

The Protection of Geographical Indication in India – Case Study on ‘Darjeeling Tea’

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CASE STUDY: PROTECTION OF GEOGRAPHICAL INDICATION IN INDIA – CASE STUDY ON ‘DARJEELING TEA’

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INTRODUCTION

Protection of Geographical Indication (GI) has, over the years, emerged as one of the most contentious IPR (Intellectual Property Rights) issues in the realm of the WTO's Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). TRIPS defines GI as any indication that identifies a product as originating from a particular place, where a given quality, reputation or other characteristics of the product are essentially attributable to its geographical origin. Also a geographical indication (GI) gives exclusive right to a region (town, province or country) to use a name for a product with certain characteristics that corresponds to their specific location.

The Geographical Indications of Goods (Registration and Protection) Act, 1999 protect the GI's in India. Registration of GI is not compulsory in India⁵⁴. If registered, it will afford better legal protection to facilitate an action for infringement.

NEED FOR LEGAL PROTECTION OF GI

Given its commercial potential, legal protection of GI assumes enormous significance. Without suitable legal protection, the competitors who do not have any legitimate rights on the GI might ride free on its reputation. Such unfair business practices result in loss of revenue for the genuine right-holders of the GI and also misleads consumers. Moreover, such practices may eventually hamper the goodwill and reputation associated with the GI.

INTERNATIONAL PROTECTION FOR GI UNDER TRIPS

At the international level, TRIPS sets out minimum standards of protection that WTO members are bound to comply with in their respective national legislations. However, as far as the scope of protection of GI under TRIPS is concerned, there is a problem of hierarchy. This is because, although TRIPS contains a single, identical definition for all GI, irrespective of product categories, it mandates a two-level system of protection: (i) the basic protection applicable to all GI in general (under Article 22), and (ii) additional protection applicable only to the GI denominating wines and spirits (under Article 23).

This kind of protection is challenging, if Article 22 fails to provide sufficient intellectual property protection for the benefit of the genuine right-holders of a GI. A producer not belonging to the geographical region indicated by a GI may use the indication as long as the product's true origin is indicated on the label, thereby free-riding on its reputation and goodwill.

HISTORY OF THE TRIPS PROVISIONS ON GI

The Uruguay Round of the GATT negotiations began in 1986, precisely when India's development policy making process was at a watershed. By the time India launched its massive economic reforms package in 1991, marking a paradigm shift in its policy, the Uruguay Round negotiations were well under way, paving the path towards Marrakesh in 1994 and the establishment of the WTO. India remained a cautious and somewhat passive player during the initial years of the Uruguay Round negotiations, given its long legacy of inward looking development strategy and protectionist trade policy regime.

However, at Doha India wanted to extend protection under 'geographical indication' (GI) beyond wine and spirit, to other products. A number of countries⁵⁵ wanted to negotiate extending this higher level of protection to other products as they see a higher level of protection as a way to improve marketing their products by differentiating them more effectively from their competitors and they object to other countries "usurping" their terms. Some others opposed the move, and the debate has included the question of whether the Doha Declaration provides a mandate for negotiations.⁵⁶

Those opposing extension argue that the existing (Article 22) level of protection is adequate⁵⁷. They caution that providing enhanced protection would be a burden and would disrupt existing legitimate marketing practices. India, along with a host of other likeminded countries pressed an 'extension' of the ambit of Article 23 to cover all categories of goods. However, countries such as the United States, Australia, New Zealand, Canada, Argentina, Chile, Guatemala and Uruguay are strongly opposed to any 'extension'. The 'extension' issue formed an integral part of the Doha Work Programme (2001). However, as a result of the wide divergence of views among WTO members, not much progress has been achieved in the negotiations and the same remains as an 'outstanding implementation issue'.

THE INDIAN GI ACT

India has put in place a *sui generis* system of protection for GI with enactment of a law exclusively dealing with protection of GIs. The legislations which deals with protection of GIs in India are 'The Geographical Indications of Goods (Registration & Protection) Act, 1999' (GI Act), and the 'Geographical Indications of Goods (Registration and Protection) Rules, 2002 (GI Rules). India enacted its GI legislations for the country to put in place national intellectual property laws in compliance with India's obligations under TRIPS. Under the purview of the GI Act, which came into force, along with the GI Rules, with effect from 15 September 2003, the central government has established the Geographical Indications Registry with all-India jurisdiction, at Chennai, where right-holders can register their GI.

Unlike TRIPS⁵⁸, in the GI Act does not restrict itself to wines and spirits⁵⁹. Rather, it has been left to the discretion of the central government to decide which products should be accorded higher levels of protection. This approach has deliberately been taken by the drafters of the Indian Act with the aim of providing stringent protection as guaranteed under the TRIPS Agreement to GI of Indian origin. However, other WTO members are not obligated to ensure Article 23-type protection to all Indian GI, thereby leaving room for their misappropriation in the international arena.

The definition of GI included in Section 1(3) (e) of the Indian GI Act⁶⁰ clarifies that for 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 a 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. This provision enables the providing protection to symbols other than geographical names, such as 'Basmati'.

Registration

While registration of GI is not mandatory in India, Section 20 (1) of the GI Act states that no person "shall" be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an "unregistered" GI. The registration of a GI gives its registered owner and its authorized users the right to obtain relief for infringement⁶¹. The GI Registry with all India jurisdictions is located in Chennai with the Controller-General of Patents, Designs and Trade Marks is the Registrar of GIs, as per Section 3(1) of the GI Act. Section 6(1) further stipulates maintenance of a GI Register⁶² which is to be divided into two parts: Part A and Part B. The particulars relating to the registration of the GIs are incorporated in Part A, while the particulars relating to the registration of the authorized users are contained in Part B (Section 7 of the Act).

A GI may be registered in respect of any or all of the goods, comprised in such class of goods as may be classified by the Registrar. The Registrar is required to classify the goods, as far as possible, in accordance with the International classification of goods for the purposes of registration of GI (Section 8 of the Act). A single application may be made for registration of a GI for different classes of goods and fee payable is to be in respect of each such class of goods⁶³.

In India a GI may initially be registered for a period of ten years, and it can be renewed from time to time for further periods of 10 years⁶⁴. Indian law place certain restrictions in that a registered GI is not a subject matter of assignment, transmission, licensing, pledge, mortgage or any such other agreement.

Rights of Action Against Passing-Off

The GI Act in India specifies that nothing in this Act “shall” be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof. In its simplest form, the principle of passing-off states that no one is entitled to pass-off his/her goods as those of another. The principal purpose of an action against passing off is therefore, to protect the name, reputation and goodwill of traders or producers against any unfair attempt to free ride on them. Though, India, like many other common law countries, does not have a statute specifically dealing with unfair competition, most of such acts of unfair competition can be prevented by way of action against passing-off. Notably, Article 24.3 of TRIPS clearly states that in implementing the TRIPS provisions on GIs, a Member is not required to diminish the protection of GIs that existed in that Member immediately prior to the date of entry. This flexibility has been utilised by India in the GI Act (Section 20(2)) in maintaining the right of action against passing-off, which has been a part of the common law tradition of India, even prior to the advent of the TRIPS Agreement.

Any lawsuit relating to infringement of a registered GI or for passing of an unregistered GI has to be instituted in a district court having jurisdiction to try the suit. No suit shall be instituted in any court inferior to a district court [Section 66 of the Geographical Indications of Goods (Registration and Protection) Act, 1999].

STATUS OF GI REGISTRATIONS IN INDIA

Around 65 GIs of Indian origin have already been registered with the GI Registry. These include GI like Darjeeling (tea), Pochampalli, Ikat (textiles), Chanderi (sarees), Kancheepuram silk (textiles), Kashmir Pashmina (shawls), Kondapalli (toys), and Mysore (agarbattis).

GIs registered during 2007-08 include ‘Muga Silk’ from Assam, ‘Madhubani paintings’ from Bihar, ‘Malabar pepper’ and ‘Alleppey Green Cardamom’ from Kerala, ‘Cora Cotton’ from Tamil Nadu, ‘Allahabad Surkha’ from Uttar Pradesh, ‘Nakshi Kantha’ from West Bengal, ‘Monsooned Malabar Coffees’ from Karnataka and Kerala. There is many more Indian GI in the pipeline for registration under the GI Act.

CASE STUDY – DARJEELING TEA

Tea is India’s oldest industry in the organized manufacturing sector and has retained its position as the single largest employer in this sector. Around 30 per cent of the world’s tea is produced in the country. India is also the world’s largest consumer of tea. However, on the export front India is facing huge competition from other key tea producing countries, such as Kenya, Sri Lanka and China.

‘Darjeeling’ tea is a premium quality tea produced in the hilly regions of the Darjeeling district West Bengal—a state in the eastern province of India. Among the teas grown in India, Darjeeling tea offers distinctive characteristics of quality and flavour, and also a global reputation for more than a century. Broadly speaking there are two factors which have contributed to such an exceptional and distinctive taste, namely geographical origin and processing. The tea gardens are located at elevations of over 2000 meters above sea level.

History

The history of Darjeeling tea dates back to the 1840’s, when India was a British colony. Before the arrival of the British, the forests of the region were known as Darjeeling today was inhabited by the Lepcha tribes. In 1828, while visiting this region located in the backdrop of the snow-clad Himalayan range, a young British called Captain Lloyd discovered the possibility of converting the region into a hill station or a sanitarium. In 1839, Darjeeling was handed over to Dr. A. Campbell, a civil surgeon, who got transferred from Kathmandu to Darjeeling to become the first Superintendent of the Darjeeling district, a position which he held for the next twenty two years⁶⁵. In 1841, Dr. Campbell brought the seeds of China variety of tea from Kumaon hills of North India and planted them near his residence in his Beech wood garden in Darjeeling, 2134 meters above the mean sea level. Seeing the success of Dr. Campbell’s experimental tea nursery, the British Government decided to put out tea nurseries in the region in the year 1847. Even after the Indian independence from British rule in 1947, the British ownership continued in many tea gardens of Darjeeling. By the end of the 1970’s, most of the tea gardens of Darjeeling were in the hands of Indian owners. The major portion of the annual production of Darjeeling tea is exported, the key buyers being Japan, Russia, the United States, and the

United Kingdom and other European Union (EU) countries such as France, Germany and the Netherlands⁶⁶. In order to ensure the supply of genuine Darjeeling tea in February 2000, a compulsory system of certifying the authenticity of exported Darjeeling tea was incorporated into the Indian Tea Act of 1953. The system makes it compulsory for all the dealers in Darjeeling tea to enter into a license agreement with the Tea Board of India on payment of an annual license fee.

Why Protect “Darjeeling Tea” as Geographical Indication

An adequate legal protection is necessary for the protection of legitimate right holders of Darjeeling tea from the dishonest business practices of various commercial entities. For instance, tea produced in countries like Kenya, Sri Lanka or even Nepal has often been passed off around the world as ‘Darjeeling tea’. Appropriate legal protection of this GI can go a long way in preventing such misuse.

Without adequate GI protection both in the domestic and international arena it would be difficult to prevent the misuse of Darjeeling Tea’s reputation, wherein tea produced elsewhere would also be sold under the Darjeeling brand, causing damage to consumers and denying the premium price to Darjeeling tea industry. The industry is now waking up to the fact that unless Darjeeling Tea is properly marketed and branded, the survival of the industry may be at stake and GI protection along with stringent enforcement can go a long way in helping the industry to improve its financial situation.

Evolution of Legal Protection

The first attempt on the part of the Tea Board of India towards protection of the ‘Darjeeling’ brand was undertaken way back in 1983, when the ‘Darjeeling’ logo was created. The Tea Board obtained home protection for the Darjeeling logo as a certification trade mark under the Indian Trade and Merchandise Marks Act 1958 (now the Trade Marks Act, 1999). The registration was granted in class 30 in the name of the Tea Board in 1986. In the same year, the logo was registered as a trademark in several other countries [Refer Annexure A] like the UK, the USA, Canada, Japan, Egypt, and under the Madrid Agreement covering Germany, Austria, Spain, France, Portugal, Italy, Switzerland and former Yugoslavia⁶⁷.

In the absence of a separate law dedicated exclusively to GI’s in India during that time, the word ‘Darjeeling’ was also registered under the Trade and Merchandise Marks Act 1958 in class 30 in the name of Tea Board in 1998. When the Geographical Indication Act in India was enacted in September 2003, the Tea Board applied for GI protection of ‘Darjeeling’ in October 2003. In October 2004, Darjeeling was granted the GI status in India to become the first application to be registered in India as a GI.

Enforcement Steps Taken by The Tea Board of India

In order to prevent the misuse of ‘Darjeeling’ and the logo, the Tea Board has since 1998 hired the services of Compumark, a World Wide Watch agency. Compumark is required to monitor and report to the Tea Board all cases of unauthorized use and attempted registration⁶⁸. Pursuant to Compumark’s appointment, several cases of attempted registrations and unauthorized use of ‘Darjeeling’ and Darjeeling Logo have been reported.

The tea board tried to prevent unauthorized use or attempt or actual registration of Darjeeling word/ logo that were brought to its notice. [Refer Annexure B] Some disputes relating to Darjeeling tea have been settled through negotiations undertaken by the tea board of India with the foreign companies^{lxi}. For example Bulgari, Switzerland agreed to withdraw the legend ‘Darjeeling Tea fragrance for men’ pursuant to legal notice and negotiations by the Tea Board. The Tea Board has fought almost 15 cases in the last four years against infringement and misuse of the word Darjeeling Tea worldwide which includes Russia, USA, Japan, France, Germany, Israel, Norway and Sri Lanka etc.

CONCLUSION

While the Tea Board has made strides in its quest for international recognition of Darjeeling tea as a trademark, recognition of Darjeeling Tea as a Geographical Indicator in the international arena is still to be achieved, primarily due to the fact that Article 23 of TRIPS gives good protection to Wines and Spirits, but currently not for other products. The lack of a multilateral system of notification and registration for products like Darjeeling Tea which is available for wines and spirits, is jeopardizing the international protection that would offer adequate protection. It is there important for India i to seek extension of GI protection to other products by amending Article 23 of the TRIPS.

ANNEXURE A

[Source Tea Board of India: www.teaboard.gov.in]

List of Registrations for DARJEELING word and logo marks as on October 23, 2006

No.	Country	Nature and subject matter of registration	Application / Registration No.	Date of Application	Date of Registration	Validity
1.	Australia	Certification Mark for DARJEELING logo	998593	20.04.2004	17.11.2005	20.04.2014
2.	Benelux Registration – Belgium, Netherlands, Luxembourg	Collective Mark for DARJEELING Logo	444511	11.03.1988	11.03.1988	11.03.2008
3.	Canada	Official Mark for DARJEELING logo	0903697	15.03.1989	15.03.1989	Valid until voluntarily abandoned or expunged pursuant to a court order.
4.	EU member countries	Community Collective Mark for DARJEELING word	004325718	07.03.2005	31.03.2006	07.03.2015
5.	Egypt	Trademark for DARJEELING Logo	103072	29.09.1996	08.04.1999	28.09.2016
6.	International Registration –Germany, Austria, Spain, France, Portugal, Italy, Switzerland and former Yugoslavia.	Collective Mark for DARJEELING logo	528696	09.09.1988		09.09.2008
7.	India	Copyright registration for DARJEELING logo	A-67292/2004	08.08.2003	11.05.2004	Valid Registration
8.	India	Certification Mark for DARJEELING logo	532240	09.10.1986	09.10.1986	09.10.2007
9.	India	Certification Mark for DARJEELING word.	831599	10.12.1998	10.12.1998	10.12.2015
10.	India	DARJEELING word as a geographical indication	1	27.10.2003	27.10.2003	27.10.2013
11.	India	DARJEELING logo as a geographical indication	2	27.10.2003	27.10.2003	27.10.2013
12.	Japan	Trade Mark for DARJEELING logo	2153713	08.07.1986	31.07.1989	31.07.2009
13.	Lebanon	Collective mark for DARJEELING word	102594	13.06.2005	13.06.2005	13.06.2020
14.	Lebanon	Collective mark for DARJEELING Logo	102595	13.06.2005	13.06.2005	13.06.2020
15.	Russia	Trademark for DARJEELING Word	249970	20.04.1999	27.06.2003	20.04.2009
16.	Russia	Trademark for DARJEELING Logo	300276	02.11.1999	16.01.2006	02.11.2009
17.	Russia	Trademark for Darjeeling Logo	289609 & 169877	15.07.1997	25.05.2005	15.07.2017
18.	U.S.A.	Certification Mark for DARJEELING logo	1632726	01.07.1988	22.01.1991	22.01.2011
19.	U.S.A.	Certification Trade Mark for DARJEELING word.	2685923	10.01.2002	11.02.2003	01.10.2012
20.	U.K.	Certification Mark for the DARJEELING logo	1307518	16.04.1987	11.10.1996	16.04.2008
21.	U.K.	Certification Mark for DARJEELING word.	2162741	30.03.1998	03.08.2001	30.03.2008

List of Applications for DARJEELING word and logo marks

No.	Country	Nature and subject matter of registration	Application No.	Status
1.	Australia	Certification Mark for DARJEELING word	998592	Accepted but pending registration
2.	Germany	Collective mark for DARJEELING word	30456356	Under examination
3.	Japan	Collective mark for DARJEELING word	2004-32171	Rejected on grounds of non-distinctiveness. Appeal filed.

ANNEXURE B

[Source: Operationalisation of GI Protection in India: A Preliminary Exploration By Biswajit Dhar]

Misuse of 'Darjeeling' Opposed by the Tea Board of India

Country	Nature of misuse and product category
France	DARJEELING – perfumes, articles of clothing and Telecommunication
Germany	Device applications with Darjeeling logo
Israel	DARJEELING - agricultural & horticultural products
Japan	DIVINE DARJEELING – coffee, cocoa, tea DARJEELING with India map DARJEELING Logo - serving tea, coffee, soft drinks
Norway	DARJEELING – telecommunication
Russia	DARJEELING – Tea DARJEELING Logo – Tea
Sri Lanka	SAKIR DARJEELING TEA – Tea
U.S.A.	DARJEELING NOVEAU – Tea

END NOTES

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⁵³Altacit Global Strategic Consultants for Corporate, Legal and Intellectual Property (IP) matters. www.altacit.com

⁵⁴The Geographical Indications of Goods (Registration and Protection) Act, 1999 - Section 22

⁵⁵Bulgaria, the EU, Guinea, India, Jamaica, Kenya, Madagascar, Mauritius, Morocco, Pakistan, Romania, Sri Lanka, Switzerland, Thailand, Tunisia and Turkey.

⁵⁶GI in the WTO & Doha Negotiations by Miguel Rodriguez Mendoza presented in Worldwide Symposium on GI. www.wipo.int/edocs/mdocs/geoint/en/wipo_geo_bei_07/wipo_geo_bei_07_www_81777.doc

⁵⁷Argentina, Australia, Canada, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, New Zealand, Panama, Paraguay, the Philippines, Chinese Taipei and the United States.

⁵⁸TRIPS AGREEMENT - Article 23

⁵⁹The Geographical Indications of Goods (Registration and protection) Act, 1999 – Section 2 (e)

⁶⁰“Geographical 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.

⁶¹The Geographical Indications of Goods (Registration and Protection) Act, 1999- Section 21 (a)

⁶²Section 6(1) states that: For the purposes of this Act, a record called the Register of geographical indications shall be kept at the Head office of the Geographical Indications Registry, wherein shall be entered all registered geographical indications with the names, addresses and descriptions of the proprietors, the names, addresses and descriptions of authorized users and such other matters relating to registered geographical indications as may be prescribed and such registers may be maintained wholly or partly on computer.

⁶³The Geographical Indications of Goods (Registration and Protection) Act, 1999- Section 11(3)

⁶⁴The Geographical Indications of Goods (Registration and Protection) Act, 1999- Section 18 (1)

⁶⁵Darjeeling Planters Association (1999), <http://www.teaboard.gov.in>

⁶⁶<http://www.american.edu/tea/darjeeling.htm>

⁶⁷ Darjeeling Tea- Intellectual Property Rights of Darjeeling Tea in the age of globalization and world trade- <http://www.american.edu/tea/darjeeling.htm#Links>

⁶⁸<http://www.deljpn.ec.europa.eu/data/current/20040209-gi-das.pdf>