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### GEOGRAPHICAL INDICATIONS AND TRADEMARK: A BATTLE OF TITANS

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#### Abstract

*“Geographical Indications” and “Trademarks” are both legal tools that control how information about a product is communicated to the market. Geographical Indications show the geographic origin of a commodity or service, whereas trademarks indicate the commercial origin. Both of these expressly provide permission for word or symbol’s specific use. However, conflict develops when these two overlaps on the same subject matter. The conflict between trademarks and geographical indications in the context of intellectual property rights; is passionately contested yet sensitive matter in today’s scenario. The prior solutions to this pertaining issue have been rejected by several nations, and several attempts have been made so far to find a solution which will be acceptable to all the nations. The area of contention occurs when the term Geographical indication may have been utilized as a trademark; there is a discrepancy between the two. In this research paper researcher has made clear how geographical indication and trademark violate each other’s intellectual property rights and create issues. The researcher sought to clarify the interconnection between these two domains of intellectual property rights and explain the key regions of overlapping since this study is focused on the problem of trademark and geographical indication overlapping.*

**Keywords:** *Geographical Indications, Trademarks, Sui generis, Conflict, Overlapping*

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## Introduction

From an economic standpoint, practically all states are losing their physical boundaries and conventional markets in this period of internationalization. Industries and regions of all sizes have entered the race to sell more and more goods and services. As a result, global customers have a plethora of goods and services to choose from. As a consequence, it becomes difficult for the consumer to select the best option, and it is easy for him to be deceived by manufacturers and sellers about the quality of the goods. For this reason, in order to govern this enormous and unfettered market, at the international and national levels, a need was felt to pay attention to other elements in addition to fair competition. As a result, trademarks and geographical indications were developed to distinguish between goods and services offered using specific signs. Both of these serve to distinguish products and goods of a particular sort or quality from other similar or identical goods. Both of them safeguard not only the interests of the producing firms against competitors but also prevent consumers from being misled about the product's quality.

In India, the Trade Marks Act of 1999<sup>3</sup> read with the Trade Marks Rules of 2002, deals with Trademark provisions, and The Geographical Indications of Goods (Registration and Protection) Act of 1999<sup>4</sup> read with the Geographical Indications (Registration and Protection) Rules of 2002, deals with geographical indications. Both are two distinct intellectual property rights. On the one hand, the goal of a trademark is to differentiate one prod

Users' or industry's goods or services from similar or identical items produced by other manufacturers. Geographical indications, on the other hand, are used to designate the precise geographical place in which a product of a certain grade is produced, thereby establishing quality standards.

Unfortunately, due to competition, manufacturers and sellers utilize similar or identical symbols for similar or identical goods, misleading the typical buyer as to the quality. This is most commonly seen between signs that fulfil a comparable function, such as employing identical or similar trademarks. However, the problem becomes more complicated when conflicts arise between signs of different natures such as trademarks and geographical indications.

The solution to this dilemma is not that simple because there is no precise rule on the subject. Although each sort of intellectual property right has its own set of provisions, they differ from

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<sup>3</sup> The Trade Marks Act, 1999 (Act 47 of 1999).

<sup>4</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999 (Act 48 Of 1999).

country to country. This confusion concerning the applicable law presents major challenges at the international and transnational levels in the event of international disputes, jeopardizing the protection of the interests of both producers and consumers.

The purpose of the article is to examine the conflict between trademarks and geographical indications in India and to compare it to national and international regulations that have grown over time. This article focuses solely on the problems that arise from conflicts between trademarks and geographical indications and their resolution, rather than on the registration and infringement of trademarks and geographical indications. For this examination, it is necessary first to examine the goals of trademarks and geographical indications and the provisions put in place to achieve those goals.

### **Geographical Indication protection: *Sui Generis* regime selection**

Geographical Indication shows that unique items originate from a country, place or locality and have a few unique characteristics, features or recognition that might be a consequence of their region of origin. These unique characteristics, features or recognition may be a result of a variety of natural factors including the concentration of businesses with similar characteristics in one area, specialization in the preparation or production of specific goods, and adherence to a set quality standard. Natural factors include raw materials, soil, regional climate, temperature, moisture etc.<sup>5</sup>

The Paris Convention established the first international legal protection for, “Indication of source” of goods.<sup>6</sup> However, the Paris Convention makes no mention of “the quality, character, or reputation of the identified product.” The Paris Convention protection requirement can be met simply by labelling the product “Made in.....”. So, it can be said that the Paris Convention focuses primarily on the actual geographical source or place of origin of the product rather than specific product characteristics.

The TRIPS Agreement is the world’s first international agreement on geographical indicators. Geographical Indications are defined by TRIPS as indicators that indicate the origin of a good in an area where a specific quality, prestige, or another attribute of the good is primarily owing to its geographical origin.<sup>7</sup> Geographical Indications of Goods (Registration and Protection) Act, 1999

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<sup>5</sup> V.K. Ahuja, *Law Relating to Intellectual Property Rights* 437 (Lexis Nexis, Gurugram, 3<sup>rd</sup> edn. 2020).

<sup>6</sup> Paris Convention for the Protection of Industrial Property, 1883, art. 1(2), Art. 10.

<sup>7</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994, Art. 22.1.

protects “Geographical Indications” in India. A geographical indication is defined by the Act as an indication that shows certain agricultural, natural, or manufactured goods as originating in a specific area and that the special quality, reputation, or other characteristic of those goods is attributable primarily to their geographical origin. If the commodities are made, the sign must additionally identify one of the processes involved in their creation, processing, or preparation.<sup>8</sup>

The primary purpose of geographical indicators is to differentiate commodities from a certain source. Although the use of geographical indications for services is possible, no national or international law has yet extended the scope of geographical indication rules to service industries. As a result, geographical indications only apply to products. Geographical indications distinguish the items for which they are used by referring to the location of manufacture rather than the source of manufacture. Geographical indications are not chosen at random and the references to geographic origin cannot be replaced. In general, any manufacturer may use geographical indications on items originating in the geographical indication area as long as they meet the manufacturing quality criteria in place, if any.

The lawful owners of geographical indicators have the right to restrict others from using a geographical indication on goods that do not come from the designated geographical origin. Geographical indications are subject to the principles of “specialty”, which means that they are protected exclusively for the items on which they are used, and “territoriality”, which means that they are protected only for a specific location and are subject to the rules and regulations that apply to that territory. Prestigious geographical indications, on the other hand, are an exception to the “specialty” principles. Currently, none of the treaties maintained by the World Intellectual Property Organization or the TRIPS Agreement allow for this broad extent of protection for well-known geographical indicators. However, it might be argued that unauthorized use of a well-known geographical indicator adversely impacts that geographical indication or harms its reputation, and so constitutes an act of unfair competition. As a result of the territoriality principle, a geographical indication granted may be protected by being recognized as a geographical indication in one location while being treated as a generic phrase for similar items in another.

Under Indian legislation, the manufacturer can seek GI. The Act allows any association of persons, producers, organizations, or authorities constituted by or under law to apply. The applicant must represent the interests of the producers. The application must be made in writing in

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<sup>8</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999 (Act 48 Of 1999), §. 2(e).

the appropriate form and delivered to the Registrar of Geographical Indications, along with the prescribed fee provided in the Act.<sup>9</sup> GI registration is not mandatory. Registration, like any other legal protection, gives superior legal protection to facilitate action for infringement by unregistered vendors and inhibits GI misuse.<sup>10</sup> Registered owners and authorized users might file infringement proceedings against people who use the GI without completing the legal requirements. The most significant feature of a registered geographical indicator is that the authorized user has the sole right to use the geographical indication.<sup>11</sup> The registration of a geographical indicator is valid for 10 years under the Act. It can be renewed after that for another ten years every time.<sup>12</sup> If a registered geographical indicator is not renewed, the Act allows for its deletion.<sup>13</sup> If they designate products in different places, words written or pronounced similarly can be registered as independent geographical indications. However, this is only permitted if the Registrar is satisfied that the two homonymous indications are sufficiently distinct from one another to avoid confusing or misinforming customers about the quality or origin of the product.<sup>14</sup>

### **Trademark protection: A significant advancement**

In layman's terms, a trademark is a recognized logo, phrase, word, or symbol used to differentiate one firm's goods or services from the goods or services of another enterprise. It makes a product appear to be associated with a specific company and establishes ownership of that company on its brand. Although various articles of the Paris Convention for the Protection of Industrial Property of 1883 (Paris Convention) guarantee trademark protection, the Paris Convention does not define a trademark. For the first time, the trademark was formally defined in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), 1994. Under the provisions of Article 15(1), "Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from the goods or services of another undertaking shall constitute a trademark."<sup>15</sup> Under Indian law, the trademark is defined as "a mark capable of representing graphically and capable of distinguishing the goods and services of one enterprise from others and it may include the shape of goods, their packaging, and combination of colours."<sup>16</sup>

According to the definition above, the primary role of a trademark is to distinguish the goods and

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<sup>9</sup> *Id.*, §. 11.

<sup>10</sup> *Id.*, §. 20.

<sup>11</sup> *Id.*, §. 21.

<sup>12</sup> *Id.*, §. 18(1).

<sup>13</sup> *Id.*, §. 18(4).

<sup>14</sup> *Id.*, § 10.

<sup>15</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994, Art. 15(1).

<sup>16</sup> The Trade Marks Act, 1999 (Act 47 of 1999), §. 2(1)(zb).

services bearing the trademark from other goods and services. This effort, however, can only be accomplished through the use of distinguishing trademarks. This distinction may be inherent or developed via use. According to Article 15(3) of the TRIPS Agreement, the acquired distinctiveness is required for trademark registration.<sup>17</sup> However, the TRIPS Agreement makes no mention of the conditions under which a mark may be regarded as distinctive for any products or services. However, in terms of trademark distinctiveness, it is widely acknowledged that signs or symbols used as trademarks should not be descriptive or misleading.<sup>18</sup> Article 6*quinquies* of the Paris Convention confirms the worldwide principle of trademark uniqueness. However, this article 6*quinquies* does not directly address trademark registration, it does address the re-registration of trademarks that existed prior to the Paris Convention.

Traditionally, there are three ways to acquire trademark protection: by registration, use, or reputation. These three techniques of trademark acquisition are not mutually exclusive, although it is common to see a mix of two or all three of these methods. Trademark privilege is sometimes granted to specific goods and services based on specialization, and other times based on territoriality in a given area. However, well-known or well-known markings are an important exception to the concept of specialization.<sup>19</sup>

When determining whether a trademark is a well-known mark or not, the Trademarks Act of 1999, considers these factors: the extent to which the brand is known or recognized by the public; What has been the duration, scope, and geographical region of use of that brand; what has been the duration, scope, and geographical area of publicity, including advertising, promotion, and presentation at fairs or exhibitions; Whether the period and geographical area of the trademark's registration or application for registration reflect the trademark's use or recognition; and record of successful enforcement of the trademark; specifically, the extent to which the trademark has been recognized as a well-known trademark by a court or registrar under that record.<sup>20</sup>

When conflicting assertions on a trademark are established, the prior right in time normally prevails. This priority is determined by the date of first use, the date of first registration, the fact that the trademark was well-recognized for the same or identical goods prior to registration, or the

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<sup>17</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994, Art. 15(3).

<sup>18</sup> The Trade Marks Act, 1999 (Act 47 of 1999), §. 9(1)(a), 9(2)(a).

<sup>19</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994, Art. 16(3); see also *WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*; and The Trade Marks Act, 1999 (Act 47 of 1999), §. 9(1).

<sup>20</sup> The Trade Marks Act, 1999 (Act 47 of 1999), §. 11(6).

use of the same or identical mark for the same or identical goods. The only exception to this priority principle is a prior right obtained with mala fide intention.<sup>21</sup>

According to trademark law, a protected trademark gives the owner the right to prevent unauthorized parties from using the trademark in a manner that is similar or confusing to the protected trademark. The logic behind this right is twofold. First, consumers have the right to be protected from trademarks that are misleading about the true source of the goods or services on which the trademark is used. Second, the trademark owner must be protected from any confusion caused by competitors, which is likely to mislead the trademark owner's potential customers and cause business losses. As a result, unlike most other types of intellectual property, trademark rights can remain in perpetuity.

### **Judicial precedents controlling the overlap of geographical indicators and trademarks**

In *Imperial Tobacco Co v. Registrar, Trade Marks*,<sup>22</sup> according to the court, the phrase “Shimla” is a well-known geographical location, and the image of snow-clad hills in the mark plainly represents that location. According to the court, the mark is neither a fancy nor created word nor does it have any secondary significance. As a result, this word is ineligible for trademark registration.

In *Dyer Meakin Breweries v. Scotch Whisky Association*,<sup>23</sup> the court observed that the title “Highland Chief” is a well-known sign of Scottish origin, that Highlanders are well-known in history and literature as Scottish soldiers, and that the Highland is well-known as Scotland's top Scotch whiskey-producing region. As a result, the applicant's use of the “Highland Chief” picture as a trademark for its product, which is not Scotch whisky, would mislead normal customers into believing it was Scotch whisky.

In *Scotch Whisky Association v. Pravara Sakhar Shakar Karkhana Ltd.*,<sup>24</sup> the court ruled that the defendant did not have the authority to market the product created by blending Indian whisky with traces of Scotch whisky as “Blended Scotch Whisky” simply by using the word “with.” Such labels mislead the uninformed buyer, who may mistake the product for “Blended Scotch whisky” because of his average intelligence and poor recall.

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<sup>21</sup> Paris Convention for the Protection of Industrial Property, 1883, Art. 6septies.

<sup>22</sup> AIR 1968 Cal. 582.

<sup>23</sup> MANU/DE/0386/1979.

<sup>24</sup> MANU/MH/0052/1992.

In *Tea Board, India v. I.T.C. Limited*,<sup>25</sup> the court determined that the defendant's use of the word 'Lounge' did not violate the Geographical Indications of Goods Act because the word has no relation to the property. Rather, the phrase was applied to the defendant's hotel services, which is a common practice and hence cannot be regarded as an infringement of location. The claimants' registration rights for the word 'Darjeeling' are only for tea. The term 'Darjeeling' is not a trademark and is simply used to identify the origin of tea from Darjeeling. The Court further stated that the parties were in separate industries and did not compete with one another. Negative competition refers to any competitive behaviour that is detrimental to corporate integrity. It also emphasized the defendant's contention that the "Darjeeling Lounge" is normally accessible to educated and experienced guests, and hence the mere use of a word cannot confuse or mislead them. As a result, the Court determined that there was no fraud on the part of the defendant.

### **The Basmati Rice controversy**

To have the best "Basmati" rice, Rice Tec. Inc., a U.S. global corporation with headquarters in Alvin, Texas, received patent number 5663484 on September 2, 1997, from the United States Patent and Trademark Office. According to RiceTec, the new kinds have traits that are superior to those of the original Basmati rice and can be effectively farmed in several locations across North America. Additionally, it had been utilizing the Basmati rice trademarks. Since Texmati, The Kasmati, and Jasmati had been selling their versions of the disputed rice for a while, the patent was granted for two reasons: first, India deemed the Basmati variety to be invalid; and second, RiceTec Inc. was permitted to market the rice under the name.

A long-grained, fragrant rice type known as Basmati is widely farmed in Pakistan's sub-Himalayan regions and is well-recognized around the world. It has been farmed in India for hundreds of years, and with the use of Basmati traditional techniques and procedures, farmers have created several kinds. One of India's defences was that it is a geographical indicator, and as it has only ever been cultivated in India and Pakistan for millennia, no other nation may let its citizens use this indication. It is interesting that since the World Trade Organization (WTO) was founded, there has been a significant duty reduction on Indian Basmati rice in Europe, where there is the biggest demand for premium rice worldwide. As a result, Indian Basmati has become much more competitive. Regarding the patent's granting, RiceTec Inc. argued that its invention

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<sup>25</sup> MANU/WB/0277/2019.



encompassed fresh Basmati lines and grains, which were an advancement above earlier types.

RiceTec Inc. argued that the geographical indicator “Basmati” should not be used since it refers to both a specific species of rice that is indigenous to India and a general term for several varieties of fragrant rice. It was asserted that this word has been used in a general fashion to describe this kind from different origins, such as American Basmati, Uruguayan Basmati, and Thai Basmati, for decades. Although “Basmati” is not the name of a specific location, the Indian sub-continent, the product’s place of origin, is closely tied to its reputation. Therefore, “Basmati” is eligible for TRIPs Agreement protection. The RiceTec argued, however, that even if the phrase had formerly fit into the TRIPs criteria, it has since entered the public domain and has become generic due to a lack of international measures to keep the name protected. Furthermore, it was argued that RiceTec prominently identifies their goods as “Agreement type basmati rice.” The TRIPs Agreement for geographical indicators pertaining to wines and spirits solely forbids this technique.

In April 2000, India filed a patent infringement lawsuit against RiceTec Inc. after two and a half years of laborious data collection. Out of 20 claims made by RiceTec, the USPTO only granted patents to three different hybrid strains of Basmati grain, rejecting a more comprehensive claim. The three Basmati strains to which protection was granted were clearly and conspicuously distinct. Regarding RiceTec Inc.’s use of the geographic indication “Basmati,” the Patent Office mandarins claimed that RiceTec may do so since the Basmati appellation was neither a trademarked word nor a geographic indicator, unlike Champagne or Port, which were exclusive to a particular place.

Additionally, it was noted that Basmati was not a regional indication in India. It was cultivated everywhere, including in Thailand, Pakistan, and India. Furthermore, it was said that the Basmati narrative had a troubled past beginning with the alleged breach in the mid-1990s, when Texmati and Jasmati first appeared on the shelves of supermarket chain shops. The USPTO forbade the patent holder from using the term “Basmati” following the protests from India and Pakistan against its usage.

### **Overlapping or Conflicting: A battle between two prongs**

In general, infringement of intellectual property rights is considered a violation of private property rights. However, confrontations between the state and organizations that advocate cultural asset

preservation have sometimes politicized this overlap quandary. When a mark associated with the geographical origin of a product is protected under trademark law, a conflict scenario may occur. It is usual for businessmen to incorporate the name of their industry location into their brand name. However, when those locations are connected with a high-quality product, a contentious scenario occurs.

This contentious scenario involves several problems, the most important of which is whether established techniques for establishing competing rights under trademark law should be used, or new methods and criteria for conflict resolution should be developed. The key issues of controversy concern the scope of Geographical Indicators and trademark protection. However, the question here is whether the rights granted to the Geographical Indicator holder should go so far as to block the registration of a similar trademark at the international level. The exception enumerated in Article 24(5)<sup>26</sup> raises issues of interpretation of the term “good faith” and the authority that will determine whether the goods were used in good faith; the question that arises is how unregistered geographical indications and trademarks will be protected. What standards will be used to prove the “good faith” protection provided by Article 24(5)?

Overlap problems occur when the same mark is used as both a GI and a trademark for the same product by separate parties. In such a case, the question arises as to which of the rights should be prioritised and how that priority should be determined, or all rights should coexist. Further conflict situations exist when separate parties use the same mark as a trademark and GI for different items and one of these trademarks and GIs is a well-known mark because the regionality concept does not apply to well-known marks. There is no issue as long as these symbols are used in their proper areas. However, some words can be used for both GI and trademark under certain criteria in trademark and GI legislation. According to the Trademark Act, trademarks must not be descriptive or deceptive. However, because GIs are largely descriptive, trademarks containing a GI will not be protected if the trademark is misleading or deceptive as to the genuine origin of the products. The Trademark Act forbids using the name of a region, nation, or geographical area as a trademark; it also forbids using phrases like marks that could be interpreted as a reference to the origin of the products.<sup>27</sup> When a geographical word used in a trademark becomes known by the general public to establish the origin of the goods and the trademark relationship, the existence or absence of registration no longer matters. Geographical phrases, on the other hand, can be used as

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<sup>26</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994.

<sup>27</sup> The Trade Marks Act, 1999 (Act 47 of 1999), §. 9.

trademarks when the usage is random and the mark is unrelated to the products on which such mark is used from their point of origin. Geographical indicators can also be utilised as trademarks if the mark was originally descriptive but has acquired a secondary meaning or distinctive character through use.<sup>28</sup>

When geographical indication protection is based on unfair competition or passing off, and a competitor claims trademark rights in the same indicator, the question of whether the use of that GI would be deceptive arises. If it is discovered that the use of such a trademark is deceptive as to the origin of the product, it will be considered unfair competition and passing off, and the parties will be barred from using it. However, if such usage is not confusing or misleading, the case under unfair competition and passing off will fail, and the use of that trademark may continue. Another scenario is that the challenged mark has obtained goodwill only in a small area as a geographical indication, while the same mark has gained goodwill in a larger area as a competitor's trademark. In such a circumstance, the use of both the trademark and the geographical indicator must be permitted, implying that they must coexist. The only difference is that in such a case, it becomes important to place certain limits on the scope of these rights so that they do not infringe on each other's rights and do not confuse customers.

When geographical expressions or indications are utilised as collective or certified trademarks, they are protected and governed by national trademark laws. Disputes arising from rival claims to such rights shall be heard and resolved by the trademark legislation of the country of origin. The Trademark Act prioritizes a right that has been registered or used before and under specific conditions, or that has become known, over competing claims. Geographical indicators are protected by certification and use as a collective trademark. Resolving disputes between individual marks and earlier marks will not cause any issues.

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<sup>28</sup> *Id.*, §. 9(1).

## Conclusion

There has been discussion and deliberation over the conflict between geographical indications and trademarks on national and international levels, but no consensus has been reached till date. The alternative is to allow them while clearly defining their respective areas, so that they may function without the conflict. The coexistence strategy wouldn't be able to function at the fundamental level since there would surely be greater challenges with its implementation. The supporters of Geographical Indication who view any trademark adoption containing the G.I. as misappropriation, would be dubious of such registration. They contend that G.I.s acting on behalf of any community or group ought to be given preference over trademarks. On the contrary, those who support the trademark system would prefer that the implementation of the geographical indications systems have no negative impact on any of the rights established by trademark law.

The trademark system has, however, occasionally allowed for coexistence. If the coexistence strategy is strictly followed, it may further confuse customers. But there's no denying that it is the fairest solution. The TRIPS clauses have already prepared the ground for coexistence. In registered trademark systems, it is feasible for unrelated parties utilizing the same marks to work together. There is no contradiction link between geographical indication and trademarks. Instead, it might be interpreted as a tactic used by various producers to increase the usage of their products while highlighting their advantages. Therefore, they may work together. The TRIPS agreement has been laudable in that it specifies minimum requirements that must be met by geographical indications and trademarks separately, securing their distinctive qualities. If the relevant authorities deem it necessary, they introduce the Geographical Indications Statute by legislative enactments. The protection provided by a trademark belongs to the individuals directly, but the protection provided by a geographical indication can be made available through the intermediaries of the governing body that certifies that the manufacturer's goods are produced in a specific geographical area if the appropriate authorities deem it appropriate. However, it cannot be denied that harmonization is necessary to provide a standard system of protection for such a domain by bringing about agreement among the various states about the legislation relating to geographical indications and trademarks. It might be argued that a trademark's usage serves a different purpose than the uses of geographical indications.

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