

Session 2.3: Geographical Indication protection strategy

Overview

In this session participants will learn about the different protection strategies which can be used in an OLP business strategy. The role of producers in implementing a GI strategy will be discussed. Participants will also gain insight into the basic elements for developing a GI protection strategy as well as the different types of infringements, forms of infringement and actions which can be taken against infringers.

Several case examples will be used to reinforce the concepts being taught. Learning exercises will be used throughout the session to allow participants to apply the knowledge transferred during each section.

Session learning objectives

This session has as its key objectives:

- To provide participants with **information on the importance of GI protection for OLPs**
- To enhance the knowledge capacity of participants so they better understand **how to elaborate a GI protection strategy for their OLP**
- To enhance knowledge of the different **ways to protect OLPs using the GI tool**, including **achieving GI protection in the EU & and in other international territories**

Session learning outcomes

By the end of the session participants will be able to:

- Explain the importance of GI protection for OLPs
- Identify and discuss the key elements of a GI protection strategy
- Explain how GIs can be used to protect OLPs nationally and internationally
- Articulate a GI protection strategy for their OLP

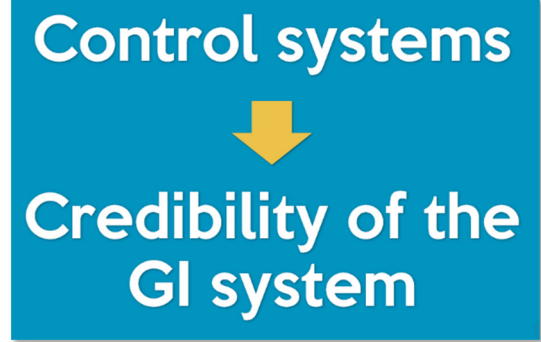
Part 1: Geographical Indications protection activities

Implementing an effective GI protection and management strategy for OLPs require the **interaction and cooperation of several actors in the product value chain**. A key stakeholder is the **group of producers** whose activities will include:

- Drafting **specifications for the OLP** and modify the specifications as required
- **Implementing a system for monitoring** of the specifications and the control system developed for the specifications
- Maintaining an **updated list of the producers** authorised to use the GI designation on their products
- Develop, implement and manage a **GI protection and enforcement of rights strategy**
- **Implementing branding, marketing and promotion activities** for the Geographical Indication, the products, producers and territory

The **need for protection**

Producers must first recognise the economic and social value of their OLP and **seek to protect and promote this inherent value through various means including the use of IP tools**. When using GI tools for this purpose, **producers must be able to define and implement a GI protection strategy**. There are several risks which must be considered if producers do not implement an effective GI (or other IP) protection strategy to complement their business model for the OLP.



- An inappropriate and ill-managed GI strategy is a **non-credible GI** for the producers, consumers and other stakeholders. In such cases GI infringers inside and outside the GI producer group will continue, or even increase, their misappropriation activities if they know there are no effective sanctions implemented by the producers group.
- Non-compliance with the specifications and controls developed for the OLP can bring the entire value chain in **disrepute**.
- It is also possible that the **GI may disappear** if evidence is provided that it does not work.

Part 2: Elements of a Geographical Indication protection strategy

Implementing **actions**

Producers must agree on the elements of the specifications, the control plan and the monitoring compliance system that will be implemented. They must also **develop a strategy to protect using appropriate IP tools** and prevent “legalised usurpations” and any action among the group of producers, or externally, which may have a negative impact on the product’s reputation.

Legal basis for GI protection

Producers must first seek to protect their OLPs using the GI system nationally. To do so there must be a national IP framework for the protection of GIs. In the absence of such a framework, producers will need to consider using other forms of IP tools such as collective or certification marks. They may also avail themselves of provisions under competition or consumer laws, customs laws or ex-officio protection.

Issues of **infringement and imitation**

Infringement of the producer group’s GI (and other IPRs) can occur in several ways on the market. For example, as counterfeited products and can be manifested as the use of the name and sometimes associated GI logo by unauthorised users and on unauthorised products. It may also be poor quality imitations being placed on the market.

Producers must be aware of infringement which may also occur internally, and be perpetrated by the legitimate GI producers themselves; or externally, by producers outside the GI designated area of production.

The negative impacts of infringement are numerous and include, but are not limited to:

- **Negative consumer perception** of the product and the value chain actors, thus damaging the reputation of the product and brand
- **Loss of revenue**, market share and export markets and the resulting lower profits for producers and other value chain stakeholders
- The **cost to take legal actions** to fight against counterfeiters

Geographical scope of GI protection

As part of the business strategy for the OLP, producers will need to determine where they will seek protection for their product. As with all IPR, GIs are only protected in the territories where they are registered. A first consideration will be to seek protection in their home territory, and secondly in their export markets. Another consideration will be based on where infringement is or could be occurring. The producer group must then consider costs and benefits of protecting their OLP in different countries.

Considering protection at the international level, there are **three main types** of GI protection options:

1. To apply for protection of the Geographical Indication **through the target country's sui generis system**, or **trade mark system** (direct application)
2. To use the **Lisbon System - the International System of Appellations of Origin and Geographical Indications**, available only for contracting parties
3. The recognition through an **international agreement concluded between governments** (usually related to trade agreements)

Types of infringement

- The use of the GI name **on identical or similar products**, which is also called **usurpation**
- The use of the GI name **on other products** that aims to **take advantage of the reputation** of the name of the GI
- The use of the GI, including when **GI products** are used **as ingredients**

Forms of infringement

- **Internal infringement** occurs when **producers fail to comply with the specifications** or when **producers that are not entitled** to use the Geographical Indication do so on their products or in their promotion campaigns.
- **External infringement** occurs in the form of **usurpation, misleading the consumer, misleading advertising, misuse of reputation** or **hijacking reputation, counterfeiting** and other different types of fraud.

Actions against infringement

- Establish a **geographical scope of action** based on where the infringement is taking place
- Establish and **strengthen the legal competence** within the group of GI producers
- Producers must integrate into their business model a **system for monitoring cases of fraud and infringement**
- **Communicate** to relevant stakeholders, including consumers, **about the infringement** to alert them so they may take appropriate action
- Depending on the infringement, the producer group must decide **contentious or non-contentious actions** they will take (e.g. warning letters or legal actions).

Partnerships for action against infringement

Implementing a GI protection strategy for OLPs, requires some partnerships with other important stakeholders, such as:

- Frauds or consumer protection organisations/institutions
- Customs, relevant government ministries (e.g. Agriculture, Commerce, Industry, Culture)
- GI Registrar or intellectual property office can be useful and can help in protection strategies
- Legal professionals where necessary
- Consumer protection associations
- Embassies – in cases where there may be infringement outside the country
- The media (print and audio-visual) can also help in promoting the GI protection activities
- Other associations like GI protection associations, commodity associations, IP Lawyers Association, Chamber of Commerce, etc.

Learning exercises

1. In the following exercises, you will identify the name of the GI and then characterise the type of infringement.

Scenario 1.1: In this case we have one photograph showing champagne packaged in typical champagne bottles. Champagne is a sparkling wine originating from a specific region in France and which is protected by the GI name Champagne. In the other photograph are sparkling wine products originating from Italy but using the similar type of bottle and using the name Champagne.



Answer: This infringement can be classified as usurpation because the name Champagne is used on the same type of products, sparkling wine.

Scenario 1.2: This case refers to parmesan produced in Australia. The logo has some references, indicating that is authentic Parmesan cheese.

Answer: The GI name is Parmigiano-Reggiano which is often referred to as parmesan. It is a PDO for cheese, made in Italy. The infringement is usurpation because the Parmesan name is used on the same type of product.



Scenario 1.3: In this case you have two packages of champagne biscuits, one product comes from Argentina and other places in South America while the another is from France.



Answer: We are dealing with the GI name 'Champagne' which is used for sparkling wine coming from a specific geographical area in France. This is a case of misappropriation of the GI's reputation because the products are different from the original product (sparkling wine). In this case it is being used for biscuits.

Scenario 1.4: In this case, we have a Blue Mountain Style iced coffee product, coming from Korea.

Answer: In this case we have usurpation because the GI protection concerning usurpation is covered, including when the GI name is used with style, type, kind, etc.



Scenario 1.5: In this case, we have a product called Parmazano coming from the United States.

Answer: The Geographical Indication name of Parmigiano-Reggiano which is a Geographical Indication for cheese in Italy is being used. In this case, we have an evocation of the name because Parmazano looks like parmigiano or parmesan. Usurpation can also be considered.



2. In this exercise, you will identify the name of the GI, explain the infringement taking place and propose a legal strategy to protect the GI

Scenario 2.1: In this photograph there are two types of products. The first product is chocolate including Piment d'Espelette. The second product is a package of basmati rice.

Answer:

First image: The name of the GI is Piment d'Espelette. Espelette chili is a sweet chili produced in France. The GI protected product is used as an ingredient in this case. The question to ask here is whether this product is really used as an ingredient in the chocolate. If yes, then only the GI product must be used without being mixed with other similar products. If no, then consumers are misled, and this is a case of usurpation.



In terms of strategy, the producer group will first send a warning letter to the producer of the related product. In parallel, the GI group shall inform the public competent authorities that can take action, if possible. If this step fails to yield the expected result in the infringement continues, the producers can take a further step to initiate legal proceedings based on the GI legal protection, consumer protection or labelling protection.

Second image: In this case the GI protection is for Basmati rice which is a GI for rice originating from India. The use the GI name is for an ingredient inside the whole packaging. The key question here is whether this GI is really used as an ingredient. If the answer is yes, then only 100% basmati rice must be used. It means no mixing with other similar Rice or other rice varieties. If no, the consumers are misled. In terms of strategy, producers can send a warning letter to the infringer at the same time they can inform the competent public authorities of the infringement and have them initiate action if possible. If the infringement continues, they can also commence legal proceedings on the basis of legal GI protection or other legal frameworks such as consumer protection or unfair competition.

Scenario 2.2: In this case there is the example of products with packaging with text and images indicating they may be Colombian coffee products. Consumers are confused as to whether these products are authentic products branded under GI Café de Colombia.

Answer: Now the GI name 'Café de Colombia' is used for coffee originating from Colombia. If the product is not covered by the GI protection, then we can say this is a case of usurpation. There is the possibility that there is real coffee inside this package therefore it is important to check the seal on the packaging, if any.



In terms of strategy, in the case of usurpation producers will have to check where it is taking place. They can check nationally and internationally as Café de Colombia is exported. They will have to send a warning letter to the infringer as well as inform the competent, public body that can take action. If infringement continues, they can also commence legal proceedings on the basis of legal GI protection or other legal frameworks such as consumer protection or unfair competition or for packaging.