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RICE AND CHEESE, ANYONE? THE FIGHT OVER TRIPS GEOGRAPHICAL INDICATIONS CONTINUES

I. INTRODUCTION

A legal concept that did not receive much attention,¹ geographical indication (GI) protection within the context of the World Trade Organization's (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS or the TRIPS Agreement) grasped media attention during the months leading up to the WTO's Fifth Ministerial Conference² which began in Cancun, Mexico in September 2003.³ The reason: the European Union (EU) intended to seek at the Cancun meeting extension of the higher protection currently afforded only to wines and spirits under Article 23 of TRIPS⁴ to other agricultural products,⁵ among them cheeses such as Roquefort, Gor-

1. See Norma Dawson, *Locating Geographical Indications – Perspectives from English Law*, 90 TRADEMARK REP. 590, 590 (2000) (describing a "lack of general interest" in the issue within the legal profession).

2. For examples of media attention to the fight over GIs between the United States and the EU, see James Cox, *What's in a Name?* USA TODAY, Sept. 9, 2003, at 1B; Edward Fennell, *Champagne War*, TIMES (London), Sept. 2, 2003, at 9; Thomas Fuller, *California Chablis? No Such Thing*, Europeans Say, N.Y. TIMES, July 26, 2003, at C3; Scott Miller, *Europe Says "That Cheese Is No Cheddar!"* WALL S.J., Feb. 13, 2003, at B1; Amity Shlaes, *An Unpalatable Attitude towards Food*, FIN. TIMES (London), Oct. 22, 2002, at 19.

3. See WTO, *The Fifth Ministerial Conference*, at http://www.wto.org/english/thewto_e/minist_e/min03_e/min03_e.htm (last visited Apr. 12, 2005).

4. See Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, LEGAL INSTRUMENTS – RESULTS OF THE URUGUAY ROUND, art. 23, 33 I.L.M. 81 (1994), available at http://www.wto.org/english/docs_e/legal_e/legal_e.htm#TRIPs (last visited Apr. 11, 2005) [hereinafter TRIPS]. Part II, Section 3 of TRIPS refers to Geographical Indications.

5. See WTO Council for TRIPS, Communications from Bulgaria, Cuba, Cyprus, the Czech Republic, the European Communities and their Member States, Georgia, Hungary, Iceland, India, Kenya, Liechtenstein, Malta, Mauritius, Pakistan, Romania, the Slovakia Republic, Slovenia, Sri Lanka, Switzerland, Thailand and Turkey, *The Extension of the Additional Protection for Geographical Indications to Products Other than Wines and Spirits*, IP/C/W/353 (June 24, 2002), available at http://docsonline.wto.org/gen_search.asp?searchmode=simple [hereinafter Proposal for Extension]. Although proponents of the extension included developing countries such as

gonzola, Parmigiano Reggiano and Feta, and meats like Mortadella Bologna and Prosciutto di Parma.⁶ Simply put, the Europeans believe that these names “belong to small producers in specific regions of Europe, where those delicacies originated and are still made to traditional specifications,”⁷ and they would like those names returned.⁸

The issue remained on the table after the collapse of the Cancun Conference.⁹ Compared to negotiations over geographical indications that led to the TRIPS Agreement, however, the current debate has a new dimension. A few developing countries, led by India, have raised the issue in the context of the North-South divide,¹⁰ which during the original TRIPS negotiations concerned other intellectual property right provisions but not geographical indications.¹¹ In seeking heightened protection for their agricultural products such as basmati rice, jasmine rice

India, Western media coverage appeared to have mostly focused on the conflicts between the EU and the United States.

6. See Cox, *supra* note 2 (listing forty-one food items for which the EU intended to seek additional protection under TRIPS).

7. *Id.*

8. See *id.*

9. The EU and eleven other member states made a recent effort pushing the extension of Article 23. See WTO General Council Trade Negotiations Committee, Doha Work Programme – The Extension of the Additional Protection for Geographical Indications to Products Other than Wines and Spirits, *Communication from Bulgaria, the European Communities, Guinea, India, Kenya, Liechtenstein, Madagascar, Moldova, Romania, Switzerland, Thailand and Turkey*, WT/GC/W/540/Rev.1 (Dec. 10, 2004), available at http://docsonline.wto.org/gen_search.asp?searchmode=simple [hereinafter Extension Work Program]. See also *India Joins 10-nation Bloc for GI-Extension*, FIN. EXPRESS, Jan. 5, 2005, available at 2005 WLNR 140493 [hereinafter *India Joins Bloc*] (reporting on India's position and efforts on the extension of Article 23).

10. In the WTO context, North-South refers to debates or disputes between developed and developing countries, while North-North refers to debates or disputes between developed countries. See Doris Estelle Long, “*Democratizing*” *Globalization: Practicing the Policies of Cultural Inclusion*, 10 CARDOZO J. INT'L & COMP. L. 217, 223 n.16 (2002).

11. See Albrecht Conrad, *The Protection of Geographical Indications in the TRIPS Agreement*, 86 TRADEMARK REP. 11, 31 (1996) (“In contrast to the other topics of the Intellectual Property package, this battle was not the typical lineup between the first and the third world, but between the United States and the EC.”).

and Darjeeling tea,¹² these developing countries hope to also utilize TRIPS to protect their rich biodiversity resources from exploitation by developed countries.¹³

Under the TRIPS Agreement, WTO members agree to protect geographical indications, indications that identify the geographical origin of a good where “a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”¹⁴ TRIPS generally prohibits the use of geographical indications which mislead the public,¹⁵ but affords protection of indications for wines and spirits even where the public is not misled.¹⁶ The EU and some twenty other countries now demand this higher level of protection for all products, not just wines and spirits.¹⁷

The main targets of the push for enhanced protection of geographical indications include the United States, Canada, Australia and Argentina—the so-called “new world countries.”¹⁸ Concerned that the EU position would “create gridlock and confusion in U.S. supermarket aisles and force American companies to spend hundreds of millions repackaging and rebranding their products,”¹⁹ the United States has led a campaign to oppose the EU efforts as protectionist and creating trade barriers.²⁰

12. See G Ganapathy Subramaniam, *Slim Chances of Special Status for Basmati*, *ECON. TIMES* (India), Sept. 14, 2003.

13. See Muria Kruger, Note, *Harmonizing TRIPs and the CBD: A Proposal from India*, 10 *MINN. J. GLOBAL TRADE* 169, 176–77 (2001) (stating that India proposes extension of TRIPS GI protection as a way to protect its unique biological resources from exploitation by developed countries).

14. TRIPS, *supra* note 4, art. 22.1.

15. *Id.* art. 22.2.

16. *Id.* art. 23.

17. See Proposal for Extension, *supra* note 5.

18. See Fuller, *supra* note 2.

19. Cox, *supra* note 2.

20. See WTO Council for TRIPS, Implications of Article 23 Extension, *Communication From Argentina, Australia, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, New Zealand, Paraguay, the Philippines, Chinese Taipei and the United States*, IP/C/W/386 (Nov. 8, 2002), available at http://docsonline.wto.org/gen_search.asp?searchmode=simple [hereinafter Implications of Extension]. See also Seven WTO Nations Oppose Added Protection for Geographical Indications for New Items, 19 *Int'l Trade Rep.* (BNA) No. 32, at 1386 (Aug. 8, 2002).

The WTO dispute panel's recent reports on two linked disputes involving the EU regime of protecting geographical indications marked the latest major development in this area.²¹ In two separate but similar cases, the United States and Australia had challenged the EU geographical indications system for failing to protect non-EU geographical indications, such as "Florida" for oranges and "Idaho" for potatoes.²² The two members charged that the EU system was discriminatory against non-EU countries²³ because it required third countries outside the EU to have a system that is equivalent and reciprocal to the EU system in order to apply for protection for its geographical indications.²⁴ The dispute panel ruled that the EU system's "equivalence and reciprocity conditions" violated the TRIPS national treatment provision with respect to the availability of protection for geographical indications in the EU, and in so far as the EU system required extensive government involvement in the application and objection procedures.²⁵ But the EU interprets the ruling as having otherwise validated the EU system,²⁶ and all three parties declared victory. The impact of the WTO panel rulings remains to be seen; however, before their public

21. See Panel Report, European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs, Complaint by the United States, WT/DS174/R (Mar. 15, 2005), available at http://www.wto.org/english/news_e/news05_e/panelreport_174_290_e.htm [hereinafter Panel Report]; Panel Report, Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs, Complaint by Australia, WT/DS290/R (Mar. 15, 2005), available at *id.*

22. For the U.S. case, see Press Release, Office of the United States Trade Representative, United States Wins "Food Name" Case in WTO against EU (Mar. 15, 2005), http://www.ustr.gov/Document_Library/Press_Releases/2005/March/United_States_Wins_Food_Name_Case_in_WTO_Against_EU.html [hereinafter USTR Press Release]. For the Australian case, see Press Release, Minister for Trade of Australia, Vaile Welcomes Win in Geographical Indications Dispute (Mar. 16, 2005), http://www.trademinister.gov.au/releases/2005/mvt019_05.html [hereinafter Australian Press Release].

23. See USTR Press Release, *supra* note 22; Australian Press Release, *supra* note 22.

24. See USTR Press Release, *supra* note 22.

25. See Panel Report, *supra* note 21, § 8.1B.

26. See Press Release, European Commission, WTO Panel upholds EU system of protection of "Geographical Indications" (Mar. 15, 2005), <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/298&format=HTML&aged=0&language=EN&guiLanguage=en>.

release on March 15, 2005,²⁷ the rulings were already widely considered a setback for the EU in its pursuit of higher protection of geographical indications for all foodstuffs.²⁸

This Note argues that extending the protection of geographical indications beyond the current level would be an implausible distraction from implementing the geographical indications provisions of TRIPS; the proposed potential benefits would unlikely justify the EU's protectionist approach or satisfy developing countries' unique needs for protection from exploitation by developed countries. Part II reviews the historical context of multilateral protection for geographical indications prior to TRIPS. Part III examines the TRIPS provisions regarding geographical indications and recent developments that may implicate the negotiations. Part IV analyzes the issue of Article 23 extension both as a North-North battle between the EU and the United States and their respective legal systems, and in the context of a North-South debate between developed and developing countries, and the plausibility of enhanced protection in addressing unique situations facing developing countries such as India. In conclusion, Part V proposes that, as a trade forum, the current TRIPS provisions should be maintained as the minimum standard for the protection of geographical indications to achieve a reasonable compromise of diverging interests among WTO members.

II. INTERNATIONAL PROTECTION OF GEOGRAPHICAL INDICATIONS BEFORE TRIPS

Geographical indications were the prevailing type of designation for products in antiquity.²⁹ Some countries, especially France, began very early to protect geographic names or indications of origin associated with a certain product or a certain quality standard of a product.³⁰ To these countries, protecting

27. The WTO initially issued confidential rulings to the parties in November 2004. The rulings were then made public on March 15, 2005. See *U.S. Claims Victory in WTO Geographic Indications Case*, FOOD & DRINK WEEKLY, Dec. 27, 2004, at 1.

28. See Edward Alden et al., *WTO Rules Against Europe on Food Names*, FIN. TIMES (London), Nov. 19, 2004, at 7.

29. Conrad, *supra* note 11, at 11.

30. *Id.*

geographical indications can be as much about economics as it is about national culture and politics.³¹

Three international multilateral agreements addressed the protection of geographical indications prior to the TRIPS Agreement of 1994.³² The Paris Convention for the Protection of Industrial Property of 1883 (Paris Convention)³³ prohibits false indications through border measures.³⁴ The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891 (Madrid Agreement)³⁵ mainly provides for border measures and prevents dilution of certain geographical indications into generic terms.³⁶ Finally, the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 1958 (Lisbon Agreement)³⁷ provides for an international registration system of geographical indications and strict protection.³⁸

As the following discussions will illustrate, two difficulties characterize the state of geographical indications protection through multilateral agreements before TRIPS. The agreement either leaves the scope of protection undefined (and effective protection thus depending upon the good will of each member

31. *See id.* at 13. *See also* Fuller, *supra* note 2 (stating the protection of geographical indications “is a highly emotional and politically sensitive question, even within Europe”).

32. *See* Roland Knaak, *The Protection of Geographical Indications According to the TRIPS Agreement*, in FROM GATT TO TRIPS – THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS 117, 119 (Friedrich-Karl Beier & Gerhard Schricker eds., 1996). *See also* Conrad, *supra* note 11, at 22–23.

33. Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305, *available at* <http://www.wipo.int/treaties/en/ip/paris/> (last visited Apr. 12, 2005) [hereinafter Paris Convention].

34. Conrad, *supra* note 11, at 23.

35. Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Apr. 14, 1891, 828 U.N.T.S. 389, *available at* <http://www.wipo.org/treaties/ip/madrid/> (last visited Apr. 12, 2005) [hereinafter Madrid Agreement].

36. Conrad, *supra* note 11, at 23.

37. Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, Oct. 31, 1958, 923 U.N.T.S. 205, *available at* <http://www.wipo.org/treaties/registration/lisbon/> (last visited Apr. 12, 2005) [hereinafter Lisbon Agreement].

38. *See* Conrad, *supra* note 11, at 23.

country), or requires a standard of uniformity to ensure effective protection but at the cost of low membership.³⁹

A. *The Paris Convention*

The Paris Convention addressed for the first time the issue of international protection of geographical indications,⁴⁰ but that protection is very limited.⁴¹ Article 1(2) specifically includes as part of the industrial property protected by the Convention two types of geographical indications, indications of source and appellation of origin,⁴² but defines neither.⁴³ Under Article 2 of the Convention, the two types of geographical indication also benefit from national treatment.⁴⁴ However, such national treatment only affords protection to geographical indications at the same level that the law of the member country grants to its domestic geographical indications.⁴⁵ Therefore, the fact that geographical indications enjoy the same national treatment as other industrial property rights under the Paris Convention is of little value to a foreign member country if the protecting country does not have laws protecting geographical indications, or if the domestic protection is weak.⁴⁶

Although Article 10 of the Paris Convention solely concerns geographical indications and provides for border measures against the importation of goods bearing false representations of origin,⁴⁷ the Agreement does not define what constitutes a false representation.⁴⁸ Moreover, Article 10 applies only if such measures are already available under the law of the member country.⁴⁹ Thus, Article 10 essentially provides for little more than the national treatment already provided by Article 2.⁵⁰

39. *See id.* at 28.

40. *See id.* at 22.

41. *See id.* at 22–24; Knaak, *supra* note 32, at 119 (noting that the Paris Convention provides only “rudimentary protection for geographical indications”).

42. *See* Paris Convention, *supra* note 33, art. 1(2).

43. Dawson, *supra* note 1, at 591 n.4.

44. *See* Paris Convention, *supra* note 33, art. 2.

45. *See* Knaak, *supra* note 32, at 119–20.

46. *See id.* at 120.

47. *See* Conrad, *supra* note 11, at 24.

48. *Id.*

49. According to Knaak,

Article 10*bis*(3) was added to the Paris Convention in 1958.⁵¹ It prohibits indications of the goods if they are “liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability of their purpose, or the quantity of the goods.”⁵² This would seem to suggest that if the mentioning of “Champagne” on a bottle of American-made sparkling wine misleads the public to think that the wine originated in France and possesses characteristics of French Champagne, Article 10*bis*(3) would apply.⁵³

Notably, however, Article 10*bis*(3) is not applicable to representations of geographic origin.⁵⁴ The legislative history of Article 10*bis*(3) shows that the words “the origin” were struck from the proposed draft at the veto of the United States.⁵⁵ The United States insisted that including the reference to geographical origin would cause too many problems in U.S. law.⁵⁶ As a result, the Paris Convention prohibits only the importation of goods containing false geographical indications, but not the ones that are merely misleading.⁵⁷ As of January 3, 2005, the

[T]he evaluation of a direct or indirect use of a false indication of the source of goods depends solely on the understanding among the general public and the legal interpretation in the country in which protection is provided. It is these that determine whether a geographical indication is a protected indication of source or an unrestricted generic name or a fantasy designation which may also be used for products from a different geographical origin without amounting to a false indication of source.

Knaak, *supra* note 32, at 120.

50. Conrad, *supra* note 11, at 24.

51. Jose Manuel Cortes Martin, *TRIPS Agreement: Towards a Better Protection for Geographical Indications?*, 30 BROOK. J. INT'L L. 117, 123 (2004).

52. Paris Convention, *supra* note 33, art. 10*bis*.

53. See Louis C. Lenzen, *Bacchus in the Hinterlands: A Study of Denominations of Origin in French and American Wine-Labeling Laws*, 58 TRADEMARK REP. 145, 184 (1968).

54. See Conrad, *supra* note 11, at 24–25.

55. See *id.*

56. *Id.* at 25.

57. *Id.* An example of a geographical indication that is not false, but nonetheless possibly misleading is “California Chablis.” *Id.* at 25 n.73. In the Champagne example, winemakers in the Champagne District of France would claim that the Americans’ appropriation of the word “Champagne” constitutes a false indication of source under Article 10, and that it *misleads* the public as to the wine’s *characteristics* (instead of its *origin*). See Lenzen, *supra* note 53, at 184–85.

Paris Convention has 169 members, including the United States⁵⁸

B. The Madrid Agreement

The Madrid Agreement exceeded the level of protection given to geographical indications by the Paris Convention.⁵⁹ Misleading geographical indications are now prohibited under Article 1(1).⁶⁰ Article 3*bis*, as adopted by the Revision Conference of London in 1934, prohibits the use of false representations not only on the product itself but also in advertising or other forms of public announcements.⁶¹ As in the case of the Paris Convention, however, the protection of geographical indications under the Madrid Agreement also depends on the law of the country providing protection.⁶² The only exception is the heightened protection for wines under Article 4,⁶³ which prohibits member countries from treating geographical indications of wines as generic terms.⁶⁴ Article 4 is thus considered the most significant development of geographical indications in the Madrid Agreement.⁶⁵

Two factors attribute to the limitations of the Madrid Agreement. Divergent views exist regarding the construction of the text (for example, the use of terms such as “type” or “style”),⁶⁶ thus restricting the Agreement’s practical application.⁶⁷ Many

58. A list of the Paris Convention members can be found on the website of the World Intellectual Property Organization (WIPO), at <http://www.wipo.int/treaties/en/documents/word/d-paris.doc> (last visited Apr. 12, 2005).

59. See Knaak, *supra* note 32, at 120.

60. See Madrid Agreement, *supra* note 35, art. 1(1) (including in its scope of protection “all goods bearing a false or deceptive indication”).

61. Conrad, *supra* note 11, at 25.

62. See Madrid Agreement, *supra* note 35, art. 4. See also Knaak, *supra* note 32, at 120–21 (noting that under Article 4 of the Madrid Agreement provides that “the courts of the country of protection decide whether a geographical indication constitutes an indication of source protected by the Agreement or whether it is a generic name”).

63. Knaak, *supra* note 32, at 121.

64. See Conrad, *supra* note 11, at 25.

65. See *id.*

66. *Id.*

67. See *id.* See also Knaak, *supra* note 32, at 121 (“[T]he use of geographical indications of source with explanatory additions [is not] regulated by the Madrid Agreement, [and] can only be covered by the prohibition on deception.

nations have not acceded to the Agreement,⁶⁸ which is another reason why the impact of the Madrid Agreement has been minimal.⁶⁹ The United States is not a signatory to the Madrid Agreement.

C. The Lisbon Agreement

The Lisbon Agreement was another attempt to foster higher protection of geographical indications than the Paris Convention.⁷⁰ The Lisbon Agreement did not limit the protection of geographical indications to border measures, as was the focus for both the Paris Convention and the Madrid Agreement.⁷¹ Instead, the Lisbon Agreement adopted a registration system comparable to that of trademarks.⁷² Article 2(1) defines “appellations of origin” by borrowing the French interpretation of “appellations d’origine,”⁷³ and prohibits the use of indications where the quality and characteristics are “due exclusively or essentially to the geographical environment, including natural and human factors.”⁷⁴ Protection is only available, however, if these appellations of origin are “recognized and protected as such in the country of origin.”⁷⁵ Under the Lisbon Agreement, these appellations of origin are registered at the International Bureau of Intellectual Property, an agency of the World Intellectual Property Organization (WIPO).⁷⁶ Once registered, no geographical indication can become generic in any other country as long as it is protected in its country of origin.⁷⁷

Under the Lisbon Agreement, the broad protection of appellations of origin applies to “any usurpation or imitation without

The exploitation of another’s reputation without deception is not covered by the provisions of the Madrid Agreement.”)

68. As of October 15, 2004, only thirty-four States are members of the Madrid Agreement. A list of those members can be found on the WIPO website, at <http://www.wipo.int/treaties/en/documents/word/f-mdrd-o.doc> (last visited Apr. 12, 2005).

69. Conrad, *supra* note 11, at 25.

70. *See id.* at 23.

71. *Id.* at 26.

72. *See id.*

73. *See id.*

74. Lisbon Agreement, *supra* note 37, art. 2(1).

75. *Id.* art. 1(2).

76. *See* Conrad, *supra* note 11, at 26.

77. *See id.*

the pre-condition of a risk of confusion.”⁷⁸ The comprehensive protection under Article 3 also prevents trademark registration in the member states.⁷⁹

The fundamental problem with the Lisbon Agreement is its low membership:⁸⁰ as of February 16, 2005, only twenty-three countries have signed it.⁸¹ Many countries who traditionally have been interested in the extensive protection of geographical indication have failed to join the Lisbon Agreement⁸² because of its excessively narrow approach.⁸³ The Agreement’s provisions, designed to suit the requirements of geographical indications for wines, are found to be unsuitable for most other geographical indications.⁸⁴ Because the Lisbon Agreement presupposes a national system of protection such as the French system of appellations d’origine,⁸⁵ other existing forms of protection (such as protection through the law of unfair competition against the misleading use of geographical indications) do not meet the Lisbon Agreement’s requirement for protection in the country of origin.⁸⁶

Another important factor preventing countries from signing up is the issue of genericness. The Lisbon Agreement does not make exceptions for terms that have already become generic in some member countries.⁸⁷ That was the main reason why the United States has not signed the Lisbon Agreement.⁸⁸ The issue of genericness has also hindered the negotiations process of the

78. Knaak, *supra* note 32, at 121.

79. *See id.*

80. *See* Conrad, *supra* note 11, at 26.

81. A list of the members can be found on the WIPO website, at <http://www.wipo.int/treaties/en/documents/word/j-lisbon.doc> (last visited Apr. 12, 2005).

82. Conrad, *supra* note 11, at 26 n.76 (“Countries which have traditionally protected geographical indications such as Switzerland, Spain, or Germany have not become members.”).

83. *See* Knaak, *supra* note 32, at 122.

84. *See id.*

85. *Id.*

86. *See* Conrad, *supra* note 11, at 26.

87. *Id.*

88. *Id.* at 26 n.77 (noting that on the issue of genericness, “the [Lisbon] Agreement is directly contrary to the United States trademark law and the Bureau of Alcohol, Tobacco and Firearms (BATF) regulations and was the main reason why the United States has not become a member”) (internal citation omitted).

TRIPS Agreement,⁸⁹ which used the relatively high standard of geographical indications protection of the Lisbon Agreement as one of its drafting models.⁹⁰

III. TRIPS AND LATER DEVELOPMENTS

The TRIPS Agreement, which became effective on January 1, 1995,⁹¹ brought two important changes to the protection of geographical indications. For the first time, promises to protect geographical indications are backed with enforcement provisions.⁹² Compared with previous international treaties on the protection of geographical indications, TRIPS also had at the time the greatest number of signatories,⁹³ with all WTO members signatories to the Agreement.⁹⁴ TRIPS' unprecedented membership helped establish its status as a breakthrough in the field of international protection of geographical indications.⁹⁵

A. General Substantive Standards

TRIPS defines the term "geographical indications" 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."⁹⁶ Article 22 provides a standard level of protection and covers all products

89. *See id.* at 26.

90. *Id.* at 23.

91. WTO, *TRIPS: Overview: The TRIPS Agreement*, http://www.wto.org/english/tratop_e/trips_e/intel2_e.htm (last visited Apr. 12, 2005) (providing a broad overview of the Agreement and its aspects).

92. *See* Conrad, *supra* note 11, at 28 (noting that the "TRIPS provisions on dispute settlement may be the most important change in the protection of geographical indications").

93. *Id.* at 31.

94. Stacy D. Goldberg, Comment, *Who Will Raise the White Flag? The Battle between the United States and the European Union over the Protection of Geographical Indications*, 22 U. PA. J. INT'L ECON. L. 107, 116 (2001).

95. *See id.* The WTO has 148 members as of February 16, 2005. For a list of the WTO members, see WTO, *Understanding the WTO: The Organization: Members and Observers*, http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (last visited Apr. 12, 2005).

96. TRIPS, *supra* note 4, art. 22.1.

qualified for protection as geographical indications under TRIPS.⁹⁷

Article 22.1 limits protection to products for which a relationship between their qualities or characteristics and their origin can be demonstrated.⁹⁸ TRIPS, however, does not offer any test for what is considered “essentially attributable.”⁹⁹ Much like the protection of all other intellectual property rights under TRIPS, protection under Article 22.1 is subject to the laws of the country where protection is being sought, and each member nation would independently decide which indications fall under the protection of TRIPS.¹⁰⁰

This lack of standards may be critical in the implementation of the TRIPS geographical indications provisions, as the determination and evaluation of the connection between a good and its geographical origin is necessary for protection under Article 22.¹⁰¹ As this Note will discuss, the fact that this protection is subject to the principle of the country of protection is also one of the reasons some countries, led by the EU, want to extend the Article 23 protection for wines and spirits to all geographical indications.¹⁰²

Which goods are protected under Article 22 also remains an open debate. Some scholars argue that because the final

97. WTO, *TRIPS: Geographical Indications: Background and the Current Situation*, http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm (last updated Feb. 26, 2004) [hereinafter *TRIPS Current Situation*].

98. See Conrad, *supra* note 11, at 32.

99. *Id.*

100. See Knaak, *supra* note 32, at 128 (stating that protection for geographical indications under TRIPS “is basically subject to the principles of territoriality and the rules of the country of protection”).

101. See *id.* (“The determination and evaluation of this necessary connection between good and its geographical origin will no doubt be one of the most difficult tasks in the application and implementation of the TRIPS provisions on geographical indications.”). Conrad argues that the lack of standard may be even more critical for the implementation of TRIPS compared to the Lisbon Agreement, because the Lisbon Agreement limits protection only to those geographical indications that are protected “as such” in their countries of origin and registered at the International Bureau of Intellectual Property, whereas the TRIPS Agreement contains no such limitations. See Conrad, *supra* note 11, at 32.

102. See Proposal for Extension, *supra* note 5, para. 13 (arguing that protection of geographical indications under Article 22 is subject to inconsistent interpretation by each member country).

Agreement does not contain the words “including natural and human factors,” which are part of the Lisbon definition and were proposed in the EU draft, this omission may be construed to exclude human factors.¹⁰³ Under this view, the scope of protection under Article 22 may be narrowed “almost exclusively to agricultural products; manufacturers are not protected even if their product is ‘essentially’ linked to the cultural heritage of the region.”¹⁰⁴ Others, however, argue that the plain language of Article 22.1 makes clear that all goods, including industrial goods, are protected, because the TRIPS definition does not expressly contain product-specific limits to the scope of protection.¹⁰⁵

Protection of geographical indications under Article 22 is through general prohibition on deceptive use, similar to the Madrid Agreement, and additionally against unfair competition by incorporating Article 10*bis* of the Paris Convention.¹⁰⁶ Article 22.2(a) imposes two requirements in determining a violation of geographical indication: a representation on a good suggesting its origin, and this suggestion being false or misleading.¹⁰⁷ Although Article 22.2(a) does not explicitly prohibit the use of geographical indications with explanatory additions, such use may be covered if it is found to create the risk of deception or

103. See, e.g., Conrad, *supra* note 11, at 33 (arguing that omission of the words “including natural and human factors” may significantly narrow the scope of TRIPS geographical indications, but noting that excluding tradition and craftsmanship from geographical indications protection appears to be contrary to the general concept of TRIPS).

104. *Id.*

105. See, e.g., Knaak, *supra* note 32, at 128 (comparing the TRIPS geographical indications definition with the relevant EU Regulation, Council Regulation No. 2081/92, which contains language limiting its application to certain agricultural products and foodstuffs). EU Council Regulation No. 2081/92 establishes protection of geographical indications for agricultural products that are not viticultural products or alcoholic drinks and for foodstuffs. See Council Regulation 2081/92/EEC of 14 July 1992 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 1992 O.J (L 208) 1.

106. See Knaak, *supra* note 32, at 130. Article 22.2 of TRIPS requires member countries to protect geographical indications (a) against any use of designations or presentation of goods that “misleads the public as to the geographical origin of the good,” and (b) against any use that constitutes an act of unfair competition within the meaning of Article. 10*bis* of the Paris Convention (1967).” TRIPS, *supra* note 4, art. 22.2.

107. See Conrad, *supra* note 11, at 34.

public confusion.¹⁰⁸ Additionally, Article 22.4 prohibits the use of a statement that is “literally true as to the territory, region or locality in which the goods originate,” but nonetheless “falsely represents to the public that the goods originate in another territory.”¹⁰⁹ This is the issue of the so-called homonymous geographical indications.¹¹⁰ An example would be that “a couturier from Paris, Texas, may not use the mark PARIS on his clothes – notwithstanding geographical truth – if consumers would believe that those clothes came from Paris, France.”¹¹¹

TRIPS is also the first international agreement to provide additional protection of geographical indications in the context of laws concerning trademark registration.¹¹² Article 22.3 prohibits granting trademark registration which contains or consists of a geographical indication when the goods do not originate in the territory indicated, if the use of the indication in the trademark misleads the public.¹¹³ Member countries are required to “*ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate” such trademark registration.¹¹⁴

B. Additional Protection for Wines and Spirits

Article 23 of TRIPS provides a higher level of protection for wines and spirits. Article 23.1 states that members “shall prevent use of a geographical indication identifying wines [and spirits] not originating in the place indicated by the geographical indication in question ... even where the true origin of the goods is indicated....”¹¹⁵ Further, this prohibition applies to where “the geographical indication is used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like.”¹¹⁶ Usages such as “California Chablis,” “American Champagne,” and a sparkling wine “type Cham-

108. Knaak, *supra* note 32, at 130.

109. TRIPS, *supra* note 4, art. 22.4.

110. See Knaak, *supra* note 32, at 131.

111. GRAEME DINWOODIE ET AL., INTERNATIONAL INTELLECTUAL PROPERTY LAW 19 (2001).

112. See Knaak, *supra* note 32, at 131.

113. See TRIPS, *supra* note 4, art. 22.3.

114. *Id.*

115. TRIPS, *supra* note 4, art. 23.1.

116. *Id.*

pagne” would thus fail this standard even if they are truthful statements.¹¹⁷

Article 23 is undoubtedly a higher standard of protection because geographical indications relating to wines and spirits are protected even when there is no danger that the public may be misled.¹¹⁸ Therefore, it is of no consequence that, in the United States, Champagne and Chablis are considered semi-generic terms.¹¹⁹ This “absolute prohibition” standard¹²⁰ thus precludes the defense available under Article 22 that the presentation of the goods is not misleading or deceptive.¹²¹

Although Article 23 seeks to implement an effective standard of protection against using names of wines and spirits as generic terms,¹²² TRIPS does not attempt to reverse or disturb the status quo, and exceptions to Article 23 protection are provided.¹²³ Article 24.6 exempts a member from the obligation to provide protection if a geographical designation has become a generic term in the member country.¹²⁴ It further provides an

117. See Conrad, *supra* note 11, at 39–40.

118. See Knaak, *supra* note 32, at 132.

119. See 27 C.F.R. § 4.24 (2005) (legislating the labeling and advertising of wines and providing examples of generic, semi-generic and non-generic names). The BATF’s classification of geographic indications for wines may be inconsistent with TRIPS. See Peter M. Brody, *Protection of Geographical Indications in the Wake of TRIPS: Existing United States Laws and the Administration’s Proposed Legislation*, 84 TRADEMARK REP. 520, 530 (1994) (arguing that the BATF list may be inconsistent with TRIPS, but the BATF may claim that the “semi-generic” category falls under one or more of TRIPS Article 24 exceptions).

120. Knaak, *supra* note 32, at 132.

121. See Conrad, *supra* note 11, at 39.

122. See *id.* at 39–40.

123. See *id.* at 43 (noting that Article 24.4, which addresses the issue of parallel use of geographical names for wines and spirits “is tantamount to an acknowledgement that TRIPS does not and cannot reverse past development in the field”).

124. Article 24.6 of TRIPS states:

Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with

exception specifically for wines. Insofar as wines are usually named after grape varieties, use of the grape name is allowed if the grape existed in the member's territory at the time of entry into force of the WTO Agreement.¹²⁵ In addition, Article 24.4 permits parallel use of geographical indications for wines and spirits if a name has been in continuous use for at least ten years before the TRIPS Agreement or has been in use "in good faith" before TRIPS.¹²⁶ The case of Budweiser beer is perhaps the most famous example for "continuous use."¹²⁷ The region of Budweis, Bohemia has been brewing beer since the thirteenth century and named its beer accordingly.¹²⁸ Budweiser, however, has also been the name of a well-known American beer since the nineteenth century.¹²⁹ The TRIPS Agreement does not attempt to decide this dispute; rather, it allows parallel use of the term and leaves it to the parties to fight the name war.¹³⁰ Finally, Article 23 is also subject to the general exceptions of Article 24, discussed below.

The provision on wines and spirits was one of the "most closely fought-over provisions in the whole GATT."¹³¹ The United States delegation charged that the EU was attempting to reinstitute terms that have lost meaning as geographic indications and become generic terms in the United States, terms

the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement. TRIPS, *supra* note 4, art. 24.6.

125. *See id.*

126. *See* Conrad, *supra* note 11, at 43. Conrad used the case of "Bocksbeutel" as an example of use in good faith. The European Court of Justice (ECJ) held in the Bocksbeutel case that Germany could not limit the importation of an Italian wine on the grounds that the wine bottle resembles the distinctive "Bocksbeutel" bottles, although the "Bocksbeutel" bottle was protected as an indication of origin in Germany. The ECJ found that the Italian wine producers did not choose the bottle design for the resemblance; rather, they had been using it for over a hundred years. *See id.*

127. *Id.*

128. *Id.*

129. *Id.*

130. *Id.* *See also* Robert Anderson, *Pressure Mounts in Battle of the Budweiser Brands: End of Century-Old Dispute between Czech and US Breweries May Be Near*, FIN. TIMES (London), Dec. 2, 2003, at 24 (noting that "with the two breweries fighting about 30 legal cases in 25 countries, even their senior executives cannot say exactly how many").

131. Conrad, *supra* note 11, at 38.

such as “Champagne” and “Chablis.”¹³² The current debate on the extension of the Article 23 protection largely echoes this theme.

C. General Exceptions

In addition to the exceptions already noted, Article 24 of the TRIPS Agreement also contains other important exceptions. Article 24.5 provides two exceptions in the context of trademark registration.¹³³ A trademark registered in good faith that is identical to a geographical indication will remain valid under Article 24.5 if it was registered (a) before the TRIPS Agreement, or (b) before the geographical indication is protected in its country of origin.¹³⁴ However, questions remain as to the meaning of “in good faith.”¹³⁵ Section (b) poses the scenario of particular concern to developing countries, in which if a country does not yet have a system of protecting geographical indications, it may find its names registered as trademarks in other countries.¹³⁶ The fight between India and an American company over the registration of “basmati” as both a patent and trademark in the United States illustrates this potential problem. The basmati rice case is discussed further in Section IV of this Note.

Finally, Article 24.9 provides another noteworthy exception, essentially one from the national treatment concept.¹³⁷ A member is not obligated to protect geographical indications that are not protected in their country of origin.¹³⁸

132. *Id.* at 40.

133. *See* Knaak, *supra* note 32, at 136.

134. *See id.* According to Knaak, combination trademarks including the name “Chablis” could remain valid if registered in good faith. *See id.* at 137. *See also* Conrad, *supra* note 11, at 42 (discussing whether “Chablis With A Twist” can be considered to be “in good faith” within the meaning of Article 24.5).

135. *See* Conrad, *supra* note 11, at 42 (arguing that although “in good faith” may be interpreted as “not knowing the rights of other parties,” as the term is commonly understood, construing the term to mean “without deceptive or misleading intent” here may be more adequate considering the purpose of Article 24.5).

136. *See id.*

137. *See id.* at 44.

138. TRIPS, *supra* note 4, art. 24.9 (“There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be

D. Recent Developments

The Doha Round mandates further debates on two separate issues concerning the protection of geographical indications: creating a multilateral register for wines and spirits, discussed briefly below; and extending the higher (Article 23) level of protection beyond wines and spirits,¹³⁹ discussed in Section IV.

Two sets of proposals on a multilateral registration system are currently on the table.¹⁴⁰ The United States, along with sixteen other member states, proposes “a voluntary system where notified geographical indications would be registered in a database.”¹⁴¹ The EU and another sixteen member states propose a registration system that establishes a “presumption” that the geographical indication is protected in all other countries.¹⁴² Under this proposal, once a term is registered, no country could refuse protection unless it has challenged the term within eighteen months.¹⁴³ Since any registration system would involve the various legal systems of each member country, countries are deeply concerned about the kind of legal effect such a system may have and the administrative and financial costs for individual members.¹⁴⁴ The Doha Declaration sets a deadline for an agreement for the Cancun Ministerial Conference,¹⁴⁵ which, however, collapsed on September 14, 2003.¹⁴⁶

IV. EXTENSION OF ARTICLE 23 PROTECTION

TRIPS members also remain deeply divided over the issue of extending Article 23 protection to products other than wines and spirits.¹⁴⁷ The EU along with twenty other countries advo-

protected in their country of origin, or which have fallen into disuse in that country.”).

139. *TRIPS Current Situation*, *supra* note 97.

140. *See id.*

141. *Id.*

142. *Id.*

143. *Id.*

144. *See id.* For a discussion of the differences in legal systems between the United States and the EU countries, see Conrad, *supra* note 11, at 17–22.

145. *TRIPS Current Situation*, *supra* note 97.

146. *See* Guy De Jonquieres & Frances Williams, *Investment Row Causes WTO Talks to Collapse*, *FIN. TIMES* (London), Sept. 15, 2003, at 1 (reporting on the collapse of the Cancun Ministerial Conference).

147. *TRIPS Current Situation*, *supra* note 97.

cates the extension.¹⁴⁸ These countries contend that extending Article 23 protection will protect all geographical indications equally,¹⁴⁹ by eliminating the elements of deceptiveness and public confusion currently required under Article 22, the extension will avoid inconsistency in implementation due to each member country's individual determination under their own laws as well as costly, individualized legal battles.¹⁵⁰ Proponents for extension of Article 23 also claim that other countries are "usurping" their geographical indications.¹⁵¹ Notably, the EU position has received a boost from some developing countries, led by India, who see Article 23 as a means to protect their biodiversity resources, a need unique to developing countries.¹⁵²

Opponents of extension, such as the United States, argue that existing Article 22 protection is already adequate.¹⁵³ These countries frame the debate as one between the "new world" and the "old world" countries;¹⁵⁴ considering the "new world countries" stand to gain very little by agreeing to provide additional protection, extension of Article 23 would be expensive and hard to justify.¹⁵⁵ They reject the "usurpation" accusation, emphasizing that, in many cases, immigrants made the products well known by continuing to make and consume them in their new homes,¹⁵⁶ and it is these very products whose names the European countries are now trying to take back.¹⁵⁷

148. See Proposal for Extension, *supra* note 5, paras. 4, 12.

149. See *id.* para. 4.

150. See *id.* para. 13.

151. See *TRIPS Current Situation*, *supra* note 97. See also Extension Work Program, *supra* note 9, para. 10.

152. See *India Calls for Harmonising TRIPS with CBD*, HINDU, Sept. 3, 1999, available at 1999 WLNR 4582558 [hereinafter *India Calls for Harmonization*] (delineating developing countries' need for special protection to ensure conservation of biological resources and equitable share of benefits from their use, and India's proposed provisions including extension of Article 23 to meet such need).

153. Implications of Extension, *supra* note 20, paras. 6–9.

154. See *TRIPS Current Situation*, *supra* note 97.

155. See Implications of Extension, *supra* note 20, paras. 4, 13–26.

156. See *TRIPS Current Situation*, *supra* note 97 (stating that countries opposing the Article 23 extension reject the "usurping" accusation "particularly when migrants have taken the methods of making the products and the names with them to their new homes").

157. See Implications of Extension, *supra* note 20, para. 7.

The current debate over the extension of Article 23 is an interesting hybrid of the North-North face-off and North-South divide.¹⁵⁸ On one hand, the ongoing fight led by the EU and the United States echoes in many ways the fiercely-fought battles between the two major trade partners during the negotiations leading up to the TRIPS Agreement.¹⁵⁹ On the other hand, while geographical indications started out largely as a North-North issue, developing countries have now joined the debate as the biodiversity-rich South seeks protection from exploitation by the industrialized North.¹⁶⁰ This Section examines the proposed extension of Article 23 in both contexts.

A. *The Battle between Europe and the United States*

The current fight between the United States and the EU may be viewed as an extension of the old battle leading up to the TRIPS Agreement. The EU has continued to push the agenda it had to compromise in 1994 in order to reach an agreement¹⁶¹ and the United States, contending that extending Article 23 would force upon countries with few geographical indications obligations disproportionate to the possible benefits,¹⁶² is reluc-

158. See Long, *supra* note 10, at 222–23 (arguing that although the disputes over geographic indications demonstrate the on-going and increasingly heated North-North debates, the North-South debates and their underlying power imbalance remain the most problematic in intellectual property rights).

159. See Conrad, *supra* note 11, at 31 (noting the atypical line-up in the battles fought between the United States and the EU during TRIPS negotiations on geographical indications), 38 (commenting on the debate between the U.S. and the EU over the protection of wines and spirits, “the most closely fought-over provisions in the whole GATT”).

160. See *India Calls for Harmonization*, *supra* note 152. See also Shalini Bhutani & Ashish Kothari, *Rio’s Decade: Reassessing the 1992 Earth Summit: Reassessing the 1992 Biodiversity Convention: The Biodiversity Rights of Developing Nations: A Perspective from India*, 32 GOLDEN GATE U.L. REV. 587, 603–05 (2002) (urging developing countries to explore protection of their bio-resources under geographical indications of TRIPS).

161. See Conrad, *supra* note 11, at 45–46 (stating that the battle between the European Community and the United States led to a compromise that is the current TRIPS protection of geographical indications).

162. See *Implications of Extension*, *supra* note 20, paras. 3–4. According to the United States,

One Member may only have a few geographical indications for domestic products in which it is interested, but would be obliged to provide the means to protect hundreds or thousands of GIs from Mem-

tant to make any further concessions. In light of the recent WTO panel rulings mandating the EU to bring its geographical indications regulations into compliance with the TRIPS,¹⁶³ the United States now expects to see U.S. products such as the Idaho potato and Florida orange protected as geographical indications under the EU system in the near future.¹⁶⁴ There is therefore even less reason for the United States (and other countries opposing Article 23 extension) to work with the EU mandate or the EU model of geographical indications protection.

The difference between the U.S. and EU legal systems is also of serious concern to the Americans resisting further demands from the Europeans for additional protection of geographical indications.¹⁶⁵ The United States was able to accept the higher level of protection of Article 23 for wines and spirits because its existing system allows it to carry out that obligation through the regulatory power of the Bureau of Alcohol Tobacco and Firearms (BATF) over the use of geographical indications for alcohols.¹⁶⁶ Extending the Article 23 level of protection to all geographical indications would therefore be very problematic for the U.S. legal system¹⁶⁷ which, unlike the EU, does not have a registration mechanism for geographical indications and pri-

bers with formal systems for such indications.... This imbalance is exacerbated by the fact that, under the current EC regulations, the EC does not appear to provide protection for non-EC geographical indications ... except on the basis of bilateral agreements, or if the EC has determined that a country has a system for geographical indications that is equivalent to the detailed system of the EC.

Id. para. 4.

163. See Panel Report, *supra* note 21, §§ 8.4–8.5.

164. The United States interprets the WTO panel ruling to mean that U.S. products such as the Idaho potato and Florida orange would now be entitled to protection as geographical indications in the EU. See USTR Press Release, *supra* note 22.

165. See Implications of Extension, *supra* note 20, paras. 16, 20 (emphasizing that providing additional protection under Art. 23 would disturb the existing U.S. model of protection under the U.S. legal system). For a discussion of the differences in legal systems between the United States and the EU countries, see Conrad, *supra* note 11, at 17–22.

166. See Peter N. Fowler & Alice T. Zalik, *Globalization's Impact on International Trade and Intellectual Property Law: A U.S. Government Perspective Concerning the Agreement on the Trade-Related Aspects of Intellectual Property: Past, Present and Near Future*, 17 ST. JOHN'S J.L. COMM. 401, 407 (2003).

167. See *id.*

marily provides for protections through trademark laws, and which recognizes such protection as a matter of private right.¹⁶⁸ Requiring countries such as the United States to change their legal systems to accommodate the protection of geographical indications belonging to other countries may also offend the principle of territoriality.¹⁶⁹

Moreover, the EU demand for absolute protection of its geographical indications is difficult to justify with possible economic and consumer benefits. It has been argued that the potential economic benefits of geographical indications protection are elusive at best.¹⁷⁰ Meanwhile, geographical indications protect, almost indefinitely,¹⁷¹ what has been done in the past rather than encourage innovation, an important value underlying other forms of intellectual property rights such as patent and trademark.¹⁷² The element of consumer benefit is also lacking. Much of the EU extension proposal concerns food names already well recognized by consumers.¹⁷³ Additional protection of these geographical indications at the Article 23 level would, therefore, serve more protectionist purposes while offering little

168. See Conrad, *supra* note 11, at 20 (stating that the concept of the Anglo-American certification mark is a regime of private, not public law); Implications of Extension, *supra* note 20, paras. 7–8 (asserting that the United States treats geographical indications as private rights).

169. See Jim Chen, *A Sober Second Look at Appellations of Origin: How the United States Will Crash France's Wine and Cheese Party*, 5 MINN. J. GLOBAL TRADE 29, 53 (1996) (arguing that U.S. refusal to protect French geographical indications that “mean nothing to the American consumer” would be consistent with the international legal principle of territoriality).

170. See Conrad, *supra* note 11, at 12 (stating that “the economic importance of geographical indications is very hard to determine”).

171. See TRIPS: What Are Intellectual Property Rights?, http://www.wto.org/english/tratop_e/trips_e/intel1_e.htm (last visited Apr. 12, 2005) (stating that the protection of geographical indications “may last indefinitely”).

172. See, e.g., David R. Downes, *How Intellectual Property Could Be a Tool to Protect Traditional Knowledge*, 25 COLUM. J. ENVTL. L. 253, 259 (2000) (arguing that geographical indications are intended “not to reward innovation, but rather to reward members of an established group or community for adhering to traditional practices”).

173. See Tobias Buck, *Brussels Heads for Controversy over Famous Food Names*, FIN. TIMES, Aug. 28, 2003, at 7 (noting that the EU list of food names it intends to take back from producers outside Europe includes famous names such as Champagne, Bordeaux, Parma ham, Roquefort and Feta).

in terms of protecting consumers or enhancing consumer choice in the marketplace.

Although the EU proposal for extending Article 23 protection does not explicitly suggest establishing a registration system similar to the one in the EU, countries such as the United States believe it is foreseeable that the EU demands would inevitably lead to such a system in order to facilitate the proposed higher protection.¹⁷⁴ However, the EU model of geographical protection may make for a poor export when faced with a drastically different American legal system and consumer culture.¹⁷⁵ It would therefore be in both parties' interests for the European countries to adapt to the legal and cultural realities in the United States and take advantage of the protections currently available through the U.S. legal system.¹⁷⁶

Moreover, the EU would also be well advised to shift its focus from fighting legal battles to educating consumers through more aggressive marketing campaigns,¹⁷⁷ because in the long run the fight over geographical indications is likely non-legal.¹⁷⁸

174. See Implications of Extension, *supra* note 20, para. 19.

175. In his article comparing the French system of appellations of controlled origin (AOC) to the U.S. legal system, Chen comments on the lack of geographical indication protection in American jurisprudence:

The very idea of an AOC is alien to American law and American culture.... In a legal system whose constitution forbids the granting of perpetual patents and copyrights, the indestructible appellation of origin has little chance of finding a warm reception. American intellectual property law is designed to maximize dissemination of knowledge through expansion of the public domain and minimized grants of proprietary protection. The United States has long favored a positive law theory of intellectual property over a natural law theory, emphasizing the "limited" nature of "monopoly privileges" as a necessary evil over the putatively natural birthright of the inventor to prevent others from reaping where she has sown.

Chen, *supra* note 169, at 58.

176. See *id.* at 58–63. See also Implications of Extension, *supra* note 20, in which the United States asserts that geographical indications such as Stilton for cheese, Parma for ham, Roquefort for cheese, and Swiss for chocolate already receive Article 22 level protection because the owners of the geographical indications have taken steps to prevent unauthorized uses in the United States.

177. See Chen, *supra* note 169, at 63–64.

178. See *id.* at 53 (commenting that the decisive factors in a fight over geographical indications will be commercial, cultural and linguistic, instead of legal).

A wine connoisseur hardly needs an international treaty to tell him that Chablis from a certain region southeast of Paris will guarantee a certain satisfaction, while to an ordinary consumer without such knowledge the particular geographical indication would probably matter very little.¹⁷⁹ Increasing the recognition of geographical indications through marketing campaigns would also likely be a feasible approach because, compared to developing countries, the European countries are more likely to be able to afford using its resources for consumer education in the marketplace.

B. The Stakes for Developing Countries

Demand for extension of the Article 23 protection from developing countries such as India, Pakistan and Thailand takes the debate out of the North-North standoff between the United States and the European countries. These developing countries seek to utilize TRIPS provisions on geographical indications to protect their unique agricultural products such as basmati rice and jasmine rice. In addition, they hope to rely on geographical indications to protect their rich biodiversity resources and prevent traditions and indigenous communities from being exploited by the developed world.¹⁸⁰ This invokes the North-South dichotomy that characterizes much of the debate on other intellectual property issues covered by the TRIPS.¹⁸¹

Since the beginning of the TRIPS Agreement, developing countries have criticized it as benefiting developed countries at the expense of developing countries.¹⁸² Commentators predicted before TRIPS took place that stronger protection of intellectual property rights would further disadvantage developing countries because they would lose access to affordable medicines, educational materials, and agricultural supplies.¹⁸³ Some claim

179. *See id.* at 57–58.

180. *See* Bhutani and Kothari, *supra* note 160, at 604–05.

181. *See* Conrad, *supra* note 11, at 31 (observing that the typical line-up in other TRIPS topics involved battles between the first and the third world).

182. *See* Jagdish Bhagwati, *The Boundaries of the WTO: Afterword: The Question of Linkage*, 96 A.J.I.L. 126, 127–28 (2002) (arguing that TRIPS is “in the main a payment by the poor countries (which consume intellectual property) to the rich countries (which produce it)”).

183. *See* Frank Emmert, *Intellectual Property in the Uruguay Round – Negotiating Strategies of the Western Industrialized Countries*, 11 MICH. J. INT’L

that the TRIPS Agreement is “a continuation of over 500 years of colonialism of developing countries,” in that it drains wealth and resources from the Third World countries and transfers it back to developed counties under the protection of intellectual property laws.¹⁸⁴

Although the major battles on geographical indications were initially fought mainly between the United States and the EU,¹⁸⁵ the issue has now become part of the larger North-South debate over TRIPS provisions in general. Developing countries charge that granting special protection for wines and liquors under Article 23 disproportionately favors the North because geographical indications concentrate in developed countries that stand to benefit most from these provisions.¹⁸⁶ India, in particular, has been a proponent since the WTO's Seattle Meeting for extending Article 23 to all agricultural products in order to ease the North-South divide.¹⁸⁷

This Section will first examine India's involvement in the debate of geographical indications protection, as illustrated by its efforts to protect its indigenous culture in the fights over the patents on the neem tree and basmati rice obtained by U.S. companies, and its advocacy for extending Article 23 protection to all geographical indications. It will then analyze whether heightened geographical indications protection under TRIPS would be a fitting solution to India's problems, which may be concerns also shared by other developing countries.

1. Neem Tree

At the time TRIPS was passed, India was still suffering the aftermaths of the “neem tree incident.”¹⁸⁸ Referred to as “the village pharmacy,”¹⁸⁹ the neem tree is native to India and traditionally used by the Indian people for many medicinal pur-

L. 1317, 1383–84 (1990) (arguing that farmers, students, and the sick in developing countries rely on cheap access to seeds, education and drugs).

184. Kruger, *supra* note 13, at 170–71.

185. Conrad, *supra* note 11, at 31.

186. Bhutani and Kothari, *supra* note 160, at 604.

187. Kruger, *supra* note 13, at 176 n.43.

188. *Id.* at 173.

189. Charles R. McManis, *The Interface between International Intellectual Property and Environmental Protection: Biodiversity and Biotechnology*, 76 WASH. U. L. Q. 255, 257 (1998).

poses.¹⁹⁰ W.R. Grace, an agricultural chemical company based in Florida, developed the technology to extract the active ingredient in the neem tree seed in a stable solution and patented the stabilization process and the stabilized form of the ingredient with the United States Patent Office (USPTO).¹⁹¹ W.R. Grace then obtained a European patent jointly with the United States Department of Agriculture (USDA) on the manufacturing process of the neem tree seed oil as a fungicide.¹⁹² These patents meant that India, despite its ownership of the neem tree and having used the medicinal plant for centuries, had no legal rights to develop the plant for medicinal or curative purposes.¹⁹³

The W.R. Grace patents provoked vehement public outcry in India¹⁹⁴ and led to India's long journey to reclaim the neem tree.¹⁹⁵ India was eventually successful in its legal challenge of the U.S. acquisition of its neem tree ingredient before the European Patent Office (EPO). After six years of persistent campaigning by India, the Opposition Division of the EPO completely revoked the patent granted to the USDA and W.R. Grace.¹⁹⁶ The EPO also rejected W.R. Grace's subsequent appeal.¹⁹⁷

2. Basmati Rice

India had a similar incident with its renowned basmati rice, a staple of its national diet and a major source of its export reve-

190. For detailed description of the neem tree's medicinal properties, see Vandana Shiva, *The Neem Tree – a Case History of Biopiracy*, at <http://www.twinside.org.sg/title/pir-ch.htm> (last visited Apr. 11, 2005).

191. U.S. Patent No. 5,124,349 (issued June 23, 1992). For detailed discussions of W.R. Grace's U.S. patent, see Shiva, *supra* note 190; McManis, *supra* note 189, at 258.

192. European Patent No. 436 257 B1 (issued Sept. 14, 1994).

193. See Frederick Nzwili, *Multinationals Lose Exclusive Rights over Neem Tree*, AFR. NEWS SERV., May 22, 2000.

194. See McManis, *supra* note 189, at 257–59 (describing the violent demonstrations in India provoked by the neem tree patents).

195. See Nzwili, *supra* note 193 (reporting on events surrounding the revocation of W.R. Grace's European patent).

196. See *id.*

197. See *EU Upholds Ruling Revoking Neem Patent for US Co.*, BUS. LINE, Mar. 10, 2005.

nue.¹⁹⁸ Traditionally, only long grain aromatic rice grown in certain regions of India and Pakistan can be called basmati.¹⁹⁹ In 1997, an American company, RiceTec Inc., obtained a patent from the USPTO to grow and call the aromatic rice grown outside India "basmati."²⁰⁰ With the basmati patent rights, RiceTec would not only be able to call its aromatic rice basmati within the United States, but also label it as such for its exports.²⁰¹ This had serious ramifications for India. Not only would the patent affect India's basmati export to the United States, an important market for India,²⁰² it could also cause India to lose its position in other crucial international markets such as the EU, United Kingdom, Middle East and West Asia.²⁰³

Economic consequences aside, because basmati is considered a national heritage of India, people in India felt the patent was "like snatching away our history and culture."²⁰⁴ Like the neem tree patents, the basmati patent provoked large demonstrations in India.²⁰⁵ The Indian government reacted strongly to the granting of the U.S. basmati patent, urging the USPTO to re-examine the patent in order to protect India's interests, particularly those of India's growers and exporters.²⁰⁶

India also considered protecting its prized basmati rice under the TRIPS geographical indications provisions, and has since become a zealous advocate for extending the Article 23 protec-

198. See *UPI Farming Today*, UPI, Feb. 16, 1998, LEXIS, Nexis Library, UPI File [hereinafter *UPI Farming*] (stating that India exports about half a million tons of basmati rice annually).

199. See GRAHAM DUTFIELD, *INTELLECTUAL PROPERTY RIGHTS, TRADE AND BIODIVERSITY, SEEDS AND PLANT VARIETIES* 87 (1999).

200. U.S. Patent No. 5,663,484 (issued Sept. 2, 1997).

201. See Shantanu Guha Ray, *The Stealing of Basmati*, at <http://www.rediff.com/business/1998/mar/12rice.htm> (Mar. 12, 1998).

202. See Kunal Bose, *India to Fight U.S. Move on Basmati Rice*, FIN. TIMES (London), Feb. 25, 1998, at 35 (noting that at the time of the basmati patent, India exported some forty-five thousand tons of basmati rice annually to the United States).

203. See Ray, *supra* note 201.

204. *UPI Farming*, *supra* note 198.

205. See Saritha Rai, *India-U.S. Fight on Basmati Rice Is Mostly Settled*, N.Y. TIMES, Aug. 25, 2001, at C1 (noting demonstrations in India against the basmati patent).

206. See *id.*

tion to products other than wines and spirits.²⁰⁷ India asserts that because the unique quality of basmati rice is closely related to specific regions of India where the long grain rice is traditionally grown, basmati should be protected as a geographical indication under TRIPS just like Champagne and Scotch.²⁰⁸

The bitter fight over the U.S. patent on basmati rice was largely settled when the USPTO eventually granted a narrower patent to RiceTec.²⁰⁹ Satisfied that the new patent, limited to just a few variations of the rice developed by RiceTec, would not harm India's own export of traditional basmati rice, India decided not to further dispute the patent.²¹⁰

3. Implications of the Neem and Basmati Incidents

Despite India's successes in challenging the neem tree and basmati rice patents, some commentators warn that India's victories are limited.²¹¹ In the case of basmati rice, the United States still regards "basmati" as a generic term and that may eventually diminish the value of India's basmati rice on the international market.²¹² Moreover, the neem tree and basmati rice incidents illustrate the larger problem facing developing countries rich in biodiversity. Without adequate protection, resources including plant varieties and traditional knowledge of the bio-rich South are under threat of exploitation from the more economically and technologically developed North.²¹³ Countries like India worry that, short of an integrated approach, such case-by-case challenges would be too costly and

207. See *India Joins Bloc*, *supra* note 9 (stating that since the basmati patent incident, India has been keen on extending TRIPS protection of geographical indications to products like basmati rice and Darjeeling tea).

208. See Rai, *supra* note 205.

209. See *id.* (reporting on events surrounding the USPTO's granting of a narrow basmati patent to RiceTec).

210. See *id.*

211. See M.D. Nair, *Winning the War against Bio-Colonisation*, HINDU, May 17, 2000 (analyzing bio-colonization in the wake of India's neem patent victory); D. Sampathkumar, *Basmati: The Threat Still Lingers*, BUS. LINE, Sept. 2, 2001 (observing that the basmati patent outcome was received as both an "unalloyed victory" and a "resounding defeat" in India).

212. See Sampathkumar, *supra* note 211.

213. Other biopiracy problems India experienced include patents on turmeric, jamun, brinjal, and several hundred others. See Nair, *supra* note 211.

ultimately ineffective to stop developed countries from continuing to commit biopiracy.²¹⁴

India and a few other developing countries have turned to geographical indications in seeking an integrated approach to protect their natural wealth. These countries demand extending the heightened protection under Article 23 to cover products other than wines and spirits to suit their needs.²¹⁵ They argue that extending the Article 23 protection to all geographical indications could have prevented developed countries such as the United States from exploiting the traditions and resources belonging to developing countries like India, and would also alleviate developing countries of the burden of costly individual legal battles with developed countries.²¹⁶ In that scenario, extending the Article 23 protection to all geographical indications would do more than benefit European countries. It would be an opportunity to achieve a better balance between the divergent interests in the area of intellectual property rights of developed and developing countries. However, a closer look at India's experience of the neem and basmati patents indicates that extending Article 23 protection may not be the answer to developing countries' quest for balance of power and benefits under the TRIPS Agreement.

First, India's lack of adequate domestic protection under intellectual property law was largely responsible for both the neem and the basmati incident. W.R. Grace never applied for a patent in India because, at that time, India did not grant patents for agricultural products.²¹⁷ It is also widely believed that RiceTec took out a U.S. patent on basmati only because of weak, non-existent Indian intellectual property laws and the government's philosophical attitude that natural products should not

214. *See id.* (analyzing dilemmas facing the South and advocating for an integrated approach to protection of bioresources).

215. *See India Joins Bloc, supra* note 9 (stating that by seeking extension of Article 23, India aims to ensure TRIPS as a framework that permits developed and developing countries alike to protect their geographical indications efficiently and effectively).

216. *See Nair, supra* note 211 (arguing that winning small battles at high costs will have little impact on the broader war against bio-colonization, and that an integrated strategy, including geographical indications protection under TRIPS, is the only solution).

217. Kruger, *supra* note 13, at 173–74.

be patented.²¹⁸ In reaction to the neem tree and basmati rice patents, India has strengthened its legal regime to conform to international laws on intellectual property, and its local communities have become more aware of and taken actions to protect their sovereign rights over traditional biological resources.²¹⁹ The challenge remains, however, that domestic legislation may still fail to safeguard the biodiversity rights of the people because it is not keeping up with the pace at which international trade agreements are being implemented.²²⁰

Second, although developing countries' attempts to formulate long-term strategies to prevent future biopiracy has led them to seek the protection of geographical indications, the TRIPS definition of geographic indication remains a barrier to their quest. It is debatable whether neem and basmati fall within the definition of geographical indications under TRIPS. The terms are not geographical indications per se in that they do not suggest a strong connection between a product and a particular geographical region.²²¹ In the case of basmati, its geographical origin is difficult to determine, because basmati rice is considered native to more than one region of India and Pakistan.²²² In fact, India and Pakistan disagree on what qualifies as authentic basmati.²²³

218. See *The Basmati Task for the New Government*, at <http://www.rediff.com/business/1998/mar/23rice.htm> (Mar. 23, 1998) [hereinafter *Basmati Task*] (noting that as of March 1998, India had not "bothered with getting together a geographical appellation act which could have prevented RiceTec from using the name of basmati which it claims is a generic name and not a trademark"); Rai, *supra* note 205 (stating that before the RiceTec basmati patent, "India largely ignored any claim or legal protection for growers and marketers of basmati," and therefore India's international patent appeal appeared weak).

219. See Bhutani and Kothari, *supra* note 160, at 605–11.

220. See *id.* at 612.

221. See DUTFIELD, *supra* note 199, at 88 (arguing that, unlike Darjeeling tea, basmati is not a geographical expression per se).

222. See *id.* at 87 (stating basmati rice is cultivated in areas of Northern India and Pakistan); Sampathkumar, *supra* note 211 (listing the regions in India where basmati is grown and arguing that qualifying basmati as a geographical indication "would be extending the concept ... to a level far beyond anything attempted till now").

223. See DUTFIELD, *supra* note 199, at 87. India and Pakistan both seek to protect basmati as a geographical indication. See *Farm Council: Council Sets New Fixed Tariffs for Rice*, EUR. REP., July 21, 2004, available at 2004 WLNR

Third, even if definition is not an issue, the neem tree and basmati rice would still be outside the protection mandated by the geographical indications provisions of TRIPS, because neither was afforded any kind of geographical indication protection within India.²²⁴ Under the Article 24.9 exception to national treatment, WTO members are not obligated to provide protection for geographical indications not recognized in their own country of origin. Therefore, India would have had very weak cases for protecting the neem tree and basmati rice as TRIPS geographical indications, and even under the Article 23 absolute protection standard, success would have been unlikely.²²⁵

Fourth, even assuming that the TRIPS provisions for protecting geographical indications apply, developing countries such as India have not demonstrated any unique need, compared with developed countries such as the EU members, for extending the heightened level of protection of Article 23 to all geographical indications. Countries opposing the extension argue that there is no evidence suggesting that the current level of protection provided by Article 22 for general geographical indications is inadequate for either developed or developing countries.²²⁶ To the extent that the protection afforded to geographical indications under Article 22 is not absolute, the fact that India has been successful in challenging the neem tree and basmati rice

7275569 (both “India and Pakistan will push for basmati to be recognised as a geographical indication at WTO level”).

224. See DUTFIELD, *supra* note 199, at 88 (stating that India would only have a case for protecting basmati rice as a geographical indication after appropriate national legislation is in place first).

225. See *id.* (arguing that for India to have a strong case for protecting basmati as a geographical indication, India first needs to have appropriate domestic legislation in place). *But see* Basmati Task, *supra* note 218 (stating that despite the lack of Indian domestic law protecting basmati rice as a geographical indication, India’s “geographically indicated rights” have long been protected in other nations such as the UK and Saudi Arabia).

226. Alejandro Jara, Ambassador of Chile to the WTO, and David Spencer, Ambassador of Australia to the WTO, recently argued that “[t]here is no evidence to show the need for a higher level of protection, nor have authoritative empirical studies shown that there would be additional economic benefits for developing countries.” Alejandro Jara & David Spencer, *No Evidence Yet That Developing Countries Need More Protection for Geographical Names*, FIN. TIMES (USA), July 7, 2004, at 12. See also Kruger, *supra* note 13, at 198 (considering and rebutting developing countries’ arguments for extending Article 23 to all products).

patents suggests that alternative means are available for developing countries to defend their intellectual property rights (even where the developing country's domestic protection is weak). That in turn makes for a weak argument for a leap in the direction of absolute protection of all geographical indications.

Finally, a higher level of protection for geographical indications may not be the proper forum to address developing countries' ultimate goal to achieve a balance in the North-South dichotomy and safeguard their traditional knowledge and biodiversity. Although some scholars argue that geographical indication may be particularly well suited for the protection of traditional knowledge, because it recognizes communal, rather than individual ownership of rights,²²⁷ the current TRIPS geographical indications provisions cover only tangible goods, and may very well exclude services, knowledge or skills.²²⁸ More importantly, the protection of biodiversity and traditional knowledge encompass complex issues such as political, social and cultural realities of different countries.²²⁹ While a full discussion on biodiversity and traditional knowledge is beyond the scope of this Note, TRIPS as a trade forum may not necessarily be the best venue for resolving these issues.

V. CONCLUSION

The TRIPS agreement provides a platform for the international protection of geographical indications at an unprecedented level.²³⁰ To truly realize the TRIPS multilateral protection of geographical indications, WTO member countries need to engage in further negotiations in order to implement existing provisions, as well as addressing particular concerns of various members. It should be stressed, however, that TRIPS recognizes and protects intellectual property rights within the framework of international trade. Therefore, member countries

227. See, e.g., Downes, *supra* note 172, at 271–72.

228. Conrad, *supra* note 11, at 33–34 (discussing that the TRIPS definition of geographical indication appears to exclude tradition, craftsmanship and services).

229. See Downes, *supra* note 172, at 266–67 (arguing biodiversity and traditional knowledge involves complex ethical and socioeconomic issues).

230. Conrad, *supra* note 11, at 45.

without significant interest in geographical indications are unlikely to agree to increase the current level of protection without obtaining meaningful concessions from countries demanding additional protections in return.

While the WTO should be sensitive to the unique concerns of developing countries, extending Article 23 to protect all geographical indications may not necessarily be the cure for the North-South gap in the area of intellectual property rights. Lack of domestic protection for geographical indications often may bar developing countries from claiming protection under the relevant TRIPS provisions altogether. Moreover, protecting the biodiversity and traditional knowledge of developing countries involves complex political, social, and economic undertakings that may be best dealt with through venues other than international trade.

The WTO is at a crossroads. While the debate over geographical indication may not "weather the high seas and stormy conditions of global trade,"²³¹ the issue nonetheless significantly divides member countries as the WTO struggles to move forward. Rather than pushing the outer limits of geographical indications and creating new gridlocks, member countries would be better served by preserving TRIPS' groundbreaking multilateral framework and working with TRIPS' current minimum standard of protection for geographical indications. To that end, the desire of some member countries for additional protection should be addressed through bilateral agreements which may be unfeasible on a multilateral level, but which could supplement TRIPS' multilateral approach and strengthen its implementation.

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231. Chen, *supra* note 169, at 58.

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