
GEOGRAPHICAL INDICATION PROTECTION IN CONTEMPORARY INDIA: CHALLENGES IN LEGAL FRAMEWORK AND ECONOMIC IMPACT

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ABSTRACT

Geographical Indication tag plays an important role in preserving the traditional knowledge and skills exclusive to a community located in a specific geographic region. Because GI goods hold premium value because of its reputation associated with the uniqueness of the particular geographical area. Geographical Indication goods not only protect the cultural heritage but also boosts economy owing to the increased marketing of GI goods particularly in online market in the contemporary digital world. However, with the increased digital space for online shopping mostly contributed by the lockdown culture, adopted during covid pandemic has posed new challenges in protecting the GI goods of the country. This research paper primarily focuses on analysing the contemporary challenges associated with the Geographical Indication such as falsification of goods, unauthorised use of the Geographical Indication goods and its effect on reputation of the Geographical Indication tag goods and on its community. This paper further intends to understand the socio-economic benefit of the GI goods over the economy of the country and of the rural community in their upliftment. The paper finally intends to explore the effectiveness of decades old national legal framework of India in addressing the prevention of online infringements of GI goods from misuse and falsification due to the increase of digital transactions.

Keywords: Geographical Indications, Indian Economy, Intellectual Property Rights, Effective Enforcement

INTRODUCTION

Geographical Indication is a legally recognized form of Intellectual Property Rights which protects a product's unique feature exclusive to a geographical region. Geographical Indication tagged goods primarily safeguards the regional goods distinctive to that specific area thereby encouraging small scale business among the indigenous community located in the rural part of society. This will help in increasing the standards of living of their life and the community consequently contributing to the welfare of the Indian economy. Geographical Indication goods are specific to a geographical area because of the natural factors of such area or specific methods adopted by the manufacturers of that area with the help of unique features associated with nature in that area.¹ The famous GI tagged goods of India are Darjeeling Tea, Basmati rice, Aranmula Kannadi, etc. The purpose of protecting the Geographical Indication goods underlies various benefits which primarily includes the protection of the distinctive feature or the technique unique to the geographic area. Therefore, legally it protects the legitimate rights of the registered proprietor of the GI or the authorised users namely the members of the indigenous community engaged in manufacturing or producing the GI goods. By providing protection to the goods unique in nature aids the community by encouraging them to enter into small scale business of those goods ultimately helping them in increasing the standards of their lives. The effect of raise of standard of living in the rural part of the society positively contributes to the socio-economic welfare of the country. And the business of Geographic Indication goods attracts the consumer across the globe due to the quality, authenticity and reputation of the good. The trade therefore majorly happens through online market which has been increased due to the contribution of covid lockdown. Geographical Indication goods play an important role in the contribution towards the economy of the country. Recently, there have been more efforts by the Indian government and state authorities to develop producer skills and expand GI coverage. For instance, India state of Uttar Pradesh plans to use GI tags to protect traditional knowledge and encourage local business by obtaining them for 75 additional products in FY 2025–2026.² However the falsification of geographical indications poses a severe danger to the integrity and financial stability of these items as well as the communities who are dependent on them. This dishonest activity damages the reputation, validity, and quality of genuine products, which poses significant challenges for both consumers and

¹ Sania Gupta, Geographical Indication: An Indian Outlook, 3 INDIAN J.L. & LEGAL RSCH. 1 (December 2021 -January 2022).

² TIMESOFINDIA.COM, UP to seek GI tags for 75 products this fiscal <https://timesofindia.indiatimes.com/city/lucknow/up-to-see-gi-tags-for-75-products-this-fiscal/articleshow/121217247.cms>, (last accessed Aug, 21, 2025)

legitimate manufacturers.³ As GI tags are used to protect and promote products with unique attributes associated with their geographic region, they have a significant impact on local markets and economic systems. Therefore, it becomes important to protect Geographical Indications more strictly by legal means for the welfare of the community and the country. In India, products with a particular geographical origin and distinctive characteristics are legally protected under the Geographical Indications Act, 1999, which also protects consumers' interests and producers' rights against deceptive advertising and replication. It creates a Geographical Indications Registry, that holds a list of permitted users and registered GIs. Enforcement of regulatory requirements for registered GIs regularly is nevertheless difficult, especially in this era of digital markets, regardless of the Act in force.

GEOGRAPHICAL INDICATION IN INDIA: HISTORY

Originating in Europe in the 19th century, the idea of a geographical indication has seen significant development throughout the time. French legislators created the first GI laws in 1824. The "Appellation of Origin" law was passed by the French in 1919 in order to increase protection and identify and control the quality of wines and cheeses in a certain area.⁴ In present The Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement's Article 22 establishes the current international framework, requiring member nations to provide for the protection of all GIs.⁵ In India there was no legislation protecting GI until 1999. In accordance with the WTO's TRIPS Agreement to which India being a member state, India enacted Geographical Indications of Goods (Registration and Protection) Act, 1999, in 1999 which came into force on September 15, 2003, with the aim to protect goods with a particular geographical origin and reputation legal protection. Darjeeling Tea was the first product to be granted a GI tag under this statute in 2004–05, establishing a standard for safeguarding hundreds of traditional items.⁶ Currently India has 605 GI tagged products which includes 342 handicraft products, 197 agricultural products, 18 manufactured goods, 45 food products and 3 natural products.⁷

³ Sunil Sudhakar Varnekar, Dr. Upankar Chutia, A Critical Analysis On Falsification Of Geographical Indication: *Educational Administration: Theory And Practice*, 30(5), 13870-13875, (2024)

⁴ Kirti Bikram, Article of Geographical Indications, Manupatra Intellectual Property Reports, 142-154, (2014) <https://docs.manupatra.in/newslines/articles/Upload/42119A6A-EBC6-471C-8E20-FC10640DEC09.pdf>

⁵ Trade Related Aspects of Intellectual Property Right, Art. 22

⁶ WIPO.INT, Darjeeling Tea – A Geographical Indication (GI), https://www.wipo.int/edocs/mdocs/geoind/en/wipo_geo_lim_11/wipo_geo_lim_11_11.pdf (last accessed on Aug, 24, 2025)

⁷ IBEF.ORG, INVALUABLE TREASURES OF INCREDIBLE INDIA, <https://www.ibef.org/giofindia>, (last accessed on Aug, 24, 2025)

GEOGRAPHIC INDICATIONS AND ITS SIGNIFICANCE

A geographical indication is a kind of intellectual property that becomes subject-matter of protection when it is basically provides for identifying a product as originating from a particular geographical place, and due to that origin, possessing a specific quality, reputation, or characteristic.⁸ Therefore, for a product to obtain the tag of GI it must originate from a geographical region and thereby provides for protection to prevent its usage by any other person whose product does not meet the standards of the original product. By providing protection from damaging the reputation of the GI goods in the market, it encourages the sale of such product in the market by protecting its reputation and ultimately contributing to the economic development of the growth through increased sales. Hence, the GI goods hold a great significance in the market.

- 1. Provides for safeguarding cultural heritage, tradition and identity:** GIs require its products to originate from a specific region. Their qualities, reputation, or characteristics therefore must be closely connected to that geographic origin. This often is achieved by means of using traditional methods, local raw materials, and skills passed down through generations in that region. Hence, by legally recognizing this generational knowledge and skill, GIs help in safeguarding these traditional production techniques alive even after years.
- 2. Economic benefits to the rural livelihood:** GIs help rural producers stand out. This lets them charge higher prices because of their product's unique origin, quality, and reputation. GI protection boosts demand for traditional crafts and agricultural products. This increase leads to more jobs in local production chains such as farming, weaving, dyeing, carving, and packaging. For instance, Pochampally Ikat is a GI product based in Telangana which helps over 10,000 weaving families, as most of these families live in rural community.⁹
- 3. Prevents consumers from misleading goods:** The object of the GI goods is to guarantee that a GI product has inherent specific qualities, characteristics, or reputation associated to it due a certain geographic area. If GIs are not protected, producers from outside the particular region could misuse the name to sell lower-quality or falsified products, misleading consumers. Therefore, GI labels help consumers make informed

⁸ Gautami Govindrajan & Madhav Kapoor, Why the Protection of Geographical Indications in India Needs an Overhaul, 8 NLIU L. REV. 22 (December 2018).

⁹ Woxsen University, *Pochampally Visit: Exploring the Ikkat Weaving Tradition*, Woxsen University (Jan. 2024),

choices about quality, origin, and authenticity and serve as trust signals, especially GI goods related to food and textiles.

- 4. Extended commercial reach through greater market access:** GIs help rural products reach international markets and offer credibility and authenticity. This credibility is especially important for food and craft items. For example, Basmati Rice has GI protection in India and is internationally recognized and has become in recent times as one of India's largest agricultural exports thereby supports hundreds of thousands of rural farmers in the areas of Haryana, Punjab, and Uttar Pradesh.¹⁰

MAJOR CHALLENGES IN PROTECTING GI IN THE MARKET

The Geographical Indications Act of 1999 provides under the sections 21 and 22 for remedies such as injunctions, damages, and account of profits.¹¹ However, one of the prominent legal challenges with the Act is regards with the weak enforcement of rights therein provided because implementation has been inconsistent, as rural local producers more often do not have the means to initiate legal suits for infringement and also enforcement agencies do not adequately skilled in resolving GI related dispute matters. The lack of technological protection in the era of digital advancement in the Act also adds poses a challenge in effectively protecting the GI in the digital market. In the landmark case of Tea Board of India v. ITC Ltd.¹² wherein Tea Board tried to stop ITC from using "Darjeeling Lounge" for its hotel. The court dismissed the request for an injunction, observing that usage of the word "Darjeeling" for a lounge that it did not violate the "Darjeeling" geographical indication for tea. It therefore highlights the challenges of effective protection, where uses not related to GI are not protected under the purview of the GI Act. Marts at the international level pose additional legal challenges because GI goods do not have a unified international registration system. While India is a member of the TRIPS Agreement, it sets minimum standards, however it has not yet joined the Lisbon Agreement which could help ease the international GI recognition.¹³ In the Basmati rice dispute illustrates cross-border difficulties, because in this case India and Pakistan both claimed for their rights on "Basmati rice" in the European Union. The issue however remains unresolved in India after the Delhi High Court dismissed a 15-year-old lawsuit pertaining to Basmati rice

¹⁰ Soumya Vinayan, Geographical Indications in India: Issues and Challenges – An Overview, 20 J. WORLD INTELL. PROP. 119 (July 2017).

¹¹ Geographical Indications Act, 1999, sec. 21 and 22

¹² CS No. 250 of 2010

¹³ J Adithya Reddy & Siladitya Chatterjee, A Critique of the Indian Law and Approach towards Protection of Geographical Indications with Specific Reference to Genericide, Journal of Intellectual Property Rights Vol 12, November 2007, pp 572-580

in 2023.¹⁴ These conflicts highlight the absence of express procedures for shared geographical indications and the high expense of international litigation, which often goes against small producers from successfully defending their goods. Although the GI Act mandates producers to register themselves as authorized users of the GI goods to access their rights, in such cases many farmers do not know about or cannot complete the process of registration for ensuring their rights. As a result, only a small number of registered GIs have active user bases and others don't get the adequate the ample protection in protecting their rights. Without broad participation from authorized users, enforcing rules and building a brand together becomes less effective. The spread of counterfeit GI products presents a significant challenge Fake Darjeeling tea, machine-made Pochampally Ikat from other states, and Banarasi sarees are frequently found in local markets.¹⁵ Falsified goods and other counterfeits, which offer consumers less expensive alternatives with identical labels but lower quality and authenticity, abuse the reputation of genuine GIs. The special benefit that GIs are supposed to provide is diminished by this dilution. The GI runs the risk of becoming generic and losing its market share over time. This affects the long-term viability of the manufacturing sector and lessens India's ability to promote GIs as specialised, export aimed products. The expansion of online marketplaces has led to a rise in GI abuse. Fake products are commonly sold online under the names "Darjeeling Tea" or "Kancheepuram Silk." This undermines consumer confidence and harms respectable producers. Online infringement is not expressly covered by the GI Act's current regulations. Therefore, under the Information Technology Act of 2000, rights holders are forced to rely on intermediary liability frameworks.¹⁶ A structural challenge is the low registration of authorized users. For Indian GI producers, the rapid expansion of e-commerce has undoubtedly increased market access. They now have the chance to connect directly with clients worldwide thanks to this shift. But it also makes things riskier. Fake GI products are frequently listed by unauthorised sellers at lower prices, which deters customers from purchasing from legitimate manufacturers. Additionally, Indian GIs confront strong global

¹⁴ European Innovation Council & SMEs Executive Agency, India-Pakistan Basmati Dispute Dismissed by Delhi High Court, EUROPEAN COMMISSION (Dec. 1, 2023), https://intellectual-property-helpdesk.ec.europa.eu/news-events/news/india-pakistan-basmati-dispute-dismissed-delhi-high-court-2023-12-01_en (last accessed on Aug, 28, 2025)

¹⁵ PochampallySarees.com, Heritage in Threads, Hardship in Reality: India's Weaving Crisis, POCHAMPALLYSAREES.COM (Dec. 1, 2023), <https://pochampallysarees.com/blogs/news/gi-tag-handloom-struggles>. (last accessed on Aug, 28, 2025)

¹⁶ Sumeet Guha1 and Dr. Shreya Matilal, INFORMATION TECHNOLOGY (INTERMEDIARY GUIDELINES AND DIGITAL MEDIA ETHICS CODE) RULES, 2021- A REASSESSMENT OF THE CONTOURS AND LIMITS, NUJS Journal of Regulatory Studies, Vol VIII Issue II, 2021

price competition online. Falsified cheap GI goods, like Pakistani “Basmati” rice or machine-made Chinese silk sarees, are sold under similar names, which undermines the competitiveness of authentic Indian products.¹⁷

ECONOMIC IMPACTS OF GI IN INDIA: RECENT TRENDS

India’s policy on Geographical Indications aims to safeguard the cultural heritage and quality. It also seeks to use them to boost rural income, export growth, and global competitiveness. Recent data shows that for some GI-tagged products, especially Basmati rice, the economic impacts are both measurable and significant. The export market for Basmati rice is one of the most prominent instances of GI effects. In the April–March fiscal year 2024–25, India exported ₹50,312 crore worth of Basmati rice, a 3.97% rise over the previous year (FY 2023–24).¹⁸ Furthermore, the volume increased significantly to nearly 60.65 lakh metric tonnes, which is equivalent to an annual growth of 15.7%. About ₹48,389.21 crore was exported in FY 2023–2024, up from about ₹38,524.10 crore in FY 2022–2023.¹⁹ As a result, farmers, exporters, and associated value chains directly benefit economically. The increasing volume of GI applications and registrations is another factor affecting the economy. India had 635 GI goods registered as of April 30, 2024.²⁰ The number of filings has also significantly increased. Over the course of five years, the number of GI application filings rose from 57 in 2020–21 to 274 in 2024–25, an increase of about 380%.²¹ The rise in applications and registrations suggests that producer organisations are becoming more aware of the potential financial benefits. They can access specialised clients, improve their branding, demand lower prices, and seize export chances. It also suggests that government initiatives are promoting additional GI safeguards. The economic impact is mixed, notwithstanding the positive-looking numbers for GI and Basmati growth. Major GI items with widespread demand and awareness primarily benefit

¹⁷ Mishra A. Can Geographical Indications Support the Indian Village Economy Impacted by the Ongoing Economic Crisis Caused by COVID-19? *BRICS Law Journal*. 2022;9(2):121–44.

¹⁸ Directorate General of Commercial Intelligence and Statistics, Report of Quarterly Review of Merchandise Foreign Trade (Jan–Mar 2025), Ministry of Commerce & Industry, Government of India, [https://www.dgciskol.gov.in/writereaddata/Downloads/20250806160627Report%20of%20Quarterly%20Review%20of%20Merchandise%20Foreign%20Trade%20\[Jan-Mar25\].pdf](https://www.dgciskol.gov.in/writereaddata/Downloads/20250806160627Report%20of%20Quarterly%20Review%20of%20Merchandise%20Foreign%20Trade%20[Jan-Mar25].pdf) (last accessed on Aug, 28, 2025).

¹⁹ Ikhlaq Singh Aujla, Basmati Rice Exports Surge by 26% to Reach ₹48,389 Crore in 2023–24, *Times of India* (July 1, 2024), <https://timesofindia.indiatimes.com/city/chandigarh/basmati-rice-exports-surge-by-26-to-reach-48389-crore-in-2023-24/articleshow/111390279.cms> (last accessed on Aug, 30, 2025).

²⁰ European Innovation Council & SMEs Executive Agency, *Geographical Indication Tag Registrations in India Surpass 600*, EUROPEAN COMMISSION (Apr. 30, 2024), https://intellectual-property-helpdesk.ec.europa.eu/news-events/news/geographical-indication-tag-registrations-india-surpass-600-2024-04-30_en (last accessed on Aug, 30, 2025).

²¹ Press Information Bureau, *India Witnesses 44% Surge in IP Filings Over Five Years, Driven by Key Policy Reforms and Digitization*, Press Information Bureau, Ministry of Commerce & Industry, Government of India (July 22, 2025), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2146928> (last accessed on Aug, 30, 2025).

from this. According to recent reports, many other GI-tagged products, such as handicrafts and smaller regional agricultural goods, do not yet exhibit strong premium pricing or high export numbers. Furthermore, even when export value rises, production expenses, supply chain delays, currency volatility, and enforcement flaws like misuse and counterfeiting can lower profitability. The increasing number of GI filings indicates that more producers are trying to take advantage of these gains. Strong government policy, such as the goal of 10,000 GI tags by 2030, highlights the belief in GIs as an economic tool.²²

EFFECTIVENESS OF INDIAN LEGISLATION IN PROTECTING GI IN INDIA

Geographical Indications are valuable rights that protect products with a specific geographical origin and qualities tied to that origin. India, with its rich cultural and agricultural diversity, has taken steps to create laws that protect GIs. This is mainly done through the Geographical Indications of Goods (Registration and Protection) Act, 1999 (referred to as “GI Act, 1999”). The Act, which became effective in 2003, was put in place to meet India's commitments under the TRIPS Agreement. More than twenty years later, it is important to evaluate how well Indian laws have protected GIs in practice. The GI Act, 1999, allows producers, associations, or organizations to register and obtain exclusive rights to use registered indications. It prohibits unauthorized use of these registered GIs and offers remedies for infringement. These remedies include civil suits, injunctions, damages, and accounts of profits. The Act also includes penalties, with possible imprisonment of up to three years and fines of up to two lakh rupees for falsifying or fraudulently using GIs²³. In practice, the legislation has achieved significant successes. As of 2025, India has registered over 605 GIs, which include agricultural products like Basmati rice and Darjeeling tea, textiles such as Banarasi sarees and Mysore silk, handicrafts like Channapatna toys, and food items such as Hyderabad haleem.²⁴ Indian GIs have also gained international recognition, for instance, Darjeeling tea was the first non-European GI to receive protection in the European Union.²⁵ The economic benefits are clear in the rise of exports associated with GI products. However, The Act does not effectively tackle

²² Press Information Bureau, *Commerce Minister Piyush Goyal Sets a Target of 10,000 GI Tags by 2030; Committee to Be Formed to Oversee Implementation*, Press Information Bureau, Ministry of Commerce & Industry, Government of India (Jan. 22, 2025), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2095279> (last accessed on Sept, 07, 2025).

²³ Gayathry Raveendran, *Quality Control Challenges in Geographical Indication in India*, 4 INT'L J.L. MGMT. & HUMAN. 1960 (2021).

²⁴ IBEF.ORG, *INVALUABLE TREASURES OF INCREDIBLE INDIA*, <https://www.ibef.org/giofindia>, (last accessed on Sept, 10, 2025)

²⁵ Business Standard, *Tea Board will continue to protect Darjeeling brand in Europe*, Business Standard November 24, 2016, <https://www.cec-india.org/libpdf/1480050383www.business-standard.pdf>. (last accessed on Sept, 10, 2025)

the issues of the digital economy. E-commerce platforms are hotspots for counterfeit GI products. For example, blends marketed as “Darjeeling tea” often have little authentic content. Similarly, machine-made “Banarasi” sarees are mass-produced outside of Varanasi. Nevertheless, there are no explicit guidelines for online enforcement under the statute. Because of this, producer associations are forced to rely on voluntary platform norms and general intellectual property legislation. Small-scale manufacturers find it difficult to compete with sophisticated counterfeit supply networks in the absence of a legal framework for internet protection. The lack of digital enforcement in the original Act and the 2023 amendments shows a gap in the law. This gap weakens the protection of Indian geographical indications in today’s markets. The Jan Vishwas (Amendment) Act, 2023, also known as the “2023 GI Bill,” brought about recent amendments that were meant to ease compliance and lessen the burden of criminal law, but they have also made it harder to deter infringement.

CONCLUSION

Geographical Indications are crucial to the preservation of India's traditional knowledge, regional heritage, and economic identity. By linking products to their place of origin, GIs not only preserve cultural authenticity but also provide significant socioeconomic benefits, particularly for rural communities. Products like Basmati rice, Darjeeling tea, and Banarasi sarees have proven how GI recognition can enhance local livelihoods and strengthen the national economy. In recent years, India's GI exports have shown measurable economic benefits, especially in the agricultural industry. However, these advantages are still not shared equally among businesses, and small-scale products and handicrafts struggle to fully profit from their GI classification. Despite the promise of GIs, the current problems have not been sufficiently addressed by India's legal system. The Geographical Indications of Goods (Registration and Protection) Act, 1999, created a strong foundation by fulfilling India's TRIPS commitments and making it easier to register, safeguard, and enforce GIs. However, its provisions appear outdated given the digital economy more than two decades later. The increase in online counterfeiting and the unlawful use of GI labels on e-commerce platforms do not address by the Act. Lax enforcement, producers' ignorance, and administrative barriers have also reduced its effectiveness. Therefore, in order to fully realise the potential of GIs in the global marketplace, the Indian legal system needs better digital enforcement, international harmonisation, and producer capacity building, even though GIs are still effective tools for both economic development and cultural preservation.