

# **Analysis of Ethiopia's Draft Sui Generis Geographical Indications Laws in the light of their International Protection**

Seble G. Baraki\*

## **Introduction**

About a decade ago, the Ethiopian Intellectual Property Office (hereinafter EIPO) undertook the Ethiopian Fine Coffee Trademarking and Licensing Initiative (hereinafter the Initiative) for the country's well known coffee names; Harar, Yirgacheffee and Sidamo. The Initiative selected trademark as the appropriate intellectual property (hereinafter IP) tool to protect these quality coffee types and their well-known names. After the registration of these geographic names in over 36 countries including member states of EU, USA, Japan & South Africa, this initiative resulted in the issuance of over 100 voluntary and royalty free license agreements with domestic and international exporters, importers, roasters, retailers and association of producers. At the time, the initiative was praised for utilizing already established IP right in the country to protect these valuable names. On the contrary, the initiative was also criticized for choosing trademarks over sui generis Geographical Indications (hereinafter GIs) system as the latter was argued to provide more protection for geography-product linkage. Recently after leading up the initiative, the EIPO and also the Ethiopia Environmental Protection Authority (hereinafter EPA) commenced, though separately, on designing two separate sui generis GIs systems.

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\* Legal Researcher at FDRE Justice and Legal Systems Research Institute and research fellow at the Open African Innovation, Research and Training (Open AIR) Project, ([www.openair.org.za](http://www.openair.org.za)). LL.B, LL.M; E-mail: [seblebarakil@gmail.com](mailto:seblebarakil@gmail.com)

Despite the continuing contention at the international level, today GIs are used among the main IP rights as assets for the protection of variety of quality products. What's more, the interests of developing countries in using GIs systems are currently on the rise. To comprehend the implications that this IP right has, the nature, type of legal protection (national and international), as well as some socio-economic outcomes inherent to a GIs system are succinctly discussed. GIs being a recent development in Ethiopia, it is the aim of this article to canvass relevant literatures on the subject and highlight their significance. The author trusts that this article will be taken as a stepping stone for further and more detailed researches on this area of law. The article is divided into four sections. The first section explains the nature, rationale and modalities of GIS protection. The second section discusses the international protection of GIS. The third section explores the status of GIs protection in Ethiopia. The last section offers conclusion.

## **1. Nature, Rationale and modalities of GIs Protection**

Acknowledging the essential role that food production and agricultural products play in every culture, it is not surprising that special legal regimes have long been developed to regulate origin oriented and quality goods. This is essentially true in countries such as France, Spain, Portugal and Italy, where such products have contributed a great deal to their economic advancement.<sup>1</sup> To date, products in the agricultural, food or beverages industry such as Champagne and Roquefort Cheese of France, Parma Ham and Parma Cheese of Italy, Coffee de Colombia of Colombia, Tequila of Mexico and many others are known to be sources of significant economic gains and national prides. In this globalized world, knowledge is increasingly becoming an important source of income for most economies, especially so

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<sup>1</sup> L. Bently & B. Sherman, *Intellectual Property* (9<sup>th</sup> ed., 2009), p. 975.

for those in developed countries. However, knowledge should be understood to include not only high tech ones in industrialized countries but also knowledge passed from generation to generation in rural societies as well.<sup>2</sup> In most remote regions of the world, one can find everyday life depending on vital knowledge developed over many centuries. To properly appropriate and avoid usurpation by illegitimate users, countries have, among other legal regimes, been using IP to protect such high quality and origin oriented goods. Among these rights GIs protection is becoming more and more significant.

Principally, GIs are place-based names ‘that convey the geographical origin, as well as the cultural and historical identity of agricultural products.’<sup>3</sup> Place-based products are protected under different names according to the nature of protection and the place in which the protection is based.<sup>4</sup> They include ‘appellation of origin’ or ‘designation of Origin’, ‘indication of source’ and ‘geographical indications’. While these names are interconnected and on the face of it appear to be similar, they are different. The difference between these names is primarily the strength of the link between the geographical area and the product. Presently however, the term ‘GIs’ is more common and overarching, with the slight exception of appellation/designation of origin, in relation to origin oriented goods. The term GI has been described as ‘...an umbrella term used with an overall purpose of distinguishing the identification of a product’s origin and its link with particular characteristics related to that origin.’<sup>5</sup> In simple words, they are ‘signs used in connection

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<sup>2</sup> Ibid

<sup>3</sup> Sarah Bowen & Ana Valenzuela Zapata, ‘Geographical Indications, terroir, and Socioeconomic and Ecological Sustainability: The Case of Tequila’, *Journal of Rural Studies* Vol. 25 (2009), p.110.

<sup>4</sup> Ibid .

<sup>5</sup> Sara Bowen, ‘Development from Within? The Potential for Geographical Indication in the Global South’, *Journal of World Intellectual Property* (2010) Vol. 13 No. 2 pp. 231-252, p. 233

with goods in order to induce their geographical origin.’<sup>6</sup> However, being the first multilateral legal text to use the term ‘geographical indications’, TRIPS has also provided under Article 22(1)<sup>7</sup> an extensive definition:

[...] indications which identify a good as originating in the territory of a member state, or a region or locality in that territory [of a member state] or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to this geographical origin

From the readings of Article 22(1), it can be gathered that GIs under TRIPS have the following important features. First, the indication should relate to goods to be protected as a GIs. This leaves services from the scope of protection of TRIPS agreement.<sup>8</sup> Second, there should be a link between the good and a particular territory i.e., the good should originate from a specific region, locality or even a country. Third, the quality, reputation or characteristic of the goods must be essentially attributable to the geographical origin. This can be manifested through the natural attributes of the place such as soil compositions, climate or other topographical conditions as well as man-made factors in terms of special or traditional methods of production

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<sup>6</sup> Teshager Worku Dagne, ‘Law and policy on Intellectual Property, traditional knowledge and Development: Legally protecting Creativity and collective rights in traditional Knowledge based Agricultural Products through Geographical Indications’, *The Estey Centre Journal of international Law and Trade Policy*, Vol. 11 (2010), p. 73.

<sup>7</sup> This definition is said to have been derived from the definition of ‘appellation of origin’ as is provided under the Lisbon Agreement for the Protection of Appellation of origin and their International Registration of 1958. See, World Intellectual Property Organization, “Definition of Geographical Indications” Standing Committee on the Law of Trademarks, Industrial Design and Geographical Indications, (2002) No.SCT/9/4, P.3.

<sup>8</sup> However, GIs for services can exist under national legal instruments as is the case in countries such as Azerbaijan, Bahrain, Croatia, Jamaica, Switzerland, Liechtenstein, Peru, Morocco, Korea, Singapore and others. See, O’Conner and Company, “Geographical indications and TRIPS 10 Years Later....A Roadmap for EU GI Holders to get Protection in other WTO Members” (2005), (<http://trade.ec.europa.eu/dolib/html/135088.htm>) ( Accessed on January 12, 2013). See also, Irina Kireeva & Bernard O’Connor, ‘Geographical Indications and the WTO Agreement; What protection is provided to Geographical indications in WTO Members?’ *The Journal of World Intellectual Property* (2010) Vol. 13, p. 282.

within that specific region or locality.<sup>9</sup> This definition demonstrates that a GI is focused on the link between names and characteristics essentially attributable to a territory, irrespective of the size, since even the name of a country could be used as a GI.<sup>10</sup> Ready examples of this are ‘Ceylon tea’, ‘Italian Brandy’ and ‘*Café de Colombia*’. Altogether, the geographical linkage that a product has with a territory, no matter the size, may give it a unique commercial value resulting in a protectable property right. They are sought to collectively protect producers with products associated with qualities, reputations or other specific characteristics of their place or mode of production with the aim to maximize profits.

The basic and simple rationales for GIs are rendering legal protection for the goodwill and reputation of producers from designated geographic territories against ‘free riders’ as well as serving as tools of differentiating their product on the market. The exposition is that harm is inflicted by someone who is ‘free riding’ on the reputation of others, who may be producers of the authentic product or consumers misled by the authenticity of such free riding.<sup>11</sup> What is more, GIs serve a number of economic and social benefits which demand their legal protection. The main economic rationale for protecting GIs derives mainly from the fact that place of origin may be used as a quality signal, or alternatively, ‘that the resources of the region may be captured as quality attributes’.<sup>12</sup> Generally, from an economic and social point of view, some of the potential benefits of GIs can be summarized as follows. From an economic perspective, in the absence of free riders and

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<sup>9</sup> Kireeva and O’Connor, *supra* note 8, p. 283.

<sup>10</sup> H. Ilbert and M. Petit, ‘Are Geographical Indications a Valid Property?’, *Development Review*, Vol.27 (2009), p.507.

<sup>11</sup> Daphne Zografos, ‘Geographical Indications & Socio-Economic Development’ IQsensato, Working paper 3, (2008), p. 3.

<sup>12</sup> C. Bramley & J.F. Kirsten, ‘Exploring the Economic Rationale for Protecting Geographical Indicators in Agriculture’, *Agrekon*, Vol.46, (2007) p.74.

counterfeiting realized through systematic protection, authorized producers can expand sales, allowing them to achieve economies of scale. Here, protection can bring increased demand and a higher retail price for quality products, which in turn means a better distribution of economic returns for small household farmers. This, however, will depend on the strength of the marketing strategy of producers as well.

Another important point worth considering is, through the protection of specific GIs, producers from the locality in question are able to create a barrier to entry into the market for that product and exploit monopoly rents by charging consumers higher prices.<sup>13</sup> Also, as producers can be more easily identified and held responsible for their products, GIs will contribute to product safety and consumer protection. Importantly, it is being argued that GIs can encourage informal innovation. GIs protection is said to be a suitable means to protect ‘informal innovation’, peculiarly because the right is related to the product itself and does not depend on a specific right holder as such.<sup>14</sup>

The collective nature of GIs is emphasized as a benefit here. Proponents claim that GIs may be used to protect traditional products or crafts if particular characteristics of such products can be attributed to a particular geographical origin. In other words, products based on traditional know-how and innovation could be reasonably protected by using this branch of IPRs.<sup>15</sup> Some even broaden the benefits of GIs in this regard by stating that it is the appropriate regime from among the extant IP right for the protection of

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<sup>13</sup>May Yeung & William Kerr, ‘Are Geographical Indications a Wise Strategy for Developing Country Farmers? Greenfields, Claw Backs and Monopoly Rents’, *The Journal of World Intellectual Property*, Vol. 14, (2011), p.358.

<sup>14</sup>Bramley & Kirsten, *supra* note 12, p. 74.

<sup>15</sup>Bowen, *supra* note 5, p. 234.

traditional knowledge based products.<sup>16</sup> This however, is highly disputed and a contentious issue in most forums including at the World Intellectual Property Organization (WIPO) and should be handled with caution. Their potential in attracting investment and tourism towards the designated region as well as supporting sustainable rural development constitute as their socio-cultural benefits.<sup>17</sup> Due to these and other socio-economic benefits, different modalities of protection are in place to safeguard the proper utilization of these place-based names.

In light of diverse philosophical and policy variations as to how geographical denominations should be protected as well as the level of economic importance attached to them among nations, varying modes of protection exist. Generally, there are two options employed currently to protect geographical denominations: providing a GIs specific 'sui generis' system and utilizing extant IP rights such as trademark, collective marks or certification marks or other legal mechanisms such as tort or unfair competition laws to provide protection. Here, sui generis GIs systems and different types of trademarks, being the prevalent in most national laws, will be succinctly discussed.

Sui generis systems are specific to GIs and can be administered either through registration or non-registration mechanisms. Generally, the common type of sui generis GIs protection is through registration i.e., compulsory registration is required for protection to exist. Registration systems may vary depending on the scope of the names or type of goods protected. That is, countries determine what is protected under such registration systems based

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<sup>16</sup> Teshager Worku Dagne, *supra* note 6, P. 84-85.

<sup>17</sup> Zografos, *supra* note 11, p.12.

on either the names protected or the type of products which fall within the scope of application of their laws.<sup>18</sup> In other words, while countries such as Russia register only indications of geographic places, administrative districts, and regions or in exceptional cases, whole countries, other sui generis laws in countries like Thailand register indications which can be recognized as places of geographic origin, not limited to merely the name of the particular place of origin.<sup>19</sup> This kind of distinction is mainly made between systems of AO and GIs depending on how closely the product is linked with the specific geographical area. Also, AO systems protect only the name of place of origin while GIs protect any indication that identifies a product with its geographic origin.

A sui generis GIs system based on the type of product protected focuses mainly on the type of products that fall under the scope of protection. In this regard, many countries distinguish between agricultural products, foodstuffs, products of the vine, handicrafts or industrial products. That is, some countries only provide sui generis GIs protection for agricultural goods and foodstuffs while others broaden the scope of application of their laws to include handicraft and industrial products which highlight the specific qualities of a product due to human factors that can only be found in the place of origin of the products such as specific manufacturing skills and traditions.<sup>20</sup> Non-registration systems do not require registration for protection of GIs to subsist. That means, despite introducing special or sui generis protection for GIs, these systems do not require registration. Such laws exist in countries like Singapore, Jordan and Sri Lanka.<sup>21</sup> There are also

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<sup>18</sup> Kireeva & O'Connor, *supra* note 8, P.279.

<sup>19</sup> *Ibid.*

<sup>20</sup> *Ibid.*

<sup>21</sup> *Ibid.*, P. 277-279.



GIs systems in other countries, mostly developing, where a sui generis protection through registration is provided but does not require compulsory registration.<sup>22</sup>

Among the sui generis GIs systems, the more comprehensive is that of the European Union (EU). Regulation (EU) No. 1151/2012 of the European Parliament and of the council of 21 November 2012 on quality schemes for agricultural products and foodstuff, Regulation (EU) No. 1234/2007 on common organization of the market in Wine, and Regulation (EU) No. 110/2008 on the definition, description, presentation, labeling and the protection of geographical indications for spirit drinks are the most relevant laws which provide specific GIs protection per the type of products in the EU.<sup>23</sup> The protection afforded to PDOs and PGIs includes, among other

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<sup>22</sup> Countries such as India, Qatar & Mauritius can be mentioned. Under these systems, it is stipulated that registration entails a stronger protection.

<sup>23</sup> Regulation (EU) of the European Parliament and of the Council on quality schemes for agricultural products and foodstuffs, 2012, Art 5(1)& (2) Reg. No.1151, Official Journal of the European Union, L 343/1. As defined under this regulation, a Protected designation of Origin (PDO) refers to 'a region or a specific place or, in exceptional cases a country; whose quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors; and the production steps of which all take place in the defined geographic area' (Art 5(1). However, in exceptional cases, as stipulated under Art 5(3), certain names shall be treated as DOs even though the raw materials (including only meat, milk and live animals) for the products concerned come from a geographical area larger than, or different from, the defined geographical area. Whereas, a Protected Geographical Indications (PGI) is defined as 'the name of a region, specific place, or in exceptional cases a country used to describe an agricultural product or food stuff which originate in that region, a specific place or country and which possesses a specific quality, reputation or characteristic attributable to that geographical origin, and the production and/or processing and/or the preparation of which takes place in the defined geographical area.' (Article 5(2)) of Council regulation No. 1151/2012.

things, an exclusive right to use the product name and protection from direct or indirect encroachment as well as from becoming generic.<sup>24</sup>

Then again, as stated above, many countries such as the USA, Australia, many African and Arab countries provide protection for designations of goods from a certain geographical origin through already existing legal tools namely that of trademarks. In countries which provide protection through trademarks, GIs are considered as a type of trademark, mainly that of certification and collective marks. Hence, such countries employ the extant trademark regime which is familiar to most businesses to protect geographic names or indications. It is indicated that using extant trademarks systems spare governments from spending additional resources for creating new and expensive GIs registration or protection system.<sup>25</sup> This argument has been invoked to denounce the importance of having sui generis GIs systems in developing countries.<sup>26</sup> Hence, it is important to grasp that the relationship between trademarks and GIs could be strange at times. This may relate to the fact that conceptually both are considered as indicators of source and quality: trademarks are indicators of commercial origin of a particular product, while GIs serve as identifiers of geographical origin and the quality emanating thereof.<sup>27</sup> However, it ought to be underlined that they are quite distinct from one another. GIs and trademarks, as put by some 'are distinguishable, equal

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<sup>24</sup> Art 3(6) of Regulation (EU) No. 1151/20102), generic terms means '...the names of products which although relating to the place, region or country where the product was originally produced or marketed, have become the common name of a product in the union.' See also Art 13 of Regulation (EU) No. 1151/2012.

<sup>25</sup> William A. Kerr, 'Enjoying a good port with a clear conscience: geographical indicators, rent seeking and development', *The Estey Centre Journal of International law and trade policy*, Vol. 7, (2006), p. 7.

<sup>26</sup> Ibid

<sup>27</sup> Kireeva & O'Connor, *supra* note 8, p. 286.

and independent categories of IP used to denote specific product or classes of products.<sup>28</sup>

The notable and canonic departures between GIs and trademarks can be stated as follows. First, these IP rights entail different kinds of property status i.e. while trademarks are private property with exclusive rights conferred upon their owners, GIs are fixtures of a particular region or locality where rights arising from them are held by communities thus provide communal rights. Second, GIs attach a location to products where such affixation is not relevant in most trademark protection. In other words, for a product to be protected as a GI, at least some portions of the production chain be carried out in a particular region whereas a trademarked product can be produced anywhere.<sup>29</sup> Third, unlike trademarks where the name usually depends on the choice of the manufacturer or right holder, the name in case of GIs is predetermined as being the place of the locality, origin terms intrinsically associated with the place of production. This is undoubtedly the case in relation to designation/appellation of origin where the name of the protected good should be the place of origin. Fourth, while trademarks can be sold or licensed to third parties, geographical indications cannot.<sup>30</sup>

At this juncture, it is necessary to distinguish between individual and collective trademarks such as collective marks and certification marks. Though an individual trademark is owned by a specified natural or legal person, the collective trademarks belongs to a public or private collective

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<sup>28</sup>C.Fink & K.Maskus, 'The Debate on Geographical Indications in the WTO', (2005) ([www.ppl.nl/bibliographies/wto/files/6531.pdf](http://www.ppl.nl/bibliographies/wto/files/6531.pdf)) (Accessed on August 9, 2013, P. 202-203).

<sup>29</sup> T. Wattanapruttipaisan, 'Trademarks and Geographical Indications: Policy Issues and Options in Trade Negotiations and Implementation', *Asian Development Review*, Vol. 26, (2009), p. 169.

<sup>30</sup>Fink & Maskus, supra note 28, P. 202-203.

such as trade association or other groups.<sup>31</sup> A collective trademark is principally designed to guarantee certain product's characteristics, quality, nature or origin for consumers.<sup>32</sup> However, a certification mark indicates that the products on which it is used have been made or obtained subject to given standards, e.g. origin, material, mode of manufacture or quality.<sup>33</sup> These standards are defined and inspected by the owner of the certification mark, which is usually an independent enterprise, institution or governmental entity.<sup>34</sup>

At this level, one may be compelled to ask the main and underlining difference between GIs and collective trademarks. It is the opinion of this author that GIs encompasses a broader interest than what is embraced by collective trademarks. Whereas trademarks personalize and identify the producer of a product or service, geographical indications identify the place of origin of a good and the characteristics that are derived from that geographic origin in addition to the commercial goodwill of producers. In other words, though trademarks, both personal and collective, are focused on identifying the origin, quality or producers of particular goods, such identification may not necessarily relate to a particular geography. A GIs system, however, identifies both the producers of a particular good as well as the region from where the product originated. It also entails other socio-cultural nexus between a product and a region such as traditional methods of production.

## **2. International Protection of GIs**

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<sup>31</sup> Ibid.

<sup>32</sup> Kireeva & O'Connor, *supra* note 8, p. 29113, no.2, pp.275-303.

<sup>33</sup> Ibid.

<sup>34</sup> See S. Stern, 'The Overlap between geographical indications and trademarks in Australia', *Melbourne Journal of International Law*, Vol.2, (2001).

Like other IPRs, GIs are territorial in nature. However, as trade expanded in the 19<sup>th</sup> century, it became apparent that national protection alone was not sufficient as goods and their names were imitated outside of their country of origin. In the course of such transactions, international cooperation was required to ensure that GIs were properly protected through mutual reciprocity. To date, a number of international texts as well as bilateral and multilateral agreements have been devised to protect geography-product linkage. These texts aim at strengthening the status of GIs as IPRs at the national and international level and create a more harmonized mode of protection. Since the coming into effect of the Paris Convention on the Protection of Industrial Property in 1883(hereinafter Paris Convention), a number of agreements have been devised. The prominent multilateral texts on GIs include the Madrid Agreement on Repression of False or Deceptive Indications of Source on Goods of 1891(herein after the Madrid Agreement), the Lisbon Agreement on Appellation of Origin and their International Protection thereof of 1958 (hereinafter the Lisbon Agreement) and the WTO Agreement on Trade Related Aspects of Intellectual Property (hereinafter the TRIPS). This section will discuss in short the content of these multilateral texts with the aim of showing the evolution of GIs protection.

## **2.1 The Paris Convention**

The Paris Convention, which has to date 175 contracting states, has undoubtedly been the most pertinent multilateral text on IP adopted in the 19<sup>th</sup> Century. It has shaped IP legislations developed by many countries

throughout the 20<sup>th</sup> Century as well as subsequent multilateral texts.<sup>35</sup> It is also the first international treaty which governed the protection of indications identifying the origin of goods by encompassing ‘indications of source’ and ‘appellation of origin’ objects of industrial property under its Article 1(2).<sup>36</sup> According to Article 1(3) of the Paris Convention, industrial property does not only include industry and commerce but should also be understood in the broader sense of the term to include agriculture and its produce as well. These terms are not defined by the Paris Convention. Nonetheless, as can be understood from Article 1(1) of the subsequent Madrid Agreement, indications of source are characterized by a link between the ‘indication’ and the ‘geographical origin’ of the product, which may be a certain country or a place in a country.<sup>37</sup> The Paris Convention prohibits any direct or indirect use of false indications of sources. Article 10(3) of the Paris Convention also prohibits the use of indications that were liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity of the goods. It also makes available remedies under article 10, for genuine producers such as seizure upon importation of goods bearing false indications as to their source or the identity of the producer. The stipulations of the Paris Convention do not discriminate between contracting member states and provide for the principle of national treatment i.e. even producers from member countries with little or no protection should acquire the minimum level of protection provided under it.<sup>38</sup> However, under the Paris Convention, taking actions against such usurpations depend largely on the legal mechanisms available in each of the contracting member states.

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<sup>35</sup> E.C. Creditt, ‘Terrior Vs. Trademarks: The Debate over Geographical Indications and Expansions to the TRIPS Agreement’, *Vanderbilt Journal of Entertainment and Technology law*, Vol. 425, (2009) p. 4.

<sup>36</sup> Ibid.

<sup>37</sup> Teshager Worku Dagne, *supra* note 6, p. 84-85.

<sup>38</sup> Paris Convention on the Protection of Industrial Property, 1883, Art 2(1), as last revised in 1979.

This is considered a weakness as right holders had little recourse in states with weak or no existent remedies for IP in general and indications of sources in particular.<sup>39</sup>

Producers from the members of the Union created under the Paris Convention are not expected to provide proof of domicile of country of claimed protection while producers outside of the Union need to provide domicile in one of the member countries for protection to subsist.<sup>40</sup> Some argue that the provision of national treatment creates problems to those producers from countries with weak national legislations and is even insignificant to those producers with no domestic legislations to such effect.<sup>41</sup> Generally, the Paris Convention, despite the large territory it covers, does not provide states with enough options for mandatory sanctions and does not apply to merely misleading indications of sources.

## 2.2 The Madrid Agreement

The Madrid Agreement is another essential legal text relevant to GIs. This Agreement is an extension of the Paris Convention open for signature for members that were in favor of providing a stronger protection for indications of source. The Madrid Agreement restricts misuse of indications and 'seeks to prevent the marketing of goods with false or misleading assertions as to their sources'.<sup>42</sup> Signatories to this Agreement concurred to border measures on goods bearing fraudulent or misleading indications of sources and on

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<sup>39</sup> J.M. Martin, 'TRIPS Agreement: Towards a better protection for Geographical Indications?' *Brooklyn Journal of International Law*, Vol. 30, (2004) P. 3

<sup>40</sup> Paris Convention, supra note 38, Art2 & 3.

<sup>41</sup> Ibid .

<sup>42</sup> Madrid Agreement on Repression of False or deceptive indications of Sources on Goods, 1891, Art 3bis.

measures to prevent indications of sources from becoming generic terms.<sup>43</sup> In addition, judiciaries within member states are given the authority to decide which products or appellations of origins are generic, hence out of the ambit of this agreement and protection within the borders of the individual state.<sup>44</sup> Like its predecessor, the Paris Convention, the Madrid Agreement depended much on the domestic laws of each signatory state for enforcement. Some suggest that the expansive view given to indication of sources may be the reason why the Madrid Agreement has only few signatory states.<sup>45</sup>

### **2.3 The Lisbon Agreement**

The Lisbon Agreement was an attempt to extend the protection afforded to GIs further than the Paris Convention and the Madrid Agreement. This was intended to be achieved through the instauration of an international system of registration. Under its Article 2(1), the Lisbon Agreement defines appellation of origin (hereinafter AO) as ‘...the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors’. The Agreement applies to an ‘appellation of origin’ only if it is a geographical name and its quality and characteristics are linked to the geographical environment.

Article 5 of the Lisbon Agreement outlines the registration procedure as follows: (1) producers for goods register their appellation of origin in their country; (2) the country of origin then registers those appellations with the International Bureau responsible for registering AO which is under the

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<sup>43</sup> Martin, *supra* note 39, p. 3.

<sup>44</sup> Madrid Agreement, *supra* note 42, Art 4.

<sup>45</sup> Martin, *supra* note 39, p.3.



WIPO; and (3) International Bureau will notify the other contracting member countries as to the registration of the specific AO. The registration of AO has to come after an opposition period of one year for any refusal from member countries on the basis of grounds such as the term has become generic before registration.

Upon registration, AOs are protected against any usurpations or imitation even if the true origin of the product is mentioned or phrased to indicate that the product is not truly from the specific region but only something similar to those products originating from the specific locality, region or country.<sup>46</sup> This stipulation protects a registered AO from becoming generic which is useful in protecting geographic names against usurpation by free-riders. However, the Lisbon Agreement is a closed treaty which only guarantees against misappropriations occurring within the member states. The international significance of this Agreement is diminished due to its limited geographic scope with only 28 contracting member states.

## **2.4 The TRIPS Agreement**

The TRIPS Agreement is internationally accredited as the most detailed and comprehensive agreement on IP yet negotiated and the first multilateral legal text which used the term 'Geographical indications'. The historical development of this section of TRIPS is quite different from other types of IPRs. Articles 22 to 24 of the TRIPS Agreement are the product of elemental compromises between the EU, India and Switzerland, on the one hand, advocating for a good level of protection for GIs and Australia, Argentina,

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<sup>46</sup> Lisbon agreement on Appellation of Origin and their International Registration, 1958, Art 3.

the US, and other countries, on the other side, with little interest in enhancing the protection granted to GIs.<sup>47</sup> To this effect, a number of proposals have been submitted by countries on the basis of their apprehension of GIs. This resulted in two kinds of protection for GIs; general protection for all goods and extended or additional protection for wines and spirits. Over the years, various proposals to alter curtail or clarify the provisions of Section three of the TRIPS agreement have been made. Economic agendas, the provision of effective protection, and the protection of producers and consumer's welfare are among the most important rationales provided for the proposed modifications.<sup>48</sup>

When it comes to GIs under the TRIPS, the old north-south division of IP is not present and various groups of countries from different levels of economical as well as technological backgrounds could be found perusing similar agendas and goals. New rules and mechanisms for the protection of GIs have been a subject of lively discussions in the multilateral trading round-the Doha development agenda (DDA).<sup>49</sup> Establishment of a multilateral system of registration for geographical indications and the extension of the higher level of protection to goods other than wines and spirits are the main issues under negotiation. As the main purpose of this section is to emphasize the fundamental conceptions of GIs under TRIPs, the ongoing negotiations will not be dealt here. In order to show the evolution of the protection of GIs and because the TRIPS Agreement is the most significant in relation to the type of protection provided to GIs, the following

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<sup>47</sup> T. Cottier & P. Veron, 'Concise international and European IP law; TRIPS, Paris Convention, European Enforcement and Transfer of Technology', (2009), p.60.

<sup>48</sup> World Trade Organization, "TRIPS: Geographical Indications background and current situation." ([http://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm)) (Accessed on August 10, 2013)

<sup>49</sup> Ibid.

paragraphs will attempt to **outline** the different minimum levels of protection provided in the TRIPS Agreement.

### **A) General Protection under Article 22 of the TRIPS Agreement**

This provision defines GIs and sets out the minimum standards of protection available for all goods. As seen earlier, it is apparent that practically any good which can be associated with a certain locality, region or even a country may be protected as a GI where it possesses certain quality, reputation and characteristics due to its origin. ‘Quality, reputation or other characteristics’ which are essential conditions for the existence of protection are each in their own rights sufficient but indispensable conditions. In other words, the existence of one of these conditions is sufficient for protection to subsist. In addition, these conditions are to be determined according to the laws of the country where protection is sought.<sup>50</sup> Article 22 (2) creates negative rights that only provide the legal means for interested parties to prevent third parties from undertaking certain actions.<sup>51</sup> Still, this right can only be invoked where such actions mislead public or constitute acts of unfair competition. Among the main features of the TRIPS Agreement, the relationship between trademarks and GIs under Article 22(3) should be mentioned here. Article 22(3) provides member states measures such as denying or invalidating the registration of a trademark which constitute a GI and which might be likely to mislead the general public as to the true origin of the good. Such an action

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<sup>50</sup> Cottier & Veron, *supra* note 47, p. 63.

<sup>51</sup> Agreement on Trade Related Aspects of Intellectual Property (TRIPS), 1995, Art 22(2) ‘..... members shall provide the legal means for interested parties to prevent:

- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).’

may be taken by members either ex-officio, where there is a stipulation to its effect, or upon a request by an interested party. However, this sub article should be read in conjunction with the exception contained under Article 24(5).<sup>52</sup>

In 2005, the WTO panel dealt with the issue of pre-registered trademarks and new GIs when addressing the complaint lodged against EU regulation No. 208/92 by Australia and the US. In passing its decision, the WTO panel affirmed that article 22(3) only applies to resolve conflicts with later trademarks and does not apply to conflicts with prior trademarks.<sup>53</sup> It also stated that in relation to prior trademarks unqualified co-existence of these two rights in accordance with article 16(1) of the TRIPS Agreement was not recognized in the EU regulation No.208/92.<sup>54</sup> Article 22(4) also sets the conditions for the equal treatment of homonymous<sup>55</sup> GIs. Here, the ‘misleading test’ also applies where if use of one of the homonymous GIs in a WTO member would falsely represent a product that originates in the

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<sup>52</sup>Art 22(5): ‘Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

(a) before the date of application of these provisions in that Member as defined in Part VI; or

(b) before the geographical indication is protected in its country of origin; measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.’

<sup>53</sup> European Communities, Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs - Status Report by the European Communities (2006). ([http://docsonline.wto.org/imrd/GEN\\_searchResult.asp](http://docsonline.wto.org/imrd/GEN_searchResult.asp)), ( Accessed on August 12, 2013)

<sup>54</sup> Ibid

<sup>55</sup> Homonymous names are two geographical names which are spelled and/or pronounced alike, but which designate the geographical origin of products emanating from different countries. See World Intellectual Property Organization, World Symposium on Geographical indications (WIPO/GEO/BEI/07/5), (2007), retrieved from ([www.wipo.int/edocs/.../en/.../wipo\\_geo\\_bei\\_07\\_www\\_81775.doc](http://www.wipo.int/edocs/.../en/.../wipo_geo_bei_07_www_81775.doc)) ( Accessed on August 12, 2013)

territory of another, interested parties will have the legal means to prevent such use.<sup>56</sup>

## **B) Extended protection for wines and spirits under Article 23 of the TRIPS Agreement**

The additional protection for wines and spirits under Article 23 of the TRIPS Agreement is said to be due to a preeminence given to the concerns of the European wine and spirit sectors.<sup>57</sup> That is, the push from major wine producing countries, mainly European ones, at the Uruguay Round, resulted in a higher level of protection for wines and spirits under Article 23, which states:

Each member should accord the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question.....even where the true origin of the good is indicated or the geographical indication is used in translation or accompanied by expression such as 'kind', 'type', 'style', 'imitation', or the like.

The strong and additional protection for wines and spirit originating from a particular geographical area protects these indications not only from direct abuse of reputation but also from indirect use of GIs. Furthermore, as per this extended protection, it is unnecessary to show that the public might be misled or that the use constitutes an act of unfair competition before it amounts to infringement unlike what is stipulated under Article 22. However, similar with Article 22(3), member states are granted an authority to take *ex officio* actions in relation to the registration or invalidation of trademarks for wines

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<sup>56</sup> Ibid .

<sup>57</sup> D. Gervais, *The TRIPS Agreement: Drafting history and Analysis*, (2<sup>nd</sup> edition,, Australia; Law Book CO, 2008) paragraphs 2.201-2.207

and spirits which contain illegal use of GIs.<sup>58</sup> However, where there is no *ex officio* regulation in the legislations of each member states, such action against trademarks may only be taken upon request by interested parties.<sup>59</sup> Article 23 also provides similar stipulations similar with what is provided under Article 22 in relation to homonymous names for wines and spirits.

At this point, it is important to mention the enforcement mechanisms provided under the TRIPS Agreement. Recognizing the personal and territorial nature of IPRs in general, the TRIPS Agreement makes available enforcement mechanisms. Article 41 of the TRIPS Agreement provides the general principles requiring members to provide the legal means for interested parties to protect GIs. Right holders are granted the privilege of demanding protection against any act of infringement of their IPR including expeditious remedies to prevent infringement and deter further infringements. In addition, members are required to create fair and equitable procedures for the enforcement of IPRs.<sup>60</sup> It bestows rights on national courts, under certain conditions, to order the disposal or destruction of pirated or counterfeit goods.<sup>61</sup> The TRIPS Agreement also recognizes the importance of border enforcement procedures that will enable right holders to obtain the cooperation of customs authorities so as to prevent the release of infringing imports into circulation.

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<sup>58</sup> TRIPS Agreement, *supra* note 51, Art 41.2.

<sup>59</sup> *Id.*, Art 23.2.

<sup>60</sup> TRIPS , *supra* note 51, Art 41.2.

<sup>61</sup> TRIPS , *supra* note 51, Art 46.

### 3. The status of GIs Protection in Ethiopia

The agricultural sector is the backbone of Ethiopia's economy.<sup>62</sup> Unfortunately, Ethiopian farmers and pastoralists are among the poorest in the world. Thus, the importance of developing appropriate measures such as an effective legal system, including a comprehensive IP system, cannot be underestimated. Currently, there is no specific legislation for the protection of place-based names such as GIs of high quality agricultural and pastoralist products in Ethiopia. But, protection can be attained by utilizing extant trademarks (Trademarks Registration and Protection Proclamation no.501 of 2006, hereinafter Trademark Proclamation No. 501/2006) and unfair competition laws (see Articles 21, 27, and 30 of the Trade Practices and Consumer Protection Proclamation no. 685 of 2010). Moreover, currently there are two draft laws being designed to provide sui generis GIs in Ethiopia. Before discussing the draft laws, it is necessary to briefly deal with the Trademarking and Licensing Initiative undertaken by the EIPO for the country's three well-known coffee names; *Yirgacheffee*, *Harar* and *Sidamo*.

#### 3.1 The Ethiopian fine Coffee Trademarking and Licensing Initiative

In 2004, EIPO, with the aim of moving three coffee types from commodities to high price quality exports of niche market, established the Ethiopia Fine Coffee Initiative (hereinafter the Initiative) to protect three specialty/gourmet

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<sup>62</sup>Ethiopian Institute of Agricultural Research. (no date), 'Validating Intellectual Property Policy and Guidelines' Retrieved from (<http://knowledge.cta.int/en/content/view/full/12824>) (Accessed on August 12, 2013).

coffees of the country through trademarks registration.<sup>63</sup> As these and many other coffee types grown in Ethiopia enjoy a very special quality, aroma and test associated with the methods of production as well as the natural attribution of their regions of origin. The Initiative is run by the Ethiopian Fine Coffee Stakeholder Committee, which comprises farmers' cooperatives, private exporters and the EIPO as well as other government entities having direct responsibility for the development of the coffee sector.<sup>64</sup> Through this Initiative, trademark applications were filed for the country's most valuable brands under an umbrella name '*Ethiopian Fine Coffee*' in the EU, Japan, USA and other developed and developing countries.<sup>65</sup> Despite the initial opposition from coffee stakeholders in the USA, namely that of the National Coffee Association (NCA) and the Starbucks Coffee Corporation, all the three names are registered in these countries as personal trademarks.

Currently, there are over a hundred voluntary and royalty free license agreements entered between the initiative and coffee importing, roasting and distributing companies in North America, Europe, Japan and South Africa, including domestic private coffee exporters and coffee farmers cooperative unions.<sup>66</sup> The licensees at the international level, which are mostly coffee roasters and retailers, have the responsibility to engage in the advertisement,

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<sup>63</sup> While a number of coffee producing regions tend to seek protection for their coffees through GIs or take a mixed approach (like Colombia), Ethiopia applied trademarks to achieve the protection coveted. The National Federation of Colombian Coffee farmers (FNC) rather decided to rely on a two-fold strategy – trademark and geographical indication protection – in order to defend and enhance the reputation and value of the product and to further develop Colombian coffee by building up a stronger product identity.

<sup>64</sup> World Intellectual Property Organization, "The Coffee War: Ethiopia and Starbucks Story", (<http://www.wipo.int/ipadvantage/en/details.jsp?id=2621>) (Accessed on August 14, 2013).

<sup>65</sup> Australia, Brazil, Canada, China, Saudi Arabia and South Africa are also among the 36 countries where the trademarking and licensing of these specialty coffees was first filed.

<sup>66</sup> World Intellectual property organization, supra note 63.



marketing and other promotional activities directly or indirectly through their sub-licensees to enhance the value of these trademarks.<sup>67</sup> The main feature of this licensing agreement is that no royalty fees are to be paid by the licensees for using the trademarks. These names are not registered in Ethiopia because, pursuant to Article 6(1)(e) and (h) of Trademark Proclamation no. 501/2006, using place-based names as trademarks is prohibited for being geographically descriptive and misleading.<sup>68</sup>

A number of reasons were put forward against providing GI protection for these fine coffees. According to the Initiative, the purpose of GIs is not aligned with the goal of the Ethiopian coffee sector, i.e. getting a better price for the coffees. The EIPO and its pro bono legal counsel, Light Years IP, reasoned that the nature and form of GI protection has a disadvantage in terms of protecting these fine coffees. They argued that because GIs are only aimed at protection against copying and counterfeiting,<sup>69</sup> they would not give commercial control of coffee brands to the Ethiopian farmers, thus failing to enhance the producer's power to improve their profits.<sup>70</sup> On top of this, it was argued that, if these specialty coffees were registered as GIs, a GI for '*Harar*' coffee (for example) would require every bag of this coffee to be produced, processed or prepared in the Harar region and have a special quality that is directly dependent on the unique attributes of the region.<sup>71</sup>

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<sup>67</sup> Ibid.

<sup>68</sup> Trademark Registration and Protection Proclamation, 1998, Article 6(2), Proc. No. 501, Neg. Gaz. Year 12, No. 37. The article provides for an exception to this acquired distinctiveness of the name as an exception to these prohibitions

<sup>69</sup> This is also the case with trademark; a trademark only prevents others from using identical or confusing marks but does not prevent the production of similar goods.

<sup>70</sup> Here the experiences of many developing countries such as Colombia (cafe de Colombia) Jamaica (Blue mountain coffee), Dominican Republic coffee, India and Pakistan (Basmati rice (even where there is disagreement about this product at the international level) should be noted.

<sup>71</sup> This is related to the fact that specialty coffee in Ethiopia is grown on over four million small plots of land by an estimated 600,000 independent farmers spread throughout

Unlike a GIs system, a trademark registration does not require a specific coffee to be produced in a specific region or have a particular quality in connection with that region. Nonetheless, a GI scheme does not necessarily require every activity to occur within that specific geographical area or exceptions can be stipulated within national laws to this extent. For instance, if we look at Article 5(3) of EU Regulation No. 1151/2012, a raw material for the products concerned may come from a geographical area larger than, or different from, the defined geographic area. Hence, a GIs law in Ethiopia could be designed to make similar exception to such specialty coffee types. What is more, proponents of the Initiative reasoned that GIs are designed to defend valuable intellectual property, not to develop economic value. While this argument is forwarded on the basis that producers have to have direct access to consumer marketing and have already established valuable brands, it might not be entirely correct:

In the case of *Comte Cheese*, it has been demonstrated that farmers in France benefited from the instigation of a GI, with the value being paid to farmers increasing, thus improving their profit margins. As to whether brands have to be already established there is little evidence to support this. In fact historically it has been the instigation of GIs that has indicated quality and helped establish the product as a valuable resource.<sup>72</sup>

The EIPO also asserted that GIs would be extremely costly to govern. According to the EIPO, a GIs system would be difficult and rather costly for the government to ensure compliance with standards set and the true origin of the coffees (i.e. whether or not these coffees originate from ‘Sidamo’,

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the country in remote areas. See World Intellectual Property Organization, *supra* note 63.

<sup>72</sup> J. Watson, & J. Streatfeild, ‘The Starbucks/Ethiopian Coffee Saga Geographical Indications as a Linchpin for Development in Developing Countries’, *Nordic African Institute*, Vol.3, (2008), p. 4.

‘Yirgacheffee’ or ‘Harar’) and also that the appropriate historic production methods are used. This is a legitimate concern invoked by opponents of the need to have a GIs system in African countries such as Ethiopia. Moreover, another reason is that governmental oversight of coffee producers would be nearly impossible coupled with the fact that farmers may be required to pay a surcharge for governmental oversight, and this would only be an additional burden on many who are already living below the subsistence level.<sup>73</sup>

However, some argue that “...there is no guarantee that any tax increase would be borne by the coffee producers’.<sup>74</sup> In addition, not all farmers will benefit from the trademark, as only certain co-operations are in coalition. There is a concern that trademarking could leave the majority worse off, as they could only sell to one official government buyer rather than the market. GIs, instead, could be applicable to all farmers in an area and therefore all could benefit from the value a GI brings.<sup>75</sup>

Despite the above arguments, trademarking and licensing initiative was seen as a more direct route of protection because it would grant the Ethiopian government the legal right to exploit, license and use the trademarked names in relation to coffee goods to the exclusion of all other traders.<sup>76</sup> Using trademark registrations, the government could then produce greater quantities of specialty coffees from all over the country. Rural producers outside the Sidamo region could grow Sidamo coffee, as it would not need to have a characteristic that is unique to the Sidamo region. This strategy, as was

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<sup>73</sup> Ibid.

<sup>74</sup> Ibid, p. 6

<sup>75</sup> Ibid.

<sup>76</sup> Getachew Mengistie, ‘Capturing intangible values of coffee- the Ethiopian Fine coffee designations trademarking and licensing initiative’, ICO Seminar on Geographical Indications for Coffee, 20 May 2008, London (UK)

claimed by some, gave the Ethiopian government greater and more effective control over the distribution of its product, which ultimately increases revenue by exporting more goods thereby enabling a rise in prices and benefits to farmers.<sup>77</sup> It was also considered an innovative strategy and perhaps the only viable one if Ethiopia wants to compete in the international marketplace.<sup>78</sup>

In the opinion of some writers, in contrast to the already established trademark system, Ethiopia would have encountered great challenges cost and time wise had it opted to implement a GI system for the protection of its goods.<sup>79</sup> According to some, by seeking protection under trademarks, Ethiopia has not only avoided incurring the cost of establishing and implementing a GI system, but also enabled itself to honor its culture while moving towards the future.<sup>80</sup> In addition, it has been argued that resorting to a GI system in Ethiopia at this time might affect its development strategy because of the traditional and backward production methods within the country.<sup>81</sup> As such, some argue that GIs could potentially leave developing countries like Ethiopia stuck in the past, forcing them to depend on the outdated methods of production instead of developing new, more proficient or environmentally friendly technologies.<sup>82</sup> This however may not be

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<sup>77</sup> Ibid.

<sup>78</sup> M. O'Kicki, 'Lessons Learned from Ethiopia's Trademarking and Licensing Initiative: Is the European Union's Position on Geographical Indications Really Beneficial for Developing Nations?' *Loyola University Chicago International Law Review*, Vol. 6 (2009), p. 331.

<sup>79</sup> L. Schüßler, "Protecting 'Single-Origin Coffee' within the Global Coffee Market: The Role of Geographical Indications and Trademarks", *The Estey Centre Journal of International Law and Trade Policy*, Vol.10 (2009), p. 170.

<sup>80</sup> Ibid.

<sup>81</sup> O'Kicki, supra note 78, p.331; This however may not be warranted as most developed states have GI systems which seem not to affect their developmental process but instead contribute considerably thereof.

<sup>82</sup> Ibid.

warranted as most developed states have GIs systems which didn't affect their developmental processes but rather contributed considerably to their development.

The improvements that followed the trademarking of these crops in relation to international pricing and consumer awareness cannot be underestimated. Even though Ethiopian coffee has long been recognized for being among the finest, the efforts of the Initiative has resulted in increased economic benefits. Yet without independent study of the factors that contributed to the economic benefits said to have accumulated after 2007/2008<sup>83</sup>, it is difficult to clearly state that trademarks is the appropriate IP tool for the protection of high quality products. Even those who praise the Initiative's strategy to successfully take the Ethiopian coffee to the international market agree that Ethiopia should strive to develop a GIs system which will meet the demands and circumstances of the country.<sup>84</sup>

### **3.2 Towards a Sui Generis GIs System in Ethiopia**

Regardless of the efforts to protect specialty coffees through trademarks, laws that provide sui generis GIs protection to different quality agricultural products in Ethiopia are being drafted. To preserve and promote its horticultural heritage, Ethiopia has chosen to design and implement a specific GIs system, designation of origin, by establishing the 'Home Gardens of Ethiopia' under the auspices of the EPA in 2006. Following the closing of 'Home Gardens Ethiopia' project, the duty of developing a law on the

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<sup>83</sup> Ron Layton, 'Introduction to the Ethiopian Fine Coffee and Trademark initiative: How \$200million was returned to Ethiopia over three years and the opportunities for further benefits', Conference on the Ethiopian Fine Coffee Trademarking and Licensing Initiative: Stepping up the Top Shelf: Training for the Ethiopian Export Sector Licensees, August 2011, Addis Ababa.

<sup>84</sup> Schüßler, supra note 79, p. 170.

designation of origin system is now being carried out by the Ministry of Agriculture. Moreover, since 2006, the EIPO has been engaged in the development of a GIs proclamation. The subsequent paragraphs will look at pertinent issues covered under these two draft laws and proffer certain points for consideration.

### **3.2.1 The draft designation of ORIGIN Proclamation**

The preamble of the draft Designation of Origin proclamation (DO proclamation) recognizes that better protection of natural resources could generate income for farmers all over the country and help to preserve and conserve the environment. This system is mostly used in conjunction with the broader GIs system to provide a separate protection from the general protection provided for other GIs.<sup>85</sup> A ‘designation of origin’ is defined as follows:

The name of a specific place, a region or, in exceptional cases, a country, used to describe an agricultural product originating in that specific place, region, or country, if the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined specific place, region, or country.<sup>86</sup>

The terms ‘designation of origin’ and ‘appellation of origin’ are used interchangeably. Article 2 of the draft DO proclamation defines ‘appellation of origin’ in the same manner as that of the Lisbon Agreement.<sup>87</sup> The draft

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<sup>85</sup> For instance, Council Regulation (EC) No. 1151/2012.

<sup>86</sup> World intellectual property organization, Famous Appellation of Origin, ([http://www.wipo.int/wipo\\_magazine/en/2008/06/article\\_0009.html](http://www.wipo.int/wipo_magazine/en/2008/06/article_0009.html)), (Accessed on June 13, 2013).

<sup>87</sup> The Registration and Protection of Designation of Origin draft Proclamation (hereinafter Draft DO Proclamation), Art 4: an AO is defined as ‘the geographical name of a country, region, or locality, which serves to designate a product originating therein,

DO proclamation aspires to protect registered designations of origin for unique home garden plants and animal products upon registration.<sup>88</sup>

The draft DO proclamation also aspires to provide designation of origin protection for the traditional knowledge<sup>89</sup> based in Ethiopia.<sup>90</sup> The draft DO proclamation seems to be focused only on traditional knowledge that is essential for the production and/or processing of the unique home gardens products. This seems to leave other relevant traditional knowledge out of its scope of application. Certain requirements are provided before protection under the draft DO proclamation can subsist. Initially, a product can bear the name of the area and hence acquire protection as a designation of origin if: a) it originates in a specific place within the boundaries of the proposed designated geographical area; b) its unique characteristics are essentially or exclusively attributable to that area; and c) its production and processing takes place in that specific area.<sup>91</sup> Here, the specific geographic area attributing to the quality or unique characteristics of the good should not be taken only pertaining to the ecosystem of that precisely defined area but also the collective knowledge, techniques and skills of production or processing of the local community within that geographic area.<sup>92</sup> In addition to this, to acquire protection as a designated origin, products originating in a particular

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the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors’.

<sup>88</sup> Ibid.

<sup>89</sup> Ibid, Art 2, Traditional Knowledge is defined as ‘...Knowledge, practices and norms of local communities that have been developed and accumulated through the years and that are essential for the production and/or processing of a unique product as well as for the conservation and sustainable use of their land the name of which the unique product bears.’

<sup>90</sup> Draft Do Proclamation, supra note 87, Art 3.

<sup>91</sup> Draft DO Proclamation, supra note 87, Art 5.

<sup>92</sup> Ibid.

area must not conflict with plant varieties or animal breeds; and they should not be registered as a trademark or be homonymous names.<sup>93</sup>

As is the nature with *sui generis* GIs systems, the protection provided for such unique and high quality products is communal, granted to association of local communities.<sup>94</sup> Protection under the draft DO proclamation exists upon registration with the EIPO.<sup>95</sup> A peculiar nature of this draft proclamation is the procedures stipulated under Article 11 which mandate association of a given community to formulate the application together with EPA free of charge. This is can be used as an incentive to encourage the involvement of local communities and associations in the system.<sup>96</sup>

The procedures which must be taken by the Ministry of Agriculture in passing decisions pertaining to the registration of designation of origin and other measures to be taken afterwards are also specified in the draft proclamation.<sup>97</sup> Applicants who are grieved by the decision of the Ministry of Agriculture should first use the available administrative dispute resolution mechanisms and *ad hoc* tribunals before they could resort to judicial solutions. As per Article 8 of the draft DO proclamation, these local associations are given collective and exclusive rights to use the names and benefit from the marketing of these goods but are prohibited from

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<sup>93</sup> Arts 6(3) and (4), Draft DO Proclamation.

<sup>94</sup> An association of local community is defined under article 2 of the draft DO proclamation as '...a group of farmers and/or pastoralists who live in a specified Kebele and have agreed to coordinate their respective activities, traditional community knowledge and technology to jointly manage, protect and use their land the name of which their unique product bears as an appellation'.

<sup>95</sup> The EIPO is responsible for managing the DO register.

<sup>96</sup> However, Art17(2) describes the conditions upon which associations and communities maybe obliged to pay for the process of review the application. The detail regarding the amount of payment is to be determined by a regulation to be issued by the council of ministers (see Art17(3)).

<sup>97</sup> Draft DO Proclamation, supra note87, article 15&16.



transferring these in a form of sale or any exchange. Once a community has registered the rights pursuant to the draft DO proclamation, it would be able to prevent any person from using the same designation without its authorization. Articles 19-22 the draft DO proclamation discuss available legal remedies where the designation of origin is used by illegal persons. These include: provisional measures (custom measures both in case of exportation and importation of products bearing illegally the registered designation of origin and seizure of the counterfeited property), civil remedies as well as criminal sanctions.

### **3.2.2 The DRAFT GIs Proclamation**

In its preamble, the draft GIs proclamation expresses the need to use GIs as an asset in protecting the reputation and goodwill of products originating in a specific geographical area. The commercial value attached with GIs is stressed in the draft GIs proclamation. According to the draft GIs proclamation, a GI is:<sup>98</sup>

“...a name of a country, region, locality, place or other identifiable geographical area, as well as geographical image or sign used to identify goods originating in the country, region or locality, place or area where a given quality, reputation or other characteristic of the goods is due exclusively or essentially to the geographical area and includes an appellation of origin.”

Under the draft GIs proclamation, any geographical name, sign, or image can be registered as a GI where it fulfills the requirements specified under the proclamation; relates to goods; and the given quality, reputation or other characteristic of the good is essentially due to the geographic area. Also, the name, sign or image to be registered as a GI must not be generic and should

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<sup>98</sup> Draft Geographical indications proclamation, Art 2(8), (u.d).

not be contrary to any law, public policy or public order.<sup>99</sup> Pursuant to Article 8 of the draft GIs proclamation, any person is eligible to register and thus acquire protection. The right to use the particular GI in question belongs to a person who is located in and operates an enterprise in the particular geographical area and who is a user according to the proclamation.<sup>100</sup>

Article 6(4) of the draft GIs proclamation provides the rights bestowed upon registered GIs and their legitimate users; and the right to use and prevent others from using their registered GIs on products not originating in the designated area in a manner that would mislead the public as to the true origin of goods. The draft GIs proclamation prohibits the illegal use of a registered GI on production, manufacturing, importing, exploring, selling, exhibiting or offering for sell or keeping in stock of goods that bear the name of a geographical area or geographical image or sign that is the same or confusingly similar to protected GIs.<sup>101</sup> The draft GIs proclamation also prohibits the use of a GI on goods even if the true origin of the good is indicated; is used in translation; or is accompanied by terms such as kind, type, make, imitation or the like.<sup>102</sup> This can be equated with the extended protection provided under Article 23 of the TRIPS Agreement for wines and spirits. Also, the draft GIs proclamation provides special protection to reputable GIs even where there is no act of misleading the public as to the true origin of the good.

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<sup>99</sup> Ibid, Art 9.

<sup>100</sup> Ibid, Art 8(2); a user is defined under Art2 as 'a person who is entered in the office records as the user of a protected GI.'

<sup>101</sup> Ibid, Art 10(2)(a).

<sup>102</sup> Ibid.

Protection of all GIs is dependent upon registration unless otherwise expressed by law.<sup>103</sup> Articles 11 to 16 of the draft GIs proclamation specify detailed conditions to be fulfilled for the registration of a geographical name, sign or image as a GI and provides the circumstances where registration will be refused. The EIPO has the authority to register or refuse registration and administer the registration of GIs. However, persons using a geographical name in good faith are allowed to continue the use upon making an application for further exploitation of the name to the EIPO within 6 months from the registration of a GI.<sup>104</sup> Also, Article 7 of the draft GIs proclamation provides a right for producers to institute civil actions against persons who are using the registered GIs illegally.

#### **4. Conclusion**

Sound use of GIs system can be of a considerable economic value where producers from a given geographical area are rewarded for their long enduring investment in formal/informal innovation. This can be a valuable asset where countries such as Ethiopia take the necessary measures to protect their quality products. Even with the possible initial risks and high cost attached to their implementation, the focus with GIs systems should be on the value that would be accumulated over time. Ethiopia may benefit in the long run from developing its own GIs system. Actions taken to institutionalize IP in Ethiopia should be considered important steps towards better utilization of IPRs and GIs. In relation to GIs, Ethiopia needs to attach the requisite attention to their local, economic, and social significance. The move to provide protection for both designation of origins and GIs protection in Ethiopia has the potential to ease concerns over governance and demarcation.

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<sup>103</sup> Draft GIs proclamation, Art 6(2).

<sup>104</sup> Ibid, Art10(7).

By separating the link between goods and their geographical origin, Ethiopia may avail itself of these two modes of geographical designations.

After duly considering the draft DO and GIs proclamations, the author recommends the following issues be properly investigated before the enactment of the draft laws:

- A) Type of protection: The need to provide protection through registration, as envisaged in both drafts, should be critically studied to provide more inclusive schemes. As discussed above, two types of protection exist in relation to sui generis GIs system: registration and non-registration. In this regard, most developing countries which provide for a GIs system adopt the non-registration systems or registration systems which are not compulsory. The draft laws should give due consideration to the implications of providing a compulsory registration system in a country where producers are mostly very poor household farmers.
- B) Communal nature of sui generis systems: The main benefit of a GIs system in developing countries is its communal nature. This seems to be understated under the draft GIs proclamation. In order to avoid excluding small-scale farmers, the draft GIs proclamation should give emphasis on the issue.
- C) The relationship with trademarks: Article 6(3) of the draft DO proclamation should be redefined to avoid confusion. For example, an understanding contrary to Article 6(3) can be found contained in the Trademark Proclamation no.501/2006, with the exception regarding geographic names which have acquired distinctiveness.<sup>105</sup> Also, the relationship between GIs and trademarks is not dealt under the draft GIs

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<sup>105</sup> Trademark Proclamation no. 501/2006, supra note 68, Art 6(1)(e),(h) and (2).

proclamation. The co-existence of these two IP rights should be established in these draft laws. This could help in providing TRIPS compatible laws. Utilizing these two IP rights together to better protect quality products should be pondered upon. In other words, producers of quality agricultural products may use trademarks and GIs as part of their marketing strategy, as has been done in many developing countries.

- D) Homonymous names: The draft proclamations exclude these names from being protected as a designated origin or a GI. It is essential to revise the draft laws to include the name thereby providing a TRIPS compatible legal regime as have been discussed above.
- E) Traditional knowledge: Both draft laws aspire to protect traditional knowledge, even though the draft DO proclamation only focuses on traditional knowledge that are essential for the production and/or processing of the unique home gardens products. Such distinction does not exist in the draft GIs proclamation. Hence, due regard should be given in devising an appropriate mechanism for the protection of traditional knowledge. It is worth noting that GIs can only provide protection in relation to arbitrary use of origin on goods produced outside the legitimate region and do not prevent others from producing similar goods per se.
- F) Enforcement mechanisms: The draft DO proclamation provides for more comprehensive enforcement mechanism while the mechanism furnished under Article 7 of the draft GIs proclamation is not adequate. The draft GIs proclamation needs to make available other measures such as provisional measures, border or criminal sanctions.
- G) Environmental issues: The draft DO proclamation shows a strong intention to incorporate environmental issues and methods of

preserving and conserving the environment. Some of the environmental issues provided in the draft proclamation have little to do with IP issues. The main attention should be on providing a comprehensive and effective designation of origin system.