



Monday 18th of April 2022

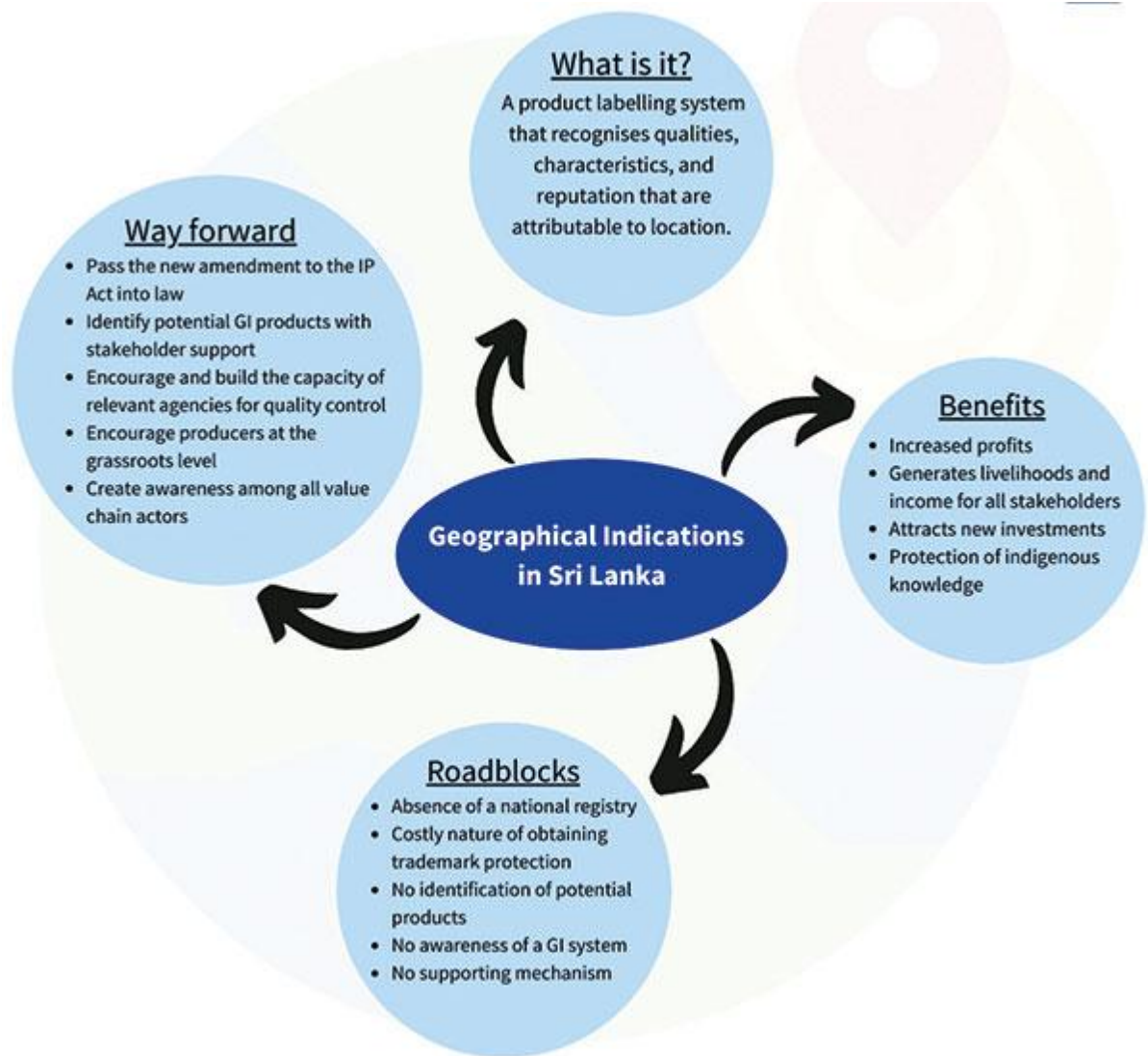


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BUSINESS

Geographical Indications for Sri Lankan products: The need to expand local registration

Published 1 month ago on 2022/03/10



Sri Lanka obtained its first-ever Geographical Indication (GI) certification on 02 February for 'Ceylon Cinnamon' from the European Union due to untiring efforts during the last few years. Ceylon Cinnamon is now in the register of Protected Designations of Origin and Protected Geographical Indications (PGI) and it was published in the Official Journal of the European Union. Can we similarly market and protect distinctive Sri Lankan products like Ceylon Tea, Ceylon Blue Sapphire, Ruhunu Curd, Dumbara Mats, Ambalangoda Mask etc. on? Yes, marketing and protecting geographically unique products are possible by implementing a robust GI system with local registration to support obtaining international registration and protection.

What is a GI?

GI is a labelling system that identifies a product originating from a specific geographical area. It recognises qualities, characteristics, or the product's reputation that are important to the area.



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or attributable to its location. The environmental and human factors in such areas help create a high-quality product. An Intellectual Property Right (IPR), Geographical Indication (GI) protects producers in the identified geographical location to the specific standards listed in the GI registration. More than 160 countries have already implemented GI for agriculture, handicrafts, food, and wine products. India, Thailand, Vietnam, Indonesia, and Cambodia are some of Sri Lanka's Asian neighbours which enjoy economic and social benefits. For example, India introduced GI in 2003 and has registered nearly 400 products, of which more than 100 products are in

agriculture. Thailand also introduced GIs in 2003, and by 2019, there were about 100 protected products covering rice, vegetables, fruits, wine, and spirits.

Economic and Social Benefits of GIs

Both developed and developing countries have identified GIs as a potential tool to improve agriculture and traditional handicrafts sectors by assuring the quality of the products. Other forms of IPRs, GIs also attempt to solve market failures such as information asymmetry. The economic benefits of GIs for producers are similar to the benefits of protecting trademarks and patents. It rewards producers from a geographical area and prevents outside producers who do not meet the production requirements from using such benefits.

Producers receive increased profits by obtaining a price premium for their geographically specific, high-quality products. Studies have shown that the price premium for GI products can increase from 20% to 50% compared to non-GI products. For example, in the European Union (EU), the price of a GI product has been estimated to be 2.23 times higher than that of a comparable non-GI product (on average, 1.5 times more for agro-food products). As an instrument, GIs have positive implications for protecting indigenous knowledge and generating livelihoods and income for all stakeholders in the value chain. A strong GI system will also attract new investments to the selected regions, thereby boosting the economic development of rural areas. Thus, the country will gain several socio-economic benefits with a GI system.

GI in Sri Lanka: Slow Progress of Local Registration

According to Sri Lanka's existing IP law, GIs can be protected in three methods. First, trademark law in the form of certification mark or a collective mark; second, as a moral business practice which prevents unfair competition and provides consumer protection; third, as a sui generis system – i.e. a system of its own. The World Trade Organization (WTOs), Trade-Related Intellectual Property Rights Agreement (TRIPs) agreement do not impose any method and it is based on the country's legal system. Some countries may use two or three protection systems, and there are pros and cons in each system. It is said that the sui generis system offers the most comprehensive protection for GIs. Internationally, the countries that use sui generis protection system have a registration system where GIs are registered in a national registry governed by the national authorities.

Sri Lanka obtained certification marks for 'Ceylon Tea' in 2010 and 'Ceylon Cinnamon' which provide local registration for these goods. However, Sri Lanka has not been able to expand local protection for several other similarly unique products yet due to several reasons. The absence of a national registry in the sui generis system and the costly nature of trademark protection, which require annual renewals, are among the most salient reasons. Added to this, the relevant authorities are not actively identifying potential products or encouraging stakeholders to protect their unique products. Furthermore, stakeholders, especially producers, are not aware of the GI system and there is no mechanism to support stakeholders to obtain local GI registration. The delay in local registration hinders their international registration as it is a prerequisite to go for international registration.

In 2018, as an initial step to create a national registry system for Sri Lanka, an amendment to the existing IP Act was introduced. The amendment confers power to the Minister to register a geographical indication in respect of any goods or products. However, as several legal and academic practitioners highlighted, the selection criteria, application procedure, and modalities of how the GI is prescribed were not specified in the 2018 amendment. A new amendment on the GI registration system which introduces the procedure was tabled in Parliament this year, the quick passage of which would be beneficial for Sri Lankan producers looking at securing GIs for their products.

Way Forward

A strong GI eco-system motivates all stakeholders in the value chain to protect the uniqueness of their products. This can significantly boost economic development. Therefore, Sri Lanka needs to swiftly pass the new amendment to the IP Act to enable the implantation of a national registration system. Equally, it is necessary to identify potential GI products with

stakeholders' support, encourage and build the capacity of relevant agencies for quality control, and encourage producers at the grassroots level to work towards securing GI certification. Further, it is essential to create a mechanism to link stakeholders with relevant government agencies to obtain local registration initially and then go for international registration. Most importantly, creating awareness among all value chain is crucial as they are – finally – the intellectual property owners of their products.

Link to the full Talking Economics blog:

<https://www.ips.lk/talkingeconomics/2022/03/07/geographical-indications-gis-for-sri-lankan-products-the-need-to-expand-local-registration/>

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BUSINESS

SEC directs CSE to temporarily close the stock market

Published 11 hours ago on 2022/04/18

The Board of Directors of the Colombo Stock Exchange (CSE) by way of a communication dated 15th April 2022 has called upon the Securities and Exchange Commission of Sri Lanka (SEC) to temporarily close the stock market citing the present situation in the country.

Many other stakeholders of the securities market including the Colombo Stock Brokers Association have also sought the temporary closure of the market on the same grounds.

The SEC has carefully considered the grounds that have been adduced by them and has evaluated the impact the present situation in the country could have on the stock market, particularly the ability to conduct an orderly and fair market for trading in securities.

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BUSINESS

HNB renews long established partnership with Expo Property Developers

Published 11 hours ago on 2022/04/18

HNB PLC has renewed its partnership with Expo Property Developers (Pvt) Ltd to present customers with special feature/value additions on properties offered by the real estate giant.

The partnership will be an opportunity for HNB customers to gain access to one of Expo Property Developers exclusive luxury condominiums spread out across the city of Colombo from March. A special ceremony was held at HNB towers to mark the occasion with the presence of HNB Deputy General Manager- Retail and SME Banking, Sanjay Wijemanne and Expo Property Developers Expo Property Developers (Pvt) Ltd Director, Gratien Fernando.

“This is an ideal time for prospective homeowners to invest in the home of their dreams. (

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BUSINESS

SL delegation heads to U.S. to seek USD 4 billion bailout from IMF

Published 11 hours ago on 2022/04/18

Minister of Finance, Ali Sabry and a delegation left the island yesterday for discussions with the International Monetary Fund in order to receive its financial assistance and thereby rebuild confidence about Sri Lanka among the global investor community.

The delegation which left for Washington, D.C. included Governor of the Central Bank Dr. Nandalal Weerasinghe, Secretary to the Ministry of Finance K.M.M. Siriwardena and a senior delegation from the Ministry of Finance and the Central Bank.

Finance Minister Sabry recently stated to foreign media that talks with the International Monetary Fund (IMF) would begin on Monday (18) seeking a bailout of USD \$ 4 billion.

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