11.

characteristics⁵⁵ of which are due exclusively or essentially to the geographical environment, including natural and human factors'. This definition later influenced the definition of GIs in Article 22.1⁵⁶ of the TRIPS Agreement. This Agreement is also important and different from the earlier treaties and conventions because 'beyond the consumer-centric agenda the proposal introduced the Appellation of Origin (AO) and recognised the need to protect economic benefits associated with valuable reputations'.⁵⁷

Article 2(1) identifies the link between the place and the product where the 'quality or characteristics of (the product) are due exclusively or essentially to the geographical environment'. Therefore, 'either quality or (qualitatively evaluated) distinctive features are 'exclusively or essentially' attributable to the influence of place'.⁵⁸

Further, there is greater protection granted under the Lisbon Agreement. Protection of AOs under this agreement 'shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as "kind", "type", "make", "imitation", or the like'.⁵⁹

Article 5⁶⁰ of the Lisbon Agreement provides for the registration and notification of AOs. Article 5(1) provides for the registration of AOs with the International Bureau,

⁵⁵ There was confusion over whether the provision meant 'quality and characteristics' as in earlier English translation or otherwise as described by the official French text as 'quality or characteristics'. The latter is acknowledged now. See Gangjee (n 12) 131.

⁵⁶ Article 22.1 of the TRIPS Agreement states that: 'geographical 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'. Agreement on Trade-Related Aspects of Intellectual Property Rights, (Annex 1c, Marrakesh Agreement Establishing the World Trade Organization, signed 15 April 1994).

⁵⁷ See Gangjee (n 12) 127, 131.

⁵⁸ *ibid* 137, 138.

⁵⁹ Lisbon Agreement, Article 3.

⁶⁰ Article 5 of the Lisbon Agreement states that:

‘at the request of the Authorities of the countries of the Special Union, in the name of any natural persons or legal entities, public or private, having, according to their national legislation, the right to use such appellations’. Hence, such a registration requires the existence of national registration for international protection. Article 5(2) requires the International Bureau to notify the Authorities of the Special Union of such registration without delay.

The Lisbon Agreement is not clear on the duration of protection for AOs. According to its Article 7: ‘(1) Registration effected with the International Bureau in conformity with Article 5 shall ensure, without renewal, protection for the whole of the period referred to in the foregoing Article.’ Article 5 of the Lisbon Agreement does not refer to the time period for protection but only ‘to the process of declaring that certain appellations cannot be protected. However, since Article 7(1) refers to an absence of renewals, the

‘International Registration; Refusal; Notifications; Use Tolerated for a Fixed Period

- (1) The registration of appellations of origin shall be effected with the International Bureau, at the request of the Authorities of the countries of the Special Union, in the name of any natural persons or legal entities, public or private, having, according to their national legislation, the right to use such appellations.
- (2) The International Bureau shall, without delay, notify the Authorities of the various countries of the Special Union of such registrations, and shall publish them in a periodical.
- (3) The Authority of any country may declare that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, but only in so far as its declaration is notified to the International Bureau, together with an indication of the grounds therefor, within a period of one year from the receipt of the notification of registration, and provided that such declaration is not detrimental, in the country concerned, to the other forms of protection of the appellation which the owner thereof may be entitled to claim under Article 4, above.
- (4) Such declaration may not be opposed by the Authorities of the countries of the Union after the expiration of the period of one year provided for in the foregoing paragraph.
- (5) The International Bureau shall, as soon as possible, notify the Authority of the country of origin of any declaration made under the terms of paragraph (3) by the Authority of another country. The interested party, when informed by his national Authority of the declaration made by another country, may resort, in that other country, to all the judicial and administrative remedies open to the nationals of that country.
- (6) If an appellation which has been granted protection in a given country pursuant to notification of its international registration has already been used by third parties in that country from a date prior to such notification, the competent Authority of the said country shall have the right to grant to such third parties a period not exceeding two years to terminate such use, on condition that it advise the International Bureau accordingly during the three months following the expiration of the period of one year provided for in paragraph (3), above.’

assumption is that an appellation is protected for as long as it remains an appellation in the relevant country of origin.’⁶¹

Article 6 of the Lisbon Agreement shields AOs against becoming generic. It states that: ‘an appellation which has been granted protection in one of the countries of the Special Union pursuant to the procedure under Article 5 cannot, in that country, be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin’.

Gangjee has described the Lisbon Agreement as ‘the high water mark in the international protection’ of GIs. The salient features of the Agreement are:

recognition of the AO as distinct subject matter’; ‘international registration based on prior recognition at the national level’; and ‘desirable consequences flowing from this registration, including the prohibition of a range of (mis)uses beyond misleading ones and the prevention of subsequent generic use after registration.’⁶²

Few countries became part of this Agreement. Accession was possible for those countries which protected GIs as AOs; countries which protected GIs under unfair competition law or consumer protection laws were precluded. Further, the agreement did not cater for any solution for those GIs which had become generic in respective member states.⁶³ Nevertheless, the Lisbon Agreement set in motion the formal transition from ‘indications of source’ to ‘appellations of origin’.⁶⁴

⁶¹ Michael Blakeney, *The Protection of Geographical Indications: Law and Practice* (Edward Elgar 2014) 16.

⁶² See Gangjee (n 12) 128.

⁶³ Blakeney (n 18) 11.

⁶⁴ See Gangjee (n 12) 177.

4.9 WIPO AND GIS

The WIPO issued a draft treaty for the protection of AOs and GIs in 1975. Unlike the Lisbon Agreement, this draft treaty did not require the signatories to have AOs in their domestic law.⁶⁵ Work on the draft treaty could not progress because of the need to revise the provisions of the Paris Convention 1883.

WIPO also issued a Model Law in 1975 for developing countries.⁶⁶ This Model Law was made for use in national laws of member states and a number of developing countries used it as a basis for their respective legislations, such as India, Thailand and Chile.⁶⁷

An ‘appellation of origin’ is defined in the Model Law as:

[T]he geographical name of a country, region or specific place which serves to designate a product originating therein, the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural factors, human factors or both....; any name which is not that of a country, region or specific place is also considered a geographical name if it relates to a specific geographical area, when used in connection with certain products.⁶⁸

Further, Section 1 of the Model Law defines an ‘indication of source’ as ‘any expression or sign used to indicate that a product or service originates in a country or region or a specific place’.

Any agricultural product, natural product or product of handicraft or industry is included under the scope of protection provided by the Model Law. The ‘producer’ in the Model Law means not only the producer of an agricultural product or other products

⁶⁵ Blakeney (n 18) 12.

⁶⁶ WIPO, ‘Model Law for Developing Countries on Appellations of Origin and Indications of Source’ (Geneva 1975) Sign 6/W. See also O’Connor (n 1) 42.

⁶⁷ O’Connor (n 1) 42.

⁶⁸ Section 1 of the Model Law.

but also persons trading such products. Further, there is national treatment for foreigners and only those AOs which are registered in the Model Law are protected.⁶⁹

Moreover the concept of ‘Additional Protection’ later introduced for wines and spirits under the TRIPS Agreement, is also enshrined in the Model Law where it states that:

It shall be unlawful to use, in the course of trade a registered appellation of origin, or similar name, with respect to the products specified in the register or similar products, even if the true origin of the product is indicated, or if the appellation is in the form of a translation or is accompanied by terms such as “kind”, “type”, “make”, “imitation”, or the like.⁷⁰

A memorandum was issued by WIPO in 1990 which asserted the continuing need for a treaty on GIs.⁷¹ However, this has yet to be taken up by the WIPO Committee of Experts on the International Protection of Geographical Indications.⁷²

4.10 TRIPS AGREEMENT

The importance and status of GIs reached its peak with their inclusion in the TRIPS Agreement. The TRIPS Agreement is the most significant international treaty in the field of intellectual property rights in the 20th century.⁷³ According to Gangjee, ‘the GI provisions in TRIPS attest to the continuing relevance of the local in the face of the global. Improved transportation, migration flows, profile of regionally specific foodstuffs, beverages and crafts ... As these products gain in commercial significance, GIs can no longer afford to remain as exotic footnotes in the IP story’.⁷⁴ GIs are now

⁶⁹ O’Connor (n 1) 43.

⁷⁰ Section 14(4) of the Model Law.

⁷¹ O’Connor (n 1) 37. See also report by the Committee of Experts on the International Protection of Geographical Indications (1st Session, Geneva, 28 May-1 June 1990) GEO/CE/1/2.

⁷² Blakeney (n 18) 12.

⁷³ O’Connor (n 1) 50; D Gervais, *The Trips Agreement: drafting history and analysis* (2nd edn, Sweet and Maxwell 2003).

⁷⁴ See Gangjee (n 12) 183.

taken as an important tool for economic development and poverty reduction and have also assumed a central place in the debate between the member countries of the WTO in the DDA.⁷⁵

Articles 22 to 25 of the TRIPS Agreement pertain to GIs and set minimum standards for the protection of GIs. The TRIPS Agreement is flexible for the members of the WTO for protecting the GIs as it does not specify a particular legal means for their protection. Rather, it is left up to countries to provide for the protection of GIs in their respective laws.⁷⁶

In terms of GIs, the TRIPS Agreement can be divided into four themes, which are: 'the definition of a GI'; 'general protection for all GIs'; 'enhanced protection for wines and spirits'; and 'exceptions as well as unresolved issues for further negotiations'.⁷⁷

Article 22.1 of the TRIPS Agreement defines GIs as 'indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin'. This definition in the TRIPS Agreement is apparently based on the definition of AO in Article 2 of the Lisbon Agreement. However, it deviates from it in a number of ways. GIs are defined in Article 21.1 of the TRIPS Agreement as 'indications which identify a good'. The Lisbon Agreement defines AOs as 'the geographical name of a country, region, or locality, which serves to designate a product'. The definition under the Lisbon Agreement does not shield AOs which are constituted by signs other than geographical names, such as a figurative element or a

⁷⁵ WTO, 'Doha Development Agenda' <http://www.wto.org/english/tratop_e/dda_e/dda_e.htm> accessed 26 April 2006.

⁷⁶ TRIPS Agreement.

⁷⁷ See Gangjee (n 12) 185.

non-geographical name.⁷⁸ The TRIPS Agreement further expands the definition of AO given under the Lisbon Agreement by protecting goods that only derive a reputation from their place of origin. Goods in this case may not possess a given quality or characteristics which are due to place of origin.⁷⁹

The name of a GI under the TRIPS Agreement has to be an indication rather than the name of a place. In that sense, Basmati rice which is not the name of a place but one of the most famous GIs of Pakistan and India qualifies for registration as an indication.

There is special treatment given to wines and spirits under the TRIPS Agreement. Article 23.1 TRIPS gives additional protection to wines and spirits. According to Article 23.1:

Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.

The scope of protection under Article 23.1 to wines and spirits is stronger than the protection given to all the goods under Article 22 of the TRIPS Agreement. This is often referred to as ‘absolute’ protection.⁸⁰ According to Geuze:

[Article 23] provides for a more absolute form of protection for GIs for wines and spirits ... This applies even where the public is not being misled, there is no unfair

⁷⁸ See WIPO, ‘Possible solutions for conflicts between trademarks and geographical indications and for conflicts between homonymous geographical indications’ (Document SCT 5/3, 8 June 2000) 6 <http://www.wipo.int/edocs/mdocs/sct/en/sct_5/sct_5_3.doc> accessed 14 August 2014.

⁷⁹ O’Connor (n 1) 51, 52.

⁸⁰ See Gangjee (n 12) 187. It is also worth noting that under Article 23.3 and 23.4 of TRIPS Agreement there is extra additional protection for wines.

competition and the true origin of the good is indicated or the geographical indication is accompanied by expression such as “kind”, “style”, “type”, “imitation” or the like.⁸¹

After the provisions relating to definition and scope of protection, the TRIPS Agreement provides for exceptions and future negotiation. Article 23.4⁸² of the TRIPS Agreement provides for commitment for further negotiating at the TRIPS Council to establish a multilateral system of registration and notification for wines registered as GIs.⁸³ Members have also agreed to enter into negotiations under Article 24.1⁸⁴ of the TRIPS Agreement in order to increase the protection of individual GIs for wines and spirits under Article 23⁸⁵ of the TRIPS Agreement. In this regard, the EU has pursued and entered into bilateral wine agreements to strengthen its AOs.⁸⁶ Further, under Article 24.2 ‘the Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the

⁸¹ M Gueze, ‘Protection of Geographical Indications under the TRIPS Agreement and Related Work of the World Trade Organisation’ (October 1997) WIPO/GEO/EGR/97/2, [9]. See also Gangjee (n 12) 187.

⁸² Article 23.4 of TRIPS Agreement states that: ‘in order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system’.

⁸³ See Gangjee (n 12) 188. ‘Spirits were subsequently included in the negotiations for this register despite not being mentioned in the text of the agreement’. This was done around the time of the Singapore Ministerial Conference of 1996. See WTO, ‘Report (1996) of Council for TRIPS’ (6 Nov 1996) IP/C/8, [34]. See also WTO, ‘Doha Ministerial Declaration’ (November 2001) WT/MIN(01)/DEC/1, [18], Members ‘agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits’. Members have also agreed to enter into negotiations under Article 24.1 of the TRIPS Agreement to increase the protection of individual GIs for wines and spirits under Article 23 of the TRIPS Agreement.

⁸⁴ Article 24.1 of the TRIPS Agreement states that ‘members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations’.

⁸⁵ Article 23 of the TRIPS Agreement states that: ‘each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like’.

⁸⁶ See Agreement between the European Community and Australia on Trade in Wine [2002] OJ L28/3; Agreement between European Community and the Republic of South Africa on Trade in Wines [2002] OJ L28/4. See also Gangjee (n 12) 188.

entry into force of the WTO Agreement'. Moreover, under exceptions, Members are not allowed to reduce the protection of GIs that were in existence prior to the date on which TRIPS entered into force.⁸⁷

There are a number of grandfathering provisions⁸⁸ in the TRIPS Agreement, such as Article 24.4 with regard to wines and spirits. It states that:

Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its 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 either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.

With regard to trademarks, there is a grandfathering clause in Article 24.5 which states that:

Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

(a) before the date of application of these provisions in that Member as defined in Part VI; or

(b) before the geographical indication is protected in its country of origin;

measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

The above is a brief narrative of the juridical development of GIs at the international level from the Paris Convention to the TRIPS Agreement. Negotiations on TRIPS at the international level are still proceeding albeit at a snail's pace. These negotiations

⁸⁷ TRIPS Agreement, Article 24.3.

⁸⁸ These are those provisions which exempt someone already involved in an activity from the effects of new rules on that activity. See Gangjee (n 12) 189.

pertain to the extension of Article 23; additional protection to all products beyond wines and spirits; and the establishment of an international registration system for GIs.⁸⁹

It is important to briefly consider the historical development of sui generis law before examining specific sui generis regimes in the next chapter.

4.11 HISTORY OF THE DEVELOPMENT OF SUI GENERIS LAW FOR GIS

GIs have been protected at national and regional levels through various legal means. They range from unfair competition, trademark registration systems, consumer protection and passing off to sui generis law. These different modes of protection were adopted by different countries, taking into account their respective national traditions along with historical and economic conditions.⁹⁰

The concept of GI originates in Europe⁹¹ and the shaping of sui generis GI law stems from the French wine appellation system which is grounded on terroir logic. The legal protection of GIs started through the policies of southern European countries for the protection of their wines under the supervision of their ministries of agriculture. After a request by the EU to include GIs in the TRIPS Agreement, GIs began to be treated like patents, copyrights and trademarks, and implemented by WTO member countries as one of the IPRs.⁹²

⁸⁹ See Gangjee (n 12) 191.

⁹⁰ O'Connor (n 1) 21.

⁹¹ Jean-Louis Rastoin, 'The Concept of Terroir as the Basis of Corporate Strategy in Agribusiness: The European Social, Economic and Institutional Model' in Louis Augustin-Jean, H  l  ne Ilbert and Neantro Saavedra-Rivano (eds), *Geographical indications and international agricultural trade: the challenge for Asia* (Palgrave Macmillan 2012) 126.

⁹² Delphine Marie-Vivien, 'The Role of the State in the Protection of Geographical Indications: From Disengagement in France/Europe to Significant Involvement in India' (2010) 13(2) JWIP 121, 122.

The French appellation system emerged in response to the Phylloxera⁹³ crisis towards the end of nineteenth century which demanded urgent state intervention.⁹⁴ Signs of the Phylloxera crisis emerged in the early 1860s when the owners of the vineyards in France started noticing that some of the vines were dying for no apparent reason. It became obvious by 1867 that a serious threat was present and the vineyards of Provence and Rhône were facing a new and dangerous problem as many hectares of vines were found dead or dying. Whalen states that the ‘challenges confronting French wine-producing regions during the late nineteenth and early twentieth centuries were collectively known as ‘the wine crisis’ (*la crise du vin*)’. Lasting nearly three quarters of a century, the wine crisis haunted the industry’s biological, legal, sociological and economic vectors. Three biological blights of American provenance (imported with infected vines): Phylloxera (particularly between 1863 and 1900), mildew plasmopora viticola (1884), and blackrot uncinula necator (1898), directly attacked the leaves, fruit and roots of French vines.⁹⁵

It took some time to find the cause of this damage. The connection between Phylloxera and the destruction of vineyards was established in 1868 by the efforts of a Commission created by the Société Centrale d’Agriculture de l’Hérault. It took a long time to cure this menace and it engulfed the whole of France as well as most parts of Europe in Portugal, Turkey, Austria-Hungary, Switzerland, Spain, Italy and Germany. It was

⁹³ ‘Phylloxera is a tiny sap-sucking, aphid-like, root-louse that feeds on the roots of grapevines. Native to the United States, it was accidentally introduced into Europe in the 1860s when infested vines from the East Coast of America were sent to France as museum specimens ... The consequences were devastating. As the roots of infected vines become distorted, the regeneration of new roots is inhibited thereby affecting the root system’s ability to absorb water and minerals’. See Gangjee (n 12) 93. France experienced a ‘wine crisis’ in the late nineteenth and early 20th century. There was crisis in the industry’s biological, legal, sociological and economic vectors. It was due to ‘three biological blights of American provenance (imported with infected vines) – phylloxera (particularly between 1863 and 1900), mildew plasmopora viticola (1884), and blackrot uncinula necator (1898) – directly attacked the leaves, fruit and roots of French vines’ see Tim Unwin, *Wine and the Vine* (Routledge 1991) 283-4.

⁹⁴ See Gangjee (n 12) 78, 83.

⁹⁵ Philip Whalen, ‘Insofar as the Ruby Wine seduces them’ (2009) 18 Contemporary European History 68. See also Gangjee (n 12) 93.

believed that Phylloxera had spread many years before it was known and it had spread to Europe from France through the distribution of American vines despite strict control measures.⁹⁶

Because of this infestation, 'deleterious practices' emerged in the shape of hybrid vines producing unsuitable grapes, compromising quality for quantity and halting the acetification process by the addition of lead oxide.⁹⁷ Further, with the decrease in quality, there was a surge in quantity in the aftermath of the crisis. This resulted in price crashes for grape harvests. There emerged concerns about the cultivation of high yielding, low quality vines which pushed down prices. There was also a wide perception of fraud which devalued the wine and resulted in the decline of the French economy. At this juncture, the French government intervened with legislation to stop fraud and ensure quality.⁹⁸ A law in 1905 was a well-directed effort to combat fraud in sales, including the repression of false indications of source and origin in the agro-food sector. The motivation behind this law was the need to identify wines originating from a specific geographical area in order to curtail significant misuses. There were grave concerns at that time as the misuses of the appellations had also led to the poisoning of consumers with fake products, leading to a public health threat. Hence, the definition of the appellation became important and was done by the administration through enactments of notifications. This definition of the appellation was done only according to the delimitation of the geographical area. It did not mention any methods of production which resulted in the specific quality.⁹⁹

⁹⁶ Unwin (n 93) 250, 251. See also Gervais (n 73) 1904.

⁹⁷ Unwin (n 93) 313, 314. See also Gangjee (n 12) 95.

⁹⁸ See Gangjee (n 12) 96. See also CK Warner, *The Winegrowers of France and the Government since 1875* (Columbia University Press 1960) 26-9.

⁹⁹ Marie-Vivien (n 92) 121, 123. According to Marie-Vivien, 'repression of fraud, according to the Law of 1905, was under the umbrella of the General Directorate for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF)'.

A later law in 1908 touched upon the demarcation process by proposing that boundaries of GIs should be established based on constant local usages. The law of 1919 further responded to shortcomings of the law of 1905 and gave an elaborate formula for determining the place of origin. It took the powers of determining the place of origin from the executive and gave it to the judiciary in order to determine it on a case by case basis. These culminated in the law of 1935 which created the Appellation d'Origine Controllee (AOC) regime as a system for guaranteeing both origin and quality. This was needed as merely guaranteeing geographical origin was deemed insufficient and a body was needed in order to recognise both geographical area and product specifications. Judicial determination of geographical origin was generating uncertainty; hence this task was also given to the AOC.¹⁰⁰ This institution was renamed the Institut National des Appellations d'Origine (INAO) under the law of 1947.¹⁰¹

The INAO was established as a public sector body operating under the aegis of France's Ministry of Agriculture. This organisation consisted of industry professionals involved in the production, qualified experts and members of official agencies and departments. Finally, the French law no. 66-48 of 6 July 1966 amended the law of 1991 on the protection of AOs. For the first time, a law provided 'an explicit definition of appellation of origin: the geographical name of a country, region or locality, which serves to designate a product originating therein, the quality and characteristics of which are due to the geographical environment, including natural and human

¹⁰⁰ See Gangjee (n 12) 97-110.

¹⁰¹ Decret du 16 Juillet 1947 Fixant La Composition Du Comite National Des Appellations d'Origine (19 July 1947) *Journale Officiel* 6948.

factors'.¹⁰² The recognition of AOC through INAO was originally only for wines and spirits. It was extended to other agricultural products in 1990.¹⁰³

This historical information explains why regimes that develop around the AO concept also incorporate a guarantee that connects origin, quality and reputation.¹⁰⁴ A discussion will now follow on the efforts made by Pakistan in enacting its own sui generis law.

4.12 EFFORTS FOR THE ENACTMENT OF A SUI GENERIS LAW ON GIS IN PAKISTAN

At present, Pakistan does not have its own sui generis law. There has been an effort by the government to legislate a stand-alone law, such as the ones in India and the EU for the protection of GIs. Nevertheless, there has been deadlock due to the diversity of views of different stakeholders and the change of administrative control of intellectual property matters between the various federal ministries of Pakistan. Before the promulgation of an Ordinance¹⁰⁵ to form an intellectual property office (IPO), IPRs in Pakistan were administered by different ministries. The Trade Marks Registry was administered by the Ministry of Commerce, the Copyright Office by the Ministry of Education and the Patent Office by the Ministry of Industries. Following the realisation

¹⁰² Marie-Vivien (n 92) 124. According to Marie-Vivien, 'the protection of the appellation of origin as well as the indication of source was harmonized at the European level in 1992, through the enactment of the European Regulation 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (the EU Regulation 1992).' EU Regulation 2081/92 was supplanted by EU Regulation 510/2006.

¹⁰³ Marie-Vivien (n 92) 124.

¹⁰⁴ See Gangjee (n 12) 210.

¹⁰⁵ The Ordinance for the formation of an IPO was promulgated and the government wanted to expedite the process. It would have taken a long time for the government to enact the law as there was a deadlock amongst the ministries. There was implicit lobbying going on between the proponents of various ministries, amongst the stakeholder ministries, to take control of the IPO. It would have delayed the passing of an Act in the Parliament. The Constitution of the Islamic Republic of Pakistan empowers the President of Pakistan to promulgate Ordinances at times when the Parliament is not in session. These Ordinances have the same effect as an Act of Parliament. Nevertheless, the Ordinances must subsequently be confirmed by the Parliament. Interview with Additional Secretary Cabinet Division, Mr. Naved Arif, September 2013.

of the importance of IPRs for investment and trade in Pakistan, the government decided to bring all intellectual property matters under one body.¹⁰⁶ This resulted in a turf war between the three ministries to take control of all IP issues. An IPO was established under the IPO Ordinance 2005.¹⁰⁷ The IPO took some time to deal with some teething issues and now the issue of GIs is again being discussed in order to legislate a stand-alone law.¹⁰⁸ Efforts were made in Pakistan to introduce a sui generis law from 2001 to 2005. According to the Registrar of the Trademarks Registry, the draft law of GIs was finalised by the Ministry of Commerce by 2005. It was made in consultation with the public and private sector in relation to GIs. However, due to the discord between the government institutions on governance issues, a stand-alone law could not be enacted until now.¹⁰⁹ In the Strategic Trade Policy Framework 2009-2012, the government stated that the absence of a GI sui generis law had exposed Pakistan's GIs to infringement, especially Basmati rice. It announced that it was resolved to make a separate GI Act on a fast-track basis.¹¹⁰ This was at the time when the IPO wanted to go ahead with a separate law on GIs. However, things were once again put on the back-burner following objections from the Ministry of Law with regard to proposed

¹⁰⁶ There were a number of delegations from WIPO which pleaded with the government of Pakistan to place the administration of all intellectual property matters under one government body. There were number of complaints from countries like the USA that wished it to put an end to optical media piracy in Pakistan. At the same time, the government was drafting a GI law. Above all, these matters were also important for concluding free trade agreements as IP matters were one of the few issues of disagreement between the USA and Pakistan concerning the conclusion of a BIT. Interview with JS (WTO) of Ministry of Commerce of Pakistan, Mr. Asad Hayyauddin.

¹⁰⁷ The original name of the organisation was the Pakistan Intellectual Property Rights Organization (PIPPO). The name was amended to IPO in 2007.

¹⁰⁸ Interview with Registrar of Trade Marks Registry, IPO, Cabinet Division, Pakistan.

¹⁰⁹ Interview with Registrar (September 2013). The Intellectual Property Organization of Pakistan Act 2012 has also been enacted. It came into effect on 28 August 2012 <<http://ipo.gov.pk/UploadedFiles/IPO-Act-2012.pdf>> accessed 13 August 2014.

¹¹⁰ Ministry of Commerce (Government of Pakistan), 'Strategic Trade Policy Framework of Pakistan 2009-12' 1.5.3.3 <http://webcache.googleusercontent.com/search?q=cache:hiol73Plz_EJ:www.pakistantanners.org/documents/PTA-173%2520ST%2520Policy%2520Frame%2520Work%25202009-12.pdf+strategic+trade+policy+framework+2009-12+pakistan+geographical+indications+law&cd=2&hl=en&ct=clnk&gl=uk> accessed 28 Feb 2013.

inclusion of GIs in the definition of IPRs in the new IPO Act.¹¹¹ According to the Deputy Director of Law (DD Law) at the IPO, there was disagreement between the IPO and the Ministry of Law regarding the status of GIs under the Constitution of Pakistan after the 18th Amendment. According to Ministry of Law officials, the GI subject was not clear in the Federal Legislative List¹¹² of the Constitution of Pakistan as there was no mention of GIs in it. This disagreement was delaying the enactment of the IPO Act 2012. Hence, in order to expedite the enactment, the IPO omitted GIs from the definition of IPRs in the IPO Act 2012. However, it kept the subject open by adding ‘ancillary rights’ in the definition of IP, in addition to trademarks, copyright, patents, industrial designs, layout designs of integrated circuits and related rights. The DD Law stated that for almost eight months after the enactment of the IPO Act, the initiative for enacting sui generis law to protect GIs of Pakistan was put on hold. However, since the GIs were already part of trademark legislation and given that it was a signatory of the TRIPS Agreement, the IPO again started working on a separate GI law. The DD Law said that it became possible with the change of administrative heads in the IPO and the Ministry of Law after the change of government as a result of new elections in Pakistan in 2013.¹¹³ In order to avoid such an administrative impasse in the future, it would be helpful to amend the IPO Act to make it clearer by adding ‘geographical indication’ in the definition of IP.

¹¹¹ Interview with DD Law, IPO (September 2013).

¹¹² Before the 18th Amendment, there were three lists dividing administrative subjects between the federal government and the provincial governments. These were the provincial list, federal list and concurrent list. The subjects which could not be found here were supposed to be in the Federal list. Further, in case of conflict between federal law and provincial law, the former would prevail. After the 18th Amendment, there are now two lists, the federal list and the provincial list. Subjects which are not anywhere will not automatically come in the federal list as before.

¹¹³ Interview with DD Law, IPO (September 2013). According to Article 2(g) of the IPO Act 2012: “‘Intellectual Property’ includes a trademark, patent, industrial design, layout design (topographies) of integrated circuits, copyright and related rights and all other ancillary rights.’”

A separate GI law could not be created because of capacity issues and the turf war already mentioned. This is despite the fact that most of the stakeholders were in favour of introducing a separate law for the protection of GIs in Pakistan. The private sector related to Basmati rice, which is the most popular GI of Pakistan, has been a stakeholder in this issue and both the Rice Exporters Association of Pakistan and the Basmati Growers Association have been in favour of a sui generis law.¹¹⁴

The Ministry of Commerce worked on a draft of the legislation for the protection of GIs but it has not seen the light of day. According to the Joint Secretary (WTO) of the Ministry of Commerce, the Ministry, in consultation with both the public and the private stakeholders, conducted an extensive exercise in 2004 on the draft Geographical Indications for Goods Registration and Protection Ordinance, 2001. Pakistan's mission to the WTO, the REAP (Rice Exporters' Association of Pakistan), the Ministry of Commerce and the Ministry of Agriculture supported stand-alone legislation in this regard. Nevertheless, because of the dispute between the various Ministries of the government with regard to the ownership of the IP matters, the draft could not be approved by the Cabinet for enactment. At that time, twenty-five GIs were earmarked to be registered on priority with the possibility of many others. These included Basmati rice, Sindhri mangoes, kinoos, Chaunsa mangoes, Pashmina and carpets amongst others.¹¹⁵ According to the Additional Secretary Cabinet, the government reflected on the set-up costs but it was decided that the benefits to farmers and to domestic and international commerce would outweigh the costs.¹¹⁶ Nevertheless, with the shifting of control of IP matters to the Cabinet Division from the Commerce Ministry in 2005,

¹¹⁴ Interviews with the President of the BGA and the former Chairman of REAP (September 2013).

¹¹⁵ Interview with Mr. Asad Hayyudin, JS (WTO), September 2013, Ministry of Commerce of Pakistan. JS (WTO) said that this draft was being prepared in 2001 and was consulted by various government departments and the private sector. It was finalised by the Ministry of Commerce in 2004.

¹¹⁶ Interview with Additional Secretary Cabinet Division (September, 2013, Pakistan)

there was a major halt in the development of GI law in Pakistan.¹¹⁷

The Ministry of Commerce and the Ministry of Food and Agriculture (MINFAL)¹¹⁸ have been in favour of a standalone law. The Ministry of Commerce is the focal ministry of the government for WTO negotiations, domestic commerce and international trade. MINFAL was then the main stakeholder for agricultural GIs. MINFAL wrote to the IPO in October 2006 giving recommendations for the enactment of a stand-alone law.¹¹⁹ Afterwards, in order to take the view of the stakeholders on a stand-alone law on GIs, there was an inter-ministerial meeting organised by the IPO in October 2006. MINFAL sent its recommendations in writing, in response to this meeting, to the IPO and also to the Ministry of Commerce, the Ministry of Foreign Affairs and Pakistan's Permanent Mission to WTO in Geneva. These official communications from MINFAL explained a number of factors in favour of enacting a separate GI law such as the one in India in order to better protect its GIs and rural development.¹²⁰ The main points are as follows.

MINFAL maintained that GI products change hands many times before they are exported. Growers of many GIs do not know about the importance of its registration and there are capacity issues in the private sector. There was a need for all stakeholders, such as growers and exporters, to be represented. According to MINFAL, the government was the best forum to register GIs and the present law of collective marks did not allow public sector organisations to apply directly for the registration of GIs.

¹¹⁷ Interview with the Registrar of the Trademarks Registry (September 2013).

¹¹⁸ Ministry of Food and Agriculture, Government of Pakistan. This Ministry was dissolved in 2012 and its powers were transferred to different provinces as per the 18th and 19th Constitutional Amendments in Pakistan which made food and agriculture exclusively provincial subjects.

¹¹⁹ Communication of the Federal Secretary of MINFAL to the DG IPO, a copy of which is with the writer.

¹²⁰ Evidence of Communications of the Federal Secretary of MINFAL to the stakeholders regarding enacting GI law is held by the writer. A copy of the letter of the Federal Secretary MINFAL to the IPO is also with the writer. These documents were given to the writer during the interviews.

Therefore, there was a need for a sui generis law in order to increase the role of government.

This stand of MINFAL is supported by the Basmati Growers Association and REAP. For the last five years, both organisations have been fighting in a court of law for the ownership of Basmati as their collective mark. Now, both the organisations are suggesting that if the government takes ownership of it then they would be willing to withdraw their applications for a collective mark.¹²¹

Further, MINFAL have stated that collective marks are a type of trademark and need to be renewed. They also place GIs at the risk of becoming generic. This is also true of certification marks.

MINFAL also gave the example of India and Iran who are neighbours of Pakistan. According to MINFAL, Pakistan shares many of its agricultural products and handicrafts with India and Iran. These are homonymous GIs. Both India and Iran have enacted sui generis laws for the protection of their GIs. Therefore, the situation needs to be seen in a regional context.

It is true that there are many homonymous marks between Pakistan and India. Further, there have been talks between India and Pakistan about joint registration of Basmati rice¹²² and India has proposed joint registration. At the same time, Pakistan and India have had a major disagreement on 'Super Basmati' which Pakistan says is an exclusive Pakistani variety under its Seed Act. India has also classified it as its variety. Both Pakistan and India have invested a great deal of time and money in litigation over various homonymous GIs and there is constant disagreement on this issue even today.

¹²¹ Interview with BGA President and Ex REAP Chairman (September 2013).

¹²² Communication of Secretary of MINFAL Pakistan (October 2006) copy is with the author.

India and Pakistan share many homonymous GIs, such as Basmati, Phulkari, Kani shawls and Kashmir Pashmina.

Both India and Pakistan have filed cases against each other claiming Basmati to be their own in each other's courts.¹²³ The REAP has filed an opposition to the Indian Basmati registration in India in 2004, and the case is still pending in the Indian courts. Oppositions were filed against three GIs in the Indian GI Registry by Rawalpindi Chamber of Commerce in tandem with other chambers through the Trade Minister of Pakistan in the Pakistan High Commission in Delhi. Oppositions were filed in respect of GI Application Nos. 46 Kashmir Pashmina, 48 Kashmir Sozani Craft, and 51 Kani shawl.¹²⁴ There have been political connotations as well. In the opposition, the applicant from the Indian side took the stand that the area for which the applicant was seeking registration fell exclusively in its territorial jurisdiction. Therefore, the area on whose behalf the notice of opposition was filed 'may be referred to as some other name but is not Kashmir'.¹²⁵ According to the opposing party, the geographical area of manufacture of Kashmir Pashmina and Kani shawl also covers the area of the opposing party. The areas given by the applicant lie between latitude 32 17' south to 36 58' north and longitude 73 26' west to 80 3' east, and this covers some areas of the opposing party. The said geographical area included areas of Jammu and Kashmir within the actual control and territory of Pakistan, within the state of Jammu and Kashmir of Pakistan, known as Azad Jammu & Kashmir.¹²⁶ According to the Registrar of Trademarks in

¹²³ Interview with REAP Chairman.

¹²⁴ Letter of Trade Minister India No (5) (Com.2-17/2006, 22 May 2007).

¹²⁵ Letter of Trade Minister No (6) (6 November 2007).

¹²⁶ Notice of Opposition to Application for Registration of a GI or an Authorised User No (7) (15 January 2007) page. Further, in this Opposition it is maintained that there are many shawl weaving centres and training institutes, including the ones at Muzaffarabad, Kotli and Rawalkot. Rearing of the goat- *Capra Hircus* and collection and trade of its fleece and spinning the same into fine wool - Kashmir Pashmina and thereafter weaving the wool into Kani shawls is an important industry in the said geographical area and in the Northern Areas of Pakistan, including Gilgit.

Pakistan, the Indian GI Registry decided cases in favour of the Applicant, and this makes it necessary for Pakistan to make its own law and register them in the name of users of GIs in Pakistan with additional protection. He was of the view that India would register these GIs abroad and things would get complicated for Pakistan if their GIs were not safeguarded within their own country. Pakistan will also lose market access once the Indian GI market of homonymous marks is established in different countries. Pakistan has spent millions of Rupees on litigation and there are dozens of cases in the pipeline.¹²⁷

Interestingly, Pakistan is challenging GIs in India but it has not registered a single GI in Pakistan. According to the Chairman of the REAP, Pakistan should enact a separate GI law like India's. It would help towards the registration of Basmati rice and other homonymous marks in respective jurisdictions and abroad. Further, it would be easier to negotiate a bilateral agreement on homonymous marks between two countries due to their similar sui generis laws for the protection of GIs in both the countries.¹²⁸

Moreover, in the WTO TRIPS Council, Pakistan co-sponsored a paper with a group of countries called 'Friends of GIs'¹²⁹ in order to gain additional protection of products beyond wines and spirits. The Secretary of MINFAL maintained that in that paper Pakistan demanded additional protection for all the products. Therefore, Pakistan should provide in its law for additional protection of its GIs.¹³⁰ It is interesting to note that, with the exception of Pakistan, all the countries that were members of 'Friends of GIs' have enacted sui generis laws for the protection of GIs in their respective jurisdictions.

¹²⁷ Interview with the Registrar of the Trademarks Registry.

¹²⁸ Interview with the REAP Chairman.

¹²⁹ WTO Doc WT/MIN(01)/11 of 14 Nov 2002).

¹³⁰ Communication of Secretary MINFAL Pakistan (Oct 2006(1)) copy is with the author.

MINFAL also referred to the EC – TRTA Programme that Pakistan signed with the EU as a technical assistance cooperation agreement. Under the IP component of this agreement, the EC and WIPO have provided technical assistance to Pakistan to develop appropriate legislation for the protection of GIs by compiling a database of GIs. MINFAL further communicated that the consultation between WIPO Experts and the Ministry of Agriculture also concluded during the consultation held on 5 July 2006 in MINFAL that there was the need for a stand-alone law for the protection of GIs in Pakistan. Further, MINFAL maintained that Pakistan had hundreds of GIs, and being a traditional world country with an old economy it made sense to opt for a stand-alone law to protect its GIs as this would usher in economic development.¹³¹

According to the Joint Secretary (WTO), ‘the Ministry of Commerce has also been in favour of a sui generis law and still hopes that it will materialise. However, since the IPO is now dealing with IP matters, the Ministry of Commerce can only recommend this’.¹³² According to the Registrar of Trademarks, the failure to make a separate GI law is probably also due to it being a low priority for the government. There are further policies and institutions that are related to this which will be discussed in the chapter entitled Institutional Reforms.

4.13 CONCLUSION

In this chapter, the developments of GIs and sui generis system for protection in international law have been discussed. The chapter has shown how the Paris

¹³¹ Evidence of communication of July 2005 consultations with WIPO and Recommendations of a separate GI law is held by the writer. This was also corroborated by the Registrar of Trademarks (Interview, September 2013).

¹³² Interview with JS (WTO), Ministry of Commerce (September 2013).

Convention laid out the concept of protection of GIs in international law. It enabled its member countries to conclude the Madrid Agreement which introduced terroir in multilateral negotiations; and the Lisbon Agreement which defined and strengthened the concept of AO based on the French *sui generis* law model. For registration of GIs, the Lisbon Agreement made it necessary for the characteristics and quality of a product to be 'due exclusively or essentially to the geographical environment, including natural and human factors'. It became the basis of the definition of GIs under the TRIPS Agreement. The TRIPS Agreement became the most important international treaty in the field of IPRs which include GIs.

This chapter also examined the history of the development of *sui generis* laws in Europe, which gave this concept to the world. It showed how the Phylloxera crisis of the nineteenth century in France strengthened this system and offered better protection and quality maintenance of GIs. It showed that the concept initially came from the French wine appellation system which is based on terroir logic. This concept became the basis of EU Regulations for the protection of GIs.

The final part of this chapter examined the efforts of the government to enact a *sui generis* law for the protection of GIs. It has been shown that despite intending to enact a *sui generis* law and being convinced of its allied advantages, the government of Pakistan has been unable to do this because of a turf war between different ministries over administering IPRs in Pakistan as well as capacity issues. This was also due to the lack of clarity on the legal position of GIs, whether they are the subject of federal government or provincial governments, under the prevailing constitution and laws in Pakistan.

The next chapter will include an analysis of the main provisions of the recently repealed

EU GI Regulation 510/2006,¹³³ EU QSR¹³⁴ and the Indian sui generis law. During the discussions on EU and Indian legislation, a GI law for Pakistan will also be proposed.

¹³³ Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [2006] OJ L93/12 (EU GI Regulation).

¹³⁴ Regulation (EU) No 1511/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs [2012] OJ L343/1.

CHAPTER 5

EU AND INDIAN SUI GENERIS LAWS: WAY FORWARD FOR PAKISTAN

5.1 INTRODUCTION

The developments of GIs in international law, the historical development of sui generis law and the efforts made for its enactment in Pakistan were discussed in the last chapter. This chapter will analyse the main provisions of EU and Indian sui generis laws. The chapter will suggest a way forward for Pakistan to adopt its own sui generis law based on these systems. Such a law would provide better protection for GIs in Pakistan and would also promote rural and economic development.¹

Both EU and India have been successful in protecting their GIs through their respective legislation. By 2010, there were 2768 GIs registered in Europe,² and by March 2014 India had registered 215 GIs for different products ranging from tea, coffee, agricultural products, textiles, horticulture to foodstuffs and handicrafts. Out of these, 52³ registered GIs belong to the agriculture sector. This registration for the protection of GIs in India started on 15 September 2003.⁴ Registered GIs are also expanding in terms of economic potential. According to a comprehensive study in 2012 in the EU where GIs are protected under sui generis law, the worldwide sales value of GI products relating to

¹ A detailed discussion can be found in Chapter 2 and 3 on the legal and economic advantages of terroir-based sui generis law for the better protection of GIs and economic development. There is also a theoretical discussion on advantages of institutional reform. The next chapter will include a detailed discussion on present institutional framework and proposed reforms.

² European Commission, 'Q&A: European Commission Study on the value of EU GIs' <http://europa.eu/rapid/press-release_MEMO-13-163_en.htm> accessed 25 August 2014.

³ Out of these 52, 49 GIs are registered in the category of agriculture and 3 in the foodstuffs category.

⁴ For the complete list of Indian GIs, see <<http://ipindia.nic.in/girindia/>> accessed 15 August 2014.

agriculture and foodstuffs is 15.8 billion Euros. It is 29% of the overall sales value of GIs of Europe worldwide.⁵

5.2 EU SUI GENERIS REGIME

EU Council Regulation 2081/92⁶ was the first comprehensive sui generis legislation for the registration and protection of GIs and designations of origin for agricultural products and foodstuffs in Europe. In the same year, Council Regulation 2082/92⁷ on certificates of specific character for agricultural products and foodstuffs, such as pasta and chocolate, was also enacted. However, Council Regulation 2081/92 was declared discriminatory against foreign applicants for the registration of GIs in Europe by a WTO Dispute Panel and subsequently repealed and replaced by EU Council Regulation 510/2006.⁸⁹ In the same year, a new Council Regulation 509/2006¹⁰ was also enacted for Traditional Specialities Guaranteed (TSGs) even though TSGs were not the subject of the WTO Panel review.¹¹

⁵ Tanguy Chever, Christian Renault, Severine Renault and Violen Romieu, 'Value of Production of Agricultural products and Foodstuffs, Wines, Aromatised Wines and Spirits Protected by a Geographical Indication (GI)' (Final Report for European Commission, 2012) 6 <http://ec.europa.eu/agriculture/external-studies/2012/value-gi/final-report_en.pdf> accessed 25 August 2014.

⁶ Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [1992] OJ L208/1.

⁷ Council Regulation 2082/92 on certificates of specific character for agricultural products and foodstuffs [1992] OJ L 208/9. See also GE Evans, *The Simplification and Codification of European Legislation for the Protection of Geographical Indications* (Edward Elgar 2013) 1. 'It created a scheme for the registration of Traditional Specialities Guaranteed (TSG), a term that refers to the name of a food that is produced using traditional raw materials, composition, or method of production. TSGs were also conceived as a Community-wide instrument entitling rightholders, subject to compliance with the specification, to produce and market the traditional product using the protected name.'

⁸ Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [2006] OJ L93/12.

⁹ See Michael Blakeney, *The Protection of Geographical Indications, Law and Practice* (Edward Elgar 2014) 69.

¹⁰ Council Regulation (EC) No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed [2006] OJ L93/1, 3.

¹¹ See Evans (n 7) 1.

In 2006, the European Commission announced a review of the policy of the Community system for the protection of GIs. It stated concerns about increasing global competition for agricultural commodities.¹² Further, the Green Paper of 2008 contended that there was growing international competition for both agricultural commodities and value-added products. Because of Europe's comparative advantage in quality 'given the very high level of safety ensured across the food chain by EU legislation', the paper suggested that 'the EU farmers' should build on their reputation for quality products.¹³

The Green Paper's findings were supported by the ensuing circumstances as the Commission's determination to rely on a 'quality policy' coincided with consumers' concern over food provenance and safety. The term 'food quality' acquired a new relational significance where quality was related not only to the product's physical features but also its farming attributes and environmental values. By linking the agricultural products to the place of production, the GI became the medium through which assurances of quality were communicated to consumers. Therefore, the Green Paper manifested strong support for the use of GIs as a means of informing consumers about the qualities of products.¹⁴

Around the time of the above discussed Green Paper, one of the concerns for the EU was the global financial crisis and its effect on economic growth. In response to this situation, the EU's growth strategy for ten years from 2010-2020 was announced as the 'Europe 2020' policy. The main feature of this policy was to highlight knowledge and

¹² See European Commission, 'Opinion of the European Economic and Social Committee on Geographical Indications and Designations' [2008] OJ C204/57 para 1.2.2. See also Blakeney (n 9) 69.

¹³ European Commission, 'Green Paper on Agricultural Product Quality: Product Standards, Farming Requirements and Quality Schemes' (2008) 4
<http://ec.europa.eu/agriculture/quality/policy/consultation/greenpaper_en.pdf> accessed 29 August 2014.

¹⁴ Evans (n 7) 2.

innovation.¹⁵ This policy aimed to achieve ‘a competitive economy based on knowledge and innovation, and fostering a high-employment economy delivering social and territorial cohesion. Agricultural product quality policy should therefore provide producers with the right tools to better identify and promote those of their products that have specific characteristics while protecting those producers against unfair practices’.¹⁶

In line with these priorities, EU Regulation 510/2006 was replaced by EU Quality Schemes Regulation 1151/2012 for agricultural products and foodstuffs.¹⁷ According to this new Regulation, there was a need to ‘address certain issues, to clarify and simplify some rules and to streamline the procedures of this scheme’.¹⁸ According to Recital 21 of this Regulation, lessons and experience were gained from EU Regulation 2081/1992 and EU Regulation 510/2006. Both EU Regulation 510/2006 and EU Regulation 509/2006 were repealed by Regulation 1511/2012.¹⁹ This Regulation covers agricultural products and foodstuffs intended for human consumption.²⁰ It provides a unified structure by repealing and amending the current, individual regulations for the protection of PDOs, PGIs and TSGs.²¹ There is significant change in the regulatory

¹⁵ Blakeney (n 9) 70.

¹⁶ Regulation (EU) No 1511/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs [2012] OJ L343/1, Recital 5.

¹⁷ ‘Until the Quality Schemes Regulation was adopted and entered into force on 03 January 2013, the concept “quality schemes” was not used at the legislative level.’ See Vadim Mantrov, *EU Law on Indications of Geographical Origin: Theory and Practice* (Springer 2014) 152.

¹⁸ Regulation 1511/2012, Recital 5.

¹⁹ Article 58(1) of Regulation 1511/2012 states that:

‘Regulations (EC) No 509/2006 and (EC) No 510/2006 are hereby repealed. However, Article 13 of Regulation (EC) No 509/2006 shall continue to apply in respect of applications concerning products falling outside the scope of Title III of this Regulation, received by the Commission prior to the date of entry into force of this Regulation’.

²⁰ See Regulation 1511/2012, Article 2(1).

²¹ See Evans (n 7) 3. According to Evans, ‘A full list of the separate Regulations the Single Regulation would replace is given in Recital 7 of the Proposal for a Regulation on Agricultural Product Quality Schemes. Note: in view of the significance of the Simplification Programme, wine is significant by its absence from the proposal for a Single Regulation. Historically, Community regulations for wine have been the subject of a separate instrument, and recent reform of the legislation has seen the convergence of quality schemes for other agricultural products. Regulation No. 479 of April 2008 on the Common Organization of the Market in Wine²¹ provides both Protected Designations of Origin (PDO) and

structure compared to the repealed Regulation 510/2006 which only covered agricultural products and foodstuffs. The structure of Regulation 1511/2012 provides various kinds of rules. It is set within a unified structure for different kinds of quality schemes which were the subject of separate regulations.²² First, it includes general provisions applicable to all three quality schemes under the Regulation. Second, it includes specific rules for separate quality schemes. In it, protected designations of origin and protected GIs are covered by Title II. TSGs can be found in Title III. Further, a new category of 'optional quality terms' has been created under Title IV.²³ Nevertheless, for the purpose of this chapter only the provisions related to GIs will be considered.

Also for the purpose of this chapter, the provisions of both Regulation 1511/2012 and the recently repealed Regulation 510/2006 will be examined. The repealed Regulation 510/2006 is examined because the current Regulation stands on its foundation. Regulation 510/2006 had successfully protected hundreds of GIs across Europe for more than half a decade in recent years. Examination of both the laws will offer a broad spectrum of the sui generis regime by showing how the two compare in Europe.

If the Recitals of the Regulation 1511/2012 are compared, the policy underpinnings of the Regulation include the promotion of quality and agricultural diversity,²⁴ consumer

Protected Geographical Indications (PGI) in respect of certain wine sector products. Nonetheless, in response to an industry consultation, for the present the Commission elected to maintain a regime for wines differentiated from that for other food products. "This Regulation shall not apply to grapevine products with the exception of wine vinegars, or to spirit drinks or to aromatised wines": Single Regulation, Art. 2(2): 2.'

²² Evans (n 7) 4.

²³ See Regulation 1511/2012; see also Mantrov (n 17) 4, 5.

²⁴ Regulation 1511/2012, Recital 1.

demands,²⁵ fair competition,²⁶ development of the rural economy²⁷ and legislative coherence.²⁸ With regard to rural development, it states that:

[Q]uality schemes are able to contribute to and complement rural development policy as well as market and income support policies of the common agricultural policy (CAP). In particular, they may contribute to areas in which the farming sector is of greater economic importance and, especially, to disadvantaged areas.

Article 1(1) of this Regulation gives the following objective:

[T]o help producers of agricultural products and foodstuffs to communicate the product characteristics and farming attributes of those products and foodstuffs to buyers and consumers, thereby ensuring:

- (a) fair competition for farmers and producers of agricultural products and foodstuffs having value-adding characteristics and attributes;
- (b) the availability to consumers of reliable information pertaining to such products;
- (c) respect for intellectual property rights; and
- (d) the integrity of the internal market.

Another objective described in Article 1(1) relates to rural development. It states that the measures provided in this Regulation ‘are intended to support agricultural and processing activities and the farming systems associated with high quality products, thereby contributing to the achievement of rural development policy objectives’.

Article 1(2) further describes the objectives of the Regulation of identifying the product attributes by the establishment of quality schemes and ‘protection of names and terms that, in particular, indicate or describe agricultural products with: (a) value-adding characteristics; or (b) value-adding attributes as a result of the farming or processing methods used in their production, or of the place of their production or marketing.’

Further according to Recital 18 of this Regulation:

²⁵ *ibid* Recital 2.

²⁶ *ibid* Recital 3.

²⁷ *ibid* Recital 4.

²⁸ *ibid* Recital 9.

[T]he specific objectives of protecting designations of origin and geographical indications are securing a fair return for farmers and producers for the qualities and characteristics of a given product, or of its mode of production, and providing clear information on products with specific characteristics linked to geographical origin, thereby enabling consumers to make more informed purchasing choices.

The provision of precise information to consumers about the place of origin, characteristics and production methods through labels will fulfil consumers' expectations of being able to find suitable products relatively easily by minimising information asymmetry between the producer and the consumer. This mitigation of information asymmetry is taken as one of the economic justifications of GIs in international literature.²⁹

The preamble to Regulation 510/2006 is similar to the preamble to 1511/2012. It aimed to achieve the objectives of the promotion of rural economies; improvements to the incomes of farmers; diversification of agricultural production; protection of intellectual property; and ensuring fair competition between the producers of GIs. This would increase consumer choice and information, promote credibility of the protected names in the eyes of consumers and ensure that clear and succinct information is provided to consumers on the origins of the products.³⁰

5.3 INDIAN SUI GENERIS LAW

The Indian GI Act 1999³¹ came after the TRIPS Agreement. Its preamble states that it is enacted 'to provide for the registration and better protection of geographical indications relating to goods'. According to the GIs Registry of India, there are four

²⁹ Cerkia Bramley, 'A review of the socio-economic impact of geographical indications: considerations for the developing world' (Paper prepared for presentation at the WIPO Worldwide Symposium on Geographical Indications June 22–24 2011, Lima, Peru) 1.

³⁰ See EU Regulation 510/2006.

³¹ See <http://ipindia.nic.in/girindia/GI_Act.pdf> accessed 3 September 2014.

benefits of registration of GIs: it confers legal protection on the registered GI in India; it thwarts unauthorised use of a registered GI; through legal protection it boosts exports; and finally it promotes the economic well-being of producers of the GIs in a geographical territory.³²

The protection of Darjeeling tea³³ and its other valuable GIs³⁴ prompted the Indian government to legislate a separate sui generis law for the protection of GIs in India. India is cognisant of the economic potential of its GIs for rural development and its exports. That is why it ‘has put into place an elaborate legal system to recognize at home and to demand recognition overseas for food and other products that are special to traditions and locations in the country’.³⁵

5.4 KEY PROVISIONS OF EU AND INDIAN SUI GENERIS REGIMES AND WAY FORWARD FOR PAKISTAN

EU sui generis law protects GIs for agricultural products and foodstuffs only whereas the Indian GI Act of 1999 covers GIs for all goods,³⁶ including agricultural products. There are some similarities and a few differences in the number of provisions of EU and Indian sui generis laws. The main provisions of the sui generis laws of the EU and

³² See Geographical Indications Registry of India, ‘FAQs’ <<http://ipindia.nic.in/girindia/>> accessed 15 August 2014.

³³ For a definition of Darjeeling tea, see the *Tea Board of India v The Republic of Tea, Inc* 80 USPD 2D 1881 (TTAB 2006). ‘Darjeeling is a district located in the state of West Bengal, India and that tea has been cultivated, grown and produced in the 87 “tea gardens” located in this region for 150 years. The gardens are located ... at elevations up to over 2000 metres above mean sea level ... [D]ue to the “unique and complex combination of agro-climate conditions” in the region and the production regulations imposed, Darjeeling tea ‘has a distinctive and naturally occurring quality and flavour ... as “the champagne of teas”’. See also Marsha A Echols, *Geographical Indications for Food Products: International Legal and Regulatory Perspectives* (Kluwer Law International 2008) 105.

³⁴ Like Coorg Orange, Mysore Betel Leaf, Basmati Rice, Coorg Green Cardamom, Eathomozy Tall Coconut and many others.

³⁵ See Echols (n 33) in particular Chapter 4, 105.

³⁶ See Preamble of Indian GI Act 1999.

India will be analysed below under different themes. This analysis will be followed by suggestions for how Pakistan can adopt its sui generis law based on these themes.

5.5 DEFINITIONS OF GEOGRAPHICAL INDICATIONS IN EU AND INDIAN SUI GENERIS LAWS

Under the recently repealed EU Regulation 510/2006, GIs could be registered in two ways: as PGIs and as PDOs.³⁷ There was an equal scope of protection for PDOs and PGIs under Regulation 510/2006. However they were different in terms of ‘character and extent of the linkage of production to the defined geographical area’.³⁸ The requirements for the registration of GIs as PDOs were stringent as the ‘product must not only originate in the place but its quality also must be exclusively due to a particular geographical environment with its inherent natural as well as human factors’.³⁹ However, if we examine the definition of PGIs under Regulation 510/2006, the guarantees of authenticity and quality could at times seem hollow.⁴⁰ Under Article 2 of

³⁷ Subsections 2(1)(a) and Article 2(1)(b) of Article 2 of Regulation 510/2006 define PGI and PDO respectively.

Article 2 - Designation of origin and geographical indication

‘1. For the purpose of this Regulation:

(a) “designation of origin” means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country,
- the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and

- the production, processing and preparation of which take place in the defined geographical area;

(b) “geographical indication” means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country, and
- which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and
- the production and/or processing and/or preparation of which take place in the defined geographical area.

GIs can also be protected in EU under Regulation 207/2009 as the Community Trademark.’

³⁸ Gail Evans, ‘Protection of Geographical Indications in the European Union and the United States under Sui Generis and Trade Mark Systems: Signs of Harmonisation?’ [2013] 1 IPQ 19.

³⁹ *ibid* 21.

⁴⁰ See Dev Gangjee, *Relocating the Law of Geographical Indications* (Cambridge University Press 2012) 211.

this Regulation, the registration of PGIs required ‘the production and/or processing and/or preparation ... to ... take place in the defined geographical area’. Therefore, for PGIs raw material could be sourced from outside the designated geographical boundaries of the GI.⁴¹ Moreover, Article 2 required the quality, reputation or other characteristics to be generally ‘attributable’ rather than ‘essentially due’ to that area. This made the link of the product with the origin very flexible and few producer groups had the capacity to collectively mobilise production and were unable to benefit from the marketing exclusivity offered by the GI system.⁴² These relaxed criteria might compromise quality and that was why the European Commission Green Paper on Agricultural Product Quality contemplated the question of making the criteria for PGIs more stringent in order to emphasise the link between the geographical area and the product.⁴³

The current Regulation 1151/2012 therefore amended the definition of PGI to adapt it precisely according to the definition of GIs in the TRIPS Agreement. Article 5(2) defines ‘geographical indication’ as a name which identifies a product:

- (a) originating in a specific place, region or country;
- (b) whose given quality, reputation or other characteristic is essentially attributable to its geographical origin; and

⁴¹ See *ibid* 211.

⁴² See Evans (n 38) ‘At its most attenuated point the definition of a PGI simply requires a link between the product and reputation of the place’.

⁴³ European Commission, ‘Green Paper on Agricultural Product Quality’ COM (2008) 641 Final Brussels, 15 October 2008, 13-14
 <http://ec.europa.eu/agriculture/quality/policy/consultation/greenpaper_en.pdf> accessed 5 September 2014. See also Gangjee (n 40) 211; European Commission, ‘Agricultural Product Quality Policy Impact Assessment: Part B, Geographical Indications’ 122
 <http://ec.europa.eu/agriculture/quality/policy/com2009_234/ia_annex_b_en.pdf> accessed 22 August 2014; Evans (n 38) 22.

(c) at least one of the production steps should take place in the defined geographical area.

This amended definition of a PGI resolves the deficiencies of the previous definition of PGI under Regulation 510/2006. It enhances the requirement for a link between the product and the designated geographical origin. However, the link of the reputation of the product alone will be sufficient in this case. Although a link of characteristics is not a must in this definition of PGI, it is still closer to the terroir concept of GIs than the definition under the previous Regulation.

The definition of PDO under 1511/2012 is almost the same.⁴⁴ The definition in Regulation 510/2006 referred to ‘the production, processing and preparation of which take place in the defined geographical area’. In contrast, Regulation 1151/2012 only refers to ‘the production steps’, and this change is yet to be tested in case law. According to Evans:

It is an open question whether this attempt to simplify the wording may have unintended consequences with respect to the drafting of the product specification, and the scope of protection accorded to the PDO. Will producer groups, particularly those lacking recourse to the legal expertise necessary to drafting the product specification, understand that production may go so far as to encompass slicing and packaging? It is possible that the lack of specificity in the primary text could defeat the aim of the GI in assisting small holders to maximize returns for specialty products.⁴⁵

The Indian GI Act⁴⁶ has a more extensive definition of GIs. Section 2 gives it as follows:

⁴⁴ Article 5(1) of Regulation 1511/2012 defines ‘designation of origin’ as a name which identifies a product: (a) originating in a specific place, region or, in exceptional cases, a country; (b) whose quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors; and (c) the production steps of which all take place in the defined geographical area.

⁴⁵ See Evans (n 6, 7).

⁴⁶ Section 2(1) of Indian GI Act where the full name is given - The Geographical Indications of Goods (Registration and Protection) Act, 1999.

[G]eographical indication, in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.⁴⁷

This definition is comprehensive and similar to the definition in the TRIPS Agreement. It includes all the goods in the category of admissible GIs. Further, as already discussed in the last chapter, the words ‘essentially attributable’ are understood to establish a causal connection between the quality of the product or other distinctive features and the origin of the goods.⁴⁸ There is also flexibility and predictability in terms of a single definition as compared to different definitions in Regulation 510/2006. Moreover, there is also an explanation with the definition of GIs in the Indian Act. It states that:

[F]or the purposes of this clause, any name which is not the name of a country, region or locality of that country shall also be considered as the GI if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be.⁴⁹

This explanation is given to cover GIs such as Basmati which is not the name of a region but rather relates to a specific area both in India and Pakistan.

Looking at the definitions of GIs in Regulation 510/2006 and the Indian GI Law, it may be beneficial for Pakistan to adopt two definitions. The definition of ‘geographical indications’ as given in the Indian sui generis law may be emulated by Pakistan. India’s definition is very comprehensive; however, it is flexible like the definition of PGI under

⁴⁷ See Section 2 of Indian GI Act 1999.

⁴⁸ See Gangjee (n 40).

⁴⁹ Gangjee (n 40).

the current EU Regulation 1151/2012. Further, for those products which have characteristics or quality essentially due to the designated geographical origin and have more than one production process carried out in the concerned territory, Pakistan may emulate the definition of PDO under the EU's repealed Regulation 510/2006. As discussed in chapter 2, Pakistan's present definition⁵⁰ of GIs under the Trademarks Ordinance 2001 does not require there to be a 'causal link' between the product and its geographical origin since the words used as a link are not 'essentially attributable' rather only 'attributable'. The Indian GI Law definition and the PDO definition under Regulation 510/2006 caters for the need for a 'causal link'.

The EU protects its GIs through different regulations. For example, agriculture and foodstuffs are protected through the EU GI Regulation and wines are protected through EU Council Regulation 1493/1999.⁵¹ On the other hand, Indian sui generis law regulates all goods. Since Pakistan has yet to enact its GI law, it would be advisable to adopt the definitions of GIs and PDOs which apply to all goods eligible to become GIs. It will be administratively and financially more viable to have one law for the protection of GIs for all goods in Pakistan.⁵²

⁵⁰ The definition of GIs in the Trademarks Ordinance is covered in Section 2(xix) which states that "geographical indication" in relation to goods originating in a particular country or in a region or locality of that country means a mark recognised in that country as a mark indicating that the goods: (a) originated in that country, region or locality; and (b) have a quality, reputation or other characteristic attributable in the geographical region'. Here the last part of the definition of GIs under Pakistan's law states that GIs 'have quality, reputation or other characteristics attributable in their Geographical Origin' whereas the word 'essentially' is missing which is in the TRIPS definition. It states that: 'quality, reputation and other characteristics of the good is essentially attributable to its geographical origin'.

⁵¹ EU Council Regulation 1493/1999 of 17 May 1999 on the common organization of the market in wine [1999] OJ L179/1 and later amendments.

⁵² Interview with Registrar of Trademarks (September 2013, Pakistan).

5.6 PRODUCT SPECIFICATIONS UNDER EU AND INDIAN SUI GENERIS LAWS

The application procedure under EU regulations is comprehensive and the system is planned based on the concept of product specifications from which the characteristics or reputation of the product and geographical region are derived. However, there are further improvements in the recently implemented Regulation 1151/2012. Article 4⁵³ of Regulation 510/2006 dealt with product specification. It demanded from applicants when registering the following information: the name of the product; a description of the product; any specific labelling rule for the agricultural product or foodstuff in question; definition of the demarcated region; a description of the production practices to obtain the product; and the evidence establishing a link between the product and the specific region.⁵⁴ Article 7(1)⁵⁵ of Regulation 1511/2012 gives a detailed list of specifications like the one given in the repealed EU Regulation. In the repealed

⁵³ See Article 4 of Regulation 510/2006.

⁵⁴ Cerkia Bramley, Delphine Marie-Vivien and Estelle Biénabe, 'Considerations in Designing an Appropriate Legal Framework for GIs in Southern Countries' in Cerkia Bramley, Estelle Biénabe and Johan Kirsten (eds), *Developing Geographical Indications in the South: the Southern African Experience* (Springer Science + Business Media 2013) 18
<<http://dlgsir.rtzahak.ir/deadmarshal/word%20&%20pdf/ali/Developing%20geological%20indications%20in%20the%20south.pdf>> accessed 25 August 2014.

⁵⁵ Article 7(1) states that:

'A protected designation of origin or a protected geographical indication shall comply with a specification which shall include at least: (a) the name to be protected as a designation of origin or geographical indication, as it is used, whether in trade or in common language, and only in the languages which are or were historically used to describe the specific product in the defined geographical area; (b) a description of the product, including the raw materials, if appropriate, as well as the principal physical, chemical, microbiological or organoleptic characteristics of the product; (c) the definition of the geographical area delimited with regard to the link referred to in point (f)(i) or (ii) of this paragraph, and, where appropriate, details indicating compliance with the requirements of Article 5(3); (d) evidence that the product originates in the defined geographical area referred to in Article 5(1) or (2); (e) a description of the method of obtaining the product and, where appropriate, the authentic and unvarying local methods as well as information concerning packaging, if the applicant group so determines and gives sufficient product-specific justification as to why the packaging must take place in the defined geographical area to safeguard quality, to ensure the origin or to ensure control, taking into account Union law, in particular that on the free movement of goods and the free provision of services; (f) details establishing the following: (i) the link between the quality or characteristics of the product and the geographical environment referred to in Article 5(1); or (ii) where appropriate, the link between a given quality, the reputation or other characteristic of the product and the geographical origin referred to in Article 5(2); (g) the name and address of the authorities or, if available, the name and address of bodies verifying compliance with the provisions of the product specification pursuant to Article 37 and their specific tasks; (h) any specific labelling rule for the product in question.'

Regulation, a PGI required only the production or processing to take place in the designated geographical area. The raw material could be sourced from outside.

There was research conducted before the legislative changes in Regulation 510/2006. It showed that some consumer groups of member states were concerned that consumers were being misled with respect to the origin of the raw materials.⁵⁶

The current Regulation 1151/2012 is more comprehensive⁵⁷ than the products specification given in Regulation 510/2006. It has also taken care of the above described concerns of the consumers. There are additional provisions in Regulation 1151/2012. Its Article 7(3) empowers the EC to 'lay down further rules as to the content of a product specification'. Further, Article 5(4)⁵⁸ allows the legislature to provide restrictions and derogations with regard to the sourcing of the raw materials.⁵⁹

Section 11(2) of 'The Geographical Indications of Goods (Registration and Protection) Act 1999' provides the requirements to be submitted in order to apply for a GI in India. These requirements are reiterated and further enhanced in Section 32(1) of the GI Rules made under Section 87(1)⁶⁰ of the Indian GI Act. These include the following:

⁵⁶ Evans (n 7) 8.

⁵⁷ See Regulation 1511/2012, Article 7.

⁵⁸ Article 5(4) states that:

'In order to take into account the specific character of production of products of animal origin, the Commission shall be empowered to adopt delegated acts, in accordance with Article 56, concerning restrictions and derogations with regard to the sourcing of feed in the case of a designation of origin. In addition, in order to take into account the specific character of certain products or areas, the Commission shall be empowered to adopt delegated acts in accordance with Article 56, concerning restrictions and derogations with regard to the slaughtering of live animals or with regard to the sourcing of raw materials.

These restrictions and derogations shall, based on objective criteria, take into account quality or usage and recognised know-how or natural factors.'

⁵⁹ See also Evans (n 7) 8.

⁶⁰ Section 87(1) of Indian GI Act states:

'The Central Government may, by notification in the Official Gazette and subject to the condition of previous publication, make rules to carry out the provisions of this Act.'

- a statement about how the GI serves to designate the goods as originating from the concerned territory with regard to specific quality. Reputation or other characteristics that are due essentially or exclusively to the geographical environment, with its inherent natural and human factors, and the production, processing or preparation of which take place in such a geographical location;
- the class of goods applied for the GI and geographical map of the territory concerned;
- the particulars of the appearance of the GI, whether it is comprised of the words or figurative elements or both;
- an affidavit stating how the applicant asserts to represent the interest of the association of persons or producers or any organization or authority established by or under any law;
- the standards benchmark for the use of the GI or the industry standard as regards the production, exploitation, manufacture or making of the goods having specific quality, reputation, or other characteristic of such goods that is essentially attributable to its geographical origin with the detailed description of the human creativity involved, if any or other characteristic from the definite geographical location;
- the particulars of the mechanism to certify that the standards, quality, integrity and consistency or other special characteristic in respect of the goods to which the GI relates which are maintained by the producers, maker or manufacturers of the goods, as the case may be;
- the particulars of special human skill involved or the distinctiveness of the geographical environment or other inherent characteristics associated with the GI to which the application relates;

- the particulars of the inspection structure, if any, to control the use of the GI with regard to the goods for which application is made in the definite geographical region mentioned in the application.

The Indian GI Act does not indicate any specific term to describe the processing or production method that is mandatory. However, it requires a 'statement' which must be part of the application for registration. This statement has to expound how the GI designates the goods having specific geographical origin with regards to quality, reputation or other characteristics due to the geographical environment. In contrast, the term 'product specification' is used by EC Regulations 510/2006 and 1151/2012.⁶¹ For a GI to be registered under the former EU GI Regulation and the current 1151/2012, the agricultural or food product must comply with the 'product specification'.

Moreover, in the case of the Indian GI Law, the specifications have been detailed in the Rules made under the Act whereas in the case of the EU, Regulation 1151/2012 itself provides for the specifications in detail. There are always potential opportunities for challenges in the courts of law against the Rules and whether they are framed in line with the actual law.

The EU Regulation is more comprehensive in terms of specifications detailed in Article 7 of Regulation 1151/2012. It ensures quality and authenticity of the product by asking for evidence of origin, details about production method, information with regard to packaging and details on demarcation of geographical area. Further, the Regulation requires that specifications must link the agricultural product to the designated geographical origin. Compliance with the processing or the production process is mandatory once the GI is granted. Pakistan can emulate the EU in this regard and make

⁶¹ See Echols (n 33) Chapter 4, 161.

a comprehensive list of specifications for the application of GIs under its potential GI law. The product specification ensures standards and the quality of the product and this ‘will have a strong influence not only on the quality of the product but also on its image’.⁶² This mechanism will guarantee the authenticity of the registered GIs and will attract a price premium. This will provide better protection to GIs and will result in rural development and higher incomes for farmers.

According to the former President of the REAP, many problems for Pakistani exports will be solved if a law is provided that demands comprehensive specifications with regard to production method, proof of link between the characteristics of the product and the geographical area, packaging and labelling conditions. The REAP President informed me that at times export products from Pakistan were not produced according to specifications or there were health related issues. He said that rice exports, fish exports and mango exports have been facing export bans due to restrictions from different parts of the world, such as the EU, under bilateral agreements or due to SPS and TBT⁶³ Agreements of the WTO. He said that this would help Pakistan earn billions of dollars in its exports from its GIs, such as rice, mangoes and kinoos.⁶⁴ An assurance

⁶² D Barjelle and JM Chappius, ‘Transactions Costs and Artisanal Food Products’ (Swiss Federal Institute of Technology, Paper presented at the 4th Annual Conference of the International Society for New Institutional Economics 2000) 13.

⁶³ Technical barriers to Trade Agreement is a mandatory Agreement of the WTO. According to Echols, ‘the product specification is a technical regulation and is subject to the Agreement on Technical Barriers to Trade’. He said that both TRIPS Agreement and TBT Agreement apply to GIs and in the GIs dispute at WTO, both Agreements were cited by the complainant. However the Panel did not rule on the TBT claim. See Echols (n 33) Chapter 4, 160. Agreement on TBT defines a technical regulation as ‘a document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.’ See <www.wto.org/english/docs_e/legal_e/17-tbt_e.htm> accessed 19 August 2014.

⁶⁴ Interview with REAP Chairman. Only Basmati exports apart from domestic consumption in Pakistan varies from 0.6 to 1.2 billion dollars. Last year, it was at its lowest at 0.6 billion.

of quality would enhance sales and bring premium prices for GIs which would ensure higher incomes for the farmers in addition to economic development.

5.7 APPLICATION AND REGISTRATION OF GIs UNDER EU AND INDIAN SUI GENERIS LAWS

Application and registration of GIs are important components of any sui generis law. Codifying the process in a law for simple matters such as an application for registration or an opposition filed against the registration of GI can have trade consequences.⁶⁵ EU Regulation 2081/92 was challenged in the WTO and part of this challenge was based on these procedural grounds.

The direct role of the state for the registration of GIs in India as an applicant is the main difference between the category of applicants for registering GIs in the EU and India. The Indian GI Act takes into account its peculiar economic circumstances and the capacity of the stakeholders. A group of producers is generally the originator of an application for registration of a GI. This group holds property rights in the GI on behalf of all the members of the group.⁶⁶

According to Article 5 of the EU Regulation, only a group⁶⁷ was entitled to apply for registration of GIs. Similarly, a group is also entitled to do so under the current EU

⁶⁵ Echols (n 33) 159.

⁶⁶ Echols (n 33) 162. According to Echols, 'some might say they also hold the geographical indication for the benefit of the community. This idea gains in significance as the reputation of the GI and local foods become elements of rural tourism and rural development.'

⁶⁷ Article 5 of Regulation 510/2006 states:

'1. Only a group shall be entitled to apply for registration.

For the purposes of this Regulation, "group" means any association, irrespective of its legal form or composition, of producers or processors working with the same agricultural product or foodstuff. Other interested parties may participate in the group. A natural or legal person may be treated as a group in accordance with the detailed rules referred to in Article 16(c).

Regulation.⁶⁸ On the other hand, the Indian GI Act of 1999 allows any association of persons or producers or any organisation or authority established by or under any law for the time being in force that represents the interests of the producers of the concerned goods to apply for registration.⁶⁹ Accordingly, the Indian GI Act has implicitly allowed the state to register GIs directly. A producer's association or an authority, e.g., 'The Tea Board of India'⁷⁰ which represents the producers, can be registered as proprietors for the protection of GIs in India. That is why in India the majority of the GIs are registered, protected and promoted by the Indian Government through different organisations, such as APEDA,⁷¹ the Tea Board of India and the Spice Board of India.

An application for the registration of a GI is submitted under Article 8(1) of the QSR. It requires the name and address of the applicant, details of specification as given in Article 7 of the Regulation and a single document setting out the main points of the specification: the name, a description of the product, including, where appropriate, specific rules concerning packaging and labelling, and a concise definition of the geographical area and a description of the link between the product and the

In the case of a name designating a trans-border geographical area or a traditional name connected to a trans-border geographical area, several groups may lodge a joint application in accordance with the detailed rules referred to in Article 16(d).'

Articles 5, 6, 7, 12 and 15 of Regulation 510/2006 provide the procedure for filing a PGI or a PDO.

⁶⁸ Article 3(2) of Regulation 1511/2012, "group" means any association, irrespective of its legal form, mainly composed of producers or processors working with the same product'.

⁶⁹ Section 11(1) of Indian GI Act 1999:

'Any association of persons or producers or any organization or authority established by or under any law for the time being in force representing the interest of the producers of the concerned goods, who are desirous of registering a geographical indication in relation to such goods shall apply in writing to the Registrar in such form and in such manner and accompanied by such fees as may be prescribed for the registration of the geographical indication.'

⁷⁰ See Tea Board <www.tea.nic.in> accessed 20 August 2014, 'Tea Board is a government body established by the Tea Act in 1953 to develop and implement a certification program to regulate and control all aspects of the production and sale of teas from different Indian regions, including tea from the Darjeeling region of India. The composition of the Tea Board is diverse, comprised of members representing owners of tea estates, the state governments, members of Parliament, workers' representatives, exporters, packers and consumers.' *Tea Board of India v The Republic of Tea* (n 33). See also Echols (n 33) 107.

⁷¹ The Agriculture & Processed Food Products Export Development Authority under the APEDA Act 1986.

geographical origin.⁷² Article 50(1) of the Regulation relates to the scrutiny of the applications. The Commission has six months to examine the application in the light of Article 49 of the Regulation. If the conditions laid down in the Regulation are met, the Commission will publish the single document in the Official Journal of the European Union (OJEU).⁷³

Any member state or third party may object to the proposed registration within three months from the date of publication in the OJEU.⁷⁴ In case ‘the Commission receives no notice of opposition or no admissible reasoned statement of opposition under Article 51, it shall adopt implementing acts, without applying the procedure referred to in Article 57(2), registering the name’.⁷⁵ There is an improvement in the time line in Regulation 1511/2012 compared to Regulation 510/2006. Under the former, the Commission had twelve months to scrutinise an application, and the opposition period during which an interested party could object to the proposed registration of the name was six months.⁷⁶

Application for registration of GIs in India is made under Section 11(1)⁷⁷ of the Indian GI Act. However, as explained above under ‘Product Specifications’, the application

⁷² See Regulation 1511/2012 Article 8(1).

⁷³ Article 50(2)(a) states:

‘Where, based on the scrutiny carried out pursuant to the first subparagraph of paragraph 1, the Commission considers that the conditions laid down in this Regulation are fulfilled, it shall publish in the *Official Journal of the European Union*:

(a) for applications under the scheme set out in Title II, the single document and the reference to the publication of the product specification’

⁷⁴ See Regulation 1511/2012, Article 51(1).

⁷⁵ See *ibid* Article 51(2).

⁷⁶ See Regulation 510/2006, Article 6 and Article 7.

⁷⁷ 11(1) ‘Any association of persons or producers or any organization or authority established by or under any law for the time being in force representing the interest of the producers of the concerned goods, who are desirous of registering a geographical indication in relation to such goods shall apply in writing to the Registrar in such form and in such manner and accompanied by such fees as may be prescribed for the registration of the geographical indication.’ See wipo.int/wipolex/en/text.jsp?file_id=128105 accessed 13 November 2013.

has to fulfil the requirements contained in Section 11(2) of the Indian GI Act read with Section 32(1) of the Indian GI Rules.

On receipt of an application, the Indian GI law states that:

[T]he Registrar shall examine the application and the accompanying Statement of Case as required under rule 32(1) as to whether it meets the requirements of the Act and the Rules and for this purpose, he shall ordinarily constitute a Consultative Group of not more than seven representatives chaired by him from organization or authority or persons well versed in the varied intricacies of this law or field to ascertain the correctness of the particulars furnished in the Statement of Case referred to in rule 32(1) which shall ordinarily be finalised within three months from the date of constitution of the Consultative Group. Thereupon, the Registrar shall issue a Examination Report on the application to the applicant.⁷⁸

The Registrar may altogether refuse or may accept the application or may attach certain conditions on the basis of the comments given by the consultative group. Two months are given for compliance from the date of issuance of the examination report to the applicant. Upon a satisfactory reply, the application is accepted and published in the bi-monthly GI Journal. Upon advertisement, any person, for a maximum of 4 months, can oppose the application in writing. If no opposition comes or in the event of an opposition and the case is decided in favour of the applicant then the concerned GI is registered along with the authorised users and the particulars are included in the GI Register.⁷⁹

Pakistan is a developing country like India, with a weak private sector and an economy in transition. The Indian government has played an effective role since the enactment of its GI Law. Most of the GIs registered in India are state-owned and in many of them

⁷⁸ Section 33 of the Indian GI Rules under Indian GI Act 1999.

⁷⁹ Kasturi Das, 'Prospects and Challenges of Geographical Indications in India' (2010) 13 JWIP 148.

the state has facilitated the registration in tandem with the private sector.⁸⁰ Pakistan can legislate along the lines of the Indian GI Act with regard to the provisions related to the ‘applicants’. This will enable the state to play an active role in the registration of GIs. It will facilitate the government institutions of Pakistan, such as the Trade Development Authority of Pakistan (TDAP), the Pakistan Horticulture Development and Export Board (PHDEB), and provincial agricultural departments to play an important role in registering and promoting GIs in Pakistan.⁸¹ Further, with regard to the application and the process of opposition and subsequent advertisement or publication of the application for registration, both the EU and India have comprehensive systems. However, the Pakistani government may seek to emulate the Indian example here because India is not part of any customs union and hence the process of registration is relatively simpler. The timeline for registration of GIs is also quicker than the EU. In this way, public institutions in Pakistan can register GIs. Registration of GIs is badly needed in Pakistan as there is not a single GI registered at this time. The role of the government is likely to result in the speedy registration of the GIs in the same way as India, and will promote trade and rural development in Pakistan.

5.8 GENERIC NAME UNDER EU AND INDIAN SUI GENERIS LAWS

Regulation 510/2006 defined the term ‘generic name’ as the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this

⁸⁰ Interview with Ex-Special Secretary and Additional Secretary Cabinet Division of Pakistan and Head of TDAP (September 2013).

⁸¹ Interview with Ex-Special Secretary and Additional Secretary Cabinet Division of Pakistan and Head of TDAP (September 2013).

product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff in the Community.⁸²

The definition of ‘generic’ is no different under the current 1511/2012 except that the phrase ‘in the Union’ has been added at the end of the definition. This addition of the phrase at the end of the definition ‘is likely to provoke debate over the extent of generic use throughout the EU necessary to invoke a successful defence to an action for infringement’ as set out in Article 13(1) of the current Regulation which states that ‘where a protected designation of origin or a protected geographical indication contains within it the name of a product which is considered to be generic, the use of that generic name shall not be considered to be contrary to points (a) or (b) of the first subparagraph’.⁸³

Moreover, Article 13(2)⁸⁴ of Regulation 1511/2012 gives indefinite protection to the registered GIs. It states that ‘protected designations of origin and protected geographical indications shall not become generic’. This protection is very cost effective for the owners of the GIs registered compared to those systems where GIs are

⁸² Article 3(1) of Regulation 510/2006:

‘Names that have become generic may not be registered.

For the purposes of this Regulation, a “name that has become generic” means the name of an agricultural product or a foodstuff which, although it relates to the place or the region where this product or foodstuff was originally produced or marketed, has become the common name of an agricultural product or a foodstuff in the Community.

To establish whether or not a name has become generic, account shall be taken of all factors, in particular:

- (a) the existing situation in the Member States and in areas of consumption;
- (b) the relevant national or Community laws.’

⁸³ See Regulation 1511/2012, Article 13(1). Article 13(1)(a) and 13(1)(b):

‘(a) any direct or indirect commercial use of a registered name in respect of products not covered by the registration where those products are comparable to the products registered under that name or where using the name exploits the reputation of the protected name, including when those products are used as an ingredient;

(b) any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’ or similar, including when those products are used as an ingredient.’

⁸⁴ Regulation 1511/2012, Article 13(2) states that ‘protected designations of origin and protected geographical indications shall not become generic’.

registered as collective marks or certified marks, where GIs are to be renewed every ten years. However, there is a caveat. The indefinite protection for registered PDOs and PGIs is subject to meeting conditions of product specification. Article 54(1)(a) stipulates that the Commission may cancel a PDO or a PGI ‘where compliance with the conditions of the specification is not ensured’.⁸⁵

According to section 9 of the Indian GI Act 1999, generic names cannot be registered. Generic names are defined in explanation 1 of section 9 of the Indian GI Act which states that ‘generic names or indications’ in relation to goods means the name of a good which, although it relates to the place or the region where the good was originally produced or manufactured, has lost its original meaning and has become the common name of such a good and serves as a designation for or indication of the kind, nature, type or other property or characteristic of the good. Further, it is explained in section 9 that in order to determine the generic name, all factors should be taken into account including the existing situation in the region or place in which the name originates and the area of consumption of the goods.⁸⁶

⁸⁵ See Regulation 1511/2012, Article 54(1)(a). See also Regulation 510/2006 Articles 4 and 12; Evans (n 38) 24.

⁸⁶ Explanation 1 and 2 of Section 9 of Indian GI Act 1999:

‘Explanation 1: For the purposes of this section, “generic names or indications”, in relation to goods, means the name of a goods which, although relates to the place or the region where the goods was originally produced or manufactured, has lost its original meaning and has become the common name of such goods and serves as a designation for or indication of the kind, nature, type or other property or characteristic of the goods.

Explanation 2: In determining whether the name has become generic, account shall be taken of all factors including the existing situation in the region or place in which the name originates and the area of consumption of the goods.’

GIs are registered for ten years under the Indian GI Act and have to be renewed after every ten year interval.⁸⁷ This is normally not the case in sui generis laws of GIs, like in the EU, as it involves extra cost and may invite litigations⁸⁸ at the time of renewal. Under the present Trademarks Ordinance of Pakistan, GIs are initially registered for ten years. This registration has to be renewed every ten years. It would be advantageous for Pakistan to introduce EU-like provisions in any GI legislation. This would save the registered GIs from generic attacks and would also be convenient for the owners to register it once and for all. For assurance of continued quality and authenticity, such as in the EU, this indefinite registration should be subject to fulfilling the specifications given by the applicants at the time of registration of GIs.

5.9 GREATER LEVEL OF PROTECTION UNDER EU AND INDIAN SUI GENERIS LAWS

Article 13 of QSR relates to the overall protection of GIs. Article 13(1)b provides for additional protection⁸⁹ to agricultural products as a TRIPS plus provision.⁹⁰ Under Article 13(1)b, registered names will be protected against ‘any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as “style”, “type”, “method”, “as

⁸⁷ Section 18(1) of GI Act of India:

‘The registration of a geographical indication shall be for a period of ten years, but may be renewed from time to time in accordance with the provisions of this section.’

⁸⁸ Litigation may be in the form of an assertion by third parties that the GI has become generic. Although this attack can be made at any time, at renewal stage it can create undue delays and complications for re-registration and would involve legal costs.

⁸⁹ Under Article 23 of TRIPS there is additional protection for wines and spirits. For example, even if the consumers are not confused regarding the origin, GI cannot be used by unauthorised users such as an American or Pakistani trader cannot write ‘Pakistani made Roquefort Cheese’ or ‘Made in America Roquefort Cheese’.

⁹⁰ Article 23 of TRIPS Agreement binds the member states to give additional protection to wines and spirits registered as GIs. For a detailed discussion on it see chapter 2 under heading of Additional Protection. Although members of the WTO are not obliged to protect agricultural products such as wines and spirits, the EU has gone beyond minimum requirements of TRIPS Agreement and has granted additional protection to agricultural products beyond wines and spirits as per Article 13(1)b of Regulation 510/2006.

produced in”, “imitation” or similar’. It is exactly the same as the provision provided in EU Regulation 501/2006.

Under the Indian GI law, GIs notified by the central government of India have additional protection in the same way as the EU. This means that if Basmati is registered and notified for additional protection in India then the use of Basmati in an evocative manner, such as Basmati type, style, kind, or imitation will be taken as an infringement under section 22 of the Indian GI Act.⁹¹

The Indian GI law says that in respect of such notified goods, infringement will include, inter alia, the use of such expressions as ‘kind’, ‘style’, ‘imitation’ or like expressions by unauthorized users. Such additional protection requires no proof of likelihood of deception. Such prohibition also applies to translations, and the use of such GIs for notified goods would be forbidden whenever the goods did not come from the area in question.

GIs are being seen as useful IPRs for developing countries because of their potential to localise economic control, promote rural socio-economic development and enable economic returns to holders of indigenous knowledge. These factors lie at the heart of

⁹¹ As per section 22(2) of Indian GI Act, ‘the Central Government may, if it thinks necessary so to do for providing additional protection to certain goods or classes of goods under sub-section (3), by notification in the Official Gazette, specify such goods or class or classes of goods, for the purposes of such protection.’ Further, Section 22(3) of this Act states that ‘any person who is not an authorised user of a geographical indication registered under this Act in respect of the goods or any class or classes of goods notified under sub-section (2), uses any other geographical indication to such goods or class or classes of goods not originating in the place indicated by such other geographical indication or uses such other geographical indication to such goods or class or classes of goods even indicating the true origin of such goods or uses such other geographical indication to such goods or class or classes of goods in translation of the true place of origin or accompanied by expression such as “kind”, “style”, “imitation”, or the like expression, shall infringe such registered geographical indication.’

the demand for stronger protection for products, other than wines and spirits, at the TRIPS Council by many developing countries.⁹²

Pakistan has many GIs in the agriculture, food and handicraft sectors which need additional protection for the above said reasons. It is supporting the stance of the EU at the WTO for additional protection of agricultural products under the TRIPS Agreement. Pakistan is part of the 'Friends of GIs'⁹³ in the international negotiations at the WTO and has demanded additional protection for all the products on the basis of the text of Paragraph 18 of the Doha Declaration which provides a mandate to launch negotiations on an extension.⁹⁴ It is interesting to note that all the countries which are members of 'Friends of GIs', such as India, Turkey and Switzerland, have enacted sui generis laws for the protection of their respective GIs except Pakistan. It is in the interests of Pakistan to provide greater protection for its GIs. This will provide better protection to the producers and farmers of GIs against infringement as the owner will not have to prove the element of confusion. According to Mr Zulfiqar Ahmed, senior member of PIPRA, there has been illegal trading of GIs within Pakistan where unscrupulous elements are selling GIs, such as Basmati, illegally. He was of the opinion that additional protection would help the genuine producers to contest their cases in the courts of law in a relatively easier way and with fewer legal costs. It is a separate process to gain additional protection under Indian law and this may be more time consuming due to the bureaucratic process. It will be better for Pakistan to emulate Article 13(1)b of the EU

⁹² D Rangnekar, 'The International Protection of Geographical Indications: The Asian Experience' (UNCTAD/ ICTSD Regional Dialogue Intellectual Property Rights (IPRs), Innovation and Sustainable Development, Hong Kong, 8–10 November).

⁹³ See WTO, Doha Ministerial Declaration (Doc WT/MIN(01)/11, 14 November 2002). See also Felix Addor, 'The Way Ahead – What Future for Geographical Indications?' (Worldwide Symposium on Geographical Indications, Parma (Italy), 27-29 June 2005).

⁹⁴ Communication of Secretary MINFAL, Government of Pakistan (October 2006(1)). Copy is with the author.

Regulation in order to give additional protection to its GIs in its potential sui generis law.

5.10 HOMONYMOUS GEOGRAPHICAL INDICATIONS UNDER EU AND INDIAN SUI GENERIS LAWS

WIPO defines homonymous GIs as:

[T]hose that are spelled or pronounced alike, but which identify products originating in different places, usually in different countries. In principle, these indications should coexist, but such coexistence may be subject to certain conditions. For example, it may be required that they be used in association with additional information as to the origin of the product in order to prevent consumers from being misled. A GI may be refused protection if, due to the existence of another homonymous indication, its use would be considered potentially misleading to consumers with regard to the product's true origin.⁹⁵

Both EU and Indian sui generis laws provide for the possibility of registration of homonymous GIs.⁹⁶ Regulation 1511/2012 provides that a homonymous GI should be registered even in the presence of a name already registered subject to actual risk of

⁹⁵ WIPO, 'Geographical Indications: An Introduction' 34
<www.wipo.int/export/sites/www/freepublications/en/geographical/952/wipo_pub_952.pdf> accessed 20 August 2014.

⁹⁶ Article 23.3 says that 'in the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.' Although this provision is for wines only yet both Regulation 510/2006 and Indian GI Act of 1999 provide for all other goods as well under respective sui generis laws.

confusion and due regard for local and traditional usage.⁹⁷ Article 3(3) of the repealed EU Regulation also defined homonymous marks along the same lines.⁹⁸

India provides for homonymous GIs as per Section 10⁹⁹ of the Indian GI Act 1999 which states that:

[A] homonymous geographical indication may be registered under this Act, if the Registrar is satisfied, after considering the practical conditions under which the homonymous indication in question shall be differentiated from other homonymous indications and the need to ensure equitable treatment of the producers of the goods concerned, that the consumers of such goods shall not be confused or misled in consequence of such registration.

There is a difference between the EU and Indian definitions. The EU Regulation states that ‘a name proposed for registration that is wholly or partially homonymous with a name already entered in the register ... may not be registered unless there is sufficient distinction in practice between the conditions of local and traditional usage and presentation of the homonym registered subsequently’. Hence, it seems difficult for those homonymous names to be registered which do not differentiate in terms of local conditions and traditional usage. For example, Basmati rice is a famous GI of both India and Pakistan and both the territories share local conditions as they border each other.¹⁰⁰

⁹⁷ Regulation 1511/2012, Article 6(3) states:

‘A name proposed for registration that is wholly or partially homonymous with a name already entered in the register established under Article 11 may not be registered unless there is sufficient distinction in practice between the conditions of local and traditional usage and presentation of the homonym registered subsequently and the name already entered in the register, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

A homonymous name which misleads the consumer into believing that products come from another territory shall not be registered even if the name is accurate as far as the actual territory, region or place of origin of the products in question is concerned.

⁹⁸ See Regulation 510/2006, Article 3(3).

⁹⁹ Section 10 of the GI Act states that: ‘Subject to the provisions of Section 7, a homonymous geographical indication may be registered under this Act, if the Registrar is satisfied, after considering the practical conditions under which the homonymous indication in question shall be differentiated from other homonymous indications and the need to ensure equitable treatment of the producers of the goods concerned, that the consumers of such goods shall not be confused or misled in consequence of such registration.’

¹⁰⁰ See also WIPO – Standing Committee on Trademarks, Industrial Designs and Geographical Indications, ‘Possible solutions for conflicts between trademarks and geographical indications and for

However, the Indian definition looks wider in terms of its applicability. There seems more room in it to accommodate such situations as discussed above.

This is an important provision in the context of Pakistan. Both India and Pakistan¹⁰¹ have many homonymous GIs, like Basmati, Pashmina, and Phulkari, owing to their shared history. They have both also invested plenty of time and finances in litigation fighting for their rights over various homonymous GIs and there is continued disagreement on this issue.¹⁰² Having said that, there are negotiations going on between Pakistan and India for a joint registration system for Basmati.¹⁰³ Under these circumstances, it would be in the interests of Pakistan to include this provision for all its GIs in its future sui generis law as India has done in its sui generis law.

5.11 RELATIONSHIP BETWEEN TRADEMARKS AND GEOGRAPHICAL INDICATIONS UNDER EU AND INDIAN SUI GENERIS LAWS

Keeping in mind the limitations under the TRIPS Agreement,¹⁰⁴ both EU and Indian sui generis laws provide provisions defining the relationship between trademarks and

conflicts between homonymous geographical indications'

<http://www.wipo.int/edocs/mdocs/sct/en/sct_5/sct_5_3.doc> accessed 14 August 2014. See also discussion on Homonymous marks in chapter 1.

¹⁰¹ India and Pakistan were part of one nation before 1947 and share much of their history and traditions.

¹⁰² Interview with Additional Secretary Cabinet of government of Pakistan (September 2013). Pakistan government, BGA and Rawalpindi Chamber have opposed registration of GIs Basmati, Phulkari and Pashmina in Indian GI Registry. Copies of official documents confirming this are with the author.

¹⁰³ For details pl see last chapter.

¹⁰⁴ Article 24.5 of TRIPS protects trademarks applied or registered in good faith or that have been in use before the date of application of provisions of the GI Section in that Member in part VI or before the geographical indication is protected in its country of origin, then the measures taken for the implementation of this section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication. This provision protects trademarks and is also called a grandfather clause (The grandfather clause is the TRIPS provision, which allows right holders to maintain certain acquired rights - even if TRIPS inconsistent) in favour of trademarks that are identical with or similar to GIs subject to certain conditions. However, it is possible to see that under Article 22.3 of TRIPS, Members are required to refuse or invalidate the registration of a trademark which contains a GI with respect to goods not originating in the territory indicated if it misleads the public. Article 24.5 is an

GIs. Article 14(1) of the current Regulation and the same Article in Regulation 510/2006 ‘require the refusal or invalidation of a trade mark, in circumstances where it would constitute an infringement of the PDO’.¹⁰⁵

Article 14(2) of EU Regulation 510/2006 dealt with the relations between earlier trademarks and registered GIs. It states that:

With due regard to Community law, a trademark the use of which corresponds to one of the situations referred to in Article 13 which has been applied for, registered, or established by use, if that possibility is provided for by the legislation concerned, in good faith within the territory of the Community, before either the date of protection of the designation of origin or geographical indication in the country of origin or before 1 January 1996, may continue to be used notwithstanding the registration of a designation of origin or geographical indication.

There is a change in the corresponding Article 14(2) of the current Regulation as it does not refer to ‘1 January 1996’ with regard to the date of protection of any conflicting trademark. It states that:

Without prejudice to Article 6(4), a trade mark the use of which contravenes Article 13(1) which has been applied for, registered, or established by use if that possibility is provided for by the legislation concerned, in good faith within the territory of the Union, before the date on which the application for protection of the designation of origin or geographical indication is submitted to the Commission, may continue to be used and renewed for that product notwithstanding the registration of a designation of origin or geographical indication ... In such cases, the use of the protected designation of origin or protected geographical indication shall be permitted as well as use of the relevant trade marks.

exception to Article 22.3. However, TRIPS is protecting GIs interest as well since Members while implementing Article 24.5 will allow coexistence of trademarks and GIs and later registered GIs will not be invalidated for protected trademarks under Article 24.5 of TRIPS Agreement. See also Felix Addor and Alexandra Grazioli, ‘Geographical Indications beyond Wines and Spirits: A Roadmap for a Better Protection for Geographical Indications in the WTO/TRIPS Agreement’ (2002) 5(6) JWIP 865, 872.

¹⁰⁵ Evans (n 7) 19. ‘The Court of First Instance held that the OHIM Board of Appeal had erred in finding that the existence of PDO “Grana Padano” did not prevent registration of the mark “Grana Biraghi” Grana Case T-291/03, *Consorzio per la tutela del Formaggio Grana Padano v OHIM, Biraghi SpA*, Court of First instance, 2007, para 89. Regarding Biraghi’s defence that the “grana” is generic’.

The last sentence is also an addition which reiterates the principle of coexistence between GIs and trademarks subject to the provisions of the Regulation 1511/2012.

This means that the EU Regulation gives priority to GIs contrary to the FITFIR¹⁰⁶ principle. It is possible for a later registered GI to coexist with a prior trademark whereas a later registered trademark will be invalidated and cannot coexist with a prior GI. This aspect of the EU Regulation was unsuccessfully challenged by the USA and Australia at the WTO.¹⁰⁷

With regard to India, Section 26(1)¹⁰⁸ of the Indian GI Act is in agreement with Article 14(2) of Regulation 510/2006 with respect to continuous validity of prior registered trademarks that come into conflict with later registered GIs. Further, Section 25(a)¹⁰⁹ of the Indian GI Act has given the powers of ‘suo moto’¹¹⁰ to its Registrar to rectify the

¹⁰⁶ It stands for ‘first in time, first in right’ and the formal fairness of this right ‘rests on the assumption of complete functional equivalence between these two types of signs’, which are trademarks and GIs. See Gangjee (40) 255.

¹⁰⁷ Details may be seen in chapter 3 under 3.7.

¹⁰⁸ Section 26(1) states that: ‘Where a trade mark contains or consists of a geographical indication and has been applied for or registered in good faith under the law relating to trade marks for the time being in force, or where rights to such trade mark have been acquired through use in good faith either-
(a) before the commencement of this Act; or
(b) before the date of filing the application for registration of such geographical indication under this Act;
nothing contained in this Act shall prejudice the registrability or the validity of the registration of such trade mark under the law relating to the trade marks for the time being in force, or the right to use such trade mark, on the ground that such trade mark is identical with or similar to such geographical indication.’

¹⁰⁹ Section 25 of the GI Act:

‘Notwithstanding anything contained in the Trade Marks Act, 1999, the Registrar of Trade Marks referred to in

Section 3 of that Act, shall, suo moto or at the request of an interested party, refuse or invalidate the registrations

of a trade mark which-

(a) contains or consists of a geographical indication with respect to the goods or class or classes of goods

not originating in the territory of a country, or a region or locality in that territory which such geographical indication indicates, if use of such geographical indications in the trade mark for such goods,

is of such a nature as to confuse or mislead the persons as to the true place of origin of such goods or class

or classes of goods.’

¹¹⁰ This means ‘on their or its own initiative, without external prompting or explicit demand’. See <www.wordweonline.com/en/suomoto> accessed 19 November 2013.

Registrar of Trademarks in such cases or to do so if a third party applies to the Registrar if a trademark contains or consists of a GI with respect to the goods or class or classes of goods not originating in the territory of a country or if use of such GIs in the trade mark for such goods is of such a nature as to confuse or mislead the persons as to the true place of origin of such goods or class or classes of goods. Section 25(a) tallies with section 14(1) of the EU Regulation and is more stringent since it puts a responsibility on the Registrar of Trademarks by giving 'suo moto' powers to rectify the register of GIs if there is any violation of Section 25(a).

Pakistan has hundreds of GIs but, as mentioned in previous chapters, not a single GI has yet been registered due to inadequacies of the law and institutions.¹¹¹ It needs to emulate Indian and EU sui generis laws and enact similar provisions so that it can register its GIs without the danger of invalidity on the FITFIR principle. Pakistan has yet to register its GIs and the FITFIR principle can be problematic in allowing registration which has already been delayed due to the above said reasons. Being a developing country with an old agriculture economy and rich cultural heritage, Pakistan will benefit from providing an equivalent clause, such as is found in the EU and India, in its potential sui generis law.

¹¹¹ The inadequacy of the law was discussed in detail in chapter 2 and the inadequacies of institutions may be seen in chapter 6. Since under the present law the State cannot apply for collective marks, it is an impediment. Further, institutions such as the TDAP and Agriculture departments are not mandated by the Ministry of Commerce. This was confirmed by the Registrar of Trademarks in his interview.

5.12 OFFICIAL CONTROLS AND VERIFICATION UNDER EU AND INDIAN SUI GENERIS LAWS

Article 10¹¹² and Article 11¹¹³ of Regulation 510/2006 entrusted responsibilities to member states of the EU to ensure official control and verification of compliance with specifications. The product specifications under this Regulation¹¹⁴ had to be met in order to allow for registration. According to Article 11(1), authorities¹¹⁵ or a control

¹¹² Official Control is covered by Article 10 of Regulation 510/2006. It states that:

‘1. Member States shall designate the competent authority or authorities responsible for controls in respect of the obligations established by this Regulation in conformity with Regulation (EC) No 882/2004.

2. Member States shall ensure that any operator complying with this Regulation is entitled to be covered by a system of official controls.

3. The Commission shall make public the name and address of the authorities and bodies referred to in paragraph 1 or in Article 11 and update it periodically.’

¹¹³ Verification of compliance with specifications is covered by Article 11 of Regulation 510/2006. It states that:

‘1. In respect of geographical indications and designations of origin relating to a geographical area within the Community, verification of compliance with the specifications, before placing the product on the market, shall be ensured by:

- one or more competent authorities referred to in Article 10 and/or
- one or more control bodies within the meaning of Article 2 of Regulation (EC) No 882/2004 operating as a product certification body.

The costs of such verification of compliance with the specifications shall be borne by the operators subject to those controls.

2. In respect of the geographical indications and designations of origin relating to a geographical area in a third country, verification of compliance with the specifications, before placing the product on the market, shall be ensured by:

- one or more public authorities designated by the third country and/or
- one or more product certification bodies.

3. The product certification bodies referred to in paragraphs 1 and 2 shall comply with and, from 1 May 2010, be accredited in accordance with European standard EN 45011 or ISO/IEC Guide 65 (General requirements for bodies operating product certification systems).

4. Where, the authorities referred to in paragraphs 1 and 2, have chosen to verify compliance with the specifications, they shall offer adequate guarantees of objectivity and impartiality, and have at their disposal the qualified staff and resources necessary to carry out their functions.’

¹¹⁴ Moreover, details were given in Regulation 1898/2006 laying down the rules for the implementation of

Regulation 510/2006. See Commission Regulation (EC) No 1898/2006 of 14 December 2006 which laid down detailed rules of implementation of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [2006] OJ L369/1

<http://ec.europa.eu/translation/swedish/guidelines/documents/agri_geographical_indications_origin_en.pdf> accessed 25 August 2014.

¹¹⁵ Referred in Article 10 of Regulation 510/2006. ‘For example in the case of Parma Ham, the authority which oversees producers’ compliance with the required standards of manufacture is an association of producer representatives, by Italian law, the *Consorzio del Prosciutto di Parma*. The *Consorzio* or association that manages the PDO is responsible for ensuring the quality of their product by monitoring the use of the name in trade and, if necessary, informing the authorities of unauthorised use or practice.’ Evans (n 38) 24.

body, as defined in Article 2¹¹⁶ of Regulation 882/2004,¹¹⁷ should ensure that control of compliance with product specifications are met before products are placed on the market as referred to in Article 10 of Regulation 510/2006. Further, according to Article 11(4) of Regulation 510/2006, authorities verifying compliance with the specifications ‘shall offer adequate guarantees of objectivity and impartiality, and have at their disposal the qualified staff and resources necessary to carry out their functions’. Moreover, the costs of such verification of compliance with the specifications are borne by the operators subject to those controls.¹¹⁸

The obligation to establish and maintain systems for inspection and compliance rested with the national authorities under the repealed EU Regulation 510/2006. Nevertheless, ‘due to the lack of a supervisory authority at the EU level’ problems arose ‘with the quality and inadequate guarantees of objectivity with regard to inspection procedures’.¹¹⁹

According to Recital 46 of 1511/2012, the added value of the geographical indications is based on consumer trust. It is only credible if it is accompanied by effective verification and controls.¹²⁰ Title V of Regulation deals with ‘Common Provisions’. Its chapter 1 is devoted to ‘official controls for protected designations of origin, protected geographical indications and traditional specialities guaranteed’. Articles 35 to 40

¹¹⁶ Article 2 of EU Regulation 882/2004 provides a definition of a competent authority as ‘the central authority of a Member State competent for the organisation of official controls or any other authority to which that competence has been conferred’.

¹¹⁷ See Corrigendum to Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules [2004] OJ L165/1. Article 2 of Regulation 882/2004 defines a control body as an independent third party to which the competent authority has delegated certain control tasks.

¹¹⁸ EU Regulation 510/2006, Article 11(1).

¹¹⁹ See Evans (n 7) 9.

¹²⁰ See 1511/2012, Recital 46. The duty to establish controls is the responsibility of the national competent authorities in consonance with Regulation (EC) No 882/2004 for the control of geographical indications.

comprehensively deal with the official controls of GIs.¹²¹ These Articles are more inclusive than the ones provided under the repealed Regulation 510/2006 as they provide ‘minimum common rules on official controls to ensure a product follows the specification and to ensure correct labelling in the marketplace are also laid down’.¹²² The GI products which are consistent with general EU controls with respect to the monitoring of animal health, animal feed and food law are made subject to monitoring and control by Regulation 1511/2012 at each stage of processing, production and distribution.¹²³ Further, Regulation 1511/2012 improved the compliance with EU controls by referencing that ‘the most relevant articles are incorporated in the Single Regulation’;¹²⁴ in addition, the legislators intend for competent authorities to meet certain operational criteria in order to ensure their objectivity and effectiveness;¹²⁵ that international standards are used for the operation and accreditation of the control bodies’.^{126 127}

The ex officio system of inspection in the EU is not present in the Indian sui generis law. However, under the Rules of the Indian GI Act 1999 different particulars have to be submitted with the application, such as ‘the mechanism to ensure that the standards, quality, integrity and consistency or other special characteristic in respect of the goods to which the geographical indication relates, which are maintained by the producers, maker or manufacturers of the goods, as the case may be’.¹²⁸ In the case of India, most

¹²¹ These Articles also deal with the official control of TSGs but that is not under consideration in this thesis.

¹²² See Evans (n 7) 9.

¹²³ See Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules, including a system of checks at all stages of production, processing and distribution”.

¹²⁴ See Regulation 1511/2012, Recital 46.

¹²⁵ See *ibid* Recital 48.

¹²⁶ See *ibid* Recital 49.

¹²⁷ See Evans (n 7) 9.

¹²⁸ Rule 32(1): Text of The Geographical Indications of Goods (Registration and Protection) Rules,

of the GIs are registered by state institutions and they have their internal mechanism for carrying out verification of specification and ensuring quality control. According to the Tea Board of India:

[It] administers and regulates, under an elaborate system of control, all stages of cultivation, processing, promotion and sale of Darjeeling tea, including both domestic sales and exports of the teas to overseas markets ... all of the 87 tea gardens are registered with the Tea Board and that the Tea Board regularly monitors these gardens by making periodic checks and inspections.¹²⁹

Control is very important to establish compliance with specifications because otherwise there is a fear of rendering the GIs generic.¹³⁰ The private sector in Pakistan has neither the capacity nor the finances to effectively implement this system.¹³¹ According to the former Chairman of the REAP:

As in the case of India, it will be in the interest of Pakistan to use its State institutions to register and protect GIs. Government can emulate the best practices as provided by EU law however the government should bear the main burden of cost with the private sector to do verifications of specifications to ensure quality and authenticity of its products. Further it will be difficult for small scale farmers to contribute hence there should not be burdened with regard to any cost.¹³²

5.13 PROTECTION AND INFRINGEMENT UNDER EU AND INDIAN SUI GENERIS LAW

The TRIPS Agreement allows a member to give greater protection than the minimum protection that it grants.¹³³ Article 13(1) of 1511/2012 has also granted

2002 published in the Gazette of India, Extraordinary, Part II Section 3, Sub-Section (i) Extraordinary (8 March 2002) <http://ipindia.nic.in/girindia/GI_Rules.pdf> accessed on 19 November 2013.

¹²⁹ *Tea Board of India v The Republic of Tea* (n 33). See also Echols (n 33) Chapter 4 at 108.

¹³⁰ See Echols (n 33) 108.

¹³¹ Interview with REAP Chairman (September 2013).

¹³² *ibid.* Also the Interview with Ex-Additional Secretary Cabinet (September 2013).

¹³³ Article 22.2 of TRIPS Agreement.

TRIPS plus protection. Registered GIs in the EU sui generis law are protected against the following:¹³⁴

- Direct or indirect commercial use of a registered name in respect of non-registered product, if the non-registered and registered products are comparable, or if the non-registered product exploits the reputation of the protected name;
- Misuse, evocation or imitation of the registered name on a non-registered product, extending to expressions such as “type”, “style”, “method”, “as produced in”, “imitation” or similar;
- False or misleading indication about the provenance, origin, nature or essential qualities of products on packaging, advertising material or documents relating to the product and packing of the product that might convey a false impression as to its origin;
- All practices liable to mislead the consumer over the true origin of the product with reference to a PDO and PGI.

Article 13(1) mirrors the same Article as the repealed EU Regulation 510/2006. Nevertheless, with regard to the obligation of the member states, the repealed EU Regulation 510/2006 did not clearly specify the nature of the obligation of member states in relation to enforcement. It was not clear whether it was administrative enforcement or action against misuse of the GI.¹³⁵ Hence, Article 13(3) was added to the current Regulation. It states that:

Member States shall take appropriate administrative and judicial steps to prevent or stop the unlawful use of protected designations of origin and protected geographical indications, as referred to in paragraph 1, that are produced or marketed in that Member State.

¹³⁴ See Regulation 1511/2012 Article 13(1).

¹³⁵ See Evans (n 7) 12.

In the Indian sui generis law,¹³⁶ a registered GI is infringed by a person who is not an authorised user and uses such a GI by any means in the designations or presentation of goods that indicates or suggests that such goods originate in a geographical area other than the true place of origin of such goods, in a manner which misleads the persons as to the geographical origin of such goods or uses any GIs in such manners which constitute an act of unfair competition; this includes passing off in respect of registered GIs. Further, unfair competition is elucidated in explanations 1 and 2 after Section 22(1) of the Indian GI Act and this is in consonance with Article 10bis of the Paris Convention.¹³⁷

Both the EU and Indian sui generis systems have provided more than the minimum protection as required under TRIPS and use of the GIs accompanied by words such as ‘style’, and ‘imitation’ may be deemed as an infringement.¹³⁸ In this case, GI owners do not have to establish confusion in the minds of consumers in a court of law to prove infringement. This ensures a maximum protection of GIs against infringement and fewer legal costs.

¹³⁶ Section 22(1) of Indian GI Act 1999 states that:

‘A registered geographical indication is infringed by a person who, not being an authorised user thereof, - (a) uses such geographical indication by any means in the designations or presentation of goods that indicates or suggests that such goods originate in a geographical area other than the true place or origin of such goods in a manner which misleads the person as to the geographical origin of such good; or (b) uses any geographical indication in such manner which constitutes an act of unfair competition including passing off in respect of registered geographical indication.’

¹³⁷ ‘Explanation 1: - For the purposes of this clause, “act of unfair competition” means any act of competition

contrary to honest practices in industrial or commercial matters.

Explanation 2: - For the removal of doubts, it is hereby clarified that the following acts shall be deemed to be acts of unfair competition, namely: -

- (i) all acts of such a nature as to create confusion by any means whatsoever with the establishment, the goods or the industrial or commercial activities, of a competitor;
- (ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods or the industrial or commercial activities, of a competitor;
- (iii) geographical indications, the use of which in the course of trade is liable to mislead the persons as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods ...’

¹³⁸ Article 13(1)b of EU Regulation 510/2006 and Section 22(3) of Indian GI Act. However, in the case of India this is not an automatic additional protection. The Federal Government has to notify goods for this.

The Indian GI Act provides for civil and criminal penalties for various offences. There are penalties for applying false GIs with punishment of imprisonment between 6 months to 3 years and fines between 50,000 Rupees to 300,000 Rupees under section 39.¹³⁹ There are penalties for improperly describing a place of business as being connected with the Geographical Indications Registry¹⁴⁰ or for falsification of entries in the Register.¹⁴¹ Such criminal penalties are not found in the EU Regulation.

Pakistan needs to provide comprehensive provisions on infringement in its sui generis law along the same lines as India and the EU. Pakistan may consider going a step further than the EU by introducing criminal penalties in the way India has. It can be noted that there are already criminal liabilities in Pakistan for infringing trademarks under its Penal Code.¹⁴²

¹³⁹ Section 39 of Indian GI Act states that:

‘Any person who,-

(a) falsifies any geographical indication; or
 (b) falsely applies to goods any geographical indication; or (c) makes, disposes of, or has in his possession, any die, block, machine, plate or other instrument for the purpose of falsifying or of being used for falsifying, a geographical indication; or (d) applies to any goods to which an indication of the country or place in which they were made or produced or the name and the address of the manufacturer or person for whom the goods are manufactured is required to be applied under section 71, a false indication of such country, place, name or address; or (e) tampers with, alters or effaces an indication of origin which has been applied to any goods to which it is required to be applied under section 71; or (f) causes any of the things above-mentioned in this section to be done, shall, unless he proves that he acted, without intent to defraud, be punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than fifty thousand rupees but which may extend to two lakhs rupees: Provided that the court may, for adequate and special reasons to be mentioned in the judgement, impose a sentence of imprisonment for a term of less than six months or a fine of less than fifty thousand rupees.’

¹⁴⁰ Section 43 of Indian GI Act states that: ‘If any person uses on his place of business, or on any document issued by him, or otherwise, words which would reasonably lead to the belief that his place of business is, or is officially connected with, the Geographical Indications Registry, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.’

¹⁴¹ Section 44 of Indian GI Act states that: ‘If any person makes, or causes to be made, a false entry in the register, or a writing falsely purporting to be a copy of an entry in the register, or produces or tenders or causes to be produced or tendered, in evidence any such writing, knowing the entry or writing to be false, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.’

¹⁴² Pakistan Penal Code 1860 Section 478. See also M Farrukh Irfan Khan, ‘Anti-counterfeiting 2010: A Global Guide’ (April 2010) World Trademark Review 172.

Passing off is also an applicable way to protect GIs as part of the common law system in Pakistan. However, in the case of Pakistan it can introduce a definition in its potential sui generis law along the lines of section 22(1) of the Indian GI Act and Article 22.2 of the TRIPS Agreement as India has done.¹⁴³

5.14 CONCLUSION

In this chapter, the main provisions of the former EU Regulation 510/2006, current EU Regulation 1511/2012 and the Indian GI Act have been examined. These are comprehensive and detailed in terms of protection and enforcement of GIs. Pakistan can take advantage of these laws by using them to enact its own sui generis law.¹⁴⁴ The objectives should be broader, such as those found in Regulations 510/2006 and 1511/2012 which include higher income for farmers, better information for consumers, better protection of GIs and economic development. There are significant exports of Basmati rice, mangoes and kinoos, and other horticulture products from Pakistan. The farmers and exporters of Pakistan rely on these earnings to a great extent and therefore it would be worth considering that one of the objectives for the enactment of a new GI law should be the diversification and enhancement of Pakistan's exports.¹⁴⁵

Pakistan's new GI law will benefit from the definitions in EU and Indian law. This will give better protection to its GIs by providing a terroir-based system designed around

¹⁴³ Article 22.2 of TRIPS requires its members to provide legal means for interested parties to prevent the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good and also to prevent any use, which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967). See also footnotes 138 and 139 above.

¹⁴⁴ Enactment of sui generis law is envisaged under various trade policies of Pakistan. See Trade Policy of Pakistan 2010-2011.

¹⁴⁵ Pakistan relies a lot on exports of rice, mangoes, kinoos and its handicrafts. Interview with REAP, BGA. Interview with former REAP Chairman (September 2013, Pakistan).

the concept of product specification from which the reputation or characteristics of the product and geographic region are derived. Pakistan should also provide efficient and simple procedures for application and registration of GIs like India does. Further, it should introduce the requirement of comprehensive product specifications for registration of GIs like those provided in the EU sui generis law. Pakistan can ensure a sui generis system based on quality by emulating EU and Indian GIs laws by providing provisions on generic names, additional protection for GIs, homonymous GIs, relationship between trademarks and GIs, official controls, an inspection system, protection and enforcement. This will help in ensuring high quality GIs that derive their characteristics and reputation from a geographic region. The introduction of sui generis law is likely to work as a catalyst for the registration of GIs in Pakistan since it will allow the role of the state and institutions to speed up the process.¹⁴⁶

The sui generis law has to be implemented by various institutions (both public and private) in the form of registration, regulation and training as the case may be, and their strength and efficiency is important to get the desired results. This task becomes difficult in the context of developing countries with weak private sectors and incapacities in the public sector. Here, the role of the state is crucial in institution building. Hence, after discussing the EU and Indian sui generis laws and the way forward for an indigenous sui generis law for Pakistan, the next chapter will deliberate on the role of the state and present institutional structures and their reform in Pakistan for the better protection of its GIs and economic development.

¹⁴⁶ It is interesting to note that though Pakistan's neighbour India, which shares its civilisation with Pakistan, has many potential GIs, nevertheless, 'the initiatives to exploit this potential (in India) began only recently when the country established a sui generis system of GI protection with the enactment of the Geographical Indications of Goods (Registration and Protection) Act 1999 (GI Act), coupled with the Geographical Indication of Goods (Registration and Protection) Rules 2002. Das (n 79). See also Muhammad Hamid Ali, 'The Protection of Geographical Indications in Pakistan: Implementation of the TRIPS Agreement' (2011) 14(6) JWIP 467.

CHAPTER 6

ROLE OF THE STATE AND INSTITUTIONAL FRAMEWORK IN PAKISTAN

6.1 INTRODUCTION

Chapter 5 discussed the best way forward for Pakistan to enact its sui generis law in order to better protect its GIs and economic development. This way forward was proposed keeping in view the strengths of the EU and Indian sui generis laws. This chapter will begin with a debate on the present governance of GIs in Pakistan both in the public and private sector. After this, the present role of the state in Pakistan and its importance will be deliberated on. It will be followed by a description of different themes which have emerged as a result of interviews with GI stakeholders in Pakistan. These themes will help in analysing the institutional framework and the role of the state in Pakistan. Lastly, the way forward for the role of the state and institutional reforms for the governance of GIs in Pakistan will be explored and this will help towards economic development as set out in the hypothesis of this thesis. This chapter is mainly based on the interviews carried out, their analysis and the documents provided by interviewees. The details of the interviewees and the documents have already been given in chapter 1.

6.2 GOVERNANCE OF GIs IN PAKISTAN-PUBLIC AND PRIVATE INSTITUTIONS

6.2.1 Governance of GIs in the Public Sector

The protection of IPRs including GIs has been looked after by various federal ministries of Pakistan. Before the promulgation of an ordinance to form the IPO, the Trade Marks

Registry was administered by the Ministry of Commerce, the Copyright Office by the Ministry of Education and the Patent Office by the Ministry of Industries.¹ The government of Pakistan realised the significance of IPRs with its accession to the WTO.² The TRIPS Agreement was part and parcel of the WTO. At that time, Pakistan's existing laws were not in conformity with the TRIPS Agreement. For example, there was no provision of service marks in the then existing Trademarks Act 1940 and there was no provision for product patents under the Patents and Designs Act 1911. Similarly, there was no existing provision for the protection of GIs in Pakistan.³ Hence, in order to implement its international commitments, Pakistan recognised the urgency of amending its existing intellectual property laws and enacting new ones. Accordingly, the Trademarks Ordinance 2001, Patents Ordinance 2000 and Copyrights Ordinance 2000 were promulgated in Pakistan. There was also a need for a specialized organisation in Pakistan to look after all the matters related to IPRs. According to the Additional Secretary Cabinet, the government of Pakistan realised that proper management and implementation of IPRs would promote economic development and investment in Pakistan. According to him, there were constant demands from the US for this 'so that there could be a focal body which could coordinate with enforcement agencies for effectively stopping optical media piracy in Pakistan'.⁴ The Ministry of Commerce is the ministry in charge of interactions between Pakistan and the WTO.⁵ At

¹ Interview with Additional Secretary Cabinet (Pakistan, September 2013).

² Pakistan became a member of the WTO on 31 December 1994, the day the WTO came into being.

³ Interview with Registrar of the Trademarks Registry (Pakistan, September 2013). He said that, 'the provision for protection for GIs under collective marks and certification marks was provided for first time in Pakistan under Trademarks Ordinance 2001'.

⁴ Interview with Additional Secretary Cabinet (Pakistan, September 2013). According to the Additional Secretary Cabinet, 'Pakistan also wanted to appease the USA by effectively implementing its intellectual property laws because that was one of the conditions of the US government for signing the Bilateral Investment Treaty between Pakistan and USA and subsequently a Free Trade Agreement with USA'.

⁵ According to Additional Secretary Cabinet, there was an urgent need in Pakistan to expedite the drafting of rules of all the newly promulgated ordinances on trademarks, copyrights and patents. There

this juncture, the ‘Ministry of Commerce decided to move a Summary⁶ to bring all the IPRs under its control by making an intellectual property organisation. This resulted in a turf war between Ministries to take control of overall IP issues’.⁷ According to the Registrar of Trademarks, the Ministry of Commerce being the focal ministry of Pakistan for trade and intellectual property related issues with the WTO proposed in the Summary that this organisation should stay within it. The Ministry of Industries, which deals with the production and supply side of trade and industry in Pakistan, argued that it had been administering the Patent Office of Pakistan since its independence so it should remain with it. The Ministry of Education wanted copyright to remain as a separate subject under its control. It took five years for any decision to be taken on this, and this delay affected the decision on the approval of a stand-alone draft law on the protection of GIs in Pakistan. It was always delayed on the pretext that it should be finalised by the newly-created IPO.⁸

According to both the Registrar of Trademarks and the Additional Secretary Cabinet, the Ministry of Commerce was the natural choice to become the focal ministry; nevertheless, there were political connotations. According to the Additional Secretary Cabinet, ‘the Minister for Commerce was not in the best books of the then Prime Minister’.⁹ He said that despite a strong case and advocacy by the Commerce Minister,

was also need to enact new laws on ‘Data Exclusivity’ protection and on the protection of ‘Registered Layout Designs and Integrated Circuits’ in order to become TRIPS compliant.

⁶ In the interview, the Additional Secretary Cabinet said that whenever there is a change of control of an office or an organisation from one Ministry to another Ministry in Pakistan, a ‘Summary’ is moved for the Prime Minister by the Federal Minister asking for control. The ‘Summary’ gives reasons for the solicited change and seeks approval of the Prime Minister.

⁷ Interview with Additional Secretary Cabinet (Pakistan, September 2013).

⁸ Interview with Registrar of Trademarks (Pakistan, September 2013).

⁹ The Additional Secretary Cabinet said that the then Prime Minister used to be a colleague of the Commerce Minister in the capacity of Finance Minister of Pakistan. At that time, both were potential candidates for becoming the Prime Minister. He said that ‘probably this history was the cause of uneasiness between the Prime Minister and the Commerce Minister of Pakistan’, and in his opinion this affected the cause of GIs.

the Prime Minister took all the intellectual property matters from the concerned ministries and placed them under the Commerce Division, which is looked after by the Federal Secretary Cabinet under the direct control of the Prime Minister.

The Pakistan Intellectual Property Rights Organization (PIPPO) was established through an Ordinance¹⁰ in 2005 and was placed under the administrative control of the Cabinet Division whose minister in charge was the ex officio Prime Minister of Pakistan. Hence, the rules of business¹¹ were accordingly amended.¹²

Currently, GIs are administered in the form of collective marks and certification marks by the Trademarks Registry which is a department attached to the IPO. The Trademarks Registry had been under the Ministry of Commerce of Pakistan until 2005. The change of control of the Trademarks Registry from the Commerce Division¹³ to the Cabinet Division had a negative effect on the efforts already taken by the Ministry of

¹⁰ The name of the PIPPO was subsequently amended to IPO under the IPO Act. Interview with Additional Secretary Cabinet (Pakistan, September 2013).

¹¹ 'Rules of Business' are issued by the Establishment Division of the government of Pakistan. The Establishment Division is the arm of the government which controls various ministries, under the direct supervision of the Prime Minister of Pakistan, in terms of making rules and appointing higher authorities. 'Rules of Business' provide the list of activities to be administered by various divisions and ministries. In Pakistan, each division is headed by a federal secretary whereas a ministry is further headed by a political boss who is a minister. A ministry can have one or more divisions. For example, the Ministry of Commerce and Textiles of Pakistan has two divisions under one minister. One division is of commerce headed by a federal secretary and the other division is textiles headed by a separate federal secretary. Both federal secretaries report to one minister. On the other hand, the Ministry of Interior has one division hence one federal secretary and one federal minister. Interview with Additional Secretary Cabinet Mr Naved Arif (Pakistan, September 2013).

¹² Interview with Additional Secretary Cabinet (Pakistan, September 2013). See also IPO 'About' <<http://ipo.gov.pk/Contents/AboutIPO.aspx>>. According to the IPO's official website, 'The Honorable Prime Minister of Pakistan placed the new organisation directly under his own supervision by attaching it with the Cabinet Division rather than any of the old Ministries, namely Ministry of Industries, Production and Special Initiatives, Ministry of Commerce and Ministry of Education which were previously supervising the patents Office, Trade Marks Registry and the Copyrights Office respectively'.

¹³ A Ministry can have one or more divisions. Each division is headed by an independent Federal Secretary like the Permanent Secretary of State in UK. The Federal Ministry of Commerce and Textile has two Divisions. One is the Commerce Division and the second is the Textile Division. The rule of business of the government of Pakistan lists the powers and functions of a Division. Until 2005, it was only the Ministry of Commerce. Recently, it has become the Ministry of Commerce and Textiles. Discussed in the interview with Mr Naved Arif, Additional Secretary Cabinet (Pakistan, September 2013).

Commerce. These included the already prepared stand-alone draft law on GIs and efforts to establish a GI Registry with institutional back up from the government for taking an active part in the registration of GIs of Pakistan.¹⁴

Hence, at present, the IPO is looking after intellectual property matters, including GIs, in Pakistan. According to the official website of the IPO, it was created due to the deteriorating IP situation in Pakistan. This was affecting Pakistan's economy, overseas investment and its image. In addition, 'there was also blame on Pakistan for pirated optical discs exports'.¹⁵ The vision of this organization is 'to put Pakistan on the IP map of the world as a compliant and responsible country by promoting and protecting intellectual property rights'.¹⁶ Its mission includes 'integrating and upgrading IP infrastructure for improved service delivery; increased public awareness and enhanced enforcement coordination for achieving the goal of being an IP based nation'.¹⁷

The role of the IPO with regard to enactment of a sui generis law in Pakistan has been discussed in chapter 4.¹⁸ According to the Additional Secretary Cabinet, 'IPO has a lack of capacity in terms of human resource and it is not proactive. It also has administrative structure problems'.¹⁹ The strengths and weaknesses of this organisation will be discussed in the later part of this chapter under section 6.5.2.

¹⁴ Interview with Additional Secretary Cabinet (Pakistan, September 2013). According to Additional Secretary Cabinet, he was in the Commerce Division then and the Ministry of Commerce had made a draft sui generis law on GIs for the better protection of GIs of Pakistan. He said that it was circulated amongst public and private stakeholders before being sent to Parliament for consideration for enactment. The inadequacies of the present system of protection of GIs in Pakistan has already been discussed in previous chapters as well as the way forward in the form of sui generis law for better protection of GIs and economic development.

¹⁵ See IPO, 'About' <<http://ipo.gov.pk/Contents/AboutIPO.aspx>> accessed 10 August 2014.

¹⁶ *ibid.*

¹⁷ *ibid.*

¹⁸ See Chapter 4 under heading 6.12.

¹⁹ Interview with Additional Secretary Cabinet (Pakistan, September 2013).

6.2.2 Governance of GIs in the Private Sector

The private sector associated with GIs in Pakistan has yet to come of age. There are very few associations of farmers in Pakistan.²⁰ Existing organisations, such as kinoo growers and mango growers, have a lack of resources and no collective vision for the task of registering and protecting their GIs. According to Mr Asad Ullah, ‘the reason for this backwardness is the absence of land reforms in Pakistan. Most of the farmers are poor and lack education. They need help and guidance to assert their rights.’ The most organised associations at present are in the rice sector, which are the Basmati Growers Association (BGA) and the Rice Exporters Association of Pakistan (REAP).²¹ At present, the Trademarks Registry has allowed the application of BGA for registration of the collective mark Basmati for rice in its name. Nevertheless, this has been challenged in the High Court of Sindh.²² There have been no effective capacity building activities like road shows and seminars run by the government or the private sector to increase awareness of GIs and their associated economic benefits in Pakistan.²³ There are instances where private sector individuals have applied for registration of GIs on their own. In addition, there are a few cases where the Punjab government has helped a small number of associations to seek registration of GIs.²⁴ These applicants have not taken the wider community into confidence and most of them have been opposed at the advertisement stage in the Trademarks Registry of Pakistan.²⁵ The BGA and REAP are two established bodies in the rice sector. This sector holds the most famous GI of Pakistan, Basmati, which is worth billions of dollar of domestic commerce and

²⁰ Interview with REAP Chairman (Pakistan, September 2013).

²¹ Interviews with Additional Secretary Punjab and Mr Asad Ullah (Pakistan, September 2013).

²² Interview with Registrar of the Trademarks Registry (Pakistan, September 2013).

²³ Interviews with Mr Asad Ullah and Additional Secretary Punjab (Pakistan, September 2013).

²⁴ Interview with Additional Secretary Punjab (Pakistan, September 2013).

²⁵ Interview with Registrar of the Trademarks Registry (Pakistan, September 2013).

exports.²⁶ Nevertheless, both the BGA and the REAP are contesting its ownership in the High Court of Sindh. The REAP Chairman is against giving a monopoly to the BGA as he fears this association will create problems for exporters by not registering them as GI users and forcing them to pay higher prices. Similarly, the BGA President was adamant that REAP had nothing to do with GI. Both the President of the BGA and the Ex-President of the REAP were of the opinion that the government should take the lead. Both admitted a lack of capacity for effectively managing a GI organisation. They also showed their concerns with regards to financial constraints and looked to the government to be a mediator and prospective owner of the Basmati rice GI.²⁷ This position is corroborated by government representatives.²⁸ This situation shows the importance of the role of the state in the protection of GIs in Pakistan.

6.3 ROLE OF THE STATE

The experience and history of different countries show the importance of the role of the state in strengthening the GI sector of a country. This can be seen especially when the private sector is weak and needs support from the government. For example, the European legal framework is influenced by the French legal framework where the state played its due role for a long time for the protection of its GIs. The Ministry of Agriculture of France through its specialized body, the National Institute of

²⁶ 'The rice exports hit all time high level of \$2.265 billion in the year 2009 -10, and in the fiscal year 2010-11, total rice exports stood at \$2.091 billion.' Export News, 'Rice exports cross \$2bn mark yet again' <http://www.tdap.gov.pk/pdf/Vol_09_2012.pdf> accessed 14 August 2014.

²⁷ Interviews with REAP Chairman and President BGA (Pakistan, September 2013).

²⁸ Interview with Registrar of the Trademarks Registry (Pakistan, September 2013).

Appellations of Origin (INAO), has influenced GIs as a tool of public policy since the beginning of the 20th century.²⁹

However, this role largely shifted to the private sector once it was well established. The French substantive reform of 2006 provided a withdrawal in terms of state involvement and a transfer of activities to producer organisations. This withdrawal was due to a strengthening private sector which increased its role in the building of the GI specification. Further, INAO decreased its role in the control and inspection activities.³⁰ Developing countries can follow this model and eventually transfer control to the private organizations when they have capacity and expertise to protect and promote their respective GIs. A number of factors, such as the cost of administering controls and inspection, transport infrastructure and incapacity of producers to mobilize as a group represent the matrix which hampers a country from registering its GIs.³¹ In developing countries, the state has to play an important role to deal with these challenges.

In India, the role of the state for the protection of GIs is significant. The state and its agencies facilitate different associations in the process of filing GI applications, and in many cases state agencies are the applicants of the GI themselves.³² The Ministry of Commerce of India has played an active role in the registration of GIs through various statutory bodies under its administrative control. Commodity boards, such as the Coffee Board (Coffee Act 1942), the Agriculture and & Processed Food Products Export

²⁹ Delphine Marie-Vivien, 'The Role of the State in the Protection of Geographical Indications: From Disengagement in France/Europe to Significant Involvement in India' (2010) 13(2) JWIP 121, 122.

³⁰ *ibid* 126. Marie-Vivien states that: 'It is interesting to note that the specification is now drafted by the Organization, and it undergoes a substantive examination from INAO, whereas earlier, in case of the appellation of origin, INAO together with the producers would have decided the content of the specification'. Similarly, previously the list of operators was registered at INAO, whereas the Organization will do it from now on'.

³¹ GE Evans, 'The Comparative Advantages of Geographical Indications and Community Trade Marks for the Marketing of Agricultural Products in the European Union' (2010) 41(6) IIC-INT REV 645, 646.

³² Marie-Vivien (n 29) 122.

Development Authority (APEDA Act 1986), the Spices Board (Spices Board Act 1986) and the Tea Board (Tea Board Act 1953), are some examples. Coorg green cardamom and Malabar pepper have been registered by the Spice Board. ‘Darjeeling’ tea was registered by the Tea Board of India. APEDA has pointed out potential GIs with respect to mangoes in India. Basmati Rice is also dealt with by APEDA and it is contesting the Basmati GI not only in Indian courts but also in Pakistan courts.³³ Hence, as an applicant of different GIs the state in India is directly engaged in defining the content of the GI application and in authorising the producers to use the GIs.³⁴ The government of India recognises GIs as a specific IPR in comparison with other IPRs like copyrights, patents and trademarks. One of the justifications ‘for the involvement of the state in the protection of GI might be that the Indian GI Act has been used to protect national identity’.³⁵ The Minister of Commerce of India, Mr Maran, said in 2001 at the time of the enactment of the Indian GI Act that ‘these (geographical) indications were vectors of “national, regional and local cultural identities” providing value addition to the products. In a globalising world, geographical indications represented more than a simple category of intellectual property rights.’³⁶

Like India, Pakistan has potentially hundreds of GIs that it needs to identify³⁷ and register. Pakistan has huge potential in areas such as agriculture products, horticulture

³³ Interview with Registrar of the Trademarks Registry (Pakistan, September 2013).

³⁴ Marie-Vivien (n 29) 122.

³⁵ *ibid* 142.

³⁶ Ministry of Commerce, ‘Hon’ble Union Minister of Commerce & Industry Thiru Murasoli Maran Inaugurated Modernised Patent Office in Chennai’ (Press Release) <http://www.ipindia.nic.in/ipr/photo_gallery/inaug_chennai.htm> accessed 23 August 2014. See also Marie-Vivien (n 29) 142. According to Marie-Vivien, ‘the state is considered as being legitimate in making the list of all localized products of India, in documenting them and in moving forward by registering the GIs itself. This role of the state in India is the recognition of GIs as a specific IPR in comparison with other IPRs like patents, trademark, etc. Therefore, the concept of GI as a public right rather than a private right is understood in India through the ownership of GIs conferred to the state’.

³⁷ The Punjab government has identified one hundred potential GIs. Similarly, the IPO is also working on this exercise. Interviews with Additional Secretary Punjab and DD Law (Pakistan, September 2013).

products, textiles, handicrafts and beverages. There is also a need for brand-building, promotion, marketing and ‘setting up an adequate governance structure amongst the various actors of the value chain might reduce the potential in terms of income distribution’.³⁸ Overall, the success of any GI depends not only on its commercial value but also on its trickle-down effect to the owners and local population in a region. While examining a case study on Tequila, Sarah Bowen concluded that, ‘despite the obvious successes of Tequila case in terms of its growing market share and reputation, however, the GI for Tequila has largely failed to benefit the local population and environment in Tequila’s region of origin’.³⁹ Hence, the government of Pakistan has an important role to play in the success of GIs by registering, protecting and marketing GIs, and keeping intact rural sustainability by ensuring price premium to the growers of GIs. This can be done by facilitating small and medium scale farmers in both registration and post-registration matters with regard to their GIs and helping them in the marketing and sale of their products.

The state can play its role by launching awareness campaigns for GIs in Pakistan. There is a need for road shows all over the country to sensitise the private and the public sector stakeholders. In this regard, Thailand’s ‘one tamboon,⁴⁰ one product’ programme for the promotion of domestic commerce, poverty reduction and exports growth is an excellent example to emulate.⁴¹ In India, a number of awareness building initiatives

³⁸ Massimo Vittori, ‘The Internal Debate on Geographical Indications: The Point of View of the Global Coalition of GI Products origin’ (2010) 13 JWIP 304.

³⁹ Bowen, S, ‘Development From Within? The Potential for Geographical Indications in the Global South’ (2010) 13 JWIP 231.

⁴⁰ Swarnim Wagle, ‘Geographical Indications as Trade Related Intellectual Property: Relevance and Implications for Human Development in Asia-Pacific’ (Asia Pacific Trade and Investment Initiative, UNDP Regional Centre in Colombo, 2007) 6. ‘A tamboon is a local government unit which makes the third administrative subdivision level, below the district and the province, in Thailand.’

⁴¹ *ibid*, ‘The government has set out to select several community products, and upgrade and certify their quality, with the intention of expanding, both their domestic and export markets. Fairs organized to generate incomes and develop local products at the grassroots in all the country’s 76 provinces have led to the identification of distinctive fabrics, artistic creations, processed food and fruit, utensils,

have been run by its Textiles Committee, the UNCTAD India Programme,⁴² the GI Registry and civil society organisations among others.⁴³

Efforts were made by the government of Pakistan to enact a stand-alone law like in India and the EU for the protection of GIs in Pakistan but this has proved unsuccessful.⁴⁴ With regard to institution building, the government of Pakistan succeeded in placing all the IPRs under the umbrella of the IPO. However, the IPO was not placed under the Ministry of Commerce which did all the work for the formation of the IPO. The Ministry of Commerce also had the institutional memory and made the legislation for the IPO. Instead, it was placed under the Cabinet Division without any institutional memory or expertise to deal with such niche issues in the government sector.⁴⁵ Nevertheless, there has been no active role of the government in registering GIs. The government of Punjab started a project in order to make it easier for the private sector to register GIs. Its details are given in section 6.5.2.

6.4 EMERGING THEMES IN THE INTERVIEWS: STRENGTHS AND WEAKNESSES OF THE PUBLIC AND THE PRIVATE SECTOR INSTITUTIONS

The interviews were conducted with both public and private sector stakeholders. The list and details of the stakeholders is given in chapter 1. Here, different themes will be discussed and analysed to see the institutional weaknesses and reforms in the field of GIs in Pakistan. Registration and protection of GIs could be beneficial and could usher

wickerwork and fermented liquor, among other products, which the government now seeks to promote.' See also <<http://www.thai-otop-city.com/>> accessed 13 August 2014.

⁴² UNCTAD India Programme is a project launched jointly by UNCTAD, Ministry of Commerce of India and DFID in 2008.

⁴³ Kasturi Das, 'Prospects and Challenges of Geographical Indications in India' (2010) 13(2) JWIP 157.

⁴⁴ For details on this, see Chapter 4 under heading 6.12.

⁴⁵ Interview with Naved Arif, Former Additional Secretary Cabinet (Pakistan, September 2014).

in economic advantages if this is supported by adequate infrastructure of public and private institutions. Therefore, this exercise is being carried out to discuss the way forward for institutional reforms.⁴⁶ Basmati rice is the most famous and valuable GI of Pakistan. Hence, the private sector that represents Basmati rice was chosen for interviews. These interviews gave feedback on the institutional strengths and weaknesses, legal regime, role of the state and economic potential of GIs in Pakistan. Besides giving feedback, the interviewees shared important documents regarding protection and promotion of GIs in Pakistan.⁴⁷ These documents are also helpful in analysing the current situation and the way forward for institutional reform.

The interviews uncovered a number of themes and these are used as subheadings below to organise the information given by the interviewees.

6.5 ROLE OF THE GOVERNMENT AND INSTITUTIONS IN THE PUBLIC SECTOR

6.5.1 Private Sector Perspective

One point which is strikingly similar in the feedback given by all the private sector stakeholders is the ‘laissez-faire’ approach of the government sector. According to the President of the BGA and Ex-Chairman of the REAP, the government should play an active role both in providing a separate sui generis law for GIs in Pakistan and taking ownership of important GIs of Pakistan through its institutions like the TDAP, Pakistan Horticulture and Export Development Board (PHDEB) and departments of agriculture in the four provinces⁴⁸ of Pakistan. They gave the example of India which has achieved

⁴⁶ The importance of institutions in ushering economic development may be seen in Chapter 2.

⁴⁷ Policy and projects related to documents, documents related to financial impact etc.

⁴⁸ Punjab, Sindh, Khyber Pakhtunkhwa and Baluchistan are the four provinces of Pakistan.

a satisfactory outcome through institutions such as the APEDA and the Tea Board of India. According to the Ex-Chairman of the REAP, the Ministry of Commerce of Pakistan should be in charge of the IPO in order to strengthen its human resources and progress the enactment of a new law on GIs in Pakistan. He said this would be welcomed by both the growers and exporters of agricultural GIs of Pakistan, and that if the government would decide the specifications of the products and would also maintain the register for the users of GIs there would be harmony between the growers and the exporters. He said that both the BGA and the REAP were likely to withdraw their applications for Basmati rice GI if the government took control of it. He also said that the REAP and other stakeholders were constantly consulted by the government before 2004 when GIs were looked after by the Ministry of Commerce, and that 'had the Ministry of Commerce still been in control of GIs, a separate GI law would have been enacted'.⁴⁹ According to the BGA President, 'since the Ministry of Commerce is responsible for GIs at an international level in the TRIPS Council, therefore it should also be responsible domestically'. Most of the interviewees were of the opinion that the Ministry of Commerce in Pakistan and its allied departments should increase its capacity and take a lead role. They maintained that this Ministry has the institutional memory because it was the administrative ministry for GIs for a long time before 2005. It has better capacity than the other ministries and departments of the government of Pakistan. The representative of the lawyers' community also favoured the Ministry's role. Further, he said that 'trademarks and GIs are different animals' and there is also an issue of cultural preservation and well-being of farmers, hence the government's role is crucial.

⁴⁹ Interview with REAP Chairman (Pakistan, September 2013).

According to the REAP Chairman, the Cabinet Division is not sensitive to the ideas and needs of economic development generally and has no understanding of the concept of GIs in terms of its nexus with development. He said that the IPO should be under the control of some economic ministry in order to unleash the economic potential of GIs by making a stand-alone law and reforming its institutions. He also said that the government needs to establish a state of the art institution to check the quality of its GIs that are due to be exported within its borders. He maintained that there is a need to upgrade quality check institutions that grant certifications to Pakistani exporters of Basmati rice. He said that, unfortunately, Basmati rice was being blended by some exporters and that this was giving Pakistan and its valuable GI a bad name. He proposed DNA testing of Basmati rice of Pakistan before export and suggested that PSQC and TCP should upgrade their control sections and the government should enact special laws for GIs.⁵⁰ One of the farmers who was interviewed raised the question of high power tariffs and costs of doing business in Pakistan. He was of the view that the government should also intervene by giving a due subsidy to the farmers in this sector for long term gains through its staple crop rice.⁵¹

6.5.2 Public Sector Perspective

The public sector stakeholders, like the private sector, agreed that there is inertia on the part of the government sector and its institutions with regard to protection and reforms in the GI sector. Except for one interviewee, all the stakeholders stressed the importance

⁵⁰ Interview with REAP Chairman (Pakistan, September 2013). This observation was shared by the Registrar of Trademarks in his interview.

⁵¹ Interview with Mr Asadullah, Farmer near Faisalabad, Pakistan (Pakistan, September 2013). See also Dawn Reporting (Newspaper, 28 March 2014): 'the government's subsidy model is not farmer friendly'.

of the Ministry of Commerce taking the lead role for the registration and protection of GIs in Pakistan. The Joint Secretary of the WTO, Ministry of Commerce, said that: ‘sooner or later IP related matters have to be given under the control of MOC. There is consideration in the MOC to move a Summary for Prime Minister of Pakistan to this effect.’

Nevertheless, there has been evidence of the Punjab government actively working on a project to facilitate farmers associations to protect GIs originating in the Punjab. The Additional Secretary, Department of Commerce and Industries, government of Punjab (GOP), who is also working as the Chief of the WTO project in the Punjab said that the provincial government is keen to develop its GIs. He said that since Basmati rice is based in the Punjab, the government of Punjab is taking an interest in its protection as a GI, and that this is why ‘the government of Punjab funded and helped BGA to register Basmati GI which is still being contested in the Sindh High Court. Nearly a dozen applications have been moved for different GIs.’ He mentioned that a total of six associations have been registered with the support of this project.⁵² He shared the project paper and explained that the project was the result of a partnership between the Punjab government and the Asian Development Bank (ADB). According to the paper, the justification of the project is as follows:

There is a strong commercial potential for goods coming from the rural SME sectors of the economy. The GI regime would entail focus on the development of local institutions and entrepreneurial capacity rather than maintaining centrally managed subsidies for a fixed set of traditional activities. The post GI regime will act in promoting diversification of products, enabling better control of the informal economy (handicrafts, agro-products), will create a more diversified profit oriented rural

⁵² He mentioned three out of these six in the interview. These are the Basmati Growers Association, Livestock Farmers & Breeders Association and Guava Growers Association.

economy and encourage producers to sustain their livelihoods through high quality and high value products associated with their geographical location.

In its justification it says that there are very important GIs in Punjab province which need urgent attention. They could not be registered due to incapacity and lack of awareness of the stakeholders. This includes the helplessness of the stakeholders with regard to fulfilling the formalities for registration of GIs. This is primarily due to incapacity in forming organisations, dearth of legal expertise, financial constraints and unavailability of consultants.

The project paper, whilst comparing Pakistan with India, states that ‘it may also be noted that 466 applications for registration of GIs have been filed in India out of which 195 have been registered, and in contrast there are only 11⁵³ applications filed in Pakistan so far ... there are a number of geographical indications which need to be registered at the earliest to protect the concerned stakeholders from any threat of registration of the same by some other member country of the agreement on TRIPS’. The Additional Secretary (GOP) stated that the specific objectives of the project included organising producers and stakeholders; assisting in the registration of GIs; improving the rural economy of Pakistan; protecting GIs from becoming generic; promoting GIs abroad; identifying the products; assisting producers in registration of GIs and an awareness campaign. According to the document, ‘the department of industries, commerce and investment will follow a hand holding approach for the sustained economic benefit of the producers/stakeholders of all GIs within the province of Punjab’. The financial aspects of the project are discussed in 6.7.

⁵³ These 11 GI applications have been made to the Trademarks Registry of Pakistan with the support of this project. These include Multan Mango (filed on 24/03/2009), Sargodha Kinnow (filed on 19/02/2009), Sharaqpur Guava (filed on 23/05/2009) among others. Communication of Government of Punjab to the Secretary, Cabinet Division, Islamabad (Letter, 24 April 2014) (Copy of the letter is with the author).

The document talks about the project benefits and analysis. According to the Additional Secretary (GOP), there are intangible and tangible benefits which include more awareness amongst GI stakeholders and also protection of GIs as in the case of the ongoing application of BGA for the Basmati collective mark and the successful battle at the stage of the Trademarks Registry to exclude the opposition of APEDA from India. The document talks about general economic and social benefits, employment generation and environmental impact. As for the economic potential, it states that ‘the economic impact is supposed to be multiple due to the added reputation of the product which increases its demand along with the price. Since most of the products are allied to the rural economy therefore it would add to its enrichment in a persistent and sustained manner’. The Additional Secretary (GOP) talked about the importance of terroir for protecting agricultural GIs and referred to Basmati as a relevant case. He said that there are many agricultural products in fruits and vegetables in Pakistan which have a strong link with their geographical origin. He mentioned that he was well aware of GIs and their potential and he had recently attended a comprehensive seminar on GIs organised by WIPO in Geneva. He said that ‘a separate GI law should be enacted as soon as possible by federal government to provide additional protection to the agriculture GIs so that the owners are in a better position to protect their products nationally and internationally which will promote the rural economy and exports of Pakistan’.

The Additional Secretary (GOP) considered the role of the Ministry of Commerce to be vital. He explained that the Punjab government is running a project to facilitate and register GIs. However, they are facing problems due to the absence of any support and ownership by the Federal government. He said that:

Provinces are stakeholders, like private stakeholders, however, they look towards the federal government for an amicable way out. The differences between BGA and REAP can be solved if the Ministry of Commerce becomes the applicant for registration. That cannot be done as there are multiple applications pending for collective mark registration of Basmati rice in the Trademarks Registry of Pakistan and the government can neither become an applicant nor can file an opposition because the current trademark law does not allow the government institutions to be applicants for the registration of collective marks.

The Additional Secretary Cabinet stated that the establishment of the IPO was envisaged to deal with IPR issues. However, in the case of GIs the IPO could not deliver. He said that ‘even before the eighteenth amendment in the Constitution of Pakistan, the IPO had more than five years to legislate a sui generis law but it could not’. Regarding the IPO, the Additional Secretary Cabinet and the Registrar of the Trademarks Registry were critical of the human resource selection in the IPO, especially at the top level. The Registrar said that there should be expert appointments in this field with tenure posts protected by law. Furthermore, it stated that:

Those officers are posted who have no experience in their entire career of IPRs related matters. There are also frequent change of Chairman and DG IPO. These frequent changes coupled with political patronage and incapacity makes the whole organization suffer at the cost of work and reforms in IP areas. Registrar Trademarks Registry explained that according to IPO Act, Chairman has lot of authority and has to lead the organization. However they were appointed on political considerations. One member of National Assembly and a former Minister was made the Chairman IPO for around five years purely on political considerations.

Problems were pointed out in the administrative structure of the IPO under the IPO Act 2012. The Deputy Director Law, IPO (DD Law) mentioned in her interview that ‘according to Section 12(2)⁵⁴ of the IPO Act, the Director General is the functional head

⁵⁴ Section 12(3) of IPO Act says: ‘The Director General shall be the functional head of the Organization and shall be responsible for day to day administration of the affairs of the Organization.’

whereas under Section 11(2),⁵⁵ the Chairman has to supervise him'. DD Law said that orders of the IPO can only be issued by the Director General or the officers authorised by the Director General of the IPO under Section 20 of the IPO Act.⁵⁶ This has caused problems as there has been deadlock because of disagreement and overlapping powers between the Chairman and Director General under the IPO Act.

According to DD Law, the biggest challenge to the IPO has been the constitution of its board besides the indifference of the government towards appointing qualified DGs and chairmen. DD Law referred to Section 14(1) and 14(2) of the IPO Act.⁵⁷ According to her:

There are 5 federal secretaries and 5 private sector members of the Board of IPO besides representatives of the four provinces of Pakistan. The names of the private sector individual have been recommended by the IPO to Prime Minister however there is no confirmation for the last 2 years despite reminders. Because of this, functions of the Board under Section 6⁵⁸ of the IPO Act are in limbo and there is no improvement in the service structure of the employees and big policy decisions are pending.

⁵⁵ Section 11(2) of IPO Act says:

'The chairman shall supervise and oversee the Director General in the performance of his duties and responsibilities under this Act and shall guide and direct him, as deemed necessary.'

⁵⁶ Section 20 of IPO Act says:

'All orders, decisions and all other instruments issued by the Organization shall be authenticated only by the signatures of such officer or officers who are authorized by the Director General in this behalf.'

⁵⁷ Section 14(1) and 14(2) on the formation of Policy Board says:

'(1) The Federal Government shall, by notification in the official Gazette, constitute a Policy Board of the Organization consisting of the Chairman and fourteen other Members as specified in sub section (2).

(2) The Board shall consist of the following, namely: (a) five Member from the public sector who shall be the,

(i) Secretary to the Government of Pakistan, Cabinet Division, ex officio; (ii) Secretary to the Government of Pakistan, Interior Division, ex officio; (iii) Secretary to the Government of Pakistan, Commerce Division,

ex officio; (iv) Secretary to the Government of Pakistan, Information and Broadcasting Division, ex officio; (v) Chairman, Federal Board of Revenue, ex officio; (b) five Members to be appointed by the Federal Government from private sector; and (c) four Members from the provinces, as recommended by the Provincial Governments to be appointed by the Federal Government. Eligibility criteria of these Members shall be specified by the Federal Government, by notification in official Gazette, in consultation with the Chairman.

⁵⁸ Section 6 deals with the Functions of the Board under the IPO Act. It says:

'1) The Board shall be responsible for setting of objectives and policy guidelines of the Organization.

(2) Subject to the provisions of the Act, in particular and without prejudice to the generality of sub-section (1), the Board shall -- (a) take policy decisions as well as advise the Federal Government on all

The law needs to be simplified to create a small but effective board which can meet at least twice a year. DD Law mentioned that the government's indifference can be gauged from the fact that since the new government came into power, the position of Chairman is vacant⁵⁹ despite the clear provision in the IPO Act under Section 9(4)⁶⁰ that it has to be filled within three months of it becoming vacant.

Another anomaly according to DD Law is the absence of powers of the Principal Accounting Officer with the IPO. She said that at present, the powers of the Principal Accounting Officer for this organisation are with the Cabinet Secretary for whom this organization is never very important. She said that according to Section 3(2)⁶¹ of the IPO Act, it is an independent organisation and like the TDAP where the TDAP Act gives powers to its Chairman as Principal Accountant Officer, this power should be

matters relating to -- (i) developing processes, service structure and propose rules for the services specifically designed to ensure protection of intellectual property laws in Pakistan; (ii) ensuring implementation of intellectual property rights in Pakistan in coordination with concerned agencies; and (iii) expressing its opinion in writing on any policy matter referred to it by the Federal Government or the Organization; (b) consider and approve policies, plans and programmes of the Organization; (c) consider and approve, with or without modification, any regulations, with respect to implementation of policy decisions proposed to be made by the Organization under this Act; (d) formulate procedures and necessary framework for utilization of funds generated or acquired through services, donations, investments or grants, etc.; (e) specify and propose fees, penalties and other charges charge able by the Organization with the approval of Federal Government for carrying out the purposes of this Act ; and (f) exercise all such powers and perform all such functions as are conferred or assigned to it under this Act. (3) All policy decisions, including the change in the previously established policy, in respect of all and any matters within the jurisdiction of the Organization shall be made only by the Board. (4) All policy decisions and directives of the Board shall be published in the official Gazette”.

⁵⁹ According to DD Law, ‘it became vacant because the last Chairman was a political appointee and he resigned before the new elections to stand as a candidate for becoming member of the National Assembly of Pakistan’.

⁶⁰ Section 9 (4) says:

‘A vacancy in the Organization caused by the death or resignation of the Chairman shall be filled by the Federal Government within ninety days of the occurrence of such vacancy.’

⁶¹ Section 3(2) of the IPO Act says:

‘The Organization shall be an autonomous body having perpetual succession and a common seal with powers, subject to the provisions of this Act, to hold and dispose of property both movable and immovable and shall by the said name sue and be sued and may enter into contracts, acquire, purchase, take, hold, enjoy, convey, assign, surrender, yield up, charge, mortgage, demise, reassign, transfer or otherwise dispose of or deal with, any movable or immovable property of every description or any interest vested in it, upon such terms as it deems fit.’

given to the Director General or the Chairman of the IPO in order to run its affairs smoothly.

According to DD Law, it has been suggested by the IPO that the Registrar of Trademarks should also be designated as the Registrar of GIs once a sui generis law is enacted in Pakistan. She said that it would save administrative and financial costs for the government. However, the Additional Secretary Cabinet mentioned that the Director General IPO should be made the Registrar of Geographical Indications. He said that as head of the organisation, he would be in a better position to coordinate with any public and private inspection authorities for the implementation of product specifications. Further, the DG IPO could better coordinate with international bodies and donor agencies for financial and technical help.

According to the DD (Law) of the IPO, it has only been able to partially deliver because IPO Ordinance 2009 was struck down by an NRO judgment of the Supreme Court of Pakistan where it was held that 31 ordinances promulgated by General Musharraf⁶² after the emergency of 3 November 2007 in Pakistan, that were subsequently given permanence in the Constitution of Pakistan by inserting 270 AAA, were declared null and void by the Supreme Court unless they were enacted by the Parliament within 4 months.⁶³

According to the Additional Secretary Cabinet:

There is a dearth of expert human resources in the field of IPRs and especially GIs. The government should establish an advisory body for advising on all the matters relating to GIs including applications, code of practices, oppositions, appeals, economic benefits, rural uplift, cultural preservation, enhanced protection and promotion of GIs of Pakistan. The president of the committee should be a federal minister from

⁶² General Musharraf came into power by a coup d'état in October 1999 and remained Chief Martial Law Administrator, Chief Executive and President of Pakistan up until December 2007.

⁶³ Interview with DD (Law) of IPO (Pakistan, September 2013).

commerce or agriculture whereas members should include experts on agriculture, international trade, environment, law and handicrafts. There should also be representation of exporters, millers, owners of GIs and consumer groups. The committee should aim to protect the identity of Pakistan's GIs, their authenticity and strong link to the terroir and quality. The committee should also endeavour to work for maximum economic benefits for the growers and the users of GIs'.

He further stated that because of the discord between different stakeholders, the committee should ensure that no stakeholder was excluded from the formulation of the code of practice of GIs.

The Additional Secretary Cabinet further suggested that the IPO should actively work with the Ministry of Commerce in order to reach a bilateral agreement on homonymous marks between Pakistan and India. He said that it was indispensable for both the countries to seriously reach an agreement on homonymous marks for a win-win situation for the benefit of their farmers in addition to taking their due share in international trade. Further, this could ensure marketing and protection of GIs in foreign markets through Pakistan's embassies and commercial attaches. At the same time, the Ministry of Commerce could spearhead economic diplomacy by negotiating for joint ownership of homonymous marks with India. Additional Secretary Cabinet also emphasized the importance of the Ministry of Commerce for its role in post-registration protection and promotion of GIs at home and abroad. He said that the Ministry of Commerce may use Pakistan's commercial attaches and embassies for the promotion and protection of its GIs abroad. He also mentioned the use of technology by India for the protection of its GIs, such as the use of a radio frequency identification system (RFID) for tracking its GI products as this provides exact data and modes of sale. He said it may also help in identifying passing off of GIs.

6.6 INADEQUACIES OF THE PRIVATE SECTOR AND ITS INSTITUTIONS

6.6.1 Private Sector Perspective

In the Basmati sector, the main private stakeholders are basmati growers and basmati exporters. Both the President of BGA and the former Chairman of REAP acknowledged that there are serious capacity issues in the private sector in terms of understanding the issue of GIs, coupled with institutional and financial constraints for registering and protecting GIs. The BGA President was of the view that most of the farmers are illiterate and there need to be road shows in vernacular languages to give a better understanding of the importance and economic benefits of GIs.

Moreover, both the BGA President and REAP Chairman were candid in expressing their mistrust of each other's organisation. They were both of the view that the other organisation wanted to create a monopoly on the name of Basmati in Pakistan. The only way forward in their eyes was for the government to take ownership of Basmati as well as other important GIs in Pakistan.

The BGA President was of the view that the private sector also has financial constraints and his organisation has already been supported financially by the Punjab government for the registration and protection of Basmati rice as a GI.

The REAP Chairman was critical of the Punjab government and its support of the BGA and was of the view that it is a federal matter and provinces should intervene in unison with the federal government. Further, he said that the Punjab government has not involved the REAP whilst facilitating the BGA application of Basmati rice as a collective mark at the Trademarks Registry of Pakistan. The REAP Chairman said that due to the discord between the BGA and the REAP, both organisations are wasting

millions of Rupees in litigation. This amount could have been used for the marketing and promotion of Basmati rice. The REAP Chairman also mentioned that there is no research going on in order to identify new varieties of Basmati rice. He said that Super Basmati was the last popular variety and there is a need for more research in this regard. He said that there are a number of varieties of Basmati both in India and Pakistan – ‘(l)ike different kinds of mangoes, there are fine differences between them’.

The REAP Chairman further maintained that:

The government should create awareness of the benefits of GIs in small and medium-scale farmers. They should be encouraged to cultivate Basmati rice in the designated area which runs for thousands of acres. It is a matter of concern for us that some of the area is now being cultivated by farmers using Chinese hybrid seed to get extra output. This practice needs to be stopped for maintaining characteristics of the land as hybrid seeds may dilute or change the characteristics in the long run.

According to Mr Asad, ‘there is no subsidy given to the farmers of Basmati unlike India where Rs 12,000 are given to farmers per acre’. He mentioned that Pakistan needs to provide a level playing field for its farmers to compete in international markets and to sustain rural communities. He said the ‘government should carry out an awareness campaign for them to ensure that farmers know that they will get their due premium on Basmati rice sale’.

6.6.2 Government’s Perspective

All the public sector stakeholders were of the view that currently the private sector is very weak in Pakistan with regard to protection of GIs. According to the JS (WTO), small and medium-scale farmers have probably never heard the term GI. He said that government institutions, such as the TDAP, can run sustained awareness campaigns in Pakistan through their regional offices in order to inform all the stakeholders about the

importance of GIs. He further said that the IPO should arrange workshops and courses for the representatives of the private sector.

Additional Secretary Cabinet said that organisations like the WIPO and WTO would be happy to help Pakistan in this regard if Pakistan's permanent mission to the WTO in Geneva asked for their assistance. He said that there should be sustained joint road shows by IPO and farmers' associations at village level to increase the awareness of GIs.

6.7 OWNERSHIP OF GIs AND FINANCIAL ISSUES

6.7.1 Public Sector Perspective

During the interviews, one of the questions related to the ownership of GIs was whether they should be owned by private growers, traders or the government. All the stakeholders were of the view that, in the same way as India, initially the government should own the GIs. The government may transfer GI ownership to GI associations once they have capacity to run their organisations and have achieved financial independence. Further, they were of the view that the government has better financial resources and that GIs are also part of Pakistan's cultural heritage. The BGA President said that the private sector cannot fund the cost of registration and especially the legal fees in cases of opposition within and outside Pakistan. He gave the example of millions of Rupees being spent by the Pakistan government in the courts of India to protect its GIs, such as Basmati, Phulkari and Kashmir Pashmina. Further, he said that there was a huge cost that until now had been borne by the BGA and REAP separately on the issue of registration of Basmati as a collective mark in Pakistan at both the Trademarks Registry of Pakistan and Sindh High Court.

The Ex-REAP Chairman said that the ‘Ministry of Commerce has a pivotal role in the joint registration system proposal. Pakistan and India have many homonymous marks, and without a parallel sui generis system in Pakistan with robust institutions, Pakistan will lose out. The government should register GIs and also promote and protect them until the private sector is capable of doing it.’

Further, there was a forceful argument by the Additional Secretary (GOP) that his farmers need financial assistance for the registration, protection and promotion of GIs in Pakistan. In his view, there are a number of donors who are ready to finance such projects provided the government supports the projects.

During the interviews, all the private stakeholders pointed to the financial constraints they experienced for registering, promoting and enforcing GIs that are associated with legal and marketing costs.

6.7.2 Public Sector Perspective

Regarding finances, the Additional Secretary (GOP) said that there were ample avenues for the government to fund the GIs registration and promotion in Pakistan. He gave details about the Punjab government project worth millions of Rupees which they have already spent on the awareness of GIs and their financial assistance for registration of GIs by the BGA. This also included all the cost of lawyers from the Trademarks Registry to the cases in the superior courts of Pakistan.

As evidence, the Additional Secretary (GOP) shared the project paper with a project cost of 99.5 million Rupees for the registration of the GIs of Punjab which is the most populous province of Pakistan. It was initiated by the Industries, Commerce and

Investment Department (GOP). The objectives and goals of the project have been discussed above in 6.4.

Additional Secretary (GOP) shared the project paper⁶⁴ entitled 'Registration of Geographical Indications' carried out by the Industries, Commerce and Investment Department (GOP) with a project cost of 99.55 million Rupees. He said that the cost was borne by the ADB. Moreover, the government itself has the capacity to bear reasonable costs. According to the IPO, the receipts themselves are in the millions and if it is made independent, it will be self-sustaining. The total revenue collected by the IPO in the financial year 2008-2009 was 96.52 million Rupees which was 6.5% more than the revenue collected in the year 2007-2008.⁶⁵ According to the JS (WTO), there is provision in Export Marketing Development fund which is in the billions to finance export-oriented GIs like Basmati and mangoes. He was of the view that it would be a suitable case for the promotion of exports. Further, if the GIs are owned by the government, then there will be more support for releasing the funds from EMDF because of the predictability and government control. This Export Marketing Development Fund is managed by the Ministry of Commerce.

Further, both the JS (WTO) and Additional Secretary (GOP) mentioned the interest of many donor agencies, such as the DFID, EU, US Aid, World Bank, UNCTAD, WIPO and ADB who may be contacted for GI promotion activities funding. JS (WTO) said he had been contacted by a few agencies in the past and IPO should also work on it to boost its financial resources.

⁶⁴ A copy of the project paper is with the author.

⁶⁵ See Annual Report 2008-2009 of the IPO, 39 <<http://ipo.gov.pk/UploadedFiles/AnnualReport-2009-81201031025.pdf>> accessed 4 September 2014.

6.8 INSTITUTIONS OF CONTROL

6.8.1 Private Sector Perspective

The REAP Chairman was of the view that the government should establish an institution to regulate GIs and their specifications. He said that the government could take help from its own existing organisations and could also collaborate with organisations from foreign countries in this regard.

Both the REAP Chairman and the BGA President said that the government has existing resources as there are a few accreditation bodies in the public sector. They said that one of them is the Pakistan National Accreditation Council (PNAC)⁶⁶ which is a national apex body working under the Ministry of Science and Technology of Pakistan. They maintained that organizations like TDAP can be authorised to create a mechanism or a body which could issue certificates in cooperation with accreditation bodies such as the PNAC.

6.8.2 Public Sector Perspective

With regard to the institutions that could ensure quality and specifications inspection of the GIs, the Additional Secretary Cabinet said that, in essence, there was no GI framework in the country. The system of protection of GIs is governed by the trademark system and Pakistan has yet to come up with sui generis legislation. He commented further that:

Through law and regulations, Pakistan needs to develop a robust mechanism to monitor and control the quality of its GIs. Although trademarks registry of Pakistan is

⁶⁶ PNAC accredits laboratories, certification bodies and inspection bodies. It is also a mutual recognition arrangement (MRA) signatory as a member of Asia Pacific Laboratory Accreditation Cooperation (APLAC) and International Laboratory Accreditation Cooperation (ILAC).

entertaining applications for GIs as collective mark yet there is no mechanism to regulate the applicants for registration and the authorized users. It is a major issue and a few groups are taking advantage of the weakness of the system and trying to create monopoly by applying different GIs without consulting actual users of GIs.

Moreover, he said that anyone could make an association from a few individuals and apply for the collective mark without input from the actual or majority users. This point is reflected in the distrust between Basmati growers and exporters as well since there is distrust between both the BGA and REAP and both vocally oppose each other's attempts to take ownership of Basmati as a collective mark. They both maintain that the other organisation will usurp their right to trade in Basmati. The Cabinet Secretary said that there was a possibility in the present system that a person could manipulate the application of GIs whilst running different associations which would affect genuine users and owners of GIs. He said that if a collective mark is given to any such organisation in this scenario then the system might allow the proprietor of the collective mark to exercise unchecked discretion over allowing legitimate users to benefit or not. Moreover, by the time legitimate users gained relief from a legal forum it might be too late. He referred to the case of Basmati registration as a collective mark in the Trademarks Registry of Pakistan which has been contested in the Trademarks Registry and the High Court for many years.

The Cabinet Secretary was of the view that the government should establish an institution to regulate GIs and their specifications. He said that the government could take help from the PCSIR and could also collaborate with organisations from foreign countries in this regard. According to the Trademarks Registrar, farmers in general and small-scale farmers in particular have capacity problems and they could not devise codes of practice or regulations for GI products as required by trademark law and a sui generis system. He said that the government should provide for a separate GI law that

incorporates codes of practice for associations and owners of GIs in Pakistan, whether in the public or private sector. The code of practice should specify the GI products' attributes with regard to its geographical origin. It should also describe the product and its production methods and modes, including processing, packaging and labeling. He said that anybody wishing to use GIs should strictly follow the requirements established by the codes of practice.

The JS (WTO) and the REAP Chairman said that there should be designated laboratories and certification bodies which should be duly accredited by accreditation bodies, and that these should have physical and chemical analysis facilities in order to test potential GI products. The bodies should be duly notified by the government of Pakistan through the GI Registry or these should be mentioned in the codes of practice. The JS (WTO) also mentioned the PNAC as a potential organisation for this task.

6.9 ECONOMIC ADVANTAGES

The economic advantages, especially for farmers, of protecting agriculture GIs have been discussed in the theory chapter. This was one of the questions to the stakeholders.⁶⁷ All the stakeholders were of the opinion that better protection of GIs would promote economic benefits for the whole chain in the private sector and they saw the role of the state and its institutions to be crucial in terms of ensuring quality maintenance, registration of GIs and their promotion.

⁶⁷ The question was: "How do you see registration and protection of agricultural products as GIs beneficial for farmers, domestic commerce, exports, poverty amelioration and economic development?"

6.9.1 Private Sector Perspective

The REAP Chairman said that Basmati has the potential to improve the livelihoods of farmers. He also referred to a number of GIs of Pakistan, such as Sharaqpur guava, Sindhri mangoes, Langra mangoes, Chounsa mangoes, kinoos, Falsa, and Shikri malta. He said that the rice crop accounts for 0.6% of the GDP of Pakistan and this crop is a major source of foreign exchange earnings, at more than 2 billion dollars per year.⁶⁸ Pakistan's rice exports surged by 22.57 percent to \$1.4 billion as compared to the export of \$1.1 billion in the same period one year ago.⁶⁹ The situation improved as there were no more floods in 2013-2014.⁷⁰ According to an exporter, overall local prices of rice are higher in comparison with international prices and there was a slight surge of value of rice exports in July to February FY 2013-14 because of the exports of Basmati rice. He further said that 'prices of fertilizers and power tariff increased manifold which has affected rice export'.⁷¹

A consumer survey conducted in 1999 in the European Union showed that 40% of consumers paid a 10% price premium for origin-based products.⁷² One econometric study showed that some regional designations for Bordeaux wines fetched a premium of up to US \$15 per bottle if they had a Pomerol designation.⁷³ Similarly, a study

⁶⁸ As per the Economic Survey of Pakistan 2012-2013, the crop production was estimated at 5,541,000 tonnes as against the target of 6,900,000 tons in the financial year 2013. However, a reduction of 10% took place compared to last year's production of 6,160,000. According to Haris Zamir, this was partly due to poor management and partly due to floods in that year. According to him, 'heavy monsoon rains and the release of water from India into Pakistan's rivers caused flooding in the Punjab and affected vast areas under rice cultivation. The areas affected were Sialkot, Narowal, Pasrur, Narang, Muridke and Kamoke, Hafizabad, Jhang and Chiniot ... the total loss to rice growing areas in Punjab stood at 10 percent'. See Haris Zamir (article on agriculture in the Dawn newspaper, 16 September 2013).

⁶⁹ Business Recorder Lahore, Friday 28 March 2014.

⁷⁰ Interview with REAP Chairman (Pakistan, September 2013).

⁷¹ Business Recorder Lahore, Friday 28 March 2014.

⁷² Das (n 43) 148.

⁷³ See London, S and Smith, CE, 'Quality Expectations, Reputation, and Price' (1998) 64(3) Southern Economic Journal 628.

conducted by UNCTAD India Programme showed that price premium in terms of agriculture based GIs was around 10-15% and 5-10% for non-agricultural GIs.⁷⁴

6.9.2 Public Sector Perspective

The Additional Secretary Cabinet stated that there is huge potential for rural and economic development in Pakistan through the protection of its GIs. He said that there was not a single GI registered and, hence, by registering GIs the Pakistan government and the private sector could ensure their protection, and this would yield an economic benefit to farmers and Pakistan for years to come. He said that Pakistan would be likely to get a GSP Plus status in Europe and there would be a manifold increase in its overall exports. GIs, such as Basmati rice and horticulture products like mangoes and kinos would benefit from it immensely, and it is important that they are registered in Pakistan and abroad in order to project them as GIs amongst international consumers. This would bring and sustain a price premium on these agricultural products.

DD Law stated that 'Pakistan should provide additional protection to its GI products. Better protection of GIs will ensure quality and also bring further economic advantages'. The JS (WTO) said that the Ministry of Commerce of Pakistan would soon be doing a study in this regard and that he had prepared a draft for a sui generis law for GIs ten years ago. However, the IPO office was placed under the Cabinet Division and the efforts of the Ministry of Commerce in enacting a separate GI Law and institutional reforms were in vain. He said that Pakistan is losing millions of dollars in foreign

⁷⁴ Banga, R, 'Geographical Indications: 'UNCTAD's Initiatives' (Presentation delivered in the Regional Conference on IPR Protection through Geographical Indications, co-organized by the UNCTAD India Programme and the Textile Committee, Lucknow, India, 4-5 September 2008). See also Das (n 43) 148.

exchange as its varieties of basmati, such as Super Basmati, are being used by India.

He referred to the ACWL report of WIPO which states that:

More importantly, even if “basmati” were to qualify as a geographical indication, this would not affect the issue of “super basmati”. To the extent that a geographical indication denotes a product that has “qualities that derive from [its] place of production and are influenced by specific local factors, such as climate and soil”, this would apply to basmati rice as a whole but not separately to each variety thereof. Thus, we do not consider that the term “super basmati” could itself be registered as a geographical indication – at the very least without the term “basmati” itself having first been so registered. In addition, because “super basmati” is not a protected trademark or collective mark, we do not consider that India's decision to approve exports of that variety gives rise to any claims that may be currently enforceable under WTO law ... We note also that in the longer term, many of the issues regarding the protection of Pakistan's exports of basmati rice may depend on the extent to which the term “basmati” is registered and accepted as a geographical indication. It may therefore be in Pakistan's interest to pursue the registration of “basmati” as a geographical indication, either on its own or, more likely, jointly with India.

The JS (WTO) said that one of the apprehensions in joint registration is the present protection system of GIs in Pakistan: ‘In the case of joint authorship, the Pakistan government may have to upgrade its GI law by providing a sui generis law with the provision of additional protection as in the case of India’. He said that protection of GIs would promote rural development and a surge in valuable exports of Pakistan.

All the stakeholders were positive about immense potential for economic benefits and increased price premium if the GIs are registered and well protected with the intervention of the government and its institutions.

6.10 WAY FORWARD

Larson has rightly stated that:

The challenges for GI implementation in developing countries are greater than in developed economies because the institutional context tends to be weaker or underdeveloped vis-a-vis fraud repression, intellectual property, and natural, biological, and genetic resource management ... The enabling institutional environment in which GIs develop bears as much importance to their success as does their reputation and quality achievements.⁷⁵

Taking stock of the interviews of stakeholders in Pakistan and keeping in view the realities on the ground, there is a dire need to establish an enabling institutional environment both in the public and private sector of Pakistan. In this regard, the role of the state is very crucial given the incapacity and distrust amongst the private sector of Pakistan. In the Indian experience, post-TRIPS Agreement, one can see that the state and its agencies were very active in filing applications for registration of GIs and eventually becoming proprietors. This is justified due to a lack of strong producer organisations in India.⁷⁶ Similarly, Pakistan has the same issue of weak producer organisations which demand an active role of the state. In the pre-TRIPS era, France started with an active role of its government and then it gradually gave more responsibilities to the producer groups.⁷⁷ This is worth emulating in Pakistan once the state has performed its role and the producer groups are able to run their own organisations.

The implementation of a system for the protection of GIs involves public and private

⁷⁵ See Jorge Larson, 'Relevance of Geographical Indications and Designations of Origin for the Sustainable Use of Genetic Resources' (Food and Agricultural Organization, Global Facilitation Unit for Underutilized Species, Rome, 2007) 55-56 <<http://www.cropsforthefuture.org/wp-content/uploads/2012/01/Relevance-of-geographical-indications-and-designations-of-origin-for-the-sustainable-use-of-genetic-resources.pdf> > accessed 25 August 2014.

⁷⁶ Marie-Vivien (n 29).

⁷⁷ *ibid.* 'The French substantive reform of 2006 provided a step backward in state involvement and transfer of activities from the state to the producer organizations. It reinforced the role of the producers in the building of the GI specification and it provided for the disengagement of INAO in the inspection and control activities.'

institutions and a combination of these.⁷⁸ There is a mixed approach in the case of the EU. It created a special agricultural product quality committee on protected GIs and protected designations of origin as per Article 57 of EU Regulation 1511/2012.⁷⁹ According to its Recital 58,⁸⁰ it relies on member state authorities to carry out the initial examination of applications and official controls including a national opposition procedure. The member states in the EU may designate some of their controls and verification responsibilities to a competent authority or authorities responsible for official controls ‘carried out to verify compliance with the legal requirements related to the quality schemes established by this Regulation’.⁸¹

In many jurisdictions, the authority over applications and for registration of GIs is placed within the already existing intellectual property administrative structure even for the implementation of a sui generis law.⁸² In India, the Controller-General of Patents, Designs and Trademarks, who is also Registrar of Trademarks, works as India’s Registrar of GIs as well.⁸³ Section 3 of the Indian GI Act has centralised ‘the procedure for the registration of and oversight over GIs’.⁸⁴

Pakistan can benefit by adopting a procedure like India’s by using the already existing apparatus. Pakistan has two options. It may designate its Registrar of Trademarks as

⁷⁸ See Marsha A Echols, *Geographical Indications for Food Products: International Legal and Regulatory Perspectives* (Kluwer Law International 2008) Chapter 6, 173.

⁷⁹ See Section 57 of Regulation (EU) No 1511/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs [2012] OJ L343/1.

⁸⁰ Recital 58 of EU Regulation 1511/2012 says:

‘To ensure that registered names of designations of origin and geographical indications and traditional specialities guaranteed meet the conditions laid down by this Regulation, applications should be examined by the national authorities of the Member State concerned, in compliance with minimum common provisions, including a national opposition procedure. The Commission should subsequently scrutinise applications to ensure that there are no manifest errors and that Union law and the interests of stakeholders outside the Member State of application have been taken into account.’

⁸¹ See Article 36 of EU Regulation 1511/2012.

⁸² Echols (n 78) 174.

⁸³ See Section 3(1) of Indian GI Act 1999. The Geographical Indications of Goods (Registration and Protection) Act, 1999, Section 2(1).

⁸⁴ See Echols (n 78) Chapter 6, 174.

the Registrar of the IPO as in the case of India or it could designate the Director General of the IPO as the Registrar of GIs in Pakistan. This may prove to be a better approach as the Registrar of Trademarks has to decide cases where there is a conflict between trademarks and GIs and it may be preferable in the interest of justice that both the Registrars are different individuals. Further, there is the risk that trademark experts may not look objectively on GIs and it will not strengthen the system as it could be under an independent body.⁸⁵ India has designated the Registrar of Trademarks as the Registrar of GIs in order to save financial resources. Pakistan will also save financial costs if it designates the Registrar of Trademarks or Director General of the IPO as the Registrar of GIs. In India, the oversight of GIs is also with the Registrar of Trademarks – ‘Pakistan should notify competent authorities like the PNAC’.⁸⁶ The IPO or a body like the TDAP should issue certificates, in coordination with designated competent authorities, to the users and exporters of the agricultural products regarding their compliance with the product specifications of a registered GI. Hence, the proposal given by JS (WTO), during his interview, to make the PNAC, Pakistan’s national apex body working under the Ministry of Science and Technology, is worth pursuing. It should be upgraded and declared the inspection and control body with proper legislation giving it authority to carry out this function of inspection and quality control. Compliance of product specifications is considered a very important aspect by private sector stakeholders in Pakistan for the improvement and sustenance of product quality in domestic trade and especially for exports of Pakistan. The government should ensure that small and medium-scale farmers find it easy to get compliance certificates through administrative and financial help. The government can fund such activities through its

⁸⁵ *ibid* 176.

⁸⁶ This organisation is recommended by both private sector and public sector representatives in the interviews.

receipts from the IPO office, EMDF or with the help of donor agencies as discussed above in the interviews. The process would ensure the improvement in the quality of the products and credibility in the eyes of the consumers domestically and internationally. This would increase their sales in volume and their price premium.

The government's role is also important as it should minimise conflicts when the product specifications are made. Most of the GIs that will be applied for registration are already there and need registration for their protection against free riding, dilution and any generic attack. This protection is needed for realising their full economic potential as well. The process of registration will involve reorganisation and governance of the supply chain. A number of steps will be taken to reorganise the supply chain such as the demarcation of the geographical territory, establishing good place links and making codes of practice.⁸⁷ This may lead to modifications in distribution channels and well-established commercial relations.⁸⁸ Das states that: 'This often results in new economic opportunities for some new players at the cost of some pre-existing ones, thereby creating room for conflicts'.⁸⁹ This type of situation needs careful and fair handling and a government institution can be effective in this regard, especially in developing countries.

At present, the private sector in Pakistan is weak. It will be difficult for the private sector to finance the administrative legal and marketing costs of its famous GIs. In India, for example, Darjeeling tea is owned by the government and run by the Tea Board of India. For the protection of Darjeeling tea, the Tea Board has hired the services of a

⁸⁷ Das (n 43) 156.

⁸⁸ Dwijen Rangnekar, 'The Socio-Economics of Geographical Indications: A Review of Empirical Evidence from Europe' (UNCTAD/ICTSD Capacity Building Project on Intellectual Property Rights and Sustainable Development, 2004) 3 <<http://www.ictsd.org/downloads/2008/07/a.pdf>> accessed 10 August 2014.

⁸⁹ Das (n 43) 156.

worldwide watch agency, Compumark, which has reported many cases of attempted registrations and unauthorised use of Darjeeling. The Tea Board has negotiated out of court settlements with many foreign companies and has also fought 15 infringement cases costing thousands of dollars.⁹⁰

The costs and administrative capacity to implement and enforce a system is crucial for the success of any system. The government in Pakistan can use its existing administrative structure to carry out the implementation of the proposed sui generis law there. Pakistan can use its organisations, like the PNAC, to implement its inspection structure. Further, Pakistan should also consider the use of technology provided it is ascertained that it will be cost effective. The Additional Secretary Cabinet mentioned using RFID in his interview in the same way as it is used in India to track its famous GIs. RFID is a global standards system which provides immediate and automatic tracking of a product through the whole supply chain globally. Each product has to be tagged and this can be read by an RFID reader anywhere in the world. In India, this technology is managed by GSI, which is a top global organisation and is promoted by the Indian Ministry of Commerce.⁹¹

The TRIPS Agreement has provisions regarding technical and financial cooperation with developing and least developed countries. These include 'support regarding the establishment of reinforcement of domestic offices and agencies relevant to these

⁹⁰ See Vrunda Kulkarni and Viren Konde, 'Pre and Post Geographical Indications Registration Measures for Handicrafts in India' (2011) 16 JWIP 467. See also Ravindran, S and Mathew, A, 'The protection of geographical indication in India – Case study of "Darjeeling tea"' (Altacit Global – International Property Rights Index Report, 2009). See also Echols (n 78) Chapter 6, 177. According to Echols, a 'major challenge faced by the Tea Board of India relates to legal and registration expenses, costs of hiring an international watch agency and fighting infringements in overseas jurisdictions. Thus, during the last four years the Tea Board of India has spent approximately US \$200,000 for these purposes.'

⁹¹ See Kulkarni and Konde (n 90). 'The Craft Development Institute in Srinagar is in the process of introducing the RFID system for Pashmina shawls.'

[technical cooperation] matters, including the training of personnel'.⁹² However, the financial burden of the government will have to be met to some extent by the holders of GIs.

The role of the state can best be implemented in Pakistan through the Ministry of Commerce as is evident from the consensus shown by all the stakeholders during their respective interviews. At present, the IPO is administering all the IP related issues and it is attached to the Cabinet Division of Pakistan. It will be beneficial if the IPO is placed under the control of the Ministry of Commerce. The control of GIs and trademarks was with the Ministry of Commerce before 2005. As discussed before, the Ministry of Commerce is also the focal ministry for interacting with the TRIPS Council, and Pakistan's permanent mission to the WTO in Geneva also reports to the Ministry of Commerce.⁹³ The Ministry of Commerce had drafted a separate GI law in 2004-2005. However, due to the change of the Administrative Division, the law could not be pursued. DD Law confirmed that the IPO has taken up the same law now and proposes to go ahead with a separate GI law in order to further the role of the state, giving additional protection to Pakistan's GIs and rural development. The JS (WTO) also said in his interview that the government's role and control would be enhanced with the

⁹² See Article 67 of TRIPS Agreement deals with "Technical Cooperation". It says: 'In order to facilitate the implementation of this Agreement, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in favour of developing and least-developed country Members. Such cooperation shall include assistance in the preparation of laws and regulations on the protection and enforcement of intellectual property rights as well as on the prevention of their abuse, and shall include support regarding the establishment or reinforcement of domestic offices and agencies relevant to these matters, including the training of personnel.'

⁹³ Ministry of Commerce had drafted a separate GI Law back in 2004-2005; nevertheless, due to the change of administrative Division, the law could not be pursued. DD Law has confirmed that the IPO has taken up the same law now and proposes to go ahead with a separate GI law for furthering the role of the state, giving additional protection to Pakistan's GIs and rural development. JS (WTO) also said in his interview that the government's role and control would enhance the enactment of a sui generis law for GIs. He said that the 'introduction of sui generis law is likely to work as a catalyst for the registration of GIs in Pakistan since it may allow the role of the state and institutions to speed up the processes'. Interviews with DD Law and JS (WTO) (Pakistan, September 2013).

enactment of a sui generis law for GIs. He said that the ‘introduction of a sui generis law is likely to work as a catalyst for the registration of GIs in Pakistan since it may allow the role of the state and institutions to speed up the processes’.

It is important that IPO is made an independent body with its Director General having administrative and financial autonomy. It may be cost effective to consider keeping the post of Chairman or Director General at the top. This will also solve the problem of unity in the chain of command. This view is reflected by both the DD Law and the Additional Secretary Cabinet.⁹⁴ It is also important that the candidates in this organisation are skilled and experienced with regard to IPRs. The Director General should be someone who has significant experience of IPRs in the private or public sector along with experience of international trade. As mentioned in the interviews above, the post of Director General had been filled by the government from the available officers in the civil services without taking into consideration their experience or knowledge of IPRs. The government should ensure merit and transparency in the selection of officers and staff of the IPO for its smooth working. Similarly, intake in the potential GI Registry should also be made on merit.

The government should also grant financial autonomy to the IPO in order for it to carry out its activities without unnecessary delays. This can be done by making its Director General or Chairman the Principal Accounting Officer of the organisation. According to DD Law, the income from Trademarks Registry receipts has reached between Rupees 12 crore to Rupees 15 crore. Further, the Additional Secretary GOP shared that the GOP is running a project worth Rupees 99 million to protect and create awareness of GIs

⁹⁴ Additional Secretary Cabinet was the final authority to accede in financial and administrative proposals of the IPO, outside the domain of its Director General and Chairman. Further, in the case of discord between the two, the Additional Secretary Cabinet had to decide. Therefore, his recommendation that the office of Chairman should be abolished is worth considering.

with the help of the Asian Development Fund. He maintained that the numbers of donor organisations were ready to finance such projects and the IPO can take a lead in these negotiations with the donors.

For the registration of GIs, the Ex-REAP Chairman's proposal of assigning the task to the TDAP and the PHDEC of the Ministry of Commerce has some merit. The Ex-REAP Chairman gave the example of India where different commodity boards⁹⁵ under the administrative authority of the Indian Ministry of Commerce were actively registering GIs. Apart from the TDAP and PHDEC, the provincial government can also ask their Departments of Agriculture and Commerce to facilitate registration of GIs in Pakistan.

However, there is a caveat. The role of the institutions should be based on quality rather than quantity. The economists show consensus on this point; institutions matter for development but it is the quality of state intervention and governance which matters rather than its quantity.⁹⁶ This correlation between the presence of quality institutional frameworks and economic development has been discussed in detail in chapter 2.

In interviews, the President of BGA and the REAP Chairman believed that effective protection of GI products would increase with the inflow of income for farmers. The Additional Secretary Cabinet referred to multiple objectives behind the protection of GIs including protection of consumers against fraud, protection of the producer of the good against misappropriation or free riding, rural development and conservation of biological and cultural diversity. He said that by better protecting Pakistan's GIs through robust institutions and a sui generis law, the cash income of farmers would

⁹⁵ Like the Coffee Board, the APEDA, the Spices Board and the Tea Board of India.

⁹⁶ Michael J Trebilcock and Mariana Mota Prado, *What Makes Poor Countries Poor? Institutional Determinants of Development* (Edward Elgar 2011) 45.

increase and this would reduce overall poverty which is also the goal of the government under the Millennium Development Goals.⁹⁷

There are a number of post-registration challenges with regard to GIs. The government has to play its role to create tangible economic benefits and price premium generation and sustenance. The government has to fulfil its role of protecting GIs from any free riding and infringement. Further, the government as a proprietor and facilitator of GIs also has the task of promoting and marketing its GIs in domestic and international markets. In the same way as Thailand with its 'one tamboon, one product' programme for promoting domestic commerce and exports, and India with its seminars and awareness building initiatives by government organisations and UNCTAD India programme, the government of Pakistan should widely carry out a sustained awareness campaign with the remote rural community of agriculture GIs of Pakistan. Without sufficient legal protection backed by quality institutions, there is bound to be free riding on the reputation of an appellation whereas a well-protected GI status can fetch a price premium.

6.11 CONCLUSION

Taking stock of the above, it can be seen that there is a weak institutional framework both in the public and private sectors in Pakistan. There is an urgent need for the state to play an active role. Like India, the government of Pakistan can register GIs in its own name and can also protect them through its institutions like the TDAP and PHDEC. It would be worthwhile for Pakistan to provide for a separate law on GIs with a strong institutional backing for quality checks and controls. The government has resources

⁹⁷ Interview with Additional Secretary Cabinet (Pakistan, 2013).

which need to be channeled in the right direction. The government of Pakistan needs to create or designate institutions from the existing administrative structure in order to implement the proposed sui generis law in Pakistan. The Ministry of Commerce may take a lead role in this regard and may consider institutes such as the PNAC for such a task. The IPO is an important office but is marred by poor human resources and a lack of financial control. Its board has not been constituted in the last two years. There is a need to place this organisation under the Ministry of Commerce. It would be worthwhile making it financially independent with an efficient merit-based staff and a small but effective board to run its policy affairs. The government should also consider making the Registrar of Trademarks or Director General IPO the Registrar of GIs once a new sui generis law is in place. Further, the Pakistani government should consider upgrading and designating the PNAC as its official control body for regulating GI organizations to meet with the product specifications. The Ministry of Commerce and the IPO can use the financial resources generated through receipts and the EMDF. Further, donor agencies like the ADB, World Bank and the EU can be contacted by the Ministry of Commerce for investment in the protection and promotion of GIs of Pakistan. It can also contact the WTO and WIPO for administrative, technical and financial support. The Ministry of Commerce can also invest in R&D for identifying GIs and also establish new varieties of Basmati rice. An awareness building initiative should be conducted by the Ministry of Commerce of Pakistan along with the IPO and other trade bodies. Workshops should be arranged within Pakistan and abroad for the training of both public sector and private sector representatives. Once the producer organisations are strong and financially independent, the government can gradually transfer the proprietorship to them. The reforms of institutions for the protection of GIs will ensure better protection of GIs in Pakistan which will benefit and sustain rural

communities. This will help farmers in realizing better price premiums on their GI products. The benefits of GIs for rural development and exports can be fully realized by Pakistan with an active role of the state in tandem with the provision of an adequate institutional framework.

CHAPTER 7

SUMMARY AND CONCLUSIONS

GIs have assumed prominence in terms of juridical development and economic importance with their inclusion in the TRIPS Agreement. They are seen as an important tool for rural and economic development. Hence, their significance for agriculture-based countries has increased manifold.

This thesis has argued that a sui generis law for the regulation of agricultural GIs would facilitate better protection of GIs and economic development in Pakistan provided that it was also accompanied by the necessary institutional reforms. For countries like Pakistan with a strong agriculture base and rich culture and traditions, better protection of GIs could promote rural development and enhance its exports.

It is clear that Pakistan has hundreds of valuable GIs like Basmati rice, kinoos and Sindhri mangoes with significant trade worth billions of dollars. Nevertheless, despite the presence of hundreds of potential GIs, paradoxically, not a single GI has been registered in Pakistan. This has been due to inadequacies in the system of protection of GIs and institutional weaknesses.

This thesis has observed that Pakistan and its neighbouring country India have a similar economy, a common law system and both are part of the same Indus civilization. Until 2003, like Pakistan, India did not have a separate law for protection of its GIs. It protected its GIs under a trademark system and the registration of GIs was non-existent. However, with an active role being played by the government, India introduced a sui generis law for the protection of GIs in 2003 and created an institutional framework for registration and protection of GIs. This paid dividends for India in terms of the

registration of hundreds of its GIs and a better price premium for its farmers. Pakistan could also register and provide better protection for its GIs with a sui generis system of protection. EU and Indian sui generis systems were given as examples to show the different levels of protection between a trademark registration system and a sui generis system. The success of EU and Indian sui generis laws for the better protection of their GIs and economic development can be seen by the fact that Europe had registered 2768 GIs by 2010 whereas India had registered 215 GIs by 2014. Europe was presented as a model for sui generis law because sui generis law developed from there and it provides a comprehensive sui generis system for the regulation and protection of agricultural GIs in the form of the QSR.¹ The previous EU Regulation 510/2006² for the protection of agricultural GIs was also analysed to provide a broad understanding of the EU sui generis system of protection. Indian sui generis legislation was presented because both Pakistan and India share a history, legal systems, civilization and economic conditions. It was also observed that, according to the TRIPS Agreement,³ there were different ways that countries protected their GIs but the most prevalent forms were a sui generis law or a trademark law. In Pakistan, GIs are protected under a trademark law and they may be registered as collective or certification marks under its Trademarks Ordinance 2001.⁴ This thesis has shown that although Pakistan provided for the protection of its GIs through a trademark law, there were efforts being made by the government to enact a separate sui generis law. Nevertheless, the interviews of the stakeholders show that a sui generis law could not be enacted because of administrative incapacity and inertia

¹ Regulation (EU) No 1511/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs [2012] OJ L343/1.

² Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [2006] OJ L93/12.

³ Agreement on Trade-Related Aspects of Intellectual Property Rights, (Annex 1c, Marrakesh Agreement Establishing the World Trade Organization, signed 15 April 1994).

⁴ An Ordinance to amend and consolidate the law relating to trade marks (Ordinance No 19 of 2001, 13 April 2001) (Trademarks Ordinance).

on the part of the IPO. This inertia was due to a lack of clarity on the interpretation of the legal position of GIs, whether they were subject to the control of the federal government or provincial governments.

Another discussion centred on the fact that Pakistan is part of a group of countries called 'Friends of GIs' which are demanding an extension of additional protection under the TRIPS Agreement at the WTO for all agricultural products beyond wines and spirits. All the members of this group have their own sui generis law in their respective jurisdictions except Pakistan. This is an anomaly and Pakistan is working towards the introduction of a sui generis system of protection in Pakistan.

Evidence was presented that there was a better price premium for farmers in Europe and India once their GIs were registered under their respective sui generis systems. The policies of Europe, India and international academic literature provide evidence that GIs have the potential to increase rural incomes. A comprehensive study in 2012 in the EU, where GIs are protected under sui generis law, showed that the worldwide sales value of GI products relating to agriculture and foodstuffs was on the rise in the EU. It was 15.8 billion Euros in 2010. According to a study conducted by UNCTAD India Programme in 2008, the price premium in terms of agriculture-based GIs was around 10-15%. One of the objectives behind the EU QSR and the Indian GI Act 1999⁵ is rural and economic development.

It was observed that Pakistan shares many homonymous GIs with India. Pakistan would need to protect those GIs in the international market and India might gain registration in the absence of protection of those GIs in Pakistan. Pakistan cannot register its GIs abroad until it gives them protection at home and hence Pakistan is losing commercial

⁵ The Geographical Indications of Goods (Registration and Protection) Act, 1999 (Indian GI Act).

opportunities. Pakistan and India have been negotiating for a possible agreement on the joint registration of Basmati rice but Pakistan might have to introduce a sui generis law before any comprehensive agreement on joint registration of homonymous GIs with India could take place.

Chapter 2 presented the legal and economic rationale behind GIs and showed the developmental aspect of agricultural GIs and the correlation between law, institutions and development. Differences and similarities between trademarks and GIs were also presented. It established that a system of protection under a trademark law was devoid of the terroir concept. The role of terroir, based on a product-place nexus, was an important basis of the legal and economic rationale of GIs. Due to their peculiar legal and economic rationale, GIs usher in rural and economic development. The potential of agriculture GIs for rural and economic development was also shown. It was also established that reforms in law and institutions promote economic development. This aspect was shown when the thesis proposed a separate GI law for regulation of agricultural GIs in Pakistan along with institutional reforms for better protection of its GIs and economic development.

Chapter 3 established that there are inadequacies in the present system of protection of GIs in Pakistan and the state is not playing an active role in the protection of GIs in Pakistan. The state could not play a direct role in the registration of GIs as the trademark law did not allow the government institutions to apply for a GI as a collective mark. It was established that there is weak protection for GIs under the trademark registration system of Pakistan with regard to registrability, dilution, coexistence issues between GIs and trademarks, and enforcement as compared to a sui generis registration system. Further, a trademark system of protection did not provide for additional protection of

GIs unlike a sui generis system of protection such as is found in the EU and India. Provision of additional protection was an important component of a sui generis law as it gives the protection to GIs against misuse, imitation or evocation. It was presented that such protection would lower the costs of right holders in the court of law because they would not have to prove consumer confusion if their GI was infringed. The case law of Europe and the legislation of the EU and Indian sui generis systems were discussed as examples to shed light on the different levels of protection between the trademarks registration system and the sui generis system. It was shown that the definition of a GI under the Trademarks Ordinance ignored the terroir logic for the protection of GIs under sui generis law. It was established that a sui generis system could provide better regulation for registration and protection of GIs in Pakistan. Moreover, better protection would benefit Pakistan and its farmers by establishing economic and rural sustainability attached to well-protected GIs in terms of employment generation, higher income for farmers and export benefits.

After establishing the need for a sui generis law for Pakistan in order to better protect its GIs and economic growth, this thesis examined the expansion of GIs law internationally and showed how the terroir concept gradually became the foundation of GI law in the Lisbon Agreement and was eventually included in the definition of GIs in the TRIPS Agreement. The thesis also revealed the history of sui generis law, which emerged from France and Europe, and how the Phylloxera crisis of the nineteenth century in France strengthened the sui generis system and provided better protection and quality maintenance of GIs. It was also shown that the government of Pakistan has been making efforts for the enactment of a GI law for almost a decade. With the help of the interviews of public and private sector stakeholders in the GI sector of Pakistan,

reasons for this delay were established and these included administrative and institutional weaknesses.

Chapter 5 showed the way forward for Pakistan to legislate its own sui generis law for better protection of its GIs. It showed that Pakistan's new GI law would benefit from the definitions in EU and Indian laws. This would provide better protection to its GIs by establishing a terroir-based system designed around the concept of causal link between the characteristics, quality or reputation of the product and designated geographic region. Pakistan could provide efficient and simple procedures for application and registration of GIs like India. Further, Pakistan could also introduce the requirement of comprehensive product specifications for registration of GIs like those provided in the EU sui generis law. Pakistan could enact a sui generis system for better protection of its GIs by emulating EU and Indian GIs laws, on generic names, additional protection for GIs, homonymous GIs, relationship between trademarks and GIs, official controls, inspection system, protection and enforcement. This chapter established that if Pakistan enacted a sui generis law along the lines of the EU and Indian GI laws accommodating them according to its best interests, it would provide better protection of its GIs and usher in economic development.

Once the way forward for the legislation of Pakistan's sui generis law was shown, the thesis established the importance of institutional reforms and the role of the state in this regard. Proposals for reforms were presented in the light of the interviews conducted with stakeholders of GIs in Pakistan. Hence, chapter 6 showed the current governance of GIs in both the public and private sectors of Pakistan and the role of the state in the protection of GIs. With the help of interviews from private and public sector stakeholders in Pakistan, the inadequacies and the absence of the institutional

framework for the protection of GIs was established. It showed that the proposed sui generis law in Pakistan had to be implemented by various institutions and the role of the state in Pakistan was vital in this regard. It established that, in a sui generis system of regulation, like India the Pakistan government could register its GIs in its name through its existing institutions, such as TDAP and PHDEC. Pakistan could save its financial resources by upgrading its existing institutional infrastructure to create a GI Registry and an inspection authority. The thesis suggested that the current Registrar of Trademarks or Director General of the IPO could be made the Registrar of GIs in Pakistan. Further, an official controls institution could be established by upgrading and designating PNAC or another competent state owned body as a competent authority to ensure compliance of the product specifications by proprietors of GIs in Pakistan. Reforms of the IPO were proposed which would make it financially independent with an efficient human resource intake. There could be a small but effective board to run its affairs. The importance of the Ministry of Commerce was indicated and the idea of placing the IPO under the administrative control of this Ministry was suggested. The Ministry of Commerce had been looking after GIs related issues before 2005 and was the focal ministry to communicate on IPRs issues at the WTO. It was established that placing the IPO under the Ministry of Commerce would help in the early enactment of a sui generis law in Pakistan and institutional reforms for the protection of GIs in Pakistan. It was also shown that the Ministry of Commerce and the IPO could generate enough financial resources through receipts coming to the IPO from applications in the trademarks office and EMDF. Further, for administrative, technical and any additional financial support, the Ministry of Commerce and the IPO could negotiate with donor international organisations and agencies like WIPO, WTO, ADB and the World Bank. In order to deal with capacity building of farmers along with the public and private

sector stakeholders, the Ministry of Commerce and IPO could impart training at home and from abroad from institutions like WIPO and WTO. Further, the Ministry of Commerce and IPO could hold seminars and run awareness campaigns directed at farmers and GI stakeholders as carried out by the India UNCTAD programme. Once the private sector institutions were efficient and had capacity to run a GI organisation, the government might transfer control of GIs to them gradually. It was established that the provision of an effective institutional framework in the public and private sector in Pakistan would promote rural and economic development with overall welfare of the growers of various GIs in Pakistan.

This thesis recognised that in order to ensure early registration, better protection of its GIs and economic development, it would be in the interests of Pakistan to introduce a sui generis law along with institutional reforms at the earliest opportunity. It was also established that an active role of the state in this regard was crucial for the early enactment of a separate GI law and institutional reforms. Therefore, it was established that a sui generis law for the regulation of agricultural GIs would facilitate better protection of GIs and economic development in Pakistan provided that it was also accompanied by the necessary institutional reforms.

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2014

ANNEX I

APPROVAL OF ETHICS COMMITTEE FOR INTERVIEWS



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Queen Mary Research Ethics Committee

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14th July 2014

To Whom It May Concern:

Re: QMREC1370a – Protection of GIs in Pakistan Through Legal and Institutional Reform for Economic Development.

I can confirm that the Chair of the Research Ethics Committee (Ms Elizabeth Hall) has assessed the above research as coming within our parameters for fast-track ethical approval. This assessment meant that the research work of Mr Hamid Ali does not present any ethical concerns; is extremely low risk; and thus did not require any additional scrutiny by the full Research Ethics Committee.

Yours faithfully



Ms Hazel Covill

Research Ethics Committee Administrator

Patron: Her Majesty the Queen

Incorporated by
Royal Charter as
Queen Mary and
Westfield College,
University of
London

ANNEX II

Interview Questions from the Public and Private Sector Stakeholders

- You obviously know about GIs/ have you heard about GIs? How do you see the potential of GIs in Pakistan
- What are the obstacles?
- What is the role of the government?
- How you see Pakistan's Stance at International level?
- What are the enforcement issues?
- Do you know if government of Pakistan is introducing sui generis law for the protection of its GIs? Do you see a sui generis protection system better than the current system of protection of GIs in Pakistan?
- How do you see registration and protection of agricultural products as GIs beneficial for farmers, domestic commerce, exports, poverty amelioration and economic development? Do you see Institutional Failure?
- Which are the private stakeholders in Basmati and generally?
- Is private sector strong enough to register and protect GIs?
- Are there different interests within market stakeholders?
- Why there is no GI definition under IP Act?
- What are ownership issues and financial issues?
- What are pre and post registration issues?
- Do you know if any GI is registered and how about their promotions?
- Do you know any marketing strategy?
- How you see India and Europe doing in GIs?
- Can government apply for collective marks?

- What about boundaries of GIs?
- Do you take price premium?
- How does PIPRA see it?
- Punjab has its own policy and you fund an organisation to apply certification marks?
- How you see India especially w.r.t Basmati and how you see homonymous marks issue?
- Any recommendations for institutional reforms?

Note: The above were the overall questions. All the questions were not asked from every interviewee. They were interviewed as per their position and knowledge of the subject.