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Is Geographical Indication Sufficient to Aid the Indian Economy?

■ **Aishwarya Chaturvedi**



Geographical Indication (GI) is a type of Intellectual Property, which aims at identifying a product with its uniqueness specific to a region or a method of

traditional production. The said uniqueness is an amalgamation of the quality and characteristics of these products and the geographical attributes of the region where they are being produced. Just as the reputation of a patented product is associated with its inventor, the reputation of a geographically indicated product is associated with its region; in other words, its place of origin.

Every region boasts of something unique and exclusive and GI honours and acknowledges this unique identity corresponding to products, places and methods of production. Therefore, a GI is a sign used on goods, which indicates that a particular product comes from a particular geographical region. The justification for protecting these distinctive signs results, as in the case of trademarks, from the economics of information and reputation.

When TRIPS Agreement came into existence in 1995, there was no particular legislation in India for the protection of Geographical Indications. Now, unless a GI is protected in the country of its origin, there is no obligation under the TRIPS Agreement for other countries to extend reciprocal protection. It was only after the Basmati controversy; the Indian Government realized the importance of its unique geographical products and its potential market. The Geographical Indication of Goods

(Registration and Protection) Act came into existence in 1999 and came into effect from 15th September 2003. Unlike other forms of Intellectual Property, GIs are treated as public property and any established organization or authority can apply for it. This act seeks to facilitate the exclusion of unauthorized persons from misusing geographical indications, protect consumers from deception, add to the economic prosperity of the producers of such goods, and promote goods bearing Indian GI in the export market. In 2004-05, the famous Darjeeling Tea became the first product to obtain a GI tag in India and since then, around 295 products have been registered under the Geographical Indications registry from different regions of the country. Despite legal recognition, these right holders face significant challenges in utilizing the potential benefits of GIs. This goes perfectly well with what Huges (2009) rightly pointed out that "piling up of laws" should not be confused with the "accumulation of reputational capital."

The development of GI acts as a tool for regional promotion that will help in protecting our heritage. It can create value for local rural communities in developing countries through products that are deeply rooted in tradition, culture and geography. According to Jacky Charbonneau, Chief of Enterprise Competitiveness at the International Trade Centre, "GIs maximize the added value of exports for the benefit of rural communities. They are a powerful differentiation factor for products in national and international markets, and can provide a competitive advantage. However, little can be done without the availability of adequate financial resources to market and sell GI products." Thus, developing countries like India need support to implement GIs along



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with a considerable need for financial and technical assistance to ensure the sustainability of GIs.

The real impact of GIs crucially depends on whether producers share the benefits or not. The major problem in India is that the traders and not the producers capture the largest share of economic benefits resulting from the GI. Let us assess the state of a few GIs to comprehend this aspect better.

Chikankari is what Lucknow is famous for. When you hear the word Chikankari, Lucknow is the name that comes to the mind. It is just like when you hear the word rosogolla, West Bengal is the place that comes to the mind. The Chikankari craft is about 400 years old. Even though there are different stories of how this craft came to India, each of them confirms its origin as Lucknow.

According to one of the versions, it was a traveler who had taught a poor peasant the art of Chikankari. He was passing by a village in Lucknow and feeling thirsty, he stopped and asked the peasant for water. Pleased with his hospitality, he taught him the art so that he would never remain hungry. However, the most popular story of its origin is that it was introduced in India by Empress Noor Jahan, while it was the Nawabs (the native rulers of Awadh) who patronized the craft.

In August 2008, it has been registered as a GI, which allows the Government of Uttar Pradesh to initiate legal action against any manufacturer producing Chikan outside Lucknow and its periphery. However, it is important to understand that just by registering GI will not help in preserving and promoting the craft or provide any noticeable benefit to the artisans.

Around 26% handicraft items come from Uttar Pradesh, which is the highest in the country. Approximately 1.5 million



people are involved in handicraft and weaving sector in the region of eastern Uttar Pradesh alone, which churns an annual turnover of nearly Rs. 18,000 crore. Despite all these, migration of artisans continues, owing to no significant action taken towards branding and promoting GI products by both the state and central government. According to a survey by ASSOCHAM, the machine-made Chinese products, which is up to 30% cheaper and produced faster, is proving to be baleful for this age-old craft. This is adversely affecting the livelihoods of around five lakh people working in this unorganized sector. Less than even 5% of Chikan manufacturers in Lucknow are into direct exports. Mr. DS Rawat, secretary general of ASSOCHAM said, "Chikankari industry is highly fragmented and has been facing

significant challenges owing to insufficient market information on export trends, opportunities and prices, scarcity of raw materials, lack of adequate finance and growing competition from mill and factory-made products." In order to combat such problems, ASSOCHAM rightly suggested that the Government in collaboration with the private sector should encourage integrated enterprise development by providing services such as local centres for skill training, product adaptation, vocational training, and entrepreneurship development. Exclusive markets, warehouses and open showrooms should be created for Chikan products in selected countries.

Another example is Firozabad's glassware, a registered GI from Uttar Pradesh which meets the similar fate as that of Lucknow's Chikankari. It

obtained its GI tag in 2011. The history of Firozabad's glass also traces back to the Mughal era. During this period, invaders often brought many glass items to India. And, when these glass products wore out, they collected the particles and stored in a furnace, which was known as "Bhainsa Bhatti". From these melted glass, new bangles and other glass items were made. This was the beginning of the famous glass industry in Firozabad.


The industry which started with manufacturing bangles and small bottles is now a proud hub of innumerable glass articles like flower vases, candle stands, decorative lights, bulbs etc. Glass-making using traditional techniques, which is passed on through generations is a household business in the town. It is one of the leading manufacturers and exporters of glass items and runs nearly 500 units of small scale glass manufacturing industries, which alone contributes 70% of glass production in India and provides employment to over 150,000 people from and around the city.

Even today, traditional techniques of blowing and melting of glasses are employed to manufacture glassware in the glass industries of Firozabad and the quality is checked manually to ensure that no cracked or broken pieces reach the final packed box. Even though high-quality products are manufactured here, the manufacturing cost is high and this has affected the industry considerably. There has been a massive slump in this industry due to a considerable drop in demand for glass products and the competition from Chinese glassware, which is a lot cheaper is to be blamed. In addition, the advent of automation in the name of modernization as well as the natural gas policy of the government, lakhs of people, who have been earning their bread and butter through this industry are rendered jobless. Centre for Development of Glass Industry has not been proactive in providing services like skill training, vocational training etc.; thus,

failing to achieve the purpose for which it was formed.

Therefore, it can be said that GI protection alone is not sufficient to safeguard a product or the craftsmen. GIs have an immense impact on the socio-economic aspect of developing countries like India, however, it requires the support of appropriate institutions and policies along with necessary legal protection. This calls for concerted efforts by the government and producers.

Government has already started various initiatives to empower the local craftsmen and provide them a global platform to market their products. Digital India is one such initiatives by the Government. This initiative is beneficial for the artisans as they will be able to showcase as well as sell their products directly to their clients without the involvement of any third-party or "middlemen". More importantly, the Digital India initiative will aid such artisans and craftsmen to establish a global presence for their local crafts and products. Since most of these craftsmen are uneducated, it is important for the Government to create awareness and educate them about the benefits they can reap from this initiative and flourish.

Furthermore, Government should offer certain incentives to small rural and semi-urban artisans so that they are able to access the global markets. For instance, Government should provide export subsidy to these artisans so that they can remain competitive and keep pace with their International counterparts in the global market. This will not only help protect the GI but will also provide economic aid to these artisans. Apart from the export subsidy, they should also be given subsidy on purchase of raw materials as this will reduce the production cost remarkably. We must aim at building and strengthening producer organizations and institutional structures, and ensure that a substantial national regulatory framework is in place to protect the GIs. 



Aishwarya is currently working with Singh & Singh Law Firm as an associate and her practice areas include Copyright and Trademark litigation. She has authored the book "The Unheard Predicament: Social and Legal Perspective on Women and Child Rights in India." She also has a keen interest in women and child empowerment and runs an NGO by the name Nirman..