

# Geographical indications – tool for competitiveness and development

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## 1. Overview of GI protection system

### 1.1 Introduction

Product characteristics, production know-how and experience related with use over the years win a high reputation, are accumulated in the unique product name and become a valuable intangible asset of the given product. If this asset is linked with the geographical area of the origin of the product, this asset is recognized by means of the use of a geographical indication with respect to this product. Nowadays, up to ten thousand geographical indications are known in the world, with the total cost of 80 billion Dollars. Some of them, such as: Champagne, Cognac, Parmesan, Roquefort, Bordeaux or Burgundy, have been well-known all over the world for a long time. However, in the recent decades, increasingly more, new geographical indications are winning recognition and popularity both on the national and the international markets. It should be noted that the majority of geographical indications (90%) so far fall to the share of 30 countries of the Organization for Economic Co-operation and Development (OECD)<sup>1</sup>. Of these countries, France, Italy, Spain and other European countries, having especially rich and centuries-old traditions of production of high quality and diverse agricultural products and foodstuffs, are in the lead. Thus, in France production of agricultural products bearing geographical indications equals 19 billion Euros and covers more than 600 appellations. 138 000 enterprises are engaged in production of these goods. 85% of wine export of France are wines of geographical indications<sup>2</sup>. In the recent period, the increasing interest in geographical indications is noteworthy in such developing countries as India, China, Brazil etc. It is considered as an effective tool which serves to the increasing of visibility and competitiveness of the local unique products conditioned by environmental and cultural features. Among the successful examples are Jamaican coffee, Basmati (India) rice, Tequila (Mexico), etc.

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<sup>1</sup> Guide to Geographical Indications (Linking Products and Their Origins), International Trade Center 2009, <http://www.intracen.org/WorkArea/DownloadAsset.aspx?id=37595>

<sup>2</sup> Summary of European legislation on protection of Geographical Indications, [http://www.ipr2.org/storage/European legislation on protection of GIs1011.pdf](http://www.ipr2.org/storage/European%20legislation%20on%20protection%20of%20GIs1011.pdf)

## 1.2. Essence of Geographical Indications

In spite of the fact that in various international agreements and national laws of countries different definitions of a geographical indication are found, its essence remains unchanged, which can be formulated in brief as follows: a geographical indications the name of a geographical area, which is used to designate a product the specific quality, characteristics or reputation of which is attributable to the particular geographical environment or human factors characteristic of the place of production. The particular geographical environment implies the soil and water composition, climate, landscape and other natural characteristics. Human factors include the traditional knowledge and experience of production among the local population.

Proceeding from the essence and existing definitions of a geographical indication, it can be noted that three main preconditions are necessary for the formation of a geographical indication:

- a product of specific quality, characteristics or reputation;
- a precisely defined geographical area of production of goods;
- a clear link of the product quality and characteristics to the geographical environment of the particular place and human factors.

When considering geographical indications, their dual nature should be taken into account. On the one hand, a geographical indication is a subject matter of intellectual property and therefore requires the same protection as patents, utility models, designs, trademarks, etc.<sup>3</sup> On the other one, this is a voluntary standard which the characteristics and production conditions of the goods designated by the geographical indication should meet<sup>4</sup>.

Like any other intellectual property subject matter<sup>5</sup>, only the holder of a geographical indication has the exclusive right to use it and prevent others from doing it. Property nature of GI is a vital for protecting investments directed towards the GI creation, its promotion, access to new markets, gaining consumer confidence. Unlike other IP subjects a geographical indication is a collective property of community (farmers, producers, commercial organizations, etc.) dealing with GI product. According to the established practice, this point is crucial for creating and proper functioning of GI management and control institutions.

In the most countries Legal protection of geographical indications is recognized on the basis of registration at a specialized state organization or through an international or bilateral treaty.

A geographical indication, as well as a trademark, serves to differentiate one product from another. At the same time there are some basic differences between geographical indications and trademarks:

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<sup>3</sup>The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), [http://www.wto.org/english/docs\\_e/legal\\_e/27-trips\\_01\\_e.htm](http://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm)

<sup>4</sup>The official quality and origin signs, [http://developpementdurable.ac-dijon.fr/IMG/pdf/FichesSiqoversion\\_anglaise.pdf](http://developpementdurable.ac-dijon.fr/IMG/pdf/FichesSiqoversion_anglaise.pdf) page 3.

<sup>5</sup>ინტელექტუალური საკუთრება. ისმო-საქპატენტი. თბილისი. 2001.

- a geographical indication points to the geographical area of origin of the product, rather than the producing company;
- a geographical indication is not transferable, moving of the enterprise to another geographical area is not allowed.

### 1.3. Specifications

As it was already mentioned GI should be considered as the kind of a voluntary standard. That promotes the provision of the market with high quality and genuine products. The latter play an especially important role regarding agricultural products and foodstuffs. A geographical indication, as a basis of the standard, is represented by its specifications<sup>67</sup>. These specifications include:

- product name;
- product description;
- description of the manufacturing process of the product;
- boundaries of the geographical area of production of the goods;
- facts proving the link of the special qualities of the product with this area;
- product labeling;
- description of the control mechanism (internal and external) of the full chain of the production of goods and supply to the consumer.

The significance of this specification is to put forward the specificity of the product. In other words, the specificity allows for the objective differentiation of the product from other products of the same category through the characteristics conferred on the product by its origin. A precise description is not only an essential element allowing producers to better respect the determined features of the product, but also a guideline for controls. It will help official inspection services to better recognize the genuine product and to prevent fraud throughout the market. It is also important to indicate how the product can be presented.

#### Name of a product.

Product name: mainly, the geographical name of the relevant geographical area or another designation, associated with this place, is used. Clear examples of the use of geographical names are: Bordeaux, Burgundy, Kvanchkara, Kindzmarauli. An example of a name associated with the geographical area is “Feta”, which is used as the geographical indication of well-known Greek cheese.

#### Description of a product.

For product description is significant to present:

- Physical attributes (shape, colour, weight etc.)
- Chemical features (minimum fat content, maximum water content etc)

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<sup>6</sup>Regulation (EU) No 1151/2012 Of The European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:343:0001:0029:en:PDF>

<sup>7</sup>PROTECTION OF GEOGRAPHICAL INDICATIONS, DESIGNATIONS OF ORIGIN AND CERTIFICATES OF SPECIFIC CHARACTER FOR AGRICULTURAL PRODUCTS AND FOODSTUFFS, WORKING DOCUMENT OF THE COMMISSION SERVICES 2004.ec.europa.eu/agriculture/publi/gi/broch\_en.pdf

- Microbiological data (e.g. any bacteria present)
- Biological details (race, variety etc.)
- Organoleptic characteristics (aroma, taste, firmness, texture etc.)

#### Process of production.

Description of a process should include: All the phases of the production process (from field to fork)- production, processing, transporting, storage, final packaging. It's important to give detailed description of more important features affected product properties.

For plant-based productions these should be: plant species, varieties, date, period and method of a sowing and harvesting, using of manure, fertilizers, pesticides, storage conditions etc.

For animal-based productions it includes species, varieties, breeding practices, feeding, weaning, suckling, etc., age at slaughter, maturation, smoking, etc. The method of production must be explained in such a way so as to allow any producer within the region to produce the given product on the basis of the information given in the specification.

This should include:

- (i) a method of obtaining the agricultural product or foodstuff; if appropriate,
- (ii) the authentic and unvarying local methods of production;
- (iii) in certain cases, the information concerning the packaging. A group of producers can make a request that the packaging used in the limited geographical area should safeguard quality and ensure 'traceability' and/or control. If operations such as grating, slicing and/or packaging have to be undertaken in the geographical area. This provision must be justified in order to prove that it is necessary and proportionate to the objective of protection of the name in terms of safeguarding the quality and authenticity of the product.

#### Boundaries of a Geographical area.

This is the area in which the production and/or processing takes place, with evidence of production within the defined area. Generally, the limits of the area are naturally defined by natural and/or human factors which give the final product its particular characteristics (see 'link' section below). In certain cases, the area will be defined by administrative borders. Supporting documents, such as maps, should be provided for this section.

Boundaries are determined according to three main characteristics:

- physical criteria - soil, climate, topography, water supply, etc.;
- history of manufacturing of the product and its reputation;
- location of producers.

#### Link between product characteristics and geographical area.

The explanation of the 'link' is the most important element of the product specification with regard to registration. The link must provide an explanation of why a product is linked to one area, and not to another, i.e. how far the final product is affected by the characteristics of the region in which it is produced. Demonstrating that a geographical area is specialized in a certain production is not enough in order to justify the link. In all cases, the effect of geographical environmental or other local conditions on the quality of the product should be emphasized.

The main features of geographical area affected product characteristics are as follows:

- Physical-chemical characteristics of soil and water, sun exposure, landscape, pastures composition, climate (seasonal temperatures, humidity levels, wind and etc.), etc. ;

- Genetic resources are another type of specific local resources. Local plant varieties or animal breeds can adapt to a specific environment over time and are often the source of specific qualities identified in agricultural and food products;
- Traditional knowledge and experience of the inhabitants in particular place.

#### Control of compliance with the specifications.

The effectiveness of the geographical indications system is greatly determined by the existence of a control system, on the basis of which the compliance of the product characteristics with the specifications is checked. Compliance control is on three main components:

- raw material and manufacturing processes, as is formulated in the specifications;
- traceability of the product, which confirms its origin from the specified geographical area;
- packaging of the final product, labeling and organoleptic characteristics.

For implementation of control it is necessary that the requirements set by the specifications be measurable, which is the basis for guaranteeing compliance of the product parameters with the prescribed characteristics. These requirements should include the elements that are unnoticeable in the final product, but are significant for the product quality and image. E.g.: plant varieties and animal breeds, agricultural practice adapted to the local landscape, density of arrangement of plants, harvest per hectare, etc. Monitoring and inspection of the established requirements should be implemented on the basis of a control plan (internal and external). The control plan is a document that sets how the product compliance with the requirements should be checked. The control plan determines the sensitive points of the product and its manufacturing process and the means of their checking. In case of products protected by geographical indications, in order to check the authenticity of the product organoleptic testing plays a crucial role (by human sense organs -taste, smell, colour, texture and shape). Such testing is carried out by a highly qualified jury.

### **1.4. GI collective organizations**

A method for effective use of geographical indications is formation of collective organizations of geographical indications. Such organizations are set up with the involvement of all the major players related with the product protected by a geographical indication – manufacturers, processing enterprises, distributors, retail trade organizations, regional management structures, and others. Unlike other value-added chains, whose participants in general may have many independent assets, the defining factor for formation of collective management organizations of geographical indications is their common asset – the reputation of the geographical indication. The existence of such a common asset requires functioning of a coordinating structure, as the commercial activity of each participant of the single chain affects the reputation of the geographical indication. In its turn, the product reputation is of great importance for successful activity of individual participants. The main directions of activity of collective management organizations of geographical indications are:

- formation of specifications linked with the use of geographical indications and provision of their practical application;
- preparation of materials for the registration of geographical indications and submission to relevant competent authority for registration;

-One of a group missions is an internal control (self-policing) of the compliance of the product characteristics with GI specifications, generally in collaboration with an official control body.

- settlement of disputes between the participants related with compliance with specifications and making relevant decisions;

- rendering technical assistance to participants, provision of special information to them and promotion of innovative activities;

-coordination of the activities of participants of geographical indications system and facilitation of outlining a unified marketing strategy;

Collective management of geographical indications is an important tool for the creation of added value and fair distribution; it allows small farmers and entrepreneurs to obtain the necessary services and to penetrate into new markets.

There are various forms of collective management organizations of geographical indications, including interprofessional and professional. An example of interprofessional management is the Interprofessional Bureau of Cognac, which unites winegrowers, companies manufacturing brandy and distributors of the product. An interprofessional organization is set up by producers of Comté cheese and dairy farmers and cooperatives.

## **1.5 Benefits of GI protection**

The protection of geographical indications are accompanied by three main positive moments<sup>8</sup>:

- economic – growth of competitiveness, high prices, market expansion;
- protection of nature - conservation of landscape, local species, biodiversity;
- social – engaging the population in the single chain of production, fair distribution of added value, increase of incomes and consequently facilitation to keep the local population in place.

Studies show that on the markets there is a high demand for products protected by geographical indications, and hence, buyers are ready to pay more money to purchase them. The price of different GI products may many times exceed the price of the not GI products. Wines of geographical indications enjoy high popularity and are sold at a much higher price in comparison with other wines. On the world market the price of coffee beans bearing geographical indications is three or four times higher than their average price, whereas the price for BLUE-MO - (Jamaica) per pound equals about 45 dollars, which is 15 times higher than the average market price of coffee.

Geographical indications play a significant role in the maintaining of traditional knowledge, as well as environmental protection, reasonable use of resources and sustainable economic development.

The positive influence of geographical indications on the environment conservation and sustainable development is determined by the necessity of maintaining the local conditions for production of the goods protected by geographical indications. Exactly maintaining of the local conditions is the major guarantee for sustainable production of the goods of geographical indications, as the unique combination of these conditions gives an opportunity of manufacturing a given unique product and practically rules out the

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<sup>8</sup>Fao guide, linking people, products and places, [www.fao.org/docrep/013/i1760e/i1760e.pdf](http://www.fao.org/docrep/013/i1760e/i1760e.pdf)

possibility of manufacturing a similar product elsewhere. Geographical indications play an important role in the regional development of countries, in particular, their use:

- in relevant regions facilitates creation of new jobs and increase of income;
- in relevant regions reduces manpower drain and stimulates attraction of human resources;
- increases the region awareness and promotes development of rural tourism.

## **2. Protection of Geographical Indications in the European Union**

### **2.1. GI protection legislation in EU**

The tradition to use geographical indications to designate goods to is traced back to the remote past. This is explained by the natural desire of an entrepreneur to indicate the specific features and quality of the goods, which is determined exactly by the specificity of a given geographical area. It is noteworthy here that the high quality and reputation of such goods, on the one hand, and the absence of special laws under the conditions of expansion of the scale of production and trade relations, on the other hand, led in different countries of the world to the uncontrolled use of well-known names. The abundance of such counterfeiting prompted France to adopt in 1919 and 1935 special laws on appellations of origin of wines and spirits. In this way, a legal basis was created to set for each appellation of wine the conditions of cultivation of vine and wine-making as well as precise boundaries<sup>9</sup>. Exactly the adoption of this law resulted in France in the rise of production of wines, “Champagne” and “Cognac”. Later on similar laws were enacted in other countries as well. Nowadays, special laws on the protection of geographical indications and appellations of origin are enacted in many countries worldwide.

At present three regulations related with geographical indications are in force in the European Union:

- Regulation (EU) No. 1151/2012 on quality schemes for agricultural products and foodstuffs (substituted Regulation N 510/2006);
- Council Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation);
- Regulation (EC) No 110/2008 on the definition, description, presentation, labeling and the protection of geographical indications of spirit drinks.

EU regulations deal with:

- Definitions of subject matter of protection (appellations of origin and geographical indications);
- Specifications of geographical indications;
- Scope of protection;
- Registration procedure of geographical indications;
- interrelation between geographical indications and trademarks;

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<sup>9</sup> Summary of European legislation on protection of Geographical Indications, p. 38  
[http://www.ipr2.org/storage/European legislation on protection of GIs1011.pdf](http://www.ipr2.org/storage/European%20legislation%20on%20protection%20of%20GIs1011.pdf)

- Control of a compliance of the product characteristics with the specifications of geographical indications.

## 2.2. Two types of Geographical Indications in Europe

European legislation recognizes two modes of geographical indications: PDO -protected denomination of origin and PGI - protected geographical indication. The definitions of these two subject matters are offered below (see Table 1). As is obvious from the definitions, in the case of appellation of origin the connection between the product characteristics(quality and features) and the geographical area is stricter, than in the case of geographical indications. At the same time, if in order to be recognized as an appellation of origin, all stages of production of the goods should take place within the delimited geographical area, in the case of a geographical indication is sufficient that any one stage be carried out within the defined area.

Table 1. Two types of Geographical Indications in EU

Protected Denomination of Origin	Protected Geographical Indication
<p>An appellation of origin is a name which identifies a product:</p> <ul style="list-style-type: none"> <li>• originating from a specific place, region or, in exceptional cases, country;</li> <li>• the specific quality and features of which are essentially or exclusively due to a particular geographical environment and human factors;</li> <li>• all stages of production of which take place in a given geographical area.</li> </ul>	<p>A geographical indication is a name which identifies a product:</p> <ul style="list-style-type: none"> <li>• originating from a specific place, region or country;</li> <li>• the specific quality, reputation or other characteristics of which are linked with this geographical area;</li> <li>• at least one stage of the production of which takes place within the boundaries of a certain geographical area.</li> </ul>

## 2.3. GI Specifications

Obligatory specifications for registration are the same as it mentioned in 1.3. Especially should be noted that In order to be registered it is necessary to indicate the GI controlling authority, which may be a public organization (e.g. Bureau of Standards) or entity of private law that is accredited according to the European standard EN 45011 (ISO guide 65). Controlling authority checks compliance of product characteristics with the specifications of geographical indications.

## 2.4. Scope of protection.

EU legislation ensures high level protection of Geographical Indications. It confers to GI right holders legal tool to prevent:

- Any direct or indirect commercial use of a registered name in respect of products not covered by the registration
- Using the name exploits the reputation of the protected name

- Any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’ or similar, including when those products are used as an ingredient.

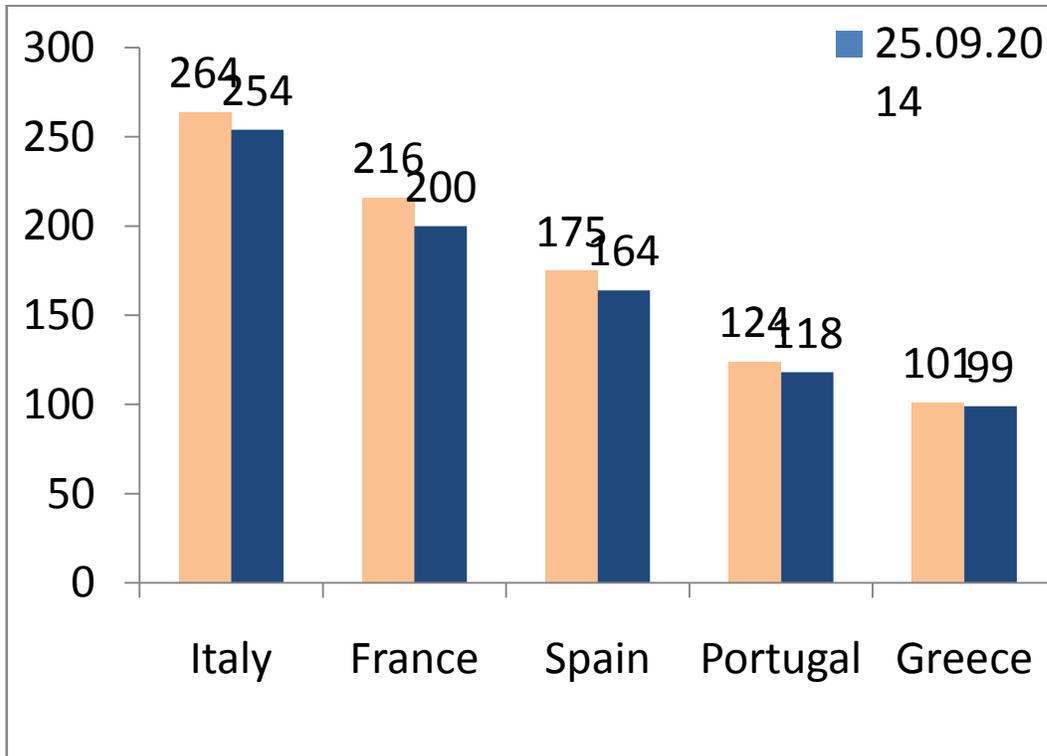
High level of protection guarantees producers right on exclusive exploitation GI related asset and get benefit from it. At the same time GI raise consumers confident regarding product’s genuineness and specific quality.

## 2.5. Procedures for getting GI protection in the European Union

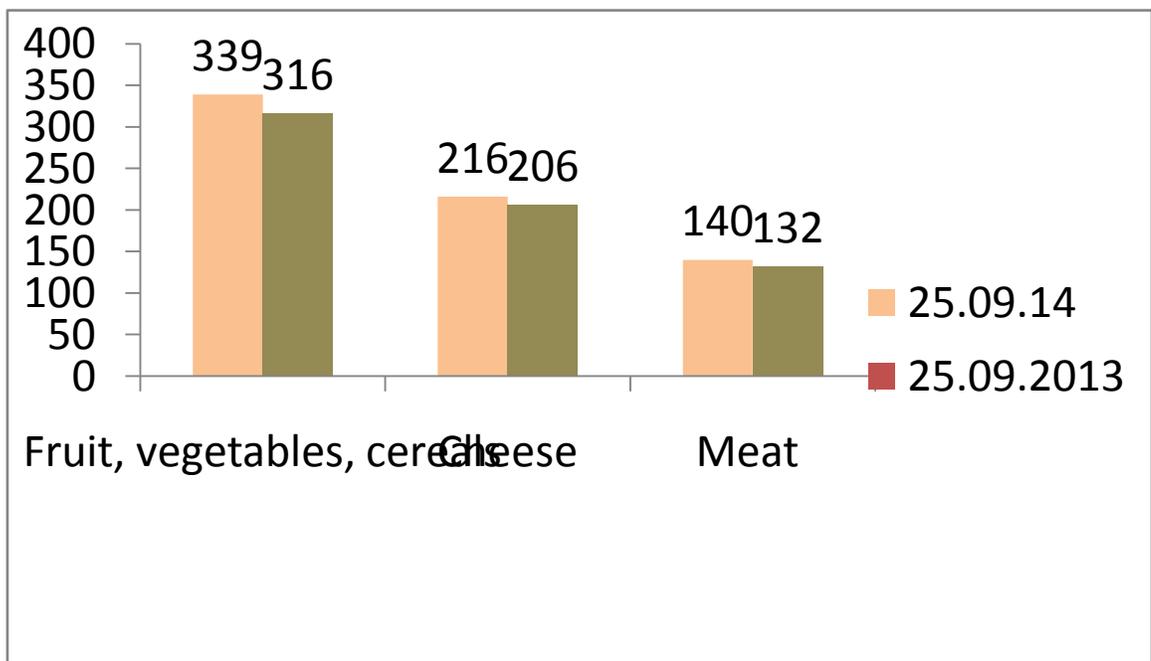
EU citizens protect GIs in the European Union by direct registration with EU commission. Registration consists of two stages -the national and common European procedures. The application, in which the product specifications are described, should be approved by the authorized national office, and then is sent to the European Commission. Within six months examination of the application is carried out at the European Commission, after which it is published in the Official Journal of the European Union. After the expiration of the opposition period (3 months +2months)the European Commission makes a decision on the registration of the given geographical indication or refusal. For not residents protection could be ensured on the base of the direct registration or on the basis of an interstate agreement(e.g. such an agreement was signed between the European Union and Georgia in 2010). By now 1241 agriculture products and foodstuffs,(among them 675 PDO, 535 PGI) are registered in EU. At the top of the list we see countries of the Mediterranean basin (Italy, France, Spain, Portugal, Greece- table 2.). The main reason for such advantage could be that these countries exceed other EU countries in favorable environmental and climate conditions and their diversity, which afford farmers of these places good opportunity for production various specific and high quality GI products.

**Table2. Registered and applied PDO and PGI in some EU countries.**

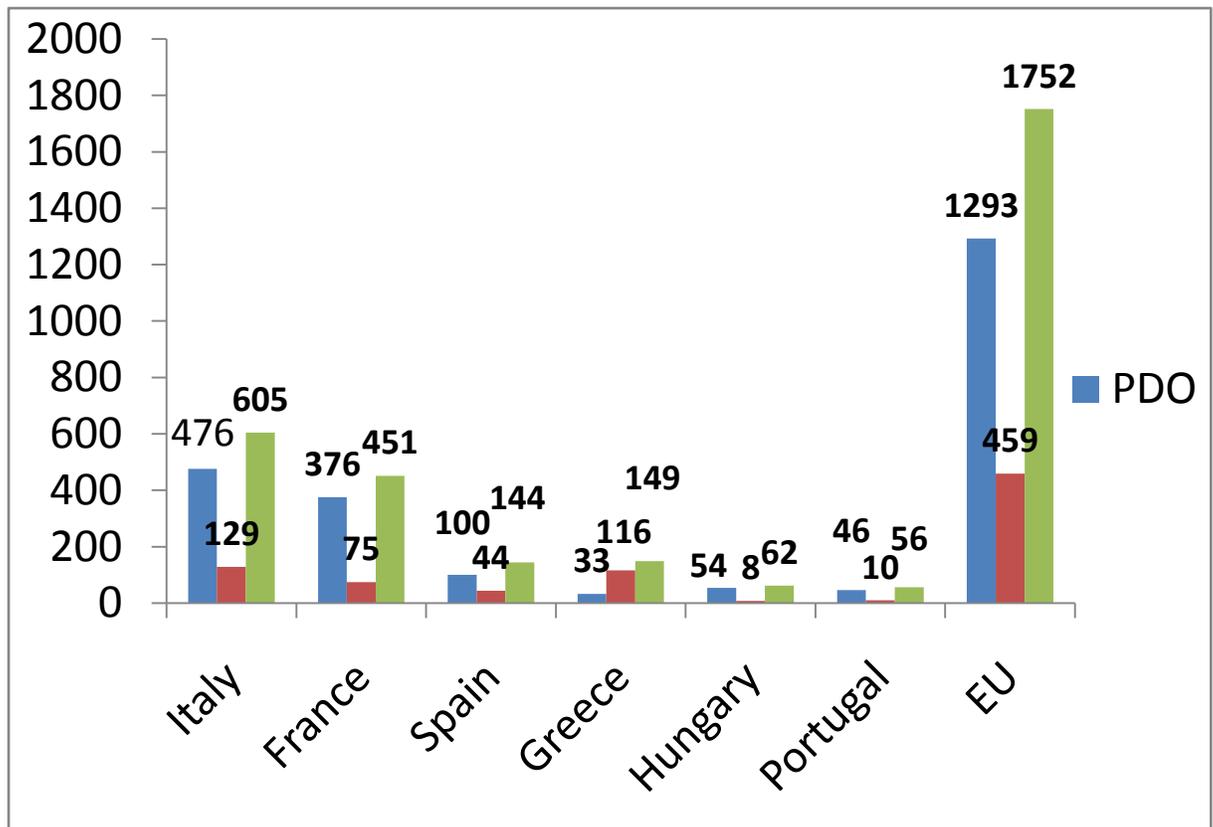
Country	PDO(R/A)	PGI(R/A)	PDO/PGI(R)
<b>France</b>	97/13	119/13	216
<b>Italy</b>	160/17	104/74	264
<b>Spain</b>	95/15	80/11	175
<b>Greece</b>	74/3	27/2	101
<b>Portugal</b>	64/1	60/12	124
<b>Germany</b>	9/3	60/25	69
<b>United kingdom</b>	23/3	32/6	55
<b>Romania</b>	0/2	1/0	1
<b>Bulgaria</b>	-	1/1	1
<b>Slovenia</b>	7/3	10/2	17



The numerical composition of the registered agricultural products is as follows: fruit, vegetables, cereals – 339, cheeses - 216, meat -140, etc., applied – 198 applications. The last year amount of registrations has increased by 113. The most active were France (17) and Italy (12).



In addition to agriculture products and foodstuffs, there are about 1989 PDO and PGI wines and 343 spirits GI registered in the EU.



So currently in EU more than 3300 registered GI. The sales value of GI products in 2010 was €54.3 billion. GI sales value grew by 12% from 2005 to 2010

The average value premium rate in the EU 27 was 2.23, which means that GI products were sold 2.23 times as high as the same quantity of non-GI products. European Union also affords protection to 894 wines from third countries. On the basis of the Agreement signed between the European Union and Georgia, 18 Georgian wines of appellations of origin are registered in EU. In order to identify appellations of origin and geographical indications, the European Union has introduced special logos, the use of which became compulsory from 2014.

# EU GI labels



## 3. Protection of Geographical Indications in Georgia:

### 3.1. The current situation

The Law on Appellations of Origin and Geographical Indications of Goods enacted in Georgia in 1999<sup>10</sup>, was drafted in conformity with the legal principles and norms applicable in the European Union and protects two kinds of GIs- PDO and PGI. The law regulates the relations formed in connection with registration and protection as well as the use of appellations of origin and geographical indications of goods (services)<sup>11</sup>. The law on appellations of origin and geographical indications of goods is of particular importance for Georgia as a country producing wine and agricultural products. The law creates a legal framework for promotion of production of elite goods of high quality and value in the country, as well as for its protection against unfair competition.

In Georgia appellations of origin and geographical indications are protected by their registration at Sakpatenti or on the basis of an international treaty or bilateral agreement. To recognize and register an appellation of origin or a geographical indication, an interested party shall submit to Sakpatentirelevant materials, containing the data on the specific quality and characteristics of the goods and the relation of these characteristics with the geographical area, as well as the description of specific conditions and methods of production (if any). Along with this, these data normally based on results of scientific research and practical

<sup>10</sup>[http://www.sakpatenti.org.ge/imgs/print\\_head\\_geo.jpg](http://www.sakpatenti.org.ge/imgs/print_head_geo.jpg)

<sup>11</sup>D.GABUNIA "Review of Industrial Property legislation in Georgia; Trademarks and Geographical Indications", Trademark World, London, June 2000.

experience should be approved by the authorized organization delegated by the state. Before taking the final decision, in order to take in account public opinion, the submitted materials are published in the Official Bulletin of Industrial Property, the central and the local press. Proceeding from the registration of an appellation of origin and a geographical indication the following is prohibited: any direct or indirect commercial use of an appellation of origin or geographical indication in respect to the goods not covered by the registration; any use of the appellation of origin or geographical indication, which literally correctly designates the place of production of goods, processing or preparing of the raw material, but is likely to mislead the public as to the true origin of the goods; any use of such a name or any other sign, which is an imitation of appellation of origin or geographical indication, even in translation, or accompanied with such words as “type”, “style”, “similar”, “as produced in”, “method”, etc.

According to the law, after the registration of an appellation of origin or a geographical indication, their using is allowed only by the state control body, on the basis of the permission granted after the prescribed inspection of the compliance of the production conditions and characteristics of the produced goods with the data entered in the Register. The rule and periodicity of inspection is determined by a special normative act. Below is presented data concerning Georgian GI products.

**Table 3. Georgian Appellations of Origin and Geographical Indications<sup>12</sup>**

<b>Product variety</b>	<b>Quantity</b>	<b>Right holder</b>
<b>Wine</b>	<b>18</b>	<b>Samtresti – 2005</b>
<b>Mineral water</b>	<b>3</b>	<b>Ministry of Agriculture – 2011</b>
<b>Cheese</b>	<b>11</b>	<b>Ministry of Agriculture – 2012</b>
<b>Chacha</b>	<b>1</b>	<b>Ministry of Agriculture – 2012</b>
<b>Matsoni</b>	<b>1</b>	<b>Ministry of Agriculture – 2012</b>
<b>Churchkhela</b>	<b>1</b>	<b>Ministry of Agriculture of Georgia – 2012</b>

At present the right holder and controlling authority of appellations of origin and geographical indications in Georgia are “Samtresti” for wines and the Ministry of Agriculture - for mineral waters and other agricultural products. Over this time Samtresti has achieved encouraging results regarding creation efficient GI management and control system for wines and there are plans concerning farther improvement of existing system and bringing it in conformity with EU standards. MoA also more or less successfully manages processes related to the using GIs of mineral waters by producers. In both cases we have solely vertically organized GIs management and control systems, until now producers and farmers manufacturing GI products are not involved in these processes. As regards other registered GIs we don't have any system providing management and control for the products yet. Besides this it should be noted that there are serious questions concerning of validity some of these registrations as GIs.

### **3.2 Activities in the framework of ENPARD**

<sup>12</sup> [http://www.sakpatenti.org.ge/imgs/print\\_head\\_geo.jpg](http://www.sakpatenti.org.ge/imgs/print_head_geo.jpg)

On January 2014 European neighboring program on agricultural and rural program (ENPARD) was launched. Program provides technical assistance towards creation agricultural cooperatives and extension centers in Georgia, supporting capacity- building measures. ENPARD also deals with issues of the development of GI protection system in country. In accordance with requirements of program by now are established four self-regulatory GI collective bodies (associations). In cooperation with the associations was drafted specifications for the following products-Akhalkalaki potato, Kutaisi greens, Tqibulitea and Machakhela (Achara) honey. Products have been selected taking into consideration: wide recognition on the market the quality and reputation of these products, data on an existing link between product specific features and geographical area characteristics, export potential of the products and the positive attitude towards creation GI among local producers and farmers dealing with these products.

The associations are to ensure right and efficient management of intangible GI assets with purpose of gaining maximum profits for its members. In accordance with the best EU practice the following main tasks to be performed by the established GI associations have been determined:

- formation of GI specifications;
- preparation of materials for the registration of geographical indications and submission to relevant competent authority for approval and registration;
- Fighting against GI counterfeit;
- Designing and implementing marketing and branding strategy;
- rendering technical assistance to members, provision of relevant information to them, holding studies, promotion of innovative activities;
- implementation of internal control and interaction with the external control authority;

Besides creation new GIs ENPARD program allows to substitute purely vertically organized Georgian GI management system by system based on integration vertical and horizontal interactions among stakeholders.

### **3.3. Recommendations on development of the national GI protection system**

Georgia has substantial resource for creation GIs in almost all regions of the country and this potential should be efficiently realized. Creation of GIs helps to increase attractiveness and competitiveness of Georgian products on domestic market and abroad. These products could get especially good prospects in EU taking into account the recently concluded “Deep and Comprehensive Free Trade Agreement” (DCFTA) between EU and Georgia.

With the aim of efficient and systemic realization of Georgian GI potential, a relevant action plan should be designed. The plan should include:

1. Identification of potential geographical indications in different regions of Georgia, drawing up their inventories and estimating benefits from their legal protection. The list of GI products could include fruits, vegetables, cereals, meat and meat products, honey, etc. For this purpose Sakpatenti is going to launch special

project on this problem in cooperation with recently founded Agricultural Scientific Researching Center. For now underway seeking of potential donors for supporting the project.

2. Determination of GI products most appropriate for protection on the initial stage, laying down their specifications, drawing up applications for GIs registration; for this purpose will be carried out desk works, also organized expeditions in relevant regions for conducting study of all required details.

3. Intensification cooperation with competent EU structures and organizations, involvement in the cooperation different GI stakeholders: government and regional bodies representatives, scientists, farmers, producers, IP specialists, etc. We need especially close cooperation with advanced EU bodies specialized on GI protection and control issues. The aim of such cooperation should be familiarizing thoroughly with stored in these organizations rich knowledge and experience, adapting it for our conditions and implementing..

4. Taking measures for development in Georgia of the two-three level GI control system. Design for this purpose EU-Georgia twinning program. In my opinion most relevant countries on this issue could be France, Italy, Spain or Portugal.

5. Increasing awareness on GI issues among main stakeholders. For this purpose holding of workshops, seminars, conferences, organization of study visits to EU countries also publishing of the special GI related literature in Georgian. Noteworthy that Sakpatenti is launching project of creation special IP study center. One of priorities of the center activity will be GI protection issues.

6. Development of legislation required for the implementation of the action plan. It should provide introducing some amendments to the Law "On Appellations of Origin and Geographical Indications of Goods" and law "on vine and wine" to bring these laws in line with latest changes in EU legislation. It is also necessary Introduce norms empowered MoA with rights of approval Gi specifications for agricultural products. Should be also drafted legal norms regulating issues of creation and principals of functioning GI control bodies.

To perform tasks provided by the action plan efficiently it should be reasonable to create a special coordination council consisted of main stakeholders (central and regional authorities, researchers, farmers, producers, IP specialists, etc.) dealing with GI issues.