

**INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES**
[ISSN 2581-5369]

Volume 3 | Issue 6

2020

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An Analysis of the Challenges Faced by India in the Protection and Enforcement of Geographical Indication through the Case Study of Darjeeling Tea

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ABSTRACT

The paper starts with a brief insight into TRIPS and the problem concerning the hierarchy that exists in their system of the protection of Geographical Indication. Then, it discusses the history of how Geographical Indication laws came to India, in the form of a Sui generis system. Further, it provides a fair overview of the functioning of such laws in India. Next, it will elucidate the case study of Darjeeling Tea by explaining the various factors that are responsible for giving it a distinctive quality, the reason why they require protection, and the steps taken to provide such protection at both the domestic and international level. After this, I'll go on to explain the challenges that India faced during the protection or enforcement of Geographical Indication in India as well as foreign jurisdictions through several examples. Lastly, I will provide a comparative analysis of these challenges with a deliberation on the situation in the European Union and show how it, also being a Sui generis system, faces the same issues in protecting their Geographical Indications outside European Union.

I. INTRODUCTION

The protection of Geographical Indications ["GI"] has, for a long time, been one of the most controversial Intellectual Property Rights issues in the domain of the Trade-Related Aspects of Intellectual Property Rights ["TRIPS"] agreement of the World Trade Organization ["WTO"].² GI under Article 22 of the TRIPS agreement refers to any indication that helps to identify a good as originating from a particular place, "where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin."³ It gives a region, which can be a country, province, or a town, the exclusive rights towards the usage of a name for a good with characteristics corresponding to their specific location.

The reason why the legal protection of GI assumes importance is due to its commercial

¹ Author is a student at Jindal Global Law School, India.

² Sudhir Ravindran and Arya Mathew, The Protection of Geographical Indication in India – Case Study on 'Darjeeling Tea', Altacit Global (2009), <http://nbcgib.uesc.br/nit/ig/app/papers/1035442708158048.pdf>.

³ TRIPS, Art. 22 (1).

potential. Without adequate legal protection, those who don't possess any legitimate rights over the GI may ride free on their reputation. As a result of these unfair business practices, those who have genuine rights in the GI lose revenue, and it also misleads the consumers. Eventually, it may result in tarnishing the reputation and goodwill that the GI enjoys.

The TRIPS agreement under Article 1 sets out the minimum levels of protection that the member states of the WTO are required to comply with within their respective domestic legislation.⁴ However, there exists a problem of hierarchy concerning the scope of the protection of GI provided under the TRIPS. The reason is the fact that though it prescribed an identical and a single definition for all the GIs, regardless of goods categories, it mandated a two-level system of legal protection: 1) a basic level of protection to all the GIs in general under Article 22, and 2) additional protection only to the GIs concerning wines and spirits under Article 23.⁵

The protection of such kind poses challenges in cases where Article 22 is unable to provide sufficient legal protection for the benefit of those holding genuine rights in the GI. Thus, a producer may use the geographical indication, even though he does not belong to the geographical region indicated by the same, as long as the label indicates the product's true origin, thereby allowing them to free-ride on its goodwill and reputation.⁶

At the time, when the development policy-making process of India was at its turning point, the Uruguay rounds of negotiations of the GATT started in the year 1986.⁷ The year 1991 saw the launch of a massive economic reforms package by India, which highlighted a shift in its policy, and the Uruguay rounds of GATT negotiations paving the way towards the Marrakesh agreement in 1994 and the creation of the WTO.⁸ India adopted a cautious approach and remained a passive player in the earlier years of the Uruguay rounds of GATT negotiations because of its legacy of protectionist trade policy and the inward-looking strategy of development. At Doha, however, India wanted to extend the protection under the GI to cover other products beyond the wines and the spirits. Several countries wanted to have negotiations concerning such an extension of a higher standard of protection to other goods, as they believed that a higher standard of protection would improve the marketing of their goods by distinguishing them from their competitors. While other countries opposed such a move based on the argument that the existing standard of protection provided under Article

⁴ Supra at note 1.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

22 of the TRIPS is adequate. They also argued that an enhancement of the level of protection would be burdensome and would disturb the existing legitimate marketing practices. Countries like India demanded an extension of the scope of Article 23, to include other products. However, such an extension was opposed by nations like the United States, New Zealand, Australia, Canada and so on. The issue surrounding “extension” was an essential part of Doha Work Programme in the year 2001.⁹ But the wide divergence in the views of the member states of the WTO resulted in the negotiations being unfruitful, and the same continues to be an outstanding implementation issue.

India has adopted a sui generis system for the protection of the GIs with the enactment of The Geographical Indications of Goods (Registration and Protection) Act, 1999 and The Geographical Indications of Goods (Registration and Protection) Rules, 2002.¹⁰ The said Act, along with the rules, exclusively deals with the protection of GIs in India. Through these laws, India fulfilled its obligations under the TRIPS. The Central Government, under the Act, has set up the Geographical Indications Registry at Chennai, which has jurisdiction throughout the country, where right-holders can get their GIs registered.¹¹ In comparison to the TRIPS, the GI Act has not limited the higher standard of protection to only wines and spirits and has left the discretion as to the choice of products that are to be afforded high standards of protection to the Central Government. The rationale of the drafters of the GI Act behind doing the same was to provide stringent protection to all GIs of the Indian Origin, as guaranteed by the TRIPS. However, there is no obligation on the other member countries of the WTO to afford Article 23-kind of protection to all Indian GIs, thereby giving the opportunity of their misappropriation at the international level. Further, the GI Act provides that any name, not being that of a country, or any region or locality of that country shall be taken as a GI, if it corresponds to a specific geographical area, and is concerning certain products that originate from that country, or any region or locality in that country.¹² This Act, thus, protects symbols such as ‘Basmati,’ which are not even geographical names.

In India, it is not mandatory to register the GIs. However, Section 20(1) of the GI Act provides that an individual cannot initiate a proceeding, for prevention, or claim of damages, for the infringement of an unregistered GI.¹³ Registration of a GI provides both its registered owner and authorized users the right to get relief in the event of an infringement.¹⁴ The

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ The Geographical Indications of Goods (Registration and Protection) Act, 1999, S. 20 (1)

¹⁴ The Geographical Indications of Goods (Registration and Protection) Act, 1999, S. 21 (1)(a)

Geographical Indications Registry, with all India jurisdictions, is situated in Chennai, where right-holders can get their GIs registered, and the Controller-General of Patents, Designs and Trade Marks, according to Section 3(1) of the GI Act, is the Registrar of the Geographical Indications.¹⁵ Further, Section 6(1) provides for the maintenance of the GI Register. Such a register is further divided into two parts, namely, Part A and Part B. While Part A deals with those particulars which relates to the registration of GIs, whereas, Part B deals with those particulars which relates to the registration of the authorised users.¹⁶ Registration of GI may happen in respect of those goods that are comprised in such classes, as the registrar may classify. Such classification by the Registrar must conform with the International Classification of goods for registration of GIs.¹⁷ For applications, it is possible to make a single application for registration of a GI for different classes of products, and the fee payable is to be in regard to each of such classes of products.¹⁸ Initially, the registration of GI is for a term of ten years in India, but the same can get renewed for further terms of ten years from time to time.¹⁹ The GI Act also imposes certain limitations on a registered GI in that it is not a subject matter of transmission, assignment, mortgage, pledge, or any other agreement of such kind.²⁰

There is also nothing in the GI Act that affects the right to take action against any individual for passing off goods as the goods of another person or the remedies available in that respect.²¹ In other words, the passing-off principle provides that no person can pass off their products as those of another person. The rationale behind taking action against a passing-off is to safeguard the goodwill, name, and reputation of the producers or the traders against the unfair attempts of free-riding on them. Like other common law nations, India also lacks a specific law that deals with unfair competition and prevents most of its cases of unfair competition through an action against passing-off. TRIPS, through Article 24.3, provides that while implementation of the provisions of TRIPS, a member country need not reduce the protection of that GIs that were in existence immediately before their date of entry in that member country.²² India used this flexibility provided by the TRIPS by Section 20(2) of the GI Act in maintaining its common law tradition of the right of an action against passing off,

¹⁵ *Supra* at note 1.

¹⁶ The Geographical Indications of Goods (Registration and Protection) Act, 1999, S. 7

¹⁷ The Geographical Indications of Goods (Registration and Protection) Act, 1999, S. 8

¹⁸ *Supra* at note 1.

¹⁹ The Geographical Indications of Goods (Registration and Protection) Act, 1999, S. 18

²⁰ The Geographical Indications of Goods (Registration and Protection) Act, 1999, S. 24

²¹ The Geographical Indications of Goods (Registration and Protection) Act, 1999, S. 20 (2)

²² *Supra* at note 1.

which was in existence before the introduction of the TRIPS agreement.²³

Lastly, a suit, for infringement of a registered GI, or concerning any right in a registered GI, or for the passing off resulting from the use of a GI by the defendant, which is either identical or deceptively similar to the GI belonging to the plaintiff, whether registered or not, should not be instituted in a court lower to a “*district court having the jurisdiction*” for the same.²⁴

II. DARJEELING TEA - A CASE STUDY

Background

Tea is one of India’s oldest industries in the sector of organized manufacturing and has, over the years, remained in that sector as the single largest employer. India accounts for approximately 30% of the total production of tea around the globe.²⁵ It is also the largest consumer of tea in the world. However, India is having tough competition from other major tea producing nations like China, Sri Lanka, etc., on the export front.

Now, when we look at the “Darjeeling Tea,” in particular, it is a tea of premium quality, produced among the hilly areas of the district, Darjeeling, in the state of West Bengal. Out of the other teas produced in India, Darjeeling tea has certain distinctive features of flavour and quality, and more importantly, has a global reputation for over a century. The factors that have led to the creation of such distinctive and exceptional taste and characteristics are namely, the geographical origin and the processing.²⁶

The soil and the environment in the Darjeeling area are perfect for tea cultivation. The tea estates in the valleys are located above 200 to 2000 meters of the sea level, with slopes as steep as 60 to 70 degrees, thereby providing natural drainage during monsoon.²⁷ Other factors that contribute to the unique quality of the Darjeeling tea include high rainfall, high humidity, wind speed, evaporation rate, fog, clouds, an abundance of mist, and average sunshine of 2 to 4 hours per day.²⁸ The soil in the Darjeeling region also has higher carbon levels than the other tea-producing areas, along with abundant essential nutrients mixed with unique geographical conditions. The other unique characteristic of Darjeeling tea comes from certain bushes belonging to a Chinese Hybrid known as *Camellia sinensis*, which is found nowhere

²³ Ibid.

²⁴ The Geographical Indications of Goods (Registration and Protection) Act, 1999, S. 66 (1)

²⁵ Supra at note 1.

²⁶ Ibid.

²⁷ Managing the Challenges of the Protection and Enforcement of Intellectual Property Rights, WIPO (July 11, 2010), <https://www.wipo.int/ipadvantage/en/details.jsp?id=2540>.

²⁸ Ibid.

in the world beyond Japan and China, but is a perfect match for the Darjeeling region.²⁹ As a result, the tea cultivated from the bushes in the Darjeeling region enjoys unique properties that the tea from the same bushes in other areas doesn't.

Further, the tea cultivation in Darjeeling has continued for generations. The locals in the Darjeeling district are skilled workers who possess traditional knowledge of the cultivation of tea specific to the area. The jobs on these tea estates are handed-down within the family, and the know-how and techniques have become family traditions. Thus, the combination of the unique soil and environment conditions present in the region and the production practices and traditional knowledge of the locals distinguish the Darjeeling tea from any other around the world.

In the year 1834, the first superintendent of the Darjeeling district, i.e., Dr. Campbell, carried out experiments with the tea seeds in his garden.³⁰ It was not long before the local people discovered that the hilly regions of the Darjeeling district provide a unique combination of agroclimatic conditions for the plantation of tea. As per the records, the British tea interests planted the first commercial tea gardens in the region in the year 1852.³¹ By the year 1866, Darjeeling had a total of 39 gardens that were annually producing a total of twenty-one thousand kilograms of tea.³² In Darjeeling, tea cultivation has continued to be a profitable venture, and today, more than ten million kilograms of tea is produced annually over an area of 17,400 hectares spread across 87 tea gardens.³³ In India, the private sector operates the tea industry in general, and the Darjeeling tea in particular. However, since 1933, the Ministry of Commerce has been statutorily controlling and regulating the tea industry through various enactments, which culminated in the Tea Act of 1953. The said Act established the Tea Board of India. A large part of the total annual production of the Darjeeling tea was exported, with the buyers being Russia, Japan, the United Kingdom, the United States, and the countries from the European Union, including Germany, France, Netherlands, etc.³⁴ In 1892, the Darjeeling Planters Association, which is the sole producer's forum for the Darjeeling Tea, was formed.³⁵ It works closely with the Tea Board of India, an organization controlled by the government that administers the different stages of tea cultivation, sale, processing, etc., including that of the Darjeeling tea. Darjeeling tea accounts for a little more than one

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

³² Ibid.

³³ Ibid.

³⁴ S. C. Srivastava, *Protecting the Geographical Indication for Darjeeling Tea*, WTO (2005), https://www.wto.org/english/res_e/booksp_e/casestudies_e/case16_e.htm.

³⁵ *Supra* at note 26.

percent of the total production of tea in the country.³⁶ Yet, the reputation, quality, and the features associated with the Darjeeling tea have made the region known for the incomparable quality of its tea that is essentially attributable to the geographical origin. All the traders or individual buyers purchase the Darjeeling tea under the expectation that tea is cultivated, produced, and grown in the specified areas of the Darjeeling district. Thus, it becomes clear that the Darjeeling tea cannot be manufactured or grown in any other part of the world that is worthy of its name.

The Tea Board, along with the Darjeeling Planter's Association, has been taking several steps at various levels to protect the unique characteristics and high reputation of the Darjeeling Tea. The protection is necessary to:

- a. avoid the word "Darjeeling" from being misused for other kinds of tea sold around the world.
- b. ensure delivery of only authentic products to the consumers.
- c. ensure that the commercial benefit of the brand reaches the Indian Industry, particularly the plantation workers.
- d. attain a similar international status in terms of governance, administration, and brand equity to the likes of Scotch Whisky or Champagne.

The Tea Board is the owner, at the legal level, of all the IPRs concerning the Darjeeling Tea.³⁷

Protection at the Domestic Level:

Certification Trademark: In 1983, the Tea Board took early measures to create a "Darjeeling" logo. Both the word "Darjeeling" as well as the logo is a registered Certification Trademark of the Tea Board under the Trademarks Act, 1999, which earlier was known as the Trade and Merchandise Marks Act, 1958.³⁸ At the International level, the registration of the logo as a trademark or a collective mark or a certification mark has been done in several nations, including Japan, Canada, Egypt, some European countries, the United States, the United Kingdom, etc.³⁹ The logo also got international registration under the Madrid System. Additionally, the word "Darjeeling" has also received registration as a trademark in Russia,

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

but the same awaits in other countries like Japan and Germany [as a collective mark], etc.⁴⁰

Geographical Indications: Both the word “Darjeeling” as well as the logo have got registration under the GI Act, 1999 of India.⁴¹ The protection as a GI is essential because some jurisdictions do not accept CTM registration. E.g., France. Further, registration as a GI is necessary to get reciprocal protection for a mark under the European Union Regulation 2081/92.⁴²

Copyright: The "Darjeeling" logo is also protected under the Indian Copyright Act, 1999, and registered with the Copyright Office as an artistic work.⁴³

Licensing: Efforts have been made by the Tea Board to make sure that there is a supply of only genuine Darjeeling Tea and international and domestic protection of Darjeeling as a geographical indication and a certification trademark.. In the year 2000, they set up a mandatory system for certifying the authenticity of the exported Darjeeling tea under the Tea Act of 1953.⁴⁴ Further, the system also mandates all the dealers of the Darjeeling tea to enter into a license agreement, on the annual payment of a license fee, with the Tea Board.⁴⁵ Such an agreement requires the licensees to provide information concerning the production, sale, and manufacture of the Darjeeling tea, thereby enabling the Tea Board to compile and compute the total production and sale of the Darjeeling tea in a specified period.⁴⁶ The blending of teas of different origin is also strictly prohibited. There is also the issuance of Certificates of origin under the Tea Order of 2000, read with the Tea Act, to authenticate the export consignments through cross-checking of details.⁴⁷ Thus, no export of tea as the "Darjeeling tea" is allowed without this certificate, thereby maintaining the supply-chain integrity until the consignments leave India. The Customs officials in India have to check and ensure that such certificates accompany the consignments of Darjeeling tea. The Tea Board has sought the support of the overseas buyers, sellers as well as the Tea Associations and Councils to facilitate this process, to ensure that the consignments are authentic.

Protection at the International Level:

Appointment of World Wide Watch agency: To avoid the misuse of the word “Darjeeling” and the logo, the Tea Board, since the year 1998, appointed a World Wide Watch agency

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Ibid.

called the Compumark.⁴⁸ They monitor and report the Tea Board concerning all the cases of attempted registration and unauthorized use. Such an appointment has led to the reporting of various cases of unauthorized use and attempted registration of the word “Darjeeling” and the logo.

III. CHALLENGES IN THE PROTECTION AND ENFORCEMENT OF THE WORD “DARJEELING” AND THE “DARJEELING” LOGO FACED BY INDIA

The Tea Board has faced several difficulties and challenges in the enforcement and protection of both the word “Darjeeling” as well as the logo of “Darjeeling.” The Tea Board has faced challenges not only in foreign jurisdictions but also in India. In the Tea Board vs. ITC case, a suit was filed by the Tea Board against ITC Ltd., for using the name of “Darjeeling” at one of their lounges, namely, the “Darjeeling Lounge” at one of their hotels in Kolkata.⁴⁹ The suit was filed in the Calcutta High Court, which got rejected by a Single Judge. Their decision was, further, upheld by the division bench of the same court. On an appeal to the Apex Court, the Apex court directed that the suit is to return to the Calcutta High Court for an expeditious decision on admitted materials and pleadings alone. The court held that the plaintiff has a certification mark and not a trademark, which extends to cover only goods⁵⁰. The plaintiff has the right only to certify tea as the “Darjeeling tea.”⁵¹ The court said that the bar of limitation under Section 26(4) of the GI Act of 5 years applies to the present case.⁵² The court further distinguished Section 28 and Section 29 of the Trademarks Act of 1999, which applies to the regular trademark from Section 75 of the Trademarks Act of 1999, which applies to the certification trademark.⁵³ The GI Act only covers "goods," and the lounge of the defendant falls outside the ambit of "goods."⁵⁴ Also, there was no evidence concerning unfair competition and passing-off presented by the plaintiff. Nor there was any substance in the claim of bad faith. The defendant also did not use the logo depicting a woman holding two leaves and a bud.⁵⁵ There were no particulars of dishonesty or fraud, and thus, no case of the wrongful use. The court dismissed the suit, with the plaintiff not entitled to any relief.

Some of the other examples are as follows:

1. JAPAN

⁴⁸ Ibid.

⁴⁹ Tea Board, India V. ITC Limited, MANU/WB/0277/2019.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Ibid.

These examples deals with the unauthorized use and registration of the Darjeeling Tea and its logo in Japan.

In the first case, an invalidation action was filed by the Tea Board against a Japanese Company named International Tea KK, for the registration of Darjeeling logo mark, with Darjeeling women ‘serving tea/coffee/coca/soft drinks/fruit juice’ in the patent office in Japan in the year 1996.⁵⁶ In the present case, the disputed registration was done notwithstanding the fact that there was already a registration of an identical logo mark of Darjeeling by the Tea Board in the year 1987 in Japan.⁵⁷ Further, the Tea Board of India filed a non-use cancellation action.⁵⁸ In 2002, the Japanese Patent Office Board of Appeal invalidated the pirate registration on the grounds of public order and morality.⁵⁹ Concerning the non-use cancellation action, the JPO Board of Appeal held that the Japanese Company furnished insufficient evidence to justify its use of the registration. Thus, the appeal filed by the Tea Board was allowed.⁶⁰

In the second case, there was opposition by the Tea Board towards the application filed by Mitsui Norin KK for “Divine Darjeeling” in class 30 dealing with Darjeeling tea, cocoa, and coffee grown in Darjeeling in India.⁶¹ There are three reasons for the opposition, which are as follows:

1. The term “divine” is merely laudatory, and the protection is sought just for the term “Darjeeling”, which is non-distinctive.
2. “Divine Darjeeling” is also misleading as far as the cocoa and coffee grown in the district of Darjeeling are concerned as Darjeeling neither produces coffee nor cocoa.
3. Darjeeling Tea is also a GI under the international instruments like the TRIPS, and thus, Japan, also being a member state, ought to protect the same.

The invalidation act was dismissed by the JPO Opposition Board because the Divine Darjeeling mark as a whole neither mislead nor was descriptive of the quality of the products.⁶² But the non-use cancellation action did succeed because insufficient evidence was presented by the Registered proprietor to substantiate the use of the mark.⁶³

In another case, an invalidation action was filed by the Tea Board against the Japanese

⁵⁶ Supra at note 33.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid.

⁶³ Ibid.

Trademark Registration by Yutaka Sangyo Kabushiki Kaisa of the “Darjeeling Tea” with an Indian map in class 30 because it was against public morality and order.⁶⁴ This claim was, however, rejected on the ground that *‘the written English characters “Darjeeling tea” and the map of India for the goods of Darjeeling tea are used as an indication of the origin and quality of Darjeeling tea and will not harm the feelings of the Indian people.’*⁶⁵ Here also the non-use cancellation action succeeded due to the insufficient evidence presented by the Registered proprietor to substantiate the use of the mark.⁶⁶

These decisions show how the JPO failed in deciding the contention of the Tea Board about the TRIPS Agreement, which requires its members to provide adequate legal means to avoid the use of a GI for products that originate in a geographical region other than the actual place of origin, thereby constituting an act of unfair competition misleading the public.

2. FRANCE

While the French GIs gets protection from the Indian System, Indian GIs does not get similar or reciprocal protection from France. The French laws do not allow the filing of oppositions against an application for a trademark, identical or similar to a GI if the products covered are different than the ones represented by the GI.⁶⁷ The one who owns the GI can initiate judicial proceedings only after the disputed application proceeds to registration.⁶⁸ Despite protests from India, Darjeeling, as a trademark, has been misappropriated, concerning various goods in class 25, such as shoes, clothing, etc. The French examiner found evidence in support of the Tea Board, such as (i) sufficient proof concerning the use of the Darjeeling tea in France, and (ii) the slavish act of copying the name “Darjeeling” in the application by the applicant. However, he held that the respective products 'shoes, clothing, headgear,' and 'tea' are different in nature, function, and use. They are also produced at different places and sold from separate networks. Further, he held that the difference, like the products, is a sufficient justification to say that the adoption of the applicant's mark is without prejudice to the rights of the Tea Board in the name of Darjeeling.⁶⁹

In another case, an application filed by the Dor Francois Marie that advertised marks for Darjeeling in the classes 5, 12, and 28, in France, was opposed by the Tea Board.⁷⁰ But the opposition was rejected by the French Examiner on the similar ground that the products are

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Ibid.

different in nature, function, and use, and also that they do not have the same distribution channels.⁷¹ The examiner did accept that there was a partial reproduction of the Tea board's prior Darjeeling logo mark in the applicant's mark, but due to the lack of similarity between the designated goods and the prior marks and logo of the Tea Board, the same can be used as a trademark without prejudicing the rights of the Tea Board in the name of Darjeeling.⁷²

3. RUSSIA

An application by the Tea Board was filed, for unauthorized use of the word "Darjeeling," by a company. However, there was an objection to this application on the ground that it conflicts with an identical word registered earlier by a company called Akros.⁷³ The Russian Patent Office rejected the objection and allowed the application for the word "Darjeeling" by the Tea Board.⁷⁴

4. UNITED STATES OF AMERICA

The Tea Board opposed an application to register "Darjeeling Nouveau" in the United States filed by its licensee concerning various goods and services such as clothing, internet services, coffee, etc.⁷⁵ The Trademark trial and appeal board not only upheld the opposition by the Tea Board but also denied the counterclaim for cancelling the Darjeeling certification mark on the ground of genericness.

5. OTHER COUNTRIES

Several cases of unauthorized use and attempted registration of the word "Darjeeling" reported in countries like Israel, Germany, Sri Lanka, and Norway, and the same opposed by the Tea Board before the Patent offices of the concerned countries.⁷⁶

Other challenges are related to the cost of enforcement and protection for the Industry as well as the government. These include high registration and legal expenses, high costs of hiring the services of a World Wide Watch agency, and fighting cases of infringements in foreign jurisdictions, etc. There are also costs related to administration, such as those relating to the personnel working in the Tea Board, the cost of maintaining monitoring systems, expenses concerning software development, etc. Also, not every right-holder in the GI can incur such exorbitant expenses for protection. Further, like monitoring, overseeing, and implementing GI protection, the amount of expense involved in taking legal action can avoid a nation from

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ Ibid.

engaging a counsel to fight the case, no matter how strong and the genuine case may be. Lastly, a lack of expertise to properly handle highly complex and complicated legal language is yet another difficulty to be resolved.

IV. CHALLENGES FACED BY EU PRODUCERS IN THE PROTECTION AND ENFORCEMENT OF THEIR GI OUTSIDE THE EU

The EU GI producers have faced several principal problems over the years. They have been asking for more comprehensive protection for the GIs at the international stage because of the increasing misappropriations they encounter all around the world. The abuse of GIs have an adverse economic impact on the countries, and it also restricts access to the market and undermines consumer loyalty. Further, as we discussed in the case of India, the fight against these infringements are very expensive. For example, a relation between the reputation of a GI good and the frequency of abuses is visible from the fact that the more famous a GI product is, the more infringements it faces, as a result of which it requires more protection, which makes it very costly.⁷⁷

It is true that most nations have a legal framework to protect the GIs from such misappropriations but the standard of protection and the legal instruments vary considerably from country to country. The EU producers find it hard to understand the legal framework available in different countries where they require protection, and the level of protection that they are likely to enjoy in that country. The producers may have to find out whether they have to rely on the passing-off actions, or the unfair competition and the consumer protection act, or the trademark laws, or the Sui Generis system of protection with or without registration of GIs.⁷⁸

The producers have been able to protect their GIs outside EU through the use of bilateral agreements with other countries. These have been beneficial for the EU producers but they still have faced difficulties in countries where the GIs are considered semi-generic or generic names, not entitled to protection.⁷⁹ Other GIs are not given protection through bilateral agreements, and the protection of the same outside EU is left wholly in the hands of the EU producers.⁸⁰

EU does not encounter much difficulties in. countries with sui generis system for registration

⁷⁷ Geographical indications and TRIPs: 10 Years Later...A roadmap for EU GI holders to get protection in other WTO Members, European Commission, http://trade.ec.europa.eu/doclib/docs/2007/june/tradoc_135088.pdf.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

of GIs. However, the difficulty arises when the producers have to rely on the passing-off actions, or the Unfair Competition and the Consumer Protection Act, or protection through trademark registration either through the Collective or Certification mark because then the producers have to spend a considerable amount to fight off the abuses in the foreign markets.⁸¹ They also have to initiate costly legal proceedings to protect their GI, which involves them requiring to prove that their GI is not generic and has distinctiveness.⁸² To prove the above, they have to undertake consumer surveys which are both expensive and inconclusive. Thus, securing protection under these systems is challenging, expensive, and uncertain for the EU producers.

Protection under the Trademark system also proved to be complex, expensive and highly ineffective. Some countries already have registered trademarks containing the name of the GIs of the EU producers. So, the rule of “first in time, first in right” in the trademark system makes it difficult for the producers to get their name registered as a trademark as the same is already legally owned by another party.⁸³ Also, most trademark laws do not accept the registration of a name having a geographical meaning.⁸⁴ Therefore, in that case, the GI names get protection through collective or certification marks where such concepts exist. But where they are unavailable, the producers are compelled to take limited protection through figurative trademark registration for their logo only. The EU also has certain GI names containing more than one term. However, there are some countries that do not offer protection through registration to such composed GI names. Thus, the registration only helps in preventing the abuse of the composed GI name, but makes it difficult for the producers to stop the abuse of one of the terms used on its own from such composed GI name.⁸⁵

The cost of securing legal protection under the trademark system is more than that of the Sui Generis system. Although exclusive rights on the registered name are provided by trademark registration, the producers still need to do regular monitoring of the markets to see if the same is protected.⁸⁶ Lastly, the trademark system of protection of GI fails to provide comprehensive protection as one offered by a Sui Generis system like the EU GI system.

V. CONCLUSION

To deal with the above challenges, India, along with other WTO member states must strive

⁸¹ Ibid.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ Ibid.

⁸⁶ Ibid.

towards extension of the proposed register of the GI to cover goods or products beyond wines and spirits, which may be differentiated by the quality or reputation or other features that can be essentially attributed to their geographical area. The development of a multilateral system of registration and notification of all GIs would help in this respect. Also, the higher standard of protection available to wines and spirits must be extended to other products. It is high time to establish a rule that an application of registration of GI of similar or identical products or even of a similar kind, style, look-alike, or type already registered in a country, will not be entertained by a competent authority of another country. The publication of the status of GI and the actual or apprehended infringement of GI at both the domestic and international levels is necessary. Steps must be taken towards the evolution of procedures and rules concerning CTM or GI registration in all the WTO member states. Lastly, there should also be an establishment of a vigilance cell to check and prevent the misuse and infringement of GI of any good.
