



(<http://bizenglish.adaderana.lk>)

සිංහල

(<http://sinhala.adaderana.lk/>)

தமிழ்

(<http://tamil.adaderana.lk/>)

fm

(<http://fmderana.lk/#/>)

tv

(<http://www.derana.lk/>)

YouTube

1M

Follow



(<https://www.instagram.com/adaderanabiz/>)

After A/L's  
Start your degree  
in Business / IT

INFORMATICS  
INSTITUTE OF  
TECHNOLOGY

සහිෂතා රු. 100,000ක් දීමා ගන්න

HNB | CreditAccess

## Geographical Indications (GIs) for Sri Lankan Products: The Need to Expand Local Registration

March, 7, 2022



**By Dilani Hirimuthugodage and Piyumi Rasangi**

Sri Lanka obtained its first-ever Geographical Indication (GI) certification on 02 February 2022 for 'Ceylon Cinnamon' from the European Union due to untiring efforts during the last nine years. Ceylon Cinnamon is now in the register of Protected Designations of Origin and Protected Geographical Indications (PGI) and it was published (<https://www.srilankabusiness.com/news/sri-lanka-achieves-its-first-ever-gi-certification-with-ceylon-cinnamon.html>) in the Official Journal of the European Union. Can we similarly market and protect distinctive Sri Lankan products such as Ceylon Tea, Ceylon Blue Sapphire, Ruhunu Curd, Dumbara Mats, Ambalangoda Masks and so 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 importantly linked or attributable to its location. The environmental and human factors in such areas help create a high-quality product. An Intellectual Property Right (IPR), GIs protect producers in the identified geographical location who meet the specific standards listed in the GI registration. More than 160 countries ([https://www.wipo.int/edocs/pubdocs/en/geographical/952/wipo\\_pub\\_952.pdf](https://www.wipo.int/edocs/pubdocs/en/geographical/952/wipo_pub_952.pdf)) have already implemented GI systems for agriculture, handicrafts, food, and wine products. India, Thailand, Vietnam, Indonesia, and Cambodia are some of Sri Lanka's Asian neighbours which enjoy GI's economic and social benefits. For example, India (<https://factly.in/how-many-geographical-indications-are-registered-in-india/>) introduced GI in 2003 and has registered nearly 400 products, of which more than 100 products are in agriculture. Thailand ([https://internationalipcooperation.eu/sites/default/files/arise-docs/2019/ASEAN\\_GI-Booklet.pdf](https://internationalipcooperation.eu/sites/default/files/arise-docs/2019/ASEAN_GI-Booklet.pdf)) also introduced GIs in 2003, and by 2019, there were about 100 GI-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 the agriculture and traditional handicrafts sectors by assuring the quality of the products. As in other forms 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 requirement 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 increase from 20% to 50% ([https://internationalipcooperation.eu/sites/default/files/arise-docs/2019/ASEAN\\_GI-Booklet.pdf](https://internationalipcooperation.eu/sites/default/files/arise-docs/2019/ASEAN_GI-Booklet.pdf)) 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 (<https://op.europa.eu/en/publication-detail/-/publication/a7281794-7ebe-11ea-aea8-01aa75ed71a1/language-en>) than that of a comparable non-GI product (on average, 1.5 times more for agro-food products). As a policy instrument, GIs have positive implications for protecting indigenous knowledge and generating livelihoods and income for all stakeholders in the value chain. A strong GI eco-system will also attract new investments to the selected regions, thereby boosting the socio-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 ([https://www.nipo.gov.lk/web/index.php?option=com\\_content&view=article&id=17&Itemid=148&lang=en#how-protected](https://www.nipo.gov.lk/web/index.php?option=com_content&view=article&id=17&Itemid=148&lang=en#how-protected)), GIs can be protected in three methods. First, as a trademark law in the form of certification mark or a collective mark; second, as a mode of business practice which prevents unfair competition and provides consumer protection; and third, as a sui generis system – i.e. a system of its own. The World Trade Organization's (WTOs), Trade-Related Intellectual Property Rights Agreement (TRIPs) agreement does not impose any ([https://www.wto.org/english/res\\_e/publications\\_e/ai17\\_e/trips\\_art22\\_jur.pdf](https://www.wto.org/english/res_e/publications_e/ai17_e/trips_art22_jur.pdf)) method and it is based on the country's legal system. Some countries may have two or three protection systems, and there are pros and cons (<https://www.ips.lk/wp-content/uploads/2018/01/Gaining-final.pdf>) in each system. It is said that the sui generis system offers the most comprehensive protection for GIs ([https://www.cambridge.org/core/services/aop-cambridge-core/content/view/FAF1418C22CE291A642C82C4EB413038/9781316711002c17\\_p409-436\\_CBO.pdf/potentials\\_and\\_current\\_challenges\\_of\\_protecting\\_geographical\\_indications\\_in\\_sri\\_lanka.pdf](https://www.cambridge.org/core/services/aop-cambridge-core/content/view/FAF1418C22CE291A642C82C4EB413038/9781316711002c17_p409-436_CBO.pdf/potentials_and_current_challenges_of_protecting_geographical_indications_in_sri_lanka.pdf)). Internationally most of 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' in 2013 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 obtaining trademark protection, which require annual renewals, are among the most salient reasons. Added to this, the relevant authorities are not actively identifying potential products and 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 the 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 prescribe geographical indication in respect of any goods or products. However, as several legal and academic practitioners highlighted ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3797684](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3797684)), the

selection criteria, application procedure, and the 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 the 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 local GI 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 the relevant government agencies to obtain local registration initially and then go for international registration. Most importantly, creating awareness among all value chain actors is crucial as they are – finally – the intellectual property owners of their products.



*Dilani Hirimuthugodage is a Research Economist at IPS with research interests in Agriculture and Agribusiness Development, Environment, Natural Resources and Climate Change, and Intellectual Property. She holds a BA in Economics with a Second Class (Upper) and Masters in Economics (Distinction Pass) from the University of Colombo. In addition, she is a part-qualified candidate of CIMA-UK. (Talk with Dilani: [dilani@ips.lk](mailto:dilani@ips.lk) (mailto:dilani@ips.lk)).*



*Piyumi Rasangi was a Project Intern at IPS' Agriculture & Agribusiness D (<https://www.ips.lk/research/agriculture-agribusiness-development/>)evelopment team.*

සතිපතා රු. 100,000 ක් දීමා ගන්න

HNB | CashXpress

## Video Story



### Expert Panel of Industrialists Join Indeewari Amuwatte @Hydepark



Expert Panel of Industrialists Join Indeewari Amuwatte @Hydepark



Experts Discuss How to Best Address Sri Lanka's Economic Situation with Indeewari Amuwatte @HYDEPARK



@Hyde Park with Indeewari Amuwatta | Srimathi Shivashankar  
HCL Technology's Corporate Vice President Srimathi

## LATEST NEWS

Museum of Modern and Contemporary Art Sri Lankan - ROTATION 1 (<http://bizenglish.adaderana.lk/museum-of-modern-and-contemporary-art-sri-lankan-rotation-1/>)

HNB renews long-standing relationship with Hayleys Agriculture (<http://bizenglish.adaderana.lk/hnb-renews-long-standing-relationship-with-hayleys-agriculture/>)

Mahindra IDEAL Finance Now in Galle (<http://bizenglish.adaderana.lk/mahindra-ideal-finance-now-in-galle/>)

An announcement from Colombo Stock Brokers Association (<http://bizenglish.adaderana.lk/an-announcement-from-colombo-stock-brokers-association/>)

Explainer: Sri Lanka's reluctance to tap IMF helped push it into an economic abyss (<http://bizenglish.adaderana.lk/explainer-sri-lankas-reluctance-to-tap-imf-helped-push-it-into-an-economic-abyss/>)

## STOCK MARKET

08 APRIL 2022, 01:00 PM

**Market | Closed**

Share Volume | 58,447,577

Turnover | 1,249,846,267.15

8,135.25

-114.45

-1.39%









2,621.51

-46.86

-1.76%

**EXCHANGE RATES**

## Daily Exchange Rates

COUNTRY	BUYING	SELLING
 USA U.S.DOLLAR	322.7201	334.9975
 UK STERLING POUND	423.6836	438.6727
 EUROPE EURO	353.3027	365.0453
 SWITZERLAND SWISS FRANC	344.0166	357.4524
 CANADA CANADIAN DOLLAR	256.4667	267.0729
 AUSTRALIA AUSTRALIAN DOLLAR	238.5421	249.4114
 SINGAPORE SINGAPORE DOLLAR	239.5244	248.0683
 JAPAN JAPANESE YEN	2.5659	2.6696

Ada Derana Biz (<https://www.facebook.com/bizenglish.adaderana.lk/>)





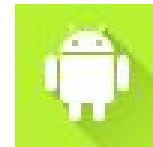
TRUTH FIRST  
Ada Derana

(<http://adaderana.lk/>)



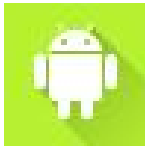
Apple

(<http://www.adaderana.lk/mobi/>)



Android

(<http://www.adaderana.lk/mobi/>)



Windows

(<http://www.adaderana.lk/mobi/>)



Facebook

(<https://www.facebook.com/pages/Ada-Derana-Biz/805771006103370>)



Google\_plus

(<https://plus.google.com/u/0/11251923572583>)



Twitter

(<https://twitter.com/AdaDeranaBiz>)



Youtube

(<https://www.youtube.com/channel/UCCK3Qz7B8Qe44K97W0jKQ>)



Email

([http://www.adaderana.lk/mobile\\_alert.html](http://www.adaderana.lk/mobile_alert.html))



Alerts

Copyright © 2022 Ada Derana. All rights reserved.

Solution by Technology Partner FortunaCreatives (<http://www.fortunacreatives.com>).