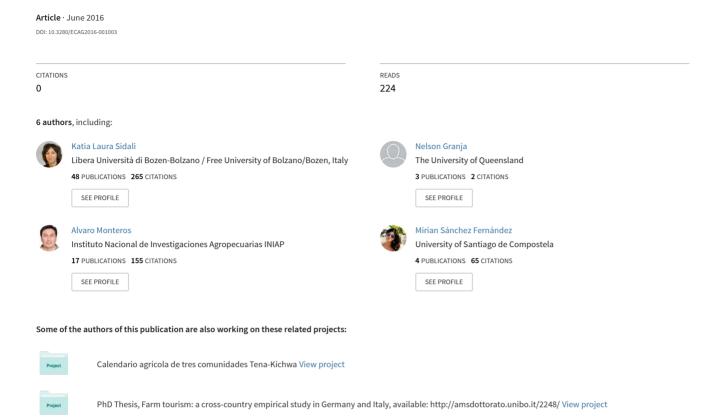
New trends in the debate on geographical indications: Evidence from Ecuador



New trends in the debate on geographical indications: evidence from Ecuador

Katia L. Sidali*, Nelson R. Granja Toledo**, Alvaro Monteros Altamirano***, Mirian Sanchez Fernandez**, Maria del Rosario Mejía**, Wilson Usiña****

Introduction

The World Intellectual Property Organisation (WIPO) defines Geographical Indications (GIs) as "a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin" (www. wipo.int/geo_indications/en/). These qualities are particularly appreciated by the consumer, causing a differentiation of similar products and allowing the producer to receive a premium in price. The GI is also known as the "Appellation of Origin" and in order to be used, it must be shown that the product has exceptional qualities over other similar products, and that these qualities or attributes are due to human and/or natural factors associated exclusively to the geographical area where this good is produced. Because natural factors such as climate, soil and altitude are so important in the constitution of a GI right it is mostly agricultural and livestock products that have benefitted from this protection. However, since ancestral knowledge concerning production methods, i.e. human factors, provides as well the right to obtain a GI, also processed goods can be protected in this way. Depending on the legal system in which GIs are embedded, products may enjoy different types of legal protection worldwide (since the legal literature of GIs is quite complex, in the Appendix we will provide an overview of the discussion on geographical indications at different international forums).

^{*} Georg August University Göttingen.

^{**} Universidad Regional Amazonica IKIAM.

^{***} INIAP, Instituto Nacional Autónomo de Investigaciones Agropecuarias.

^{****} IEPI, Instituto Ecuatoriano de la Propiedad Intelectual.

As shown in more details in the remainder of this article, the actual GIs debate is characterized by two main tendencies namely the possible extension of GI protection to non-agricultural products and the strengthening of the linkage between GI and biodiversity protection.

Thus, the aim of this paper is to support these particular aspects of the GI regime by providing examples from Ecuador, a country that has shown innovative impulses in the recent years concerning the interpretation as well as the implementation of GIs. The article is structured into two main sections: while in the first part we illustrate the recent tendencies of the GI debate by means of the examples mentioned afore, in the second part we explore the possibility to extend GI-protection to tourism services and we focus our analysis on the route of cacao Nacional "Arriba".

1. Recent tendencies in the GI debate

All in all, the discussion around GIs has been very vivid since the 1990s as the different negotiation tables have shown (see Appendix). However, these multiple forums have not succeeded to solve some ambiguities intrinsic in the GIs system yet. For instance, both the EU and the wto lack an ad-hoc legislation of GI-protection for non agrifood products although in several occasions participants have voiced the possibility to extend intellectual property rights also to non-agrifood products. The outcome of this debate is the (non-binding) European Parliament resolution adopted on October 6, 2015 on the extension of the GI protection to non-agricultural products (2015/2053INI available at www.europarl.europa.eu/oeil/popups/summary. do?id=1405921&t=d&l=en). Hence, it is to expect that during 2016 the European Commission will prepare a legislative proposal on this topic. It is plausible to think that this tendency in the GI legislation is beneficial whenever the strong link between the (non-agricultural) product's qualities and its respective geographical area may be shown as it is in the case of "classical" GIs. Thus, in the first example we will borrow a case from Ecuador to show how this country has succeeded to use different certification schemes (UNESCO and GIs) to protect an artisan product, namely the Montecristi hat.

Another important issue related to GIs is represented by the biodiversity preservation claim of the GIs regime. Although GIs are presented as a panacea for preserving biodiversity (Thual & Lossy, 2011), this is not always the case since only few GIs products enclose in their code of specification the explicit obligation to prefer raw material stemming from autochthone plants or rare cattle (Arfini *et al.*, 2010). Furthermore, as stated by Sidali and Spiller (2014), "the biodiversity of a region benefits only marginally

from a GIs regime" (Sidali & Spiller, 2014, p. 7). This issue has started to raise importance among actors who make relevant lobbying activities at international venues in order to protect biodiversity in a more efficient way. For instance, the international association of GIs named oriGIn (URL: www.origin-gi.com/), adopted on November 10, 2015 the 2016/2017 Action Plan with an amendment concerning the introduction of the topic of sustainability in relation to GIs (URL: www.origin-gi.com/237-uk/origin-report/origin-alerts-2014/8532-origin-alerts-20-november-2015-generalassembly-decisions-adopted-and-relevant-documents.html).

In order to underline the importance of this aspect of the GI debate which had been neglected for years, we will use in the following another example taken from Ecuador: the Ecuadorian Cacao Nacional Arriba. We claim that this protection has had a real effect on the defense of biocultural heritage and, in this way, can be considered an effective tool against biopiracy.

2. Example 1, the artisanal toquilla art in Ecuador: the Montecristi hat

In recent years Although the process of making hats with the Toquilla palm leaf is spread in several Ecuadorian regions, the origin of the "sombrero Montecristi" (Montecristi hat) is centred on the Ecuadorian coast, particularly in the city of Montecristi - Manabí. Archaeological discoveries have shown ceramic figures wearing these hats made on the Ecuadorian coast. Oral tradition relates that, after the "discovery of Ecuador" of 1526 by Francisco Pizarro and Diego de Almagro, the Spaniards that first saw natives with these hats thought that the translucent material that they were made off came from vampire skin" (Buchet et al., 1995). Despite their Ecuadorian origin, these hats are known worldwide as Panama hats due to the fact that workers used to wear it during the construction of the Panama Canal channel (ORIGIN, 2013). The first attempt of Montecristi weavers to register their hat as a A.O. in Ecuador stems from 1995 (Escobar Ebell et al., 2012). However, due to the opposition of other hat artisans of the country above all those located in Cuenca, only in 2008 the Montecristi hat was registered in the National Direction of Industrial Property of IEPI as a A.O./GI.

The GI protection of Montecristi hat and the UNESCO inscription of traditional weaving of the Ecuadorian toquilla straw hat. Certainly, for the A.O. to exist, there must be laws that permit it. In the case of Ecuador, the legislation comes into force, starting with Article 321 of the Constitution of the Republic of Ecuador which recognizes and guarantees the right to property in their public, private, community, state, associative, cooperative and mixed forms; further on, Article 322 recognizes the intellectual property in accordance with the conditions stipulated by the Law; in this case, the Law

of Intellectual Property which supports the legal existence of the Ecuadorian appellation of origin and therefore permits the protection of the handicrafts. It should be noted that the use of appellations of origin with respect to natural, agricultural, handicraft or industrial goods shall be reserved exclusively for the producers, manufacturers and craftsmen who have their production or manufacturing facilities within the locality or designated region or evoked by that appellation. The right of exclusive use of the Ecuadorian appellations of origin has been recognized since the declaration to that effect issued by the National Office of Industrial Property. Their use by unauthorized persons shall be considered an act of unfair competition, even where they are accompanied by expressions such as "like", "kind", "type", "style", "imitation" and other similar expressions that also mislead the consumer. The A.O. consists of the word "MONTECRISTI" the same that identifies the straw hat, and is the name of a county located in the coastal region, in Manabí province, whose coordinates are: latitude S 1° 10' / S 1° 0' and Longitude W 80° 45' / W 80° 30'. Its boundaries are: to the north with Jaramijó county; to the south by the Pacific Ocean and Jipijapa county, to the east with Portoviejo and Jipijapa counties and to the west by Manta county. The vegetable fiber called toquilla grows in Montecristi county. Its qualities are claimed to be unique in the world, since they are the result of a hot, humid climate and coastal soil that is particularly rich in salt and lime (calcium compounds). The harvest is specifically carried out in winter time, because of the heavy rains.

The certification process implies a historical reconstruction of the traditional process of fabrication of Montecristi hat by revising archives and consulting other historical sources. Dating back to 1630, it was shown that the shape of the hat was gradually modified to make them resemble the Spanish "Tocas" (Escobar Ebell et al., 2012). According to Chiluiza and Rodriguez (2003), this led to the hat's name of "Toquillas" and the straw's name of "Paja Toquilla". The straw weaving was consolidated in the seventeenth century, when cotton production declined and Europeans begin to demand straw hats as a substitute to cloth. The weavers of Montecristi and Jipijapa, specialized in developing the hat under the European model. They were considered true masters in the weaving of straw hats. For several generations, the town of Montecristi has been dedicated to the production and processing of toquilla straw, which by the 1900s represented the main center of production and sale of this product and up to 75% of the hats in Ecuador were made of the straw produced in the area. The specification file provides also technical guidelines such as the timing of the cut, which is important because the shoot should still be green, young and yet firm; even the lunar cycles are taken into account by the cutters, as well as the age of the plant or the temperature of the day.

In the same way, the Ecuadorian Government supported the inscription of the traditional weaving of the Ecuadorian toquilla straw hat in the representative List of Intangible Cultural Heritage of Humanity which took place on 5 December 2012. This process was carried out by INPC (Instituto Nacional de Patrimonio Cultural) and as a consequence nowadays the traditional weaving of the toquilla straw of all Ecuadorian artisans is protected (www.unesco.org/culture/ich/index.php?lg=es&pg=00011&RL=00729).

2.1. Conclusion

The Ecuadorian Government was able to sedate conflicts among hat producers by using a twofold strategy: the GI protection for the Montecristi hat and the UNESCO nomination for the traditional weaving of the Ecuadorian toquilla straw. Concerning the former, it seems that the historical as well as biological evidence have been particularly important to legitimize it. Historical documents dating back to the Spanish colonization legitimize human factors whilst the biological sources refer to the location (the palm species that only grows in the coast of Ecuador between 100 and 400 meters over sea level in a specific soil). At the same time the UNESCO nomination, although not legally binding, is particularly suitable to honor and increase the value of the traditional knowledge related to the hat production representing an important element of the cultural heritage of the communities living in Ecuador.

3. Example 2, the case of cacao Nacional "Arriba"

In 2011, Ecuador produced 224,263 MT of cacao from 399,467 ha harvested (521,091 ha are reported as planted) (PROECUADOR, 2013). In 2012 the main destinations of the Ecuadorian cacao were in descending order: USA, Netherland, Malaysia, Mexico, Germany and Brazil. The main varieties of cacao planted in Ecuador are the high-quality cacao Nacional "Arriba" genetic group and the less quality-valuable but high-producing CCN-51 variety. Fine Ecuadorian cacao (Nacional "Arriba") covers from 60 to 70% of the world's production maintaining Ecuador as the first producer worldwide (PROECUADOR, 2013; FAO-IICA, 2008; El Comercio, 2014a). In 2011, Ecuador produced 224263 MT of cacao from 399,467 ha harvested (521,091 ha are reported as planted) (PROECUADOR, 2013). In 2012 the main destinations of the Ecuadorian cacao were in descending order: USA, Netherland, Malaysia, Mexico, Germany and Brazil. The main varieties of cacao planted in Ecuador are the high-quality cacao Nacional "Arriba"

genetic group and the less quality-valuable but high-producing CCN-51 variety. Fine Ecuadorian cacao (Nacional "Arriba") covers from 60 to 70% of the world's production maintaining Ecuador as the first producer worldwide (PROECUADOR, 2013; FAO-IICA, 2008; El Comercio, 2014a). Cacao certified as cacao Nacional "Arriba" stems from the native cacao group known as cacao with strong floral aroma known as "Arriba" of the coastal region of Ecuador. Past studies have shown the hybrid nature of most of the modern Nacional cacao. Loor et al. (2009) studied 322 accessions of cacao collected in the coastal region of Ecuador. A group of ancient highly homozygous cacao HoN which could be the ancestors of the high quality cacao Nacional was identified. Most of the cacao trees in the genebanks appeared as hybrids that mainly shared alleles (i.e., genes) with the typical Trinitario type UF676 - Criollo, Forastero and Trinitario genetic groups are known worldwide and with the HoN individuals, confirming the hybrid nature of the still high quality modern Nacional cacao. In order to determine the putative centre of origin of Nacional and trace its domestication history, Loor-Solorzano et al. (2012) used (SSR) markers to analyse the relationships between these potential Nacional cacao founders and 169 wild and cultivated cocoa accessions from South and Central America. The highest genetic similarity was observed between the Nacional pool and some wild genotypes from the southern Amazonian region of Ecuador, sampled along the Yacuambi, Nangaritza and Zamora rivers in Zamora Chinchipe province. This finding indicates the territorial origin of cacao Nacional.

The production of cacao Nacional "Arriba" in Ecuador started in 1590 with the Spanish colonists growing and exporting it (Boa *et al.*, 2000). According to Loor-Solorzano *et al.* (2012) new germplasm was introduced for the first time into Ecuador in the 1890's (*ibid.*). Two serious plagues decimated the production in the XXth century: the Witches Broom (Moniliophthora perniciosa) in the 1920s and the Monilla (Moniliophthora roreri) in the 1940s. This encouraged the introduction of foreign germoplasm (Loor *et al.*, 2009) and, in this way, the origin of CCN-51.

In 1965, an Ecuadorian independent researcher named Homero Castro Zurita developed a strain of cacao that had notably increased disease resistance, much higher yields, and the ability to grow in full sun. It was named CCN-51, an acronym for Collección Castro Naranjal (Winkel, 2013). As mentioned before, the Nacional cacao is the ancient and high quality variety reported since colonial times that gained good reputation in Europe. Furthermore, it grows in *chakra*, which is an agroforestry system more diverse and organic than the modern variety CCN-51. The chakra-based cultivation of cacao Nacional "Arriba" includes neighbor trees (shade) or companion depending on the stage of development of cacao plantation e.g. maize, cassava (with cacao seedlings) and later Inga, coconut, citrus, among

others. The cacao Nacional "Arriba" itself could be shade for coffee (Boa *et al.*, 2000). This characteristic qualify Nacional cacao for organic trade initiatives (Biocomercio, 2005).

However, compared to CCN-51, cacao Nacional "Arriba" is less productive in terms of Tons/ha, what has led to an increasing cultivation rate of CCN-51 According to the scarce statistics the CCN-51 is covering between 30% and 50% of the exported cacao production in the last years (Stoler, 2012; El Comercio, 2014 b; Not official data).

3.1. The certification of cacao Nacional "Arriba"

As shown in the previous chapter, the fruitful development of CCN-51 constitutes a serious menace to cacao Nacional. This was displayed for instance in the price difference: in October 2007 the price of CCN-51 was 2000 usd/Ton whilst that of cacao arriba was 2300 usd/ton (FAO-IICA, 2008) which generates no incentives for producers of cacao Nacional "Arriba" Most of the Ecuadorian cacao is exported as beans (85%) versus 1% as chocolate (PROECUADOR, 2013). Thanks to the international recognition of Nacional cacao as a "Superior Scent Cacao", the Ecuadorian government decided to start a campaign aimed to add value the niche product. In 2000, the Ecuadorian Ministry of Agriculture funded a project on the improvement of production of "cacao de Arriba" which implied two main steps such as the certification in 2006 of 7600 ha of cultivation of cacao Nacional under the standards of organic certification and fair trade (FAO-IICA, 2008) and the process for achieving the Origin Denomination (DO) for the "Cacao Arriba" in cooperation with the IEPI (Ecuadorian Institute on Intellectual Property Rights). The DO was applied for all regions where Cacao Nacional "Arriba" is currently produced, developing a map of flavors and describing all organoleptic, morphological, production and post-harvest characteristics to identify unequivocally the special commodity.

3.2. Conclusion

Based on the information afore provided it appears that the certification of cacao Nacional "Arriba" has followed a logic of protection of a traditional and genetically unique species. From the perspective of classical economic theory the rationale has clearly been that of valorizing a niche for a high-segment customer (both Business-to-Business and end user) while at the same time sustaining the mass production of cacao CCN-51 for the mass low-segment customer. The end consumer market is covered by countries

importing high quality cacao at low prices and transforming it in a high valuable commodity (chocolates) for export. This system clearly does not favor the small-farmer economy. The Nacional Arriba can help small-size producers to achieve higher negotiating power with processors serving a gourmet segment. The lower qualitative profile of CCN-51 in comparison to the cacao Arriba is compensated by higher yields, which make it ideal for another type of end-market, e.g. that interested in higher production with an acceptable money-for-value. Bio-based economy could valorize the diverse production system where Nacional cacao is been produced, supporting small-farmers based on principles of the Convention on Biological Diversity and the International Treaty on plant genetic resources for food and agriculture "the right to equitably participate in sharing benefits arising from the utilization of plant genetic resources for food and agriculture".

4. Extension of GI-protection to services?

In the first part of this article we have used two examples, the Montecristi hat and the Cacao Nacional "Arriba", to support recent tendencies of the actual GI-debate, namely the extension of GI-protection to non-agricultural products as well as the sustainability issue. In the following, we explore the possibility to extend GI-protection to tourism services in a similar way as Brazil has done for the technology park of Recife. In fact, the Brazilian legislation on GI allows protection not only to products but also to services (www.inpi.gov.br/menu-servicos/indicacao-geografica/indicacao-geografica-no-brasil). Hence, since in tourism the frontiers between products (e.g., regional specialties) and services (e.g., guiding tours, accommodation) are blurring, we think that especially in the field of culinary tourism should GI-protection be extended from the food or agricultural product to the service that wrap the food specialty. To fundament this thesis we use again the example of Cacao Arriba by narrowing the analysis to GI Cacao "Arriba" route.

5. The case of the tourism route of the GI cacao Nacional Arriba

As we described above, Ecuadorian cacao is related to agroforestry systems (especially cacao Nacional "Arriba"), individual or community-based farmers and cacao scored as of good quality due to specific Ecuadorian bioclimatic and edaphic growing conditions. The Ecuadorian cacao once known locally as "pepa de oro" or golden seed, due to the high profits from the crop during the golden production era (early 90s), is still recognized

worldwide as a high quality cacao. In 2011 the Ecuadorian cacao won international awards such as best cocoa for its floral quality, and better cocoa beans by geographic region at the Salon du Chocolat in Paris in 2011 (Alcívar Trejo *et al.*, 2015).

In addition to the production of cacao, Ecuador is starting to produce fine quality chocolate. For example, there is an association of chocolate-makers "Chocolateros" from Ecuador currently formed by seven brands: Caoni, Chocoart, Ecuartesanal, Valdivia, Green Leaf, Kallari and Pacari (www. revistalideres.ec/lideres/marcas-chocolate-conjunto.html.). All of them are interested in getting a country brand "marca país" referring to good quality Ecuadorian products. This association also seeks environmental and social certifications such as standards of organic products and fair trade schemes. As these brands work with small producers, they can guarantee better prices and provides the possibility of improving their income and quality of life.

Cacao has not only an impact on the economy through its cropping and exporting but has enabled the creation of agro-tourism. Since 2001, the "route of cacao" has been thought as an emblematic Ecuadorian agro-touristic project, although finding difficulties in the definition and application (Paguay, 2012). Nevertheless, since 2011 the Ministry of Tourism has supported the route of cacao, which seeks domestic and foreign tourists to visit and learn about the process chocolate production (http://visit.ecuador.travel/chocolate/rutas.php). In 2014 the National Geographic Traveler magazine placed the cocoa route as one of the top 20 destinations to visit, showing worldwide recognition.

One of the goals of this route is to strengthen the economy of different regions such as the coastal region where mainly mid-size farms have facilities to receive tourists in Guayas, Cañar, Los Rios and Esmeralda's provinces. In the Amazonia (Napo province) where mainly small farmers produce cacao, there is a plan of building specialized infrastructure such as the "Cacao Village" in Archidona, the Cocoa Eco-Center in Tena, and cocoa Garden in Arosemena Tola. Around cacao there are many touristic activities such as a parade celebrated in 2014 in the Amazonian location of Archidona (Napo province), where locals celebrated the first cacao-community-fair "feria comunitaria pueblo del cacao", www.ecuadorestrategicoep.gob.ec/12-noticias-principales/483-boletin-388.

A GI protection the route of Cacao Nacional "Arriba" would reinforce the emotional linkage of tourists to the icon product thereby offering a new experience to tourists based on agriculture, traditions and cultural practices. This could also strength "community tourism" which focuses on showing a more genuine experience led by communities rather than multinationals (http://feptce.org/). Cotacachi communities (Imbabura province in the Andes of Ecuador) are an example of this kind of tourism experience. According to

Rodas *et al.* (2008), the community developed a project that takes advantage from the agrobiodiversity of the region and delivers innovative products and services based on the ethnic, cultural and social value of their native crops however, no GI has been thought for this region. If the Cacao route could obtain a GI for the tourism services, they could incorporate an important added value in terms of visibility, protect the agro-biodiversity and support cultural richness at the same time. Besides this cacao route could effectively join the UNESCO initiative "Cacao route in Latin America" (Laviana, 2007).

Final remarks

The scope of this article was to provoke a discussion on geographical indications, a topic which has been increasing in popularity for years by offering some illustrative examples from outside Europe. In the last years Ecuador has shown innovative impulses in the interpretation as well as in the implementation of GIs. To corroborate these new interpretations in the GI debate, we have firstly shown the example of the Montecristi hat as a successful extension of GIs regimes also to non-agrifood products. The case of the Montecristi hat demonstrated how a geographical indication can be used to correct false images (the erroneous association of the hat to another country, e.g. Panama). Furthermore, it shows how the certification of the natural and human factors linked to a territory is also possible for protecting artisanal products. A third point is the synergy of two different certification schemes: whereas the denomination of origin unfolds economic advantages for the weavers of the region such as improved bargaining power, the UNESCO nomination as intangible cultural heritage of humanity serves above all to create an emotional linkage with consumers which GIs definitely not have. Furthermore, positive repercussion on tourism are expected, since it is commonly believed that being listed by UNESCO results in attracting more tourists (Huang et al., 2012).

The second case, cacao Nacional "Arriba", has been used in this article to corroborate the biodiversity claim related to GIs. As we have shown before, through the certification of cacao Nacional "Arriba" Ecuador has followed a logic of protection of a traditional and genetically unique species, valorizing this niche for a high-segment market. Other important bio-based consequences strictly connected to the GIs are the proper management of irrigation, fertilizer use and application of improved cultural practices (Escobar Ebell *et al.*, 2012).

All in all, we think that a more intensive support to these new tendencies in the GI debate both from scholars and practitioners could be advantageous for the countries involved or interested in the GI implementation. Finally, we have presented a future – highly hypothetical – scenario characterized by the possibility of protecting not only a product, e.g., cacao, but also tourism-related services (such as cacao routes) by means of GI legislation. This could be in our view very beneficial for tourists who would enjoy a new experience based on agriculture, traditions and cultural practices. This paper relies on theoretical considerations and as such we hope that it could serve as a basis for further, more empirical, research.

Acknowledgements

The authors acknowledge the suggestions of two anonymous reviewers as well as one of the editor of the journal who have improved the quality of the article.

References

- Alcivar Trejo, C.A., Calderón Cisneros, J.T. & López, K.S. (2015). La ruta del cacao, modelo de aporte al desarrollo socio-turístico y económico de las comunidades ecuatorianas. Revista Observatorio de la Economía Latinoamericana, Ecuador, (feb. 2015), online publication: www.eumed.net/cursecon/ecolat/ec/2015/cacao. html.
- Arfini, F., Belletti, G. & Marescotti, A. (2010). Prodotti tipici e denominazioni geografiche. Strumenti di tutela e valorizzazione. *Quaderni*. www.gruppo2013.it/quaderni/Pagine/default.aspx.
- Biocomercio. 2005. Estrategia del Cacao Sabor "Arriba" 2006-2008. Sector de Ingredientes Naturales para la Industria Alimenticia. BTFP, United Nations Conference on Trade and Developmente. Biocomercio Sostenible. 12 p.
- Boa, E, Bentley, J. & Stonehouse, J. (2000). Cacao and neighbour trees in Ecuador. How and Why farmers manage trees for shade and other purposes. CABI international. 45 p.
- Buchet, M., Doherty, J. & Hoepffner, B. (1995). *Panama: a legendary hat*. Editions Assouline.
- Chiluiza, V.H. & Rodriguez, M. (2003). El Sombrero de Paja Toquilla como Atractivo Cultural y su Propuesta: La Ruta del Sombrero, Master thesis, ESPOL, Guayaquil-Ecuador, 2003.
- De Souza, C.G. (2012). An overview of geographical indications in Brazil. *Journal of Intellectual Property Rights*, 17, 133-140.
- El Comercio (2014^a). *El Cacao Ecuatoriano huele a 700 US millones*. Publicación diario el Comercio Ecuador. 13 nov 2014. www.elcomercio.com/actualidad/cacao-ecuador-negocio-ganancias-chocolate.html.
- El Comercio (2014b). El cacao CCN-51 pasó de patito feo a cisne de la producción ecuatoriana. Published 7 mayo 2014. www.elcomercio.com.ec/actualidad/negocios/cacao-ccn-51-paso-de.html.

- Escobar Ebell, L.A., Torres Cortez, J.C. & Vera Moscoso, S.C. (2012). Geographical indications under the Andean community as a proposal for an inclusive business model in the region.
- FAO-IICA (2008). Calidad de los alimentos vinculada al origen y las tradiciones en América Latina: estudios de casos. Ed. por Hernando Riveros, Emilie Vandecandelaere, Florence Tartanac, Claudia Ruiz y Gina Pancorbo. Lima. pp. 94-119.
- Gobierno del Estado de México (GEM), (2006): Plan Estatal de Desarrollo 2005-2011. México: GEM.
- Huang, C.H., Tsaur, J.R., & Yang, C.H. (2012). Does world heritage list really induce more tourists? Evidence from Macau. *Tourism Management*, 33(6), 1450-1457.
- Laviana Cuetos, M.L. (2007). Investigación e integración: la ruta del cacao en América Latina. *Tierra Firme*, 100 (year 25/vol. XXV), available online at URL (http://digital.csic.es/bitstream/10261/26636/1/Ruta cacao.pdf), 485-499.
- Loor, R.G., Risterucci, A.M., Courtois, B., Fouet O., Jeanneau, M., Rosenquist, E., Amores, F., Vasco, A., Medina, M., Lanaud, C. (2009). Tracing the native ancestors of the modern Theobroma cacao L. population in Ecuador. *Tree Genetics and Genomes*, 5, 421-433.
- Loor-Solorzano R.G., Fouet O., Lemainque A., Pavek S. & Boccara M. (2012). Insight into the Wild Origin, Migration and Domestication History of the Fine Flavour Nacional Theobroma cacao L. Variety from Ecuador. *PLoS ONE*, 7(11), e48438. doi:10.1371/journal.pone.0048438.
- ORIGIN Report (2013), January 2013.
- Paguay, J. (2012). De la pepa de Oro a la ruta del cacao. *Revista Res Non Verba*. Universidad ECOTEC (agosto 2012). http://biblio.universidadecotec.edu.ec/revista/articulo.php?id=205, 37-52.
- Proaño, R., Jessy, C., & Viera Ramírez, J.I. (2009). Proyecto de factibilidad para la creación del Centro Turístico Laguna Verde (Quilotoa) Parroquia Zumbahua del cantón Pujilí, Provincia de Cotopaxi.
- PROECUADOR (2013). Análisis del sector cacao y elaborados. Intelegencia Comercial e inversiones, 39p.
- Profeta, A., Balling, R., Schoene, V. & Wirsig, A. (2009). The Protection of Origins for Agricultural Products and Foods in Europe: Status Quo, Problems and Policy Recommendations for the Green Book. *The Journal of World Intellectual Property*, 12(6), 622-648.
- Querette, E., Guilherme, C. & Targino, P. (2013). Local Institutions, Culture and Competitiveness: Leveraging Porto Digital's Reputation through a Geographical Indication of Software. Paper presented at the IASP 30th Conference on science and technology parks, Recife.
- Querette, E., Saboya, F., Molina, A., Calheiros, G., Targino, P., Ourem, H. & do Apolo, R. (2009). Porto Digital: a model of implementing a Technology Park as a driver for economic development. *CEP*, *50*, 220.
- Ramirez, M., Nicklin, C., Williams, D.E., Williams, K.A., Tapia, C. & Carrera, V.H. (2008). *Promotion of Andean Crops for Rural Development in Ecuador*, available at: www.mtnforum.org/ sites/default/files/publication/files/4225.pdf.
- Sidali, K.L. & Spiller, A. (2014) Cultural property rights in the EU geographical indications' system: Cui prodest? *Economia Agro-Alimentare*, 16(2), 95-102. doi: 10.3280/ECAG2014-002006.

- Stoler, M. (2012). El justo sabor del cacao: Desafíos y ventajas del comercio justo del cacao. Universidad Andina Simón Bolívar Sede Ecuador. Thesis Msc. 127p.
- Thual, D. & Lossy, F. (2011). *Q&A Manual European Legislation on Geographical Indications: IPR2*. http://ipr2.org/document-centre/list.php?id=25.
- Van Zonneveld, T.E., Loo, M., Hodgkin T.J., Galluzzi, G. & van Etten, J. (2012). Present Spatial Diversity Patterns of Theobroma cacao L. in the Neotropics Reflect Genetic Differentiation in Pleistocene Refugia Followed by Human-Influenced Dispersal. *PLoS ONE*, Vol. 7, Issue 10, e47676.
- Wilkinson, J., & Cerdan, C. (2011). A Brazilian perspective on geographical indications. In *Territorial Governance* (pp. 143-158). Physica-Verlag HD.
- Winkel T. (2013). Ecuador and cacao an old alliance. A Peace Corp Master International Project. Colorado State University. Msc. Project. 105.

Legal References

European Parliament resolution of 6 October 2015 on the possible extension of geographical indication protection of the European Union to non-agricultural products (2015/2053(INI)). www.europarl.europa.eu/oeil/popups/summary.do?id=1405921&t=d&l=en.

Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs.

Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

Appendix

The discussion on geographical indications at different international forums

The European Union has three instruments to obtain the above outlined goals: Protected Designations of Origin (PDO), Protected Geographical Indications (PGI) and Traditional Specialty Guaranteed (TSG). Originally, GIs were developed by the French legal system and evolved, under the aegis of the WIPO, throughout three main agreements: the Paris Convention of 1883, the Madrid Agreement of 1891 and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 1958. At the European level, it is interesting to observe that GIs achieved popularity mainly throughout the Southern part of Europe. In fact, northern European countries posed a strong opposition to these certification schemes in the second half of 20th century. Despite this, the European legislator succeeded to overcome this initial reluctance and nowadays the GIs-regime counts with a detailed corpus of Regulations (2081/1992, 1107/1996, 510/2006, 509/2006, 628/2008, 110/2008, 1151/2012). This success was possible also by means of a well-structured web of lobbying actions supported by multiple interest groups such as producer associations, NGOs, international agencies such as FAO as well as influential external institutions such as the international association of GIs named oriGIn (URL: www. origin-gi.com/).

Beyond European borders, at the international level, the GIs are discussed in the Trade Related Aspect of Intellectual Property Rights Agreement (TRIPS) of 1995 which came in force for developing countries in 2000. According to Escobar Ebell et al. (2012) it is the most comprehensive multilateral agreement on Intellectual Property (IP). Thanks to this treaty IP has become an integral part of the multilateral trading system established in World Trade Organization (WTO) (ibid.). However, in contrast to wines and spirits (Art. 23, TRIPS), here GIs enjoy only a general protection (Art. 22, TRIPS), and the possibility of a specific protection, i.e., the extension of Art. 23 to all products, is still in discussion. On this line, in 2005 the EU presented a proposal for the compulsory mutual recognition of geographical indications based on a shared GIs' register. On the contrary, other countries such as USA, proposed the option to set a voluntary (although suggested) mutual recognition system of GIs. Additionally, in 2006 the EU presented the EC Regulation 510/2006 which turned the GIs protection more accessible to third party states. Since the discussion on GIs at the WTO-TRIPS level proceed quite slowly, supporters of GIs hope to make some progress on a third venue, e.g., the negotiations for the transatlantic and trade investment partnership (T-TIPS) between the EU and the USA. Although GIs are only a small section within the T-TIPS, it seems that the growing segment of demanding consumers in the US could constitute the main motivation for the US to lose the historical reluctance since this sui generis system could be attractive for a non neglectable part of the US food industry (Profeta et al., 2009).

Summary

Geographical Indications (GIs) are names of regions, specific places or, in exceptional cases, countries, used to describe an agricultural product or a foodstuff (EC 510/2006, Art. 2). They have received much attention in recent years not only at the European level, where they stem from, but also at different international forums such as at the World Trade Organization (WTO). Being a particular form of intellectual property, these certification schemes have the potential to be applied also to non-agrifood commodities or even services. Furthermore, due to the grave menace of biodiversity loss caused by globalization, GIs could serve as a tool to promote biodiversity if linked to plant varieties menaced by disappearance or to rare animal species. It seems that at European level these issues are gathering momentum. For this reason, the purpose of this paper is to support new interpretations regarding GI legislation. In the remainder of this paper, the authors will present a short description of GIs as they have been discussed at different international forums, Also, the innovative implementation of GIs in Ecuador will be illustrated by means of two examples: the Sombrero of Montecristi and the cacao Nacional Arriba. Based on these examples we trace possible scenarios of GI implementation in a particular type of service economy such as food tourism. In the final part, some conclusions will be presented.

Key words: Geographical Indications, local culture, biodiversity, Ecuador, niche products, extension, GI protection

JEL Codes:

Corresponding Author: Katia L. Sidali - Georg August University Göttingen - Department of Agricultural Economics "Marketing of Agricultural Products and Foods" - Platz der Göttingen Sieben 5 - 37073 Göttingen - e-mail: ksidali@unigoettingen.de

Data di submission: 06/05/2015

Data di accettazione: 30/03/2016