

## Trademarks and Geographical Indications: A Case of California Champagne

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### INTRODUCTION

Legal and cultural clashes occur when international conventions dictate the adoption of new legal constructs into domestic law.<sup>1</sup> This happened recently when the World Trade Organization (WTO) enacted the Trade Related Aspects of Intellectual Property Agreement's (TRIPS) articles 22, 23, and 24.<sup>2</sup> TRIPS is the dominant international agreement dealing with intellectual property. It requires that members' domestic laws protect geographical indications.<sup>3</sup> Some winemakers sell their sparkling

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<sup>1</sup> A prior instance where a legal cultural clash occurred, also involving European Union countries, is copyright protection in the Berne Convention for "moral rights" of the artist that continue after the artwork has been sold. Berne Convention for the Protection of Literary and Artistic Works, *opened for signature* Sept. 9, 1886, 828 U.N.T.S. 221, available at [http://www.wipo.int/treaties/en-ip/berne/trtdocs\\_wo001.html](http://www.wipo.int/treaties/en-ip/berne/trtdocs_wo001.html). The provision conflicted with U.S. copyright law's first sale doctrine. See 17 U.S.C. § 109 (2000). Eventually, the U.S. amended its copyright statute on December 1, 1990, to reach a satisfactory compromise. See 17 U.S.C. § 106A (2000). Titled "Rights of Certain Authors to Attribution and Integrity," it gives the author of a visual work the right "to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation."

<sup>2</sup> The TRIPS agreement was adopted at the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1996. GATT is a large international body that seeks to promote trade and economic growth among all member nations. There are over 100 nations who are members of GATT. At the Uruguay Round, the WTO was created as a governing body. GATT is now the term used to designate the principles of international trade that the WTO promotes. See World Trade Organization [WTO], Understanding the WTO: The Agreements, [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm7\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm) (last visited Mar. 6, 2007); Duke University School of Law Library, Research Guides: GATT/WTO, <http://www.law.duke.edu/lib/researchguides/pdf/gatt.pdf> (last visited Mar. 6, 2007). The text of the TRIPS agreement is available on the WTO website at [http://www.wto.org/english/tratop\\_e/trips\\_e/t\\_agm0\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm) (last visited Oct. 6, 2006). Articles 22, 23, and 24 are reproduced in Appendix B for reference.

<sup>3</sup> TRIPS uses the term "geographical indication," though the authors prefer the term "geographic indication" to describe the concept. It is also sometimes called "geographic indicator," "geographical indicator," or "geographic designation." Even before TRIPS, France and some other European nations embraced through legislation a similar concept named "appellation of origin." The authors hope that the term chosen is the pre-

white wines under the type designation "champagne."<sup>4</sup> The European Union (EU), especially the French government, wants other producers to stop using the term "champagne" for their sparkling white wines.<sup>5</sup> They argue that "champagne" is an indication of the region in France where certain sparkling wines are made using grapes grown in that region and using a traditional method of processing them. They say that the word is a geographical indication and is not usable by other wine producers outside of the Champagne region of France, even when the producers use the same variety of grapes and the same method of processing.<sup>6</sup> Non-EU producers of sparkling white wine argue

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dominant one being used currently and that it embodies all the concepts described in this article.

A good history of the international law is available in World Intellectual Property Organization [WIPO], Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Doc. SCT/6/3 (Jan. 25, 2001) (*prepared by the International Bureau*), *available at* [http://www.wipo.int/edocs/mdocs/sct/en/sct\\_6/sct\\_6\\_3.pdf](http://www.wipo.int/edocs/mdocs/sct/en/sct_6/sct_6_3.pdf) (*revised by WIPO*, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, *Document SCT/6/3 Rev. on Geographical Indications: Historical Background, Nature of Rights, Existing Systems for Protection and Obtaining Protection in Other Countries*, Doc. SCT/8/4 (Apr. 2, 2002) (*prepared by the Secretariat*), *available at* [http://www.wipo.int/sct/en/documents/session\\_8/pdf/sct8\\_4.pdf](http://www.wipo.int/sct/en/documents/session_8/pdf/sct8_4.pdf); *amended by WIPO*, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, *Addendum to Document SCT/6/3 Rev. (Geographical Indications: Historical Background, Nature of Rights, Existing Systems for Protection and Obtaining Protection in Other Countries)*, Doc. SCT/8/5 (Apr. 2, 2002) (*prepared by the Secretariat*), *available at* [http://www.wipo.int/sct/en/documents/session\\_8/pdf/sct8\\_5.pdf](http://www.wipo.int/sct/en/documents/session_8/pdf/sct8_5.pdf)).

For a general background on geographical indications and how they interact with trademark law, see also Jeffrey Armistead, Note, *Whose Cheese Is It Anyway? Correctly Slicing the European Regulation Concerning Protections for Geographic Indications*, 10 TRANSNAT'L L. & CONTEMP. PROBS. 303 (2000); Stacy D. Goldberg, Comment, *Who Will Raise the White Flag? The Battle Between the United States and the European Union Over the Protection of Geographical Indications*, 22 U. PA. J. INT'L ECON. L. 107 (2001); Alexander V.G. Kraft, Review Essay, *New Wine in Old Bottles*, 12 J. CONTEMP. LEGAL ISSUES 464 (2001); Jacqueline Nanci Land, Note, *Global Intellectual Property Protection as Viewed Through the European Community's Treatment of Geographical Indications: What Lessons Can TRIPS Learn?*, 11 CARDozo J. INT'L & COMP. L. 1007 (2004); Leigh Ann Lindquist, *Champagne or Champagne? An Examination of U.S. Failure to Comply with the Geographical Provisions of the TRIPS Agreement*, 27 GA. J. INT'L & COMP. L. 309 (1999); Harry N. Niska, *The European Union TRIPS over the U.S. Constitution: Can the First Amendment Save the Bologna that has a First Name?*, 13 MINN. J. GLOBAL TRADE 413 (2004).

<sup>4</sup> For example, a company named Cooks sells California Champagne in small bottles that come in a four-pack. Cooks California Champagne is available at Vons grocery store in Fresno, California.

<sup>5</sup> See, e.g., *Comité Interprofessionnel du Vin de Champagne v. Wineworths Group Ltd.*, [1990] 2 N.Z.L.R. 432, 452–53 (H.C.) (holding that the word "champagne" is distinctive, not generic, and is not properly used to designate all sparkling white wines, but only those actually originating in the Champagne region of France).

<sup>6</sup> *Id.* at 438. The cooperative growers and producers in France have a group, Comité Interprofessionnel du Vin de Champagne (CIVC), that brings suits throughout the world seeking to establish and/or return the term "champagne" to only designate sparkling white wine produced in the approved method with the approved grapes in the Champagne region of France. *See id.* at 434. This may be futile by this point. For example, wedding dresses are not always white. Often, they are "champagne" colored. So the term has broader connotations at this time than could be retracted by the invocation of a law. *See*

that trademark law should apply. They argue that under trademark law, "champagne" is a generic term for sparkling white wine made in a process akin to that performed in Champagne, France. Generic terms are not protected under the U.S. trademark system.<sup>7</sup> This article asks whether geographical indication law should be incorporated into the U.S. domestic trademark law.

Trademark law protects business economic interests by encouraging consumers to identify a product by its unique mark.<sup>8</sup> International law recognizes trademarks and adds protection for geographical indications, naming products for the place where they are produced.<sup>9</sup> The previous example illustrates a cultural and legal clash.<sup>10</sup> When conflict arises between two legal systems, should one be paramount? Is it possible for them to compromise, co-exist, and complement each other? Some legal scholars argue that the differences are far less controversial than was originally believed.<sup>11</sup> This article explains geographical indications and trademarks and advocates a system that respects both the traditional economic theory embodied in the U.S. trademark body of law and the traditional European values of identity of place, method, and aesthetics.<sup>12</sup> Geographical indications are largely consistent with trademark theory.<sup>13</sup> Trademark law can

WEBSTER'S NEW WORLD DICTIONARY OF THE AMERICAN LANGUAGE 236 (David B. Guralnik ed., 2d coll. ed. 1974) ("1. orig., any of various wines produced in Champagne, France 2. a) now, any effervescent white wine made there or elsewhere; regarded as a symbol of luxurious living b) the typical color of such wine; pale, tawny yellow or greenish yellow").

<sup>7</sup> J. THOMAS McCARTHY, *McCarthy on Trademarks and Unfair Competition* §§ 12:1–12:4, at 12-4 to 12-15 (4th ed. 2006) [hereinafter *McCarthy*]. See also *Restatement (Third) of Unfair Competition* § 15, cmt. a (1995) ("Generic designations are not subject to appropriation as trademarks at common law . . .").

<sup>8</sup> 1 *McCarthy*, *supra* note 7, § 2.4, at 2-4 to 2-6 (citing reasons for trademark protection, including economic functions and quality encouragement functions).

<sup>9</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, arts. 22–24, Dec. 15, 1993, 33 I.L.M. 81 (1994) [hereinafter TRIPS].

<sup>10</sup> Legal systems are a part of many countries' respective cultures. For a good summary of the aesthetic difference between the French view and the U.S. economic policy protected by trademark, see generally Jim Chen, *A Sober Second Look at Appellations of Origin: How the United States Will Crash France's Wine and Cheese Party*, 5 MINN. J. GLOBAL TRADE 29 (1996) and Louis Lorvellec, *You've Got to Fight for Your Right to Party: A Response to Professor Jim Chen*, 5 MINN. J. GLOBAL TRADE 65 (1996).

<sup>11</sup> See Tunisia L. Staten, *Geographical Indications Protection Under the TRIPS Agreement: Uniformity Not Extension*, 87 J. PAT. & TRADEMARK OFF. SOC'Y 221, 242 (2005); Molly Torsen, *Apples and Oranges (and Wine): Why the International Conversation Regarding Geographic Indications is at a Standstill*, 87 J. PAT. & TRADEMARK OFF. SOC'Y 31, 48–49 (2005). Both Staten and Torsen suggest that the U.S. law on collective marks could provide guidance for geographical indications that would resolve some of the polarization that the two sides of the controversy are espousing.

<sup>12</sup> See Chen, *supra* note 10, at 32 ("[T]his definition comprises both 'natural factors and human factors.'"); Lorvellec, *supra* note 10, at 77 ("[G]uarantee the future by preserving the countryside and respecting the market.").

<sup>13</sup> Geographical indications have long been recognized in both federal and common

be adapted to embrace international economic interests. This will allow the development of a uniform international body of law and economic theory.<sup>14</sup>

Part I summarizes relevant trademark law. Part II summarizes the international development of geographical indication law. Part III explores the areas of law where the two diverge and intersect, and considers compromises and possible legislative solutions.<sup>15</sup>

## I. TRADEMARK

### A. International Trademark

In most nations, a trademark is granted to the first person to file or register in the country.<sup>16</sup> But in the U.S., trademarks are granted on a first-to-use basis, in spite of lack of registration.<sup>17</sup> The EU Community Trademark System provides for central filing with the Trademark Office, similar to the U.S. federal trademark system.<sup>18</sup> The rights of trademark holders are then recog-

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U.S. trademark law. 2 MCCARTHY, *supra* note 7, § 14:1, at 14-3 ("[I]n the United States and elsewhere, geographic terms can be registered and protected as regional certification marks or collective marks. Geographic terms can also be registered and protected as trademarks and service marks identifying only one commercial source if certain conditions are met."). A Supreme Court case from as early as 1872 addressed the issue of geographical indications. *Canal Co. v. Clark*, 80 U.S. (13 Wall.) 311 (1872).

<sup>14</sup> Currently there is no clear resolution of the trademark law and geographical indication issues in the U.S. legal system. The issues have been addressed by a variety of agencies and courts, without clear guidance from the legislature. When agencies make rules and fashion agreements with individual nations or private industries, the law becomes fractured and inconsistent. The competing interests delicately balanced in the U.S. system of intellectual property are best protected by a uniform body of law that addresses and embraces legal protection for new or foreign concepts.

<sup>15</sup> Several U.S. agencies regulate the law regarding alcohol and food. For instance, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) had regulatory authority over geographical indications of spirits. The rules dealing with Appellations of Origin are published at 27 C.F.R. § 4.25 (2005). It is preferable for the legislature to pass a coherent statutory scheme, rather than multiple agencies enacting regulations in a piecemeal fashion.

In the body of this article there are references to legal and cultural clashes and varying economic philosophies. The regulation of sparkling white wine in the U.S. versus France is a fine example. In the U.S., it is regulated as a vice along with tobacco and firearms. In France, it is viewed more as a food product like onions and mustard. See Chen, *supra* note 10; Lorvellec, *supra* note 10.

<sup>16</sup> LEE BURGUNDER, *LEGAL ASPECTS OF MANAGING TECHNOLOGY* 463 (4th ed. 2007) [hereinafter BURGUNDER]. "Unlike in the United States, where priority is based on use . . . , in most countries, trademark rights are granted to the first person to file for registration." *Id.*

<sup>17</sup> 1 MCCARTHY, *supra* note 7, § 2:7, at 2-12.2 ("Common law rights in a symbol used as a trademark are granted by state law. That is, state or federal registration is not needed for trademark protection under state common law. In addition, unregistered marks are protectable under federal law in federal court").

<sup>18</sup> 2 MCCARTHY, *supra* note 7, § 14:1.50, at 14-11 to 14-12. The Lisbon Agreement provides the vehicle for registration of geographical indications with the World Intellectual Property Organization (WIPO).

nized throughout the EU. The same is true of federal filing in the U.S.<sup>19</sup>

Much of the EU system is analogous to the federal and state dual sovereignty system embraced in the U.S.<sup>20</sup> The U.S. has the federal trademark system embodied in the Lanham Act.<sup>21</sup> The federal system recognizes a co-existing state common law system and state statutory system of unfair competition, which includes trademark law.<sup>22</sup> Similarly, the EU has both a “federal” system and each member’s domestic trademark laws.<sup>23</sup> In both situations, the federal and state or international and national laws adjust to address conflicts and inconsistencies.

Trademarks are regional to an extent. For instance, there is a Budweiser trademark in the Czech Republic and in the U.S. Each trademark is valid in its own national market. The regional approach is acceptable unless, as has happened to Budweiser, both companies start exporting their products to the same markets.<sup>24</sup> The Czech Republic’s view is that its Budweiser is a geographical indication.<sup>25</sup> The EU view may be that geographical indication takes precedence over a conflicting trademark. The U.S. view may be that Anheuser-Busch’s trademark takes precedence over the conflicting geographical indication.

The importance of international agreements in trademark cannot be overstated and some progress is occurring through trade negotiations.<sup>26</sup> Business is becoming increasingly global.

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<sup>19</sup> Lanham Act, 540 Stat. 427 (codified as amended in scattered sections of 15 U.S.C.).

<sup>20</sup> BURGUNDER, *supra* note 16, at 469 (“The Community Trademark System works concurrently with the existing national systems in a way that is analogous to the interplay between the federal and state trademark systems in the United States.”).

<sup>21</sup> 540 Stat. 427 (codified as amended in scattered sections of 15 U.S.C.).

<sup>22</sup> 1 MCCARTHY, *supra* note 7, § 2:7, at 2-12.1 to 2-12.2 (“[T]rademark law is a species of the generic law of unfair competition.”).

<sup>23</sup> The only EU nation that has a common law tradition is England, so most of the EU nations do not have a comparable state trademark law as part of their “common law of unfair competition.” The other EU nations are civil law nations and have codes requiring trademark registration prior to protection. See Michael B. Gunlicks, *A Balance of Interests: The Concordance of Copyright Law and Moral Rights in the Worldwide Economy*, 11 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 601, 601–02, 628–30 (2001).

<sup>24</sup> See Philippe Zylberg, *Geographical Indications v. Trademarks: The Lisbon Agreement: A Violation of TRIPS?*, 11 U. BALT. INTELL. PROP. L.J. 1, 39–57 (2003). The author summarizes the history of the two companies, then summarizes cases that have been brought in various countries including Portugal, the United Kingdom, and Israel.

<sup>25</sup> *Id.* at 41 (“Currently, [Anheuser-Busch] and [Budejovicky Budvar] are litigating in more than 20 countries. Most of the litigation focuses on the conflict between trademarks and geographical indications.”).

<sup>26</sup> For example, the U.S. and Mexico signed an agreement about tequila on January 17, 2006. Although tequila can only be made in Mexico, bulk shipments of tequila were being shipped to the U.S. where they were bottled. The Mexican Standards Bureau proposed a requirement that tequila be bottled at its source in order to carry the tequila label. If implemented, it would have stopped the flow of tequila to U.S. bottlers. This flow

Countries have to race to keep their regulations apace with the rapid changes in the business world. U.S. businesses want to participate, too.<sup>27</sup> The U.S. both conforms to and leads in international development of intellectual property.<sup>28</sup>

### B. United States Trademark Law

U.S. law defines trademark as “any word, name, symbol, or device, or any combination thereof . . . used . . . to identify and distinguish . . . goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”<sup>29</sup> Most nations have a similar definition. However, U.S. law differs in two related aspects. First, U.S. law recognizes both common law and statutory trademark protection.<sup>30</sup> Most countries use only statutory law to discern the parameters of trademark law within their borders. Countries with a civil law system, rather than a common law system, require statutory creation of protectable trademarks.<sup>31</sup> Second, the U.S. does not require registration to accord trademark protection.<sup>32</sup> Most countries require registration in order to protect a name or mark.<sup>33</sup> The U.S. has refused to become a signatory on some widely adopted international agreements in part because of the U.S. position on common law trademark protection without registration.<sup>34</sup>

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is valued at \$400 million per year. The agreement permits the bulk shipment of tequila to U.S. bottlers to continue. See Press Release, Office of the United States Trade Representative, United States and Mexico Reach Agreement on Tequila (Jan. 17, 2006), available at [http://www.ustr.gov/assets/Document\\_Library/Press\\_Releases/2006/January/asset\\_upload\\_file897\\_8762.pdf](http://www.ustr.gov/assets/Document_Library/Press_Releases/2006/January/asset_upload_file897_8762.pdf).

<sup>27</sup> See generally Mark Silva, Note, *Sour Grapes: The Comprfojmising Effect of the United States' Failure to Protect Foreign Geographic Indications of Wines*, 28 B.C. INT'L & COMP. L. REV. 197 (2005). Silva believes that the U.S. is essentially being egocentric by not adjusting its laws to respect the EU's laws on geographical indications.

<sup>28</sup> The U.S. promoted, and is a signatory of, the Madrid Protocol, which streamlines international trademark recognition. The protocol is now contained in 15 U.S.C.A. §§ 1141–1141n (2006).

<sup>29</sup> 15 U.S.C. § 1127 (2000).

<sup>30</sup> 1 MCCARTHY, *supra* note 7, § 2:7, at 2-12.1 to 2-12.2.

<sup>31</sup> See, e.g., Rudolf Rayle, *The Trend Towards Enhancing Trademark Owners' Rights—A Comparative Study of U.S. and German Trademark Law*, 7 J. INTELL. PROP. L. 227, 240–42 (discussing that the basic difference between common law and civil law countries' trademark law is how trademarks originate, namely, Germany's use of registration that has been in effect since the Middle Ages). See also generally 4 MCCARTHY, *supra* note 7, at ch. 29.

<sup>32</sup> 1 MCCARTHY, *supra* note 7, § 2:7, at 2-12.1 to 2-12.2.

<sup>33</sup> See BURGUNDER, *supra* note 16, at 463.

<sup>34</sup> For example, the U.S. refused to sign the Madrid Agreement. In fact, it refused to sign the Paris Convention for a time. Anne Hiaring, *Madrid Protocol Basics*, PRACTISING L. INST. NINTH ANNUAL INSTITUTE FOR INTELLECTUAL PROPERTY LAW 1, 1–2 (2003).

### 1. Lanham Act

#### a. Registration under the Lanham Act

Federal law embodied in the Lanham Act functions in conjunction with the state common law of trademark.<sup>35</sup> Both state common law and federal statutory law govern unfair competition and trademark rights.<sup>36</sup> The function of registration under the Lanham Act is to give constructive notice to prospective competitors that the trademark designates another producer's product.<sup>37</sup> It promotes market efficiency by providing consumers with a direct way to find the desired product.<sup>38</sup> “[R]egistration is *prima facie* evidence of the validity of the mark, its ownership, and the registrant's exclusive rights to use the mark.”<sup>39</sup>

There are ongoing attempts to create international trademark and geographical indication registries, which would serve the same notice function as registration does in the U.S.<sup>40</sup> Most nations recognize trademark only when the mark has been registered, so the U.S. practice of maintaining a registry is consistent with international processes for protection of marks. The international agreements contemplate registries for both trademarks and geographical indications.<sup>41</sup>

#### b. Registration and First-to-Use Test

The Lanham Act establishes a “first-to-use” test when there are competing marks.<sup>42</sup> The Patent and Trademark office must conduct an extensive search of trademarks prior to accepting registration.<sup>43</sup> The U.S. has refused to sign some international trademark agreements because of their failure to put a time limit on actual use in order to maintain recognition of the trademark.<sup>44</sup> Some nations allow registration without conducting a search of

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<sup>35</sup> See 1 MCCARTHY, *supra* note 7, § 2:7, at 2-12 to 2-13.

<sup>36</sup> *Id.* See BURGUNDER, *supra* note 16, at 420 (“Trademark policies coexist at the federal and state levels.”).

<sup>37</sup> 3 MCCARTHY, *supra* note 7, § 19:145, at 19-426 to 19-427.

<sup>38</sup> BURGUNDER, *supra* note 16, at 425.

<sup>39</sup> *Id.* at 445 (emphasis omitted).

<sup>40</sup> TRIPS provides for an international trademark and geographical indication registry. TRIPS, *supra* note 9, at art. 24. It is not yet fully implemented.

<sup>41</sup> See generally TRIPS, *supra* note 9, at arts. 15–24. The U.S. does not necessarily have two registries. 15 U.S.C. § 1054 (2000) provides that collective marks are to receive the same treatment as trademarks. Therefore, they are registered in the same manner as a U.S. trademark.

<sup>42</sup> Lanham Act, 15 U.S.C. § 1051(d) (2000) (“[T]he applicant shall file in the Patent and Trademark Office . . . a verified statement that the mark is in use in commerce and specifying the date of the applicant's first use of the mark . . . Subject to examination and acceptance of the statement of use, the mark shall be registered . . . ”).

<sup>43</sup> § 1062(a) (stating that the “examiner in charge of the registration of marks . . . shall cause an examination to be made . . . ”).

<sup>44</sup> See, for example, the Madrid Agreement, which is discussed *infra*, II.A.2.

prior marks and uses. Other nations that require a search do not always require as extensive a search as U.S. law dictates.<sup>45</sup>

There is a limitation on the Lanham Act's "first to use" criteria. If a foreign business has an international reputation, a U.S. business may not register the same trademark even if the foreign business has not yet registered or has not yet begun to do business in the U.S.<sup>46</sup> Hence, trademark is regional.<sup>47</sup> For example, Anheuser-Busch claims that Budweiser is the first national beer brand in the U.S.<sup>48</sup> Anheuser-Busch registered its U.S. trademark in Budweiser in 1878.<sup>49</sup> The word was already in use in the Bohemian region of Czechoslovakia to designate beer made there.<sup>50</sup> But under the Lanham Act, the foreign trademark was not well known in the U.S., so Anheuser-Busch's registration and use of the trademark was permitted.

## 2. Common Law and Federal Statutory Trademark

Trademark was recognized at common law and is still recognized in state common law. It originated as a branch of unfair competition law.<sup>51</sup> The test for protection was and continues to

<sup>45</sup> Torsen, *supra* note 11, at 38–39. Torsen indicates that the registry for geographical indications is hotly contested. One side, including the U.S., prefers a voluntary system. The other side, including the EU, prefers a mandatory system that all WTO members must respect when the registration has been in existence for eighteen months. Even the strength of a geographical indication is under debate. It is logical to adopt a system like the U.S. trademark system that already recognizes varying levels of trademark protection depending on the nature of the mark and on the consuming public's understanding of the product. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 8 (2d Cir. 1976) (holding that the term *safari* is generic, but may have limited secondary meaning for non-safari items sold by plaintiff).

<sup>46</sup> See Lanham Act, 15 U.S.C. § 1063(a) (2000) (noting that there is a thirty-day period to contest registration). There is a waiting period after submitting an application to allow others to contest a registration. Once the period expires, the trademark is valid.

<sup>47</sup> BURGUNDER, *supra* note 16, at 420.

<sup>48</sup> Adolphus Busch pioneered using refrigeration facilities to make Budweiser the first national brand of beer. Linda Raley, BeerHistory.com, Beer History (1998), [http://www.beerhistory.com/library/holdings/raley\\_timetable.shtml](http://www.beerhistory.com/library/holdings/raley_timetable.shtml).

<sup>49</sup> Katka Krosnar, *Anheuser-Busch Toasts Budweiser Ruling, American Brewer: Decision Means This 'Bud' Is for Us*, THE PRAGUE POST, Jan. 5–11, 2005, at A1.

<sup>50</sup> “[T]he Czech brewery had contended that the disputed name was familiar in its home town as far back as the Middle Ages.” *December Highlights: Hungarian Tribunal Finds for Anheuser-Busch in Patent Dispute*, 8 INT'L L. UPDATE 188, 188 (2002). The Czech brewery, Budweiser Budvar, has a website located at <http://www.budvar.cz/> (last visited Oct. 9, 2006). It is available in three languages, including English. Its history is located at <http://www.budvar.cz/en/web/Znacka-Budvar/Historie-Budvaru.html> (last visited Oct. 9, 2006).

<sup>51</sup> BURGUNDER, *supra* note 16, at 420–22.

Normally, when courts review business behavior to determine if it amounts to unfair competition, they look for three characteristics:

1. The product or service of the first company employs a symbol or device—a trademark—that consumers use to identify its source;
2. A competitor uses a symbol or device that is so similar that consumers might confuse it with that of the first company; and
3. The competitor adopted that symbol or device having known, or under

be likelihood of confusion among consumers.<sup>52</sup> Common law's unfair competition construct is universal.<sup>53</sup>

Trademark is also recognized by statute in the U.S. federal system. It is governed by the Lanham Act,<sup>54</sup> which protects words, names, symbols, and other marks that distinguish the source of goods and services. The Lanham Act provides for federal registration of a trademark with the Patent Office, but it protects valid trademarks even without registration.<sup>55</sup> This is a somewhat unique quality of the U.S. trademark system.

The broad identification of trademark in the statute has resulted in both broad protection of marks and in judicial tailoring of the Lanham Act's protections.<sup>56</sup> The Second Circuit Court of Appeals in *Abercrombie & Fitch Co. v. Hunting World, Inc.*,<sup>57</sup> identified four categories of trademarks that are entitled to increasing levels of trademark protection.

1. Generic marks cannot be protected.<sup>58</sup> "Champagne" may be generic. This concept will affect geographical indications under U.S. law. This may be a point of controversy in international law on geographical indication protection.<sup>59</sup>

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circumstances that it should have known, about the prior use by the first company.

The third characteristic, knowledge of the original use of the mark, is not required if the mark is registered under the Lanham Act.

<sup>52</sup> 1 MCCARTHY, *supra* note 7, § 2:8, at 2-15 ("Today, the keystone of that portion of unfair competition law which relates to trademarks is the avoidance of a likelihood of confusion in the minds of the buying public.").

<sup>53</sup> TRIPS actually incorporates the definitions of unfair competition as set forth in the Paris Convention. TRIPS, *supra* note 9, at art. 22(2)(b). "In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967)." *Id.* at art. 2(1). Article 1(2) of the Paris Convention provides: "The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition." Paris Convention for the Protection of Industrial Property, art. 1(2), Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter Paris Convention].

<sup>54</sup> Lanham Act, 15 U.S.C. §§ 1051–1141n (2000); *see also* BURGUNDER, *supra* note 16, at 420.

<sup>55</sup> § 1051(a) ("The owner of a trademark used in commerce may request registration . . ."). *See also* BURGUNDER, *supra* note 16, at 423.

<sup>56</sup> § 1127 ("The term 'trademark' includes any word, name, symbol, or device, or any combination thereof—(1) used by a person, or (2) which a person has a bona fide intention to use in commerce . . . to identify and distinguish his or her goods . . .").

<sup>57</sup> 537 F.2d 4, 9 (2d Cir. 1976).

<sup>58</sup> 2 MCCARTHY, *supra* note 7, § 12:1, at 12-4.

<sup>59</sup> The EU advocates a clawback action to reclaim geographical indications that have been lost through genericization. *In Brief: Consultations on Geographical Indications Get Underway*, BRIDGES TRADE BIORES, Dec. 20, 2004, at 7, 7 [hereinafter *In Brief*]. U.S. trademark law does not permit clawback of trademarks that have become genericized. *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 808 (2d Cir. 1999) (noting that the "word 'hog'" had become generic as applied to large motorcycles . . . and that Harley-Davidson's attempt to withdraw this use of the word from the public domain cannot succeed").

2. Descriptive marks can be protected if they obtain a secondary meaning.<sup>60</sup> Even if protected by trademark, a competitor can use the word as a way to describe the product that both competitors market. This is referred to as fair use.<sup>61</sup> It is a question of fact whether any particular term is descriptive or not.

3. Suggestive marks are entitled to protection without proof of secondary meaning.

4. Fanciful marks are entitled to protection without proof of secondary meaning. They receive the most extensive protection under trademark law.<sup>62</sup>

The “levels of protection” concept has been widely applied to modern trademark law with its expanded protection for identifiers, such as colors and scents.<sup>63</sup>

#### a. Genericide

Generic words and marks are not protected by trademark.<sup>64</sup> Previously protected names that have become so closely associated with the class of products being marketed that the consumers relate the word with the whole class of products are moved into the public domain and are usable by anyone.<sup>65</sup> In trademark law this is called genericide.<sup>66</sup> A famous example of genericide is “aspirin.”<sup>67</sup> The term was Bayer’s trademarked name for a new type of painkiller. Bayer had few competitors in marketing the painkiller, so the public started calling all similar painkillers “aspirin.” “Aspirin” now refers to all painkillers of the type and

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<sup>60</sup> *Abercrombie & Fitch Co.*, 537 F.2d at 9 (“[T]he Lanham Act makes an important exception with respect to those merely descriptive terms which have acquired secondary meaning . . .”); Lanham Act, 15 U.S.C. § 1052(f) (2000).

<sup>61</sup> 2 MCCARTHY, *supra* note 7, § 14.12, at 14-47.

<sup>62</sup> BURGUNDER, *supra* note 16, at 430 exhibit 10.3. The issue in *Abercrombie & Fitch Co.*, 537 F.2d at 10-11, concerned the word “safari.” Both companies used the term as a trademark for their competing lines of clothing. The term “safari” is actually a type of expedition commonly performed in Africa and commonly involving hunting wildlife. The term “safari” when applied to clothing is suggestive, descriptive, or generic. Clearly it suggests clothing appropriate for outdoor African environments. The clothing industry as a whole makes clothing commonly thought of as being safari-style. Therefore, it was acceptable, or “fair use,” for competing clothing producers to market safari hats, safari jackets, and safari shirts. Abercrombie & Fitch and Hunting World could not exclude others from using the term as a descriptor. The court recognized a limited trademark protection for items of clothing not necessarily associated with normal safari clothing, such as footwear. Therefore, the term received limited protection as the name of a recognized line of clothing.

<sup>63</sup> BURGUNDER, *supra* note 16, at 450 exhibit 10.5. Some recent cases citing *Abercrombie & Fitch* include Interstellar Starship Servs., Ltd. v. Epix, Inc., 304 F.3d 936 (9th Cir. 2002) and Nartron Corp. v. STMicroelectronics, Inc., 305 F.3d 397 (6th Cir. 2002).

<sup>64</sup> 2 MCCARTHY, *supra* note 7, § 12:1, at 12-4.

<sup>65</sup> *Id.* § 12:1, at 12-5.

<sup>66</sup> *Id.* § 12:1, at 12-8.

<sup>67</sup> *Id.* § 12:4, at 12-15.

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Bayer's trademark has been cancelled.<sup>68</sup>

The threat of genericide is greatest for producers who are the first to market a product that becomes quite popular.<sup>69</sup> Without copyright or patent protection, competitors will begin marketing competing products. If the passage of time between the original introduction of the product and the introduction of competing products is great enough, the consuming public often begins to call all the products by the trademarked name and genericide occurs. Consider the following trademarks or trade names: Kleenex, Band Aid, Xerox, Vaseline, Champagne.<sup>70</sup> Have they effectively become genericized?

Wine labels named after their place of origin may have become genericized. Champagne was developed over a period of time. In the 17th century, Dom Perignon of the Benedictine Abbey near Epernay, France, developed the innovative technique to make bubbling white wine.<sup>71</sup> It was named after the place where the grapes were grown and processed into wine—Champagne. Naming a product after a place is an acceptable designation for a trademark. That particular name became very well known before there were other sparkling white wines on the market.<sup>72</sup> When others copied the grapes and the carbonation process, the consuming public called the wines “champagne.” This occurred in the U.S. and in other countries where sparkling white wines are produced. Arguably, champagne may no longer be trademarked due to genericization.<sup>73</sup>

One can compare the results for aspirin to the results for champagne. As a result of genericide, when competing producers of the same type of painkiller called their product “aspirin,” Bayer lost the exclusive right to the name. Champagne is al-

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<sup>68</sup> In 1921, Judge Learned Hand decided that aspirin had become a generic term for acetyl salicylic acid. The Lanham Act provides for actions to cancel trademarks. *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921).

<sup>69</sup> 2 MCCARTHY, *supra* note 7, § 12:1, at 12-8.

<sup>70</sup> Notice that in all five instances the product was the sole or at least the overly dominant product on the market long enough to allow the public to go to the store to buy the brand name rather than the item name.

<sup>71</sup> Steve Pitcher, *Winemaking Monk Dom Perignon's Fame Continues to Bubble*, S.F. CHRON., Dec. 15, 2005, at F5.

<sup>72</sup> See 2 MCCARTHY, *supra* note 7, § 12:1, at 12-8. Genericization occurs primarily to very well known products that lack competition in the marketplace.

<sup>73</sup> Even if champagne is genericized and can no longer be an identifying trademark, it may still be protected as a geographical indication because there is no genericization concept built into TRIPS' geographical indication law. Article 24 merely defers to trademarks, but makes no mention of trademark doctrines that may or may not apply. See TRIPS, *supra* note 9, at art. 24. A newer concept that is the reverse of genericide is degenericization, where the name or mark is returned to trademark protection after having gone into the public domain. See *In Brief*, *supra* note 59, at 7 (discussing clawback of trademarks). *In Brief* discusses the differing treatment of the process of degenericization and of clawback by the U.S. and by the EU.

ready a generic or descriptive term, such that producers of sparkling white wine might use the term to differentiate their product from a dry red wine. Consumers associate the term with a type of wine purchased for celebrating the New Year and other special events. Absent geographical indication protection, any producer of the same type of wine would be able to designate it "champagne," since the term designates a type of wine, just as aspirin designates a type of painkiller. Now "champagne" fails to identify a producer of the product, a location for production of the product, or any consumer mindset other than that it is bubbly white wine.<sup>74</sup> There is even nonalcoholic "champagne" sold for the children celebrating New Year's.<sup>75</sup>

#### b. "Likelihood of Confusion" Criteria

Trademark holders who sue for infringement have the burden of proving the infringement.<sup>76</sup> They must prove likelihood of confusion among consumers regarding products' sources.<sup>77</sup> The Lanham Act forbids registration for a mark or trade name if it is likely "to cause confusion, or to cause mistake, or to deceive."<sup>78</sup> A trademark owner claiming infringement must show the same likelihood of confusion. So likelihood of confusion is an inquiry at two stages of trademark procedure.

The likelihood of confusion analysis is highly developed in U.S. judicial decisions. The court in *AMF Inc. v. Sleekcraft Boats*<sup>79</sup> identified eight factors relevant to likelihood of confusion and weighed the facts of the case against all eight factors. This provides a fairly detailed legal construct. The factors are: (1) strength of the mark, (2) proximity of goods, (3) similarity of marks, (4) evidence of actual confusion, (5) marketing channels used, (6) type of goods and care by purchaser, (7) intent, and (8) likelihood of expansion.<sup>80</sup>

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<sup>74</sup> A second class of words that are suspect for trademark protection are descriptive terms. They cannot be trademarked unless they obtain secondary meaning for a particular product. Even then, if a competitor uses the trademarked term to describe its own product, it is not trademark infringement, but fair use. 2 MCCARTHY, *supra* note 7, § 14.12, at 14-47. Only if the descriptive term becomes associated in the consumer's mind with a certain producer does the word gain trademark protection. Champagne as a geographical descriptor could be such a word if consumers began to associate the term with one producer of a sparkling wine in France. This will not happen. Geographical indication is a national exclusion, not a business exclusion. It is a socialist proposition, not a free enterprise utility.

<sup>75</sup> The non-alcoholic "champagne" is actually sparkling apple juice. It is not marketed as champagne, but it is called champagne by the children.

<sup>76</sup> See 15 U.S.C. § 1114 (2000).

<sup>77</sup> § 1052.

<sup>78</sup> § 1052(d).

<sup>79</sup> 599 F.2d 341 (9th Cir. 1979).

<sup>80</sup> *Id.* at 348-49. These factors could become relevant for considering the validity of a geographical indication under U.S. law. (1) Strength of the mark—arbitrary or fanciful

### c. Certification and Collective Marks

Certification and collective marks are recognized in federal trademark law.<sup>81</sup> The Lanham Act provides:

The term “certification mark” means any word, name, symbol, or device, or any combination thereof—

(1) used by a person other than its owner, or

(2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this chapter,

to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person’s goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

The term “collective mark” means a trademark or service mark—

(1) used by the members of a cooperative, an association, or other collective group or organization, or

(2) which such cooperative, association, or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

and includes marks indicating membership in a union, an association, or other organization.<sup>82</sup>

Geographical indications are similar to collective and/or certification marks. A French champagne bottle’s label may contain a wine name, a producer’s name, and a geographical indication like “champagne.”<sup>83</sup> All three names may provide information to the wine consumer.<sup>84</sup> Trademark law developed to provide information to consumers.<sup>85</sup> Trademark law could provide protec-

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marks receive the strongest protection, as opposed to suggestive and descriptive marks which receive minimal protection. *Id.* at 349. (2) Proximity of goods—the more closely the products are related to one another in the marketplace, the more the marks must be differentiated to avoid infringement. *Id.* at 350. (3) Similarity of marks—determined by measuring three levels in the marketplace: sight, sound, and meaning. *Id.* at 351. (4) Evidence of actual confusion—factor weighs heavily when one can show past confusion. *Id.* at 352. (5) Marketing channels used—likelihood of confusion increases where the same marketing channels are used by both businesses. *Id.* at 353. (6) Type of goods and care by purchaser—normal standard is ordinary care unless the market for the products is specialized buyers. *Id.* (7) Intent—did the infringer intend to create confusion among buyers? *Id.* at 354. (8) Likelihood of expansion—if either party will expand and compete more directly with the other, the use is more likely to be found to be infringing. *Id.*

<sup>81</sup> § 1127.

<sup>82</sup> *Id.*

<sup>83</sup> Lorvellec, *supra* note 10, at 67–68.

<sup>84</sup> U.S. wine bottles include similar information. U.S. wine labels are regulated by the Alcohol and Tobacco Tax and Trade Bureau (TTB). See TTB, Labeling, <http://www.ttb.gov/labeling/index.shtml> (last visited Oct. 13, 2006).

<sup>85</sup> 1 MCCARTHY, *supra* note 7, § 2.1, at 2-2 to 2-3.

tion for all three marks on the French wine bottle, should such recognition and protection be consistent with sound economic policy.<sup>86</sup>

Two scholars argue that this aspect of the Lanham Act is sufficiently reflective of the geographical indication concept that there is no need to revamp the U.S. intellectual property system to comply with TRIPS.<sup>87</sup> Certification marks are owned by legal entities other than the users of the mark. They can be used to guarantee that a product was produced in a certain geographical location, that the product meets quality standards, or that the user of the mark is a member of an association.<sup>88</sup> All three are relevant for French champagne designations. Collective marks are owned and used by members of an association and they indicate membership in that association.<sup>89</sup> Both types of marks have qualities that are appropriate for producers who wish to take advantage of TRIPS' geographical indication protection. But collective marks require an association to own the mark. The French have the Comité Interprofessionel du Vin de Champagne (CIVC), which prosecutes its geographical designation in other countries, but it does not claim ownership of a mark.<sup>90</sup> It is unclear the extent to which the Alcohol and Tobacco Tax and Trade Bureau (TTB), the agency that regulates geographical indications of

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<sup>86</sup> Compare Lorvellec, *supra* note 10, at 68–69, with Chen, *supra* note 10, at 42–43, 59–60.

<sup>87</sup> Torsen, *supra* note 11, at 47–49; Staten, *supra* note 11, at 242–44.

<sup>88</sup> Torsen, *supra* note 11, at 48–49.

<sup>89</sup> *Id.* at 49.

<sup>90</sup> In contrast to U.S. property law, CIVC does not claim ownership of the name "Champagne." It does not consider the name to be personal property capable of ownership. Instead, they argue it belongs to the region and the people who grow the grapes and produce the wine there. Telephone Interview with Sam Heitner, Director, Office of Champagne, USA, in Washington, D.C. (Feb. 21, 2006). The office is the U.S. representative of the CIVC. The CIVC protects the name through negotiation and litigation. Office of Champagne, USA, About the Office of Champagne, USA, <http://www.champagne.us/officeofchampagne/index.html> (last visited Oct. 13, 2006). "Trademarks can be sold and delocalised. Not the geographical indication. The trademark is an exclusive individual right. The geographical indication is accessible to any producer of the locality or region concerned." Press Release, European Commission, WTO Talks: EU Steps Up Bid for Better Protection of Regional Quality Products (Aug. 28, 2003), available at <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/03/1178>. Two examples of the CIVC's litigation are *Comité Interprofessionel du Vin de Champagne v. Wineworths Group, Ltd.*, [1991] 2 N.Z.L.R. 432 (H.C.), and *Comité Interprofessionel du Vin de Champagne v. N.L. Burton Pty Ltd.*, (1981) 38 A.L.R. 664 (Austl.). A related problem is that enforcement in the U.S. tends to be through private causes of action, while under TRIPS a Member could provide for enforcement exclusively through government action. TRIPS, *supra* note 9, at pt. III. That is how the GATT was enforced prior to creation of the WTO. The English version of CIVC's website is available at CIVC, [http://www.champagne.com/en\\_indx.html](http://www.champagne.com/en_indx.html) (last visited Oct. 13, 2006); see also CIVC, The Laws Governing Champagne, [http://www.champagne.com/en\\_regles\\_art.html](http://www.champagne.com/en_regles_art.html) (last visited Oct. 13, 2006) ("The word 'Champagne' is so full of meaning, so desirable that it has always provoked envy. One of the missions of the [CIVC]—the trade association representing all the Champagne Houses and Growers—is to defend and protect the exclusive nature of the Appellation.").

wines,<sup>91</sup> has embraced the Lanham Act provisions in its regulatory guidelines.<sup>92</sup>

## II. GEOGRAPHICAL INDICATIONS

Since the WTO promulgated TRIPS, geographical indications have become a controversial issue with overtones of cultural value clashes. Geographical indications protect the region's reputation for quality and prevent confusion of consumers. Several EU nations, with France as the strongest one, have recognized and protected "Appellations d'Origine Contrôlée" (AOCs), or appellations of origin, the precursor to the WTO's protection for geographical indications.<sup>93</sup> The AOC is a protection of both nature and culture, including the geographical location and the manufacturing process.<sup>94</sup>

Geographical indications protect both producers and consumers from false advertising. Steps have been taken to regulate and register geographical indications. The EU has a registry exclusively for geographical indications.<sup>95</sup> The U.S. incorporates registration into trademark law.<sup>96</sup> Regulation protects those with economic interests and deals with the issues of fraud and

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<sup>91</sup> The appellation of origin functions formerly performed by the ATF are now performed by the TTB.

On January 24, 2003, the Homeland Security Act of 2002 (the Act) established the Alcohol and Tobacco Tax and [Trade] Bureau (TTB). Rendering the functions of the Bureau of Alcohol, Tobacco and Firearms (ATF) into two new organizations with separate functions, the Act created a new tax and trade bureau within the Department of the Treasury, and shifted certain law enforcement functions of ATF to the Department of Justice. The Act called for the tax collection functions to remain with the Department of the Treasury; and the new organization was called the "Alcohol and Tobacco Tax and Trade Bureau."

TTB, About TTB: History of TTB, <http://www.ttb.gov/about/history.shtml> (last visited Oct. 13, 2006). TTB's mission includes collecting taxes and ensuring "that alcoholic beverages are produced, labeled, advertised and marketed in accordance with Federal law." *Id.* The TTB website attempts to serve as a clearinghouse for appellations of origin, including both approved U.S. viticultural areas and foreign appellations of origin "once the respective foreign government has had the opportunity to verify its information." TTB, Appellations of Origin, <http://www.ttb.gov/appellation/index.shtml> (last visited Oct. 13, 2006). It is limited to appellations of origin for wine.

<sup>92</sup> There are multiple agencies regulating industries that are affected by TRIPS articles 22, 23, and 24. This may be why the actual U.S. law on geographical indication protection is so unclear. The fact that the TTB regulates wine production, importation, and labeling is probably foreign to the French, who consider wine more of an agricultural product. Likewise, the concept of an agency that taxes and regulates vices and the concept of wine as a vice is probably foreign to the French government and populace.

<sup>93</sup> See generally Lorvellec, *supra* note 10 (applying AOC history and reasoning to the goals of the WTO in TRIPS).

<sup>94</sup> Chen, *supra* note 10, at 31–32.

<sup>95</sup> See Appendix A.

<sup>96</sup> The U.S. has incorporated the Madrid Protocol into trademark law. 15 U.S.C.A. §§ 1141–1141n (2006).

genericide.<sup>97</sup> Efforts are ongoing to create an international registry for both geographical indications and trademarks.<sup>98</sup>

### A. Treaties

Treaties dealing with geographical indications generally provide that registration constitutes constructive notice to the public.<sup>99</sup> The registrant receives priority to use the name. Protection for geographical indications is included in the multilateral agreements that also address trademarks, including the Paris Convention, the Madrid Agreement and Protocol, the Lisbon Agreement, and TRIPS. These agreements provide varying guidelines for trademark and for geographical indication protection.<sup>100</sup> Some are widely adopted and others are less recognized.<sup>101</sup> Summaries of each follow.

#### 1. Paris Convention

The Paris Convention for the Protection of Industrial Property (Paris Convention)<sup>102</sup> applies to trademarks and patents. It is widely adopted and has been recognized since 1883, although it has since been amended. It requires members to provide national treatment for trademarks, meaning that foreign trademark applicants and holders are to receive the same treatment as indigenous trademark holders and applicants.<sup>103</sup> This means

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<sup>97</sup> For example, when a geographical indication has become a common name for a good or has become synonymous with the customary name of a variety of grape within the country, the member country does not need to protect the geographical indication. TRIPS, *supra* note 9.

<sup>98</sup> *Id.* at art. 23 (providing for the establishment of a multilateral registration system for geographical indications).

<sup>99</sup> *See id.*

<sup>100</sup> BURGUNDER, *supra* note 16, at 465–68; 2 McCARTHY, *supra* note 7, § 14:1.501, at 14-10 to 14-11. Many protocols, conventions, treaties, and other international agreements are not automatically part of a nation's domestic law. Many require adoption by the nations who are signatories. The EU is a signatory of TRIPS, but it has also enacted its own directives to make TRIPS part of its "domestic" law. The EU has a legislative system consisting of two types of legislation: directives and regulations. The purpose of the two types of laws is to promote harmonization of national laws with EU laws. Regulations are binding on member nations directly, without the member nations changing their laws to be in compliance. Directives are requirements that member states must meet by adjusting their national laws. There are also judicial decisions, recommendations, and opinions. Judicial decisions are binding on the parties in the suit. Recommendations and opinions are advisory only. *See* RICHARD SCHAFER ET AL., INTERNATIONAL BUSINESS LAW AND ITS ENVIRONMENT 452–53 (5th ed. 2002).

<sup>101</sup> Compare BURGUNDER, *supra* note 16, at 463–74 (summarizing the significant points of the major international agreements), with 2 McCARTHY, *supra* note 7, § 14:1.50, at 14-10 to 14-11 (same).

<sup>102</sup> Paris Convention, *supra* note 53; *see also* WIPO, Paris Convention for the Protection of Industrial Property, <http://www.wipo.int/treaties/en/ip/paris/index.html> (last visited Oct. 13, 2006) (containing the complete Paris Convention and information about the contracting parties).

<sup>103</sup> *See* Paris Convention, *supra* note 53, at art. 2. *See* BURGUNDER, *supra* note 16, at

that a U.S. trademark holder who applies for a Portuguese trademark will be granted a Portuguese trademark on the same terms and conditions as a Portuguese company. In short, it prevents discrimination on the basis of nationality.

The Paris Convention is a multilateral agreement embraced by the WTO as the foundation for international standards of intellectual property protection.<sup>104</sup> It puts geographical indications in the context of unfair competition doctrines. This implies that it would not recognize a geographical indication if it creates the likelihood of deception or confusion: This is similar to trademark standards. This is a more limited approach than recent agreements.<sup>105</sup> It adopts the traditional standard of likelihood of confusion among consumers as the test for trademark protection.<sup>106</sup> By implication, the same parameter is applied to geographical indications. The Paris Convention has two other provisions that are consistent with U.S. unfair competition law. First, it requires members to refuse registration and to prohibit use of marks that could be confused with unregistered marks that are already well known in the country.<sup>107</sup> Second, it prohibits false or misleading marks and geographical indications.<sup>108</sup> The U.S. is a signatory to the Paris Convention.

## 2. Madrid Agreement

The Madrid Agreement Concerning the International Registration of Marks (Madrid Agreement)<sup>109</sup> has only fifty-six nations as signatories as of May 20, 2005. Many, including the U.S. and the United Kingdom, have not signed it.<sup>110</sup> The Madrid Agreement permits a single registration for trademarks rather than the current system of filing in each country where the product associated with the trademark might be marketed.<sup>111</sup> The Ma-

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<sup>104</sup> See Paris Convention, *supra* note 53, at art. 1.

<sup>105</sup> See, e.g., 3 MCCARTHY, *supra* note 7, § 14:1.50, at 14-11 (discussing the breadth of the Lisbon Agreement, which is quite broad in its provisions).

<sup>106</sup> Paris Convention, *supra* note 53, at art. 10bis(3)(i) ("The following in particular shall be prohibited: 1. all acts of such a nature as to create confusion by any means whatever with the establishment . . . of a competitor . . .").

<sup>107</sup> See *id.*

<sup>108</sup> *Id.* at art. 10ter. See also Kevin M. Murphy, Comment, *Conflict, Confusion, and Bias under TRIPS Articles 22–24*, 19 AM. U. INT'L L. REV. 1181, 1201–02 (2004).

<sup>109</sup> Madrid Agreement Concerning the International Registration of Marks, arts. 1, 3, Apr. 14, 1891, 828 U.N.T.S. 389 [hereinafter Madrid Agreement].

<sup>110</sup> See WIPO, Contracting Parties, [http://www.wipo.int/treaties/en>ShowResults.jsp?lang=en&treaty\\_id=21](http://www.wipo.int/treaties/en>ShowResults.jsp?lang=en&treaty_id=21) (last visited Oct. 12, 2006).

<sup>111</sup> Madrid Agreement, *supra* note 109, at art. 1(2) ("Nationals of any of the contracting countries may, in all the other countries party to this Agreement, secure protection for their marks applicable to goods or services, registered in the country of origin, by filing the said marks at the International Bureau of Intellectual Property . . ."); see also BURGUNDER, *supra* note 16, at 467. Individual country variations are available at the

drid Agreement provides for an international trademark application, which must be completed within two months of receiving national trademark registration. Since national registration is so easy in other countries, the U.S. position is that the prior national registration proviso is unfair.<sup>112</sup>

Under the Madrid Agreement, World Intellectual Property Organization (WIPO), a part of the United Nations, can conduct a trademark search and deny trademark applications that are confusingly similar to previously registered trademarks.<sup>113</sup> Some countries do not conduct a search, so it is possible to have registration of very similar trademarks. Trademarks have to be renewed, which can be quite expensive.<sup>114</sup>

The Madrid Agreement prohibits uses of geographical indications by businesses outside the region even if they are not misleading. Thus, under the Madrid Agreement, one could not legally name one's cheese either Parmesan or Parmesan Style cheese unless it actually comes from Parmigiano. Thus the Madrid Agreement is more far-reaching than the Paris Convention in protecting geographical indications.

The Madrid Protocol amended the Madrid Agreement in 1989 to address concerns of some countries over certain provisions. Sixty-nine countries are signatories at this date, including the United Kingdom and the U.S.<sup>115</sup> The Protocol resolves the prior national registration problem and is expected to be widely adopted.<sup>116</sup>

### 3. Lisbon Agreement

#### The Lisbon Agreement for the Protection of Appellations of

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*Declarations made by Contracting Parties of the Madrid System under the Agreement, the Protocol and the Common Regulations, available at <http://www.wipo.int/madrid/en/notices/pdf/declarations.pdf>.*

<sup>112</sup> BURGUNDER, *supra* note 16, at 468.

<sup>113</sup> *Id.* at 467.

<sup>114</sup> *Id.* at 465.

<sup>115</sup> Madrid Agreement, *supra* note 109. The membership status of the Madrid Agreement and the Madrid Protocol is available at the WIPO website. WIPO, Contracting Parties, *supra* note 110. The Madrid Protocol is embodied within the Lanham Act, 540 Stat. 427 (codified as amended in scattered sections of 15 U.S.C.).

<sup>116</sup> BURGUNDER, *supra* note 16, at 468. Burgunder correctly predicted that the U.S. would adopt the Madrid Protocol because it addressed both of the U.S.'s concerns with the Madrid Agreement. The actual Guide to the International Registration of Marks under the Madrid Agreement and the Madrid Protocol is available on the WIPO website at <http://www.wipo.int/madrid/en/guide/pdf/index.htm> (last visited Oct. 12, 2006). The Trademark Law Treaty, adopted by WIPO in 1994, streamlines some of the trademark registration procedures used by the trademark offices of the participating nations. As of October 12, 2006, thirty-six countries were parties to the treaty. The U.S. became a party on August 12, 2000. The WIPO website has links to the Trademark Law Treaty and the signatory countries at <http://www.wipo.int/treaties/en/ip/tlt/index.html> (last visited Oct. 12, 2006).

Origin and their International Registration (Lisbon Agreement) was formed in 1958. Until TRIPS, it was the main geographical indication treaty. It is an appendage of the Paris Convention. The Lisbon Agreement provides that WIPO will maintain a registry of geographical indications.<sup>117</sup> The Agreement effectively treats geographical indications as superior to trademarks.<sup>118</sup> Earlier conflicting trademarks have two years to phase out use of the name.<sup>119</sup> Even their status as registered trademarks will not save them from termination. The U.S. is not a signatory, primarily because the U.S. does not subscribe to the supremacy of geographical indications over trademarks: this position is particularly acute with regard to prior recognized trademarks.<sup>120</sup>

#### 4. TRIPS

The most recent international agreement is TRIPS. It is highly influential in the protection of intellectual property, including international treatment of trademark and geographical indications. Because of its influence, it is examined here in more detail.

TRIPS, drafted by the World Trade Organization (WTO), is a comprehensive, multilateral treaty establishing minimum standards for protection of intellectual property.<sup>121</sup> WTO membership includes both developing and industrialized nations.<sup>122</sup> It is currently the dominant treaty on intellectual property.<sup>123</sup> Some of its provisions, particularly those involving geographical indications, are controversial.<sup>124</sup>

TRIPS incorporates the provisions of the Paris Convention,

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<sup>117</sup> Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, Oct. 31, 1958, 923 U.N.T.S. 205 [Lisbon Agreement]. See also WIPO, Geographical Indications, [http://www.wipo.int/about-ip/en/geographical\\_ind.html](http://www.wipo.int/about-ip/en/geographical_ind.html) (last visited Oct. 12, 2006).

<sup>118</sup> 3 McCARTHY, *supra* note 7, § 14:1.50 n.13, at 14-11 (noting that trademarks found in conflict with a new appellation must be terminated unless objected to within twelve months of registration). McCarthy includes both the Lisbon Agreement and the Paris Convention in his treatise.

<sup>119</sup> Lisbon Agreement, *supra* note 117, at art. 5.

<sup>120</sup> See TRIPS, *supra* note 9, at art. 24(6). TRIPS recognizes the inability to register geographical indications if the word is already either trademarked or in the public domain as being generic.

<sup>121</sup> TRIPS, *supra* note 9, at pmb.

<sup>122</sup> The WTO was conceived at the Uruguay Round of General Agreement on Tariffs and Trade (GATT) in 1994, and came into being in 1995; GATT members are WTO members. There are at least 120 WTO members. See BURGUNDER, *supra* note 16, at 41–43.

<sup>123</sup> WTO, Overview: the TRIPS Agreement, [http://www.wto.org/english/tratop\\_e/trips\\_e/intel2\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/intel2_e.htm) (last visited Oct. 23, 2006); see also 3 McCARTHY, *supra* note 7, § 14:22, at 14-66.

<sup>124</sup> Articles 22, 23, and 24 were achieved through compromise. It has been said that the U.S. has been slow to implement or adopt the TRIPS provisions into its domestic law. See Silva, *supra* note 27, at 198.

giving owners of marks the right to prevent others from using the mark if such use would result in a likelihood of confusion. It permits the co-existence of two systems of protection—the U.S. use-based system, and the registration-based system used by the majority of other nations.<sup>125</sup> The U.S. has adopted TRIPS. TRIPS adds geographical indication protection not traditionally recognized by the U.S. and other countries.<sup>126</sup>

TRIPS provides two levels of support for geographical indications. The highest level of support is for geographical indications that identify the origin of wine and spirits. All other goods enjoy a lower level of protection.<sup>127</sup> In TRIPS, geographical indication protection is independent of trademark law and lacks many of the safeguards that both TRIPS and U.S. intellectual property law recognize for trademark, patent, and copyright.<sup>128</sup>

Geographic indicators are a means of identifying the source and denoting the quality and reputation of regionally distinct agricultural goods for purposes of product recognition on the international market.<sup>129</sup> The wine market, for example, is not primarily a “branded” market, although there are certain examples to the contrary, such as Ernest and Julio Gallo. Instead, wine producers overwhelmingly seek to achieve product recognition using geographic indicators. Better-known examples include “Champagne,” “Claret,” and “Port.” Such marks do more than simply indicate the origin of a good. They denote a guarantee of quality and distinctiveness derived from a combination of unique regional, environmental, and human influences, such as climate, soil, subsoil, plants, and special methods of production [including] traditional, collectively observed farming and processing techniques.<sup>130</sup> [For protection, TRIPS] itself requires “a given quality, reputation or other characteristics . . . essentially attributable to . . . geographical origin.”<sup>131</sup>

Three articles in TRIPS address protection for geographical indications. The EU and some countries support these sections. However, the U.S. and other countries have not embraced the provisions as wholeheartedly as many EU members would like. Each nation has to adjust its domestic laws to comply with the

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<sup>125</sup> See BURGUNDER, *supra* note 16, at 466–67.

<sup>126</sup> Silva, *supra* note 27, at 198. The U.S. has trademark protection that is similar, but does not have a separate legal doctrine to protect agricultural products and spirits; TRIPS, therefore, provides a new form of protection. However, the U.S. has two agencies that regulate the TRIPS products. The TTB regulates alcohol, and the Department of Agriculture regulates foodstuffs. See TTB, <http://www.ttb.gov> (last visited Oct. 16, 2006); Department of Agriculture, <http://www.usda.gov>; TRIPS, *supra* note 9, at art. 22.

<sup>127</sup> See TRIPS, *supra* note 9, at art. 22–23.

<sup>128</sup> See generally TRIPS, *supra* note 9.

<sup>129</sup> 3 MCCARTHY, *supra* note 7, § 14:1, at 14-3.

<sup>130</sup> See generally Chen, *supra* note 10.

<sup>131</sup> Murphy, *supra* note 108, at 1184–86 (quoting TRIPS, *supra* note 9, at art. 22).

TRIPS articles.<sup>132</sup> Foot-dragging by nations, such as the U.S., has caused international trade law tensions. Some scholars divide the ideological economic policy schism along Old and New World lines.<sup>133</sup> There is geographical veracity to this viewpoint.<sup>134</sup>

#### a. Article 22

Article 22 defines and recognizes geographical indications. WTO members (1) must make their domestic laws comply with TRIPS' geographical indications recognition, (2) must prohibit unfair competition, and (3) must prohibit registration of geographical indications as trademarks.<sup>135</sup> It instructs signatory nations to prohibit use of geographical indications that mislead the public or amount to unfair competition.<sup>136</sup> Hence, Article 22 incorporates the "likelihood of confusion" concept that is used for both registration and prosecution for infringement. This section provides the universal minimum standards for protection of geographical indications. Wines and spirits have their own heightened level of protection.<sup>137</sup>

#### b. Article 23

Article 23 provides protections specifically for wines and spirits.<sup>138</sup> It instructs signatory nations to prohibit use of geographical indications in wines and spirits unless the product is actually from that region.<sup>139</sup> Likelihood of confusion among con-

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<sup>132</sup> Some treaties are self-activating, but TRIPS is not. It guides member states in how to conform their domestic laws. TRIPS, *supra* note 9.

<sup>133</sup> See, e.g., Staten, *supra* note 11, at 222 ("The Article 23 extension dispute is a classic example of an 'Old School' versus 'New School' dispute.").

<sup>134</sup> See generally Staten, *supra* note 11. Staten's article discusses U.S., New Zealand, and Australian wine producers and wine cases that depart from the EU's proposed treatment of wine geographical indications.

<sup>135</sup> TRIPS, *supra* note 9, at art. 22(2)–(3) ("In respect of geographical indications, Members shall provide the legal means for interested parties to prevent: (a) the use of any means in the designation . . . of a good that indicates . . . that the good . . . originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good . . .").

<sup>136</sup> *Id.*

<sup>137</sup> TRIPS, *supra* note 9, at art. 23. It is titled "Additional Protection for Geographical Indications for Wines and Spirits." See also Staten, *supra* note 11, at 225.

<sup>138</sup> TRIPS, *supra* note 9, at art. 23. Some of the wine and spirit situations involving geographical indications are Bacardi, Budweiser, Canadian Whisky, Kentucky Bourbon, Tennessee Whiskey, Polish Vodka, Scotch, Smirnoff, Tequila, and Zinfandel. See Geographic Indications & International Trade (GIANT), Geographic Indication Case Studies, <http://www.american.edu/ted/giant/casestudies.htm> (last visited Oct. 23, 2006). GIANT is funded by the American Consortium on European Studies and is based at American University. Geographic Indications & International Trade (GIANT), About Us, <http://www.american.edu/ted/giant/aboutus2.html> (last visited Oct. 23, 2006).

<sup>139</sup> TRIPS, *supra* note 9, at art. 23.

Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originat-

sumers is irrelevant. This section is particularly controversial. "Simply stated, even if the public would not be deceived by the use of a particular geographical indication, a geographical indication may not be used if the wines or spirits do not originate in the place indicated by the geographical indication."<sup>140</sup> Article 23 does not regulate the consuming public, so many people still call sparkling wines "champagne." Were the term champagne protected by U.S. trademark, the law would ask whether the consuming public is likely to be confused, i.e., whether a consumer is likely to believe that all champagnes come only from Champagne, France. With TRIPS' geographical indications, there is no requirement that there be a likelihood of confusion through use of a term that TRIPS would recognize as a geographical indication. Hence, TRIPS is broader in its contemplation of protectable names than U.S. trademark law.

### c. Article 24

Article 24 provides exceptions for (1) geographical indications that were already in use as generic terms for products, or (2) when a trademark already existed in the product.<sup>141</sup> Exceptions require a factual inquiry and each nation has its own standards based on its domestic law. In the U.S., the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has designated which geographical indications are generic through a two-tiered system.<sup>142</sup>

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ing in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.

*Id.*

<sup>140</sup> Staten, *supra* note 11, at 225.

<sup>141</sup> TRIPS, *supra* note 9, at art. 24(5).

Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either: (a) before the date of application of these provisions in that Member as defined in Part VI; or (b) before the geographical indication is protected in its country of origin; measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

*Id.*; Staten, *supra* note 11, at 226.

<sup>142</sup> 27 C.F.R. § 4.24 (2005). The TTB divides spirits into generic, semi-generic, or non-generic categories. "Examples of generic names, originally having geographic significance . . . are: Vermouth, Sake." *Id.* § 4.24(a)(2). "Examples of semi-generic names which are also type designations for grape wines are Angelica, Burgundy, Claret, Chablis, Champagne, Chianti, Malaga, Marsala, Madeira, Moselle, Port, Rhine Wine (syn. Hock), Sauterne, Haut Sauterne, Sherry, Tokay." *Id.* § 4.24(b)(2). "Examples of nongeneric names which are not distinctive designations of specific grape wines are: American, California, Lake Erie, Napa Valley, New York State, French, Spanish." *Id.* § 4.24(c)(2). "Examples of nongeneric names which are also distinctive designations of specific grape win-

### B. European Union Position

Geographical indications, like trademarks, protect both producers and consumers from false advertising. However, geographical indications must be regulated and registered. Regulation protects legitimate interests and addresses issues of fraud, genericide, and inappropriate use. EU Trade Commissioner Pascal Lamy said:

Geographical Indications offer the best protection to quality products which are marketed by relying on their origin and reputation and other special characteristics linked to such an origin. They reward investment in quality by our producers. Abuses in third countries undermine the reputation of EU products and create confusion for consumers. We want this to cease for the most usurped products in the world.<sup>143</sup>

The EU approved a short list of EU geographical indications that it seeks to protect. The list, released in 2003, is attached to this article as Appendix A. According to the EU, names were selected for the list because in many countries outside the EU they are “claimed to be generic terms and/or have been registered as trademarks by [non-EU] producers.”<sup>144</sup> They are also included on the EU’s register of geographical indications.<sup>145</sup> The EU believes that the development of the list will help to advance the negotiations for which names will receive protection.<sup>146</sup> The EU claims that it wants to “recuperate” the names that are being “abused today.”<sup>147</sup> It talks about the “claw-back” of geographical indications. In other words, the EU wants to return from general public use terms like “champagne” for a well-known style of sparkling white wine. If the EU prevails in this endeavor, “champagne” will mean only wine made in Champagne, France, using that region’s grapes and a traditional style of production.<sup>148</sup>

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es are: Bordeaux Blanc, Bordeaux Rouge, Graves, Medoc . . . .” *Id.* § 4.24(c)(3).

<sup>143</sup> Press Release, European Commission, *supra* note 90. The EU does not presently accept that imitation is the sincerest form of flattery.

<sup>144</sup> *Id.*

<sup>145</sup> *Id.*

<sup>146</sup> *Id.* The list will be negotiated in the agriculture negotiations within the Doha Development Agenda, and in other negotiations that follow.

<sup>147</sup> The EU publications and website often use inflammatory language. *Id.* That is a side issue that the U.S. case of Harley Davidson and Hog rejected. One cannot re-protect a term that has become genericized. See *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806 (2d Cir. 1999).

<sup>148</sup> See Press Release, European Commission, *supra* note 90. “Protecting [geographical indications] is not about protectionism but about free trade. Today, Italian producers have to call their ‘Parma Ham’ as ‘N. 1 Ham’ in Canada and cannot even sell their ham in Mexico. They are loosing [sic] an estimated 3.5 million euro per year in these two countries alone.” EUROPA, Intellectual Property: Why Do Geographical Indications Matter To Us?, [http://ec.europa.eu/comm/trade/issues/sectoral/intell\\_property/argu\\_en.htm](http://ec.europa.eu/comm/trade/issues/sectoral/intell_property/argu_en.htm) (last visited Sept. 30, 2006).

Some nations have already conceded this for “champagne.”<sup>149</sup>

The EU argues that the current protection for wines and spirits should be extended to other products.<sup>150</sup> Consider that Parmesan cheese originally came from Parmesan, Italy. The EU would take back the name so that it could only mean cheese produced in the Italian region. The geographical indications in cheeses, rice, and teas should obtain the same protection. Producers outside the region could not avoid the protection by noting that the product is in the “style of Parmesan” or “U.S. Parmesan cheese.”<sup>151</sup> The EU wants to reach full implementation of the WTO standards by each WTO member, but recognizes that a transition period is necessary.<sup>152</sup>

The EU requests WTO members to (1) recognize a selected group of geographical indications, (2) remove prior trademarks that conflict with geographical indications, and (3) protect EU geographical indications that were used in the past or have become generic terms.<sup>153</sup> The EU contends that these are necessary to obtain access to the market.

The EU advocates a multilateral registry of geographical indications.<sup>154</sup> It conducts negotiations through the WTO. Most registration treaties and statutes provide that registration gives constructive notice to others, so actual knowledge is not necessary for protection to attach.<sup>155</sup> The registrant receives a priority to use the name. Registration also increases certainty that a business’s geographical indication will be respected.

The arguments in favor of protecting geographical indications include: (1) protecting the city’s or region’s reputation for

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<sup>149</sup> Australia has agreed to prohibit the use of the champagne designation for all but French wines produced in the Champagne region using the local production methods. See also Laurence P. Harrington, Recent Development, *Tattinger v. Allbev: Has the London High Court Popped Its Cork?*, B.C. INT'L & COMP. L. REV. 139, 140 n.10 (“The French had won 64 previous court battles in England and more than 20 in Spain, Australia, and the U.S. preventing wine makers from using the word ‘champagne’ on the labels of products not from the Champagne region of France.”). However, U.S. wine producers still use the designation “champagne.”

<sup>150</sup> See Press Release, European Commission, *supra* note 90.

<sup>151</sup> EUROPA, *supra* note 148.

<sup>152</sup> EUROPA, Intellectual Property: Towards Better Recognition of Intellectual Property Rights, [http://europa.eu/comm/trade/issues/sectoral/intell\\_property/index\\_en.htm](http://europa.eu/comm/trade/issues/sectoral/intell_property/index_en.htm) (last visited Sept. 30, 2006).

<sup>153</sup> See generally *Implementation of Article 23.4 of the TRIPS Agreement Relating to the Establishment of a Multilateral System of Notification and Registration of Geographical Indications*, EC Doc. IP/C/W/107/Rev.1, available at [http://trade.ec.europa.eu/doclib/docs/2003/july/tradoc\\_113496.pdf](http://trade.ec.europa.eu/doclib/docs/2003/july/tradoc_113496.pdf). For more on the EU’s proposals regarding geographical indications, see EUROPA, Intellectual Property: Contributions to the WTO, [http://europa.eu/comm/trade/issues/sectoral/intell\\_property/wto\\_nego/index\\_en.htm](http://europa.eu/comm/trade/issues/sectoral/intell_property/wto_nego/index_en.htm) (last visited Sept. 30, 2006).

<sup>154</sup> Press Release, European Commission, *supra* note 90.

<sup>155</sup> See e.g., TRIPS, *supra* note 9, at art. 5; Paris Convention, *supra* note 53, at art. 6.

quality; (2) preventing confusion of consumers;<sup>156</sup> (3) encouraging the development of quality products in association with the name or mark; (4) protecting high quality and regional exports;<sup>157</sup> (5) providing fair treatment; (6) strengthening competitiveness; (7) protecting cultural heritage, traditional methods of production, and natural resources; and (8) rewarding producers' investments in quality.<sup>158</sup>

The arguments against protecting geographical indications include: (1) some labels have recently been declared geographical indications, after producers in other regions have used the labels; (2) geographical indications have been trademarked in other countries; (3) geographical indications have become generic terms to describe products; and (4) there is confusion when a geographical indication has become a common name for a good.<sup>159</sup>

### III. INTERSECTION OF TRADEMARK AND GEOGRAPHICAL INDICATION LAW

#### A. Trademark Compared to Geographical Indication

The U.S. trademark legal structure is suitable for incorporating geographical indication law. It provides appropriate boundaries that reflect sound economic policy. The U.S. competition model has proved to be effective for businesses and for consumers. The U.S. trademark system can adjust to accept the EU value system, which is indeed economically consistent with trademark policy in the U.S.

Geographical indications have a tie with the locale or territory. Trademarks do not. Geographical indications cannot be sold. Trademarks can be sold. Geographical indications cannot be delocalized. If trademarks are linked to a territory, they can be delocalized. Geographical indications can be used by any producer in the locality or region. Trademarks are exclusive individual rights.<sup>160</sup> Trademark law does, however, provide for certification and collective marks that are quite similar to geographical indications because they are not owned or transfer-

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<sup>156</sup> Press Release, European Commission, *supra* note 90.

<sup>157</sup> The claim is essentially that if they are not protected, the value of the product is eroded.

<sup>158</sup> Press Release, European Commission, *supra* note 90.

<sup>159</sup> When a variety of grape within a country has become synonymous with the customary name, is the geographical indication lost? There are also issues about first use. What if a company used the geographical indication before it was declared a geographical indication or before steps were taken to protect the geographical indication? These questions and others remain to be answered by policies yet to be adapted.

<sup>160</sup> 3 MCCARTHY, *supra* note 7, § 14:01, at 14-3 to 14-4 (4th ed. 2006) (explaining that trademarks pinpoint a certain seller, but geographically descriptive marks are not sufficiently specific or distinctive enough to identify a particular seller).

able in the manner of individual trademarks.

“Champagne” is not the name of a specific company that provides sparkling wine; it is the name of a place where several providers produce the type of wine that bears the same name.<sup>161</sup> The concept proposed to protect the word “champagne” is similar to the U.S. concept of collective marks. The Lanham Act recognizes and protects collective marks.<sup>162</sup> Geographical indication and trademark scholars have decided that geographical indications fall under the Lanham Act’s recognition of collective marks.<sup>163</sup> They suggest that the Lanham Act and U.S. trademark law constructs will work well to clarify the geographical indication construct in international law.<sup>164</sup>

### 1. The Geographical Indication Dispute

Scholars divide the geographical indication philosophical dispute into two schools, the old and the new. The lines are roughly drawn along the Old World and New World countries. The Old World countries view trademark as the basic law and geographical indication as a tangential concept that reaches beyond product protection through trademark.<sup>165</sup>

Both Bordeaux and Chianti are regions in Europe; Bordeaux is in France and Chianti is in Italy. That their names have come to signify types of red wine is something that Europeans and Americans, in particular, are struggling to regulate, qualify and quantify. It is not necessarily seen as a struggle between developed and developing countries, but rather a friction between the sensibilities of the “Old World” and the new . . . [S]ome jurisdictions favor consumer protection over producer protection.<sup>166</sup>

Some nations want to extend the geographical indication protection beyond TRIPS’ Article 22, which is bounded by a requirement of likelihood of confusion among consumers. Article 23 applies to wines and spirits and is an expansion in that it ignores the consumer perspective in favor of protecting producers. It does not focus on information to consumers. Old World na-

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<sup>161</sup> Under the French law of 22 July 1927, the Champagne area is strictly defined. It accounts for approximately three percent of the total vineyards in France. CIVC, On a Map, [http://www.champagne.fr/en\\_carte.html](http://www.champagne.fr/en_carte.html) (last visited Sept. 30, 2006).

<sup>162</sup> 15 U.S.C. § 1054 (2000) (“Subject to the provisions relating to the registration of trademarks, so far as they are applicable, collective and certification marks, including indications of regional origin, shall be registrable under this chapter, in the same manner and with the same effect as are trademarks.”).

<sup>163</sup> See Staten, *supra* note 11, at 236–41; Torsen, *supra* note 11, at 48–49. Staten and Torsen identify and describe both the Lanham Act’s and the Trademark Act’s provisions for types of collective marks.

<sup>164</sup> Staten, *supra* note 11, at 242.

<sup>165</sup> Torsen, *supra* note 11, at 31–32.

<sup>166</sup> *Id.*

tions, such as France, want Article 22 protection extended to be akin to Article 23 for all products protected by geographical indications.<sup>167</sup> The U.S. opposes extension, as does much of the New World. France has recognized and provided for geographical indication protection for the longest time and has the most developed geographical indication law. Scholars advocate a compromise between the stances of the Old and New Worlds. The model promoted is the U.S. trademark system's treatment of collective and certification marks as the appropriate model for TRIPS geographical indication law.<sup>168</sup>

Geographical indications are indeed similar to U.S. trademark law's recognition of collective marks. The U.S. gives limited protection to geographical descriptive terms in a trademark.<sup>169</sup> This is logical since "a product's geographical origin can definitely be a factor in which product a consumer chooses to buy."<sup>170</sup> Perhaps the doctrinal schism between the Old and New Worlds is breaking down.

### B. U.S. Geographical Indications

Although the U.S. does not widely protect geographical indications, it should provide some protection. It should develop a clear approach consistent with its trademark law. There are U.S. business entities and groups that want this protection. Some examples include Florida oranges, Idaho potatoes, and Vidalia onions. Napa Valley vintners also appreciate TRIPS' geographical indication protection. One scholar was highly critical of the current U.S. position.<sup>171</sup> He feels that if U.S. businesses want protection, the government should provide protection for foreign businesses—in other words, the quid pro quo viewpoint.

The authors of a popular international business law textbook<sup>172</sup> have created an exercise that sensitizes business students to the concept of the shoe being on the other foot. They included and discussed *Comité Interprofessionel du Vin de Champagne v.*

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<sup>167</sup> Staten, *supra* note 11, at 222–23.

<sup>168</sup> *Id.* at 223. Staten argues that "the United States' system of trademark registration should serve as the uniform model for WTO Members." See also *id.* at 242 ("The United States system of trademark registration . . . is a good model of a system that is efficient, transparent, easy to use, and fair").

<sup>169</sup> The TTB is the U.S. bureau responsible for determining whether an area should be designated an American viticultural area. "[T]he Director shall receive petitions to establish American viticultural areas and shall use the informal rule-making process, under 5 U.S.C. [§] 533, in establishing viticultural areas in this part." 27 C.F.R. § 9.3(a) (2005).

<sup>170</sup> Torsen, *supra* note 11, at 33 (citing studies that have shown that geographical factors influence consumer choices).

<sup>171</sup> Silva, *supra* note 3, at 198–99.

<sup>172</sup> SCHAFFER ET AL., *supra* note 100, at 515–17, 539.

*Wineworths Group, Ltd.*,<sup>173</sup> an opinion by the High Court of Wellington where the New Zealand court found that Australian sparkling white wines imported into New Zealand could not properly be designated champagnes. The court determined that the consuming public in New Zealand associated the term "champagne" only with the French product. At the end of the chapter, the authors created an exercise to help students assimilate concepts from the chapter. In one of these problems, the hypothetical Professional Committee of Wilson Barbecue replaced the CIVC from the New Zealand case. Wilson-Style Barbecue replaced champagne as the designation and North Carolina replaced France. The Professional Committee claimed protection for the designation and said it applied to Wilson-bred hogs, using the Wilson method. As the French claim that the uniqueness of the soil, the grapes, and the method contribute to the product, North Carolina claimed the uniqueness of the soil in which the Wilson hogs wallow was pertinent. The claimed infringement occurred in France where a French firm was selling pork barbecue labeled Method Wilson, without a trademark. The humor in the analogy intrigues students and scholars alike.

The New Zealand case stops short of France's position on the protectability of geographical indications. The court decided that in New Zealand, consumers did indeed tend to think of wine designated "champagne" to be from France. But if the same legal position is adopted by other common law countries such as Canada, Australia, and the U.S., it is unlikely that the consumers in those countries would think that a wine sold as a California champagne would be a French wine. In those countries, the designation "champagne" is merely descriptive and is not likely to confuse consumers as to the source of the product. So the protection for the geographical indication "champagne" would not be recognized in those countries under a similar philosophy. In fact, Australian courts have found no infringement when Australian vintners market their sparkling wines as champagne.<sup>174</sup> However, the international law does not make likelihood of confusion among consumers the cornerstone for geographical indications protection. TRIPS does recognize the issue of confusion for trademarks, but does not make it a prerequisite for protection of geographical indications.<sup>175</sup> The New Zealand case law may be usurped by TRIPS.

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<sup>173</sup> *Id.* at 539. (citing Comité Interprofessionel du Vin de Champagne v. Wineworths Group, Ltd., [1991] 2 N.Z.L.R. 432 (H.C.)).

<sup>174</sup> Comité Interprofessionel du Vin de Champagne v. N.L. Burton Pty Ltd. (1981) 38 A.L.R. 664 (Austl.).

<sup>175</sup> TRIPS, *supra* note 9, at arts. 15(1), 16(1).

Some U.S. businesses are asserting geographical indication protection and are receiving it judicially within the U.S. U.S. wine producers have asserted geographical indication protection. The Napa Valley Vintners Association contends that the term burgundy has become genericized but that Napa Valley has not. The Napa Valley Vintners Association<sup>176</sup> has exerted geographical indication protection for the Napa Valley name in at least four instances.<sup>177</sup> First, it fought with Bronco Wine Company, which was using the names "Napa Ridge," "Napa Creek Winery," and "Rutherford Vintners." Under the trade name, Bronco listed the type of wine (grape varietal) and then the appellation of the origin of the grapes. Recently, the Napa Valley Vintners prevailed in a lawsuit against Bronco Wine Company.<sup>178</sup> The court upheld a California statute that required any wine bottle with the word "Napa" on it to actually contain Napa wine.<sup>179</sup>

The second instance involves a foreign vintner. Hongye Grape Wine Company in Beijing has applied to register "Napa Valley" (Napa Hegu) as a Chinese trademark for use on its wines. Written in Chinese, the first two characters phonetically spell out "Napa" and the second two characters are the Chinese words for "river valley."<sup>180</sup> These wines will apparently be made from Chinese grapes and sold in China. The Napa Valley Vintners Association learned of Hongye's trademark application and filed its opposition in 2003.<sup>181</sup> It is not clear whether Napa Hegu is actually on store shelves or whether Hongye has just applied for registration.<sup>182</sup> Winemakers, such as Mondavi and Beringer, use the Napa Hegu characters on their California wines sold in China.

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<sup>176</sup> The Napa Valley Vintners, <http://www.napavintners.com> (last visited Oct. 18, 2006). According to its web page, the Napa Valley Vintners "leads in the promotion and protection of the Napa Valley Appellation as one of the finest winegrowing regions in the world. We are committed to the future of Napa Valley through the preservation and enhancement of its land, wine and community." Napa Valley Vintners, History of the Napa Valley Vintners, <http://www.napavintners.com/region/reghist.asp> (last visited Oct. 18, 2006).

<sup>177</sup> Carol Emert, *Chinese Use of "Napa Valley" on Wine Draws Protests in the U.S.*, S.F. CHRON., Aug. 7, 2003, at D2.

<sup>178</sup> Bronco Wine Co. v. Jolly, 95 P.3d 422 (2004), remanded to 29 Cal. Rptr. 3d 462 (2005), cert. denied, 126 S. Ct. 1169 (2006). See also Press Release, Napa Valley Vintners, CA Supreme Court Issues Decision on Bronco's Petition for Review: Denied (Aug. 24, 2005), available at [http://www.napavintners.com/news/release.asp?ID\\_News=1](http://www.napavintners.com/news/release.asp?ID_News=1).

<sup>179</sup> During the course of the case, Bronco argued free speech, interstate commerce, and unconstitutional takings. In earlier litigation, it argued that federal law preempted the area leaving no room for state legislation. Press Release, Napa Valley Vintners, Bronco Loss Considered Consumer Victory (May 26, 2005), available at [http://www.napavintners.com/news/release.asp?ID\\_News=3](http://www.napavintners.com/news/release.asp?ID_News=3).

<sup>180</sup> Emert, *supra* note 177, at D2. The phrase is transliterated as Napa Hegu. It sounds similar to "nah-pah huuh-goo." *Id.*

<sup>181</sup> In China, it typically takes two years to rule on a trademark. *Id.*

<sup>182</sup> It is possible that other Chinese wines use Napa Hegu on their labels. They may have escaped detection because they did not try to trademark the term. *Id.*

Napa Valley Vintners Association's attorney, Scott Gerien, uses this fact to support his argument that the word is identical and that its use would be deceptive on Chinese wine.

It is ironic that California vintners are now in a similar position to European winemakers who have complained about the use of the words "champagne" and "chablis" by U.S. wineries.<sup>183</sup> Many decades ago, European immigrants came to the U.S. and borrowed names from the old country for their new world products. One commentator said, "Now China has a fledgling wine industry and we're the old ones compared to them. . . . So we have to go over there and say, 'You can't use this name.'"<sup>184</sup>

The third instance involves an Oregon rice wine maker. The Napa Valley Vintners Association is also trying to invalidate the U.S. brand name NapaSaki, a brand of rice wine made in Oregon. They claim the name is deceptive.<sup>185</sup> In the fourth case, the Napa Valley Vintners Association went after an actual Napa sakery, Hakusan Sake Gardens, for calling its premium rice wine Napa Sake. It also labeled a number of its sakes "Napa Valley." The sake is actually brewed in Napa with Napa water, but the rice is grown in the Sacramento Valley. Hakusan's owner, Kohman, Inc., has agreed to stop using "Napa" and "Napa Valley" after being approached by the Napa Valley Vintners Association.<sup>186</sup>

### C. U.S. Unfair Competition and Trademark Law as a Model for Geographical Indication

Scholars find an analogous protection in U.S. trademark law. The protections of two sections are commonly cited. First, certification and collective marks serve the same purpose as geographical indications. Rather than identifying the producer of the product or service by the mark, these marks identify quality, producer groups, and place of manufacture.<sup>187</sup> Certification marks are distinct from trademark, even though they are identified in the Lanham Act and the Trademark Act.<sup>188</sup> Second, the

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<sup>183</sup> *Id.* Scott Gerien, the attorney who represents the Napa Valley Vintners, uses the old world/new world explanation.

<sup>184</sup> *Id.*

<sup>185</sup> *Id.* NapaSaki is owned by AIG Wine & Spirits Import Co. of New York. John Rannells, AIG's lawyer, contends that NapaSaki is one word, not a geographic term; customers would not confuse it with Napa Valley; and his client had no intention of creating an impression that the product is from Napa Valley. Rannells says that consumers are more likely to confuse NapaSaki with the city Nagasaki than with Napa Valley.

<sup>186</sup> *Id.*

<sup>187</sup> See Torsen, *supra* note 11, at 48–49; Staten, *supra* note 11, at 236–37.

<sup>188</sup> Staten, *supra* note 11, at 236 (citing the Lanham Act, 15 U.S.C. § 1054 (2000) and the Trademark Act, 15 U.S.C. § 1127 (2000)). The Trademark Act defines certification mark as:

any word, name, symbol, or device, or any combination thereof (1) used by a

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Lanham Act's "False Designations of Origin, False Descriptions, and Dilution Forbidden" section provides procedures for refuting a mark that misleads consumers: This is similar to the Paris Convention's extension of the same doctrine to geographical indication concepts.<sup>189</sup>

Under U.S. trademark law, certification marks, owned by trade associations rather than the individual producers, may be used to designate a geographical origin.<sup>190</sup> So, in effect, it serves as a geographical indication. There are three types of certification marks: those which certify that a product originated in a geographical region; those that certify a minimum standard of quality; and those that certify a producer's membership in an organization.<sup>191</sup>

### 1. Genericization

U.S. law does not, however, protect geographical terms that are factually found to be generic.<sup>192</sup> Arguably, neither should the rest of the world. Trademark law does not protect generic marks, and a geographical indication that has become generic should not be protected. It is a factual question how many of the wine designations are genericized at this point. To many individuals in the U.S., it is champagne or chablis no matter where the grapes were grown and the wine was bottled. One scholar proposes using the U.S. trademark registration model as the international

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person other than its owner, or (2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this chapter, to certify regional or other origin, material, mode of manufacture, quality accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by a union or other organization.

*Id.* (citing the Trademark Act § 1127). Staten clarifies the statute with the following:

In other words, a certification mark is "protected like a trademark but is still a distinct kind of mark," which indicates to consumers that the goods or services have met certain quality standards or originate from a particular region or were produced [in a particular region]. The owner of the certification mark certifies that the goods or services on which the certification mark is used have those qualities. As a basic rule, the owner of a certification mark does not have the right to use the mark. This principle is known as the "anti-use by owner rule."

*Id.* at 236–37 (quoting Albrecht Conrad, *The Protection of Geographical Indications in the TRIPS Agreement*, 86 TRADEMARK REP. 11, 21 (1996); and Marcus Hopperger, Introduction to Geographical Indications and Recent Developments in the World Intellectual Property Organization (WIPO), [http://www.wipo.int/meetings/2003/geo-ind/en/documents/pdf/wipo\\_geo\\_sfo\\_03\\_1.pdf](http://www.wipo.int/meetings/2003/geo-ind/en/documents/pdf/wipo_geo_sfo_03_1.pdf) (June 12, 2003)) (citations omitted).

<sup>189</sup> Torsen, *supra* note 11, at 48.

<sup>190</sup> Staten, *supra* note 11, at 237 ("[A]n organization such as a trade association, which does not have an economic interest in sales of the products may own a mark used to certify the geographic origin of products of its members.").

<sup>191</sup> *Id.* at 237.

<sup>192</sup> *Id.* at 240.

model for geographical indication protection and regulation.<sup>193</sup> The Old World effectively wants trademark protection for geographical indications,<sup>194</sup> so it should accept the well-developed legal parameters of trademark law. The interests actually being protected are the same in geographical indication and trademark.<sup>195</sup>

The scholars indicate that the problem with the proposed extension advanced by the Old World countries is the desire to turn back the clock on genericization and obtain protection for terminology that has indeed lost its valuable meaning in much of the world. The word "champagne" now fails to impress upon the consumer that the name designates a certain quality associated with the place from whence it supposedly came. It no longer even means to consumers that the item came from that place. The designation is merely a sentimental reference to days of yore; it no longer designates anything of value beyond the carbonation and the color. While individual nations may advocate it, well-reasoned law is not prepared to turn back the hands of time.

The *Abercrombie & Fitch* case addressed in Part I.B.2 considered the protectability of generic terms.<sup>196</sup> There, it was the word "safari." The court held that generic terms are not protectable unless they develop a secondary meaning. That means that the term becomes associated in the consumer's mind with a product that is not just related to safaris. A subsequent case, *Murphy Door Bed Co. v. Interior Sleep Systems, Inc.*, held "that 'Murphy bed' is a generic term, having been appropriated by the public to designate generally a type of bed."<sup>197</sup> In short, Murphy Door Bed Co. lost its trademark in its name, just as Bayer lost its trademark in "aspirin." The *Murphy Door Bed Co.* case was relied on in *Harley-Davidson, Inc. v. Grottanelli*,<sup>198</sup> which held that once a term becomes generic, it cannot be "degenericized," and

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<sup>193</sup> *Id.* at 242.

<sup>194</sup> *Id.* at 241.

The Old School views trademarks as intellectual property rights. Their view of geographical indications, however, is irreconcilable since geographical indications and trademarks are fundamentally similar. Trademarks are source indicators. Geographical indications are source indicators. Both trademarks and geographical indications are quality indicators. And like trademarks, geographical indications are business interests. Additionally, extension opponents point out that, "the fact that Articles 22–24 of the TRIPS Agreement create an inextricable link between trademarks and geographical indications bolsters the philosophic perspective of geographical indications as a special form of trademark."

*Id.* (citations omitted).

<sup>195</sup> Torsen, *supra* note 11, at 51.

<sup>196</sup> 537 F.2d 4 (2d Cir. 1976).

<sup>197</sup> 874 F.2d 95, 97 (2d Cir. 1989), aff'd in part 687 F. Supp. 754 (E.D.N.Y. 1988).

<sup>198</sup> 164 F.3d 806 (2d Cir. 1999), remanded to 91 F. Supp. 2d 544 (W.D.N.Y. 2000).

thus become protected by trademark law once again. In *Harley-Davidson*, the term was "hog."<sup>199</sup> The court held that "the word 'hog' had become generic as applied to large motorcycles before Harley-Davidson began to make trademark use of 'HOG' and that Harley-Davidson's attempt to withdraw this use of the word from the public domain cannot succeed."<sup>200</sup>

Were the same reasoning applied to the wine names, such as "champagne," no protection as a trademark could be reinstated. If geographical indications are treated consistently with competition law theory in U.S. jurisprudence, judicially developed trademark law will not permit re-protection of the term "champagne." Thus, the legal system in the U.S. is left with a discrepancy between TRIPS, agreements negotiated to enforce its provisions, and the Office of the United States Trade Representative and TTB regulations on one side, and well-reasoned, consumer-cognizant competition and trademark law on the other. Two dictionary definitions describe "champagne" as either white sparkling wine from the Champagne region of France or any white sparkling wine made in that manner.<sup>201</sup>

The scholars who say it is time for the U.S. to change its law to protect its own wine industry are adhering to practical international marketing logic. But they are inadvertently advocating a rejection of a logical and intricate economic model that has proved to be valuable to the wealth of private enterprises in the U.S. It is wiser to advocate some compromise that will retain the competition model to which U.S. citizens are accustomed, giving recognition of consumer power to name and association, while still respecting the traditions embraced by geographical indication protection.

## 2. Collective and Certification Marks

The Lanham Act makes collective and certification marks

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<sup>199</sup> *Id.* at 808. The court made much of the fact that Harley had previously rejected the term as derogatory for its bikes. Harley sought to dissociate itself from the Hell's Angels and other rough biker gangs that were associated in the public mind with Harleys. Later, when the term "hog" became trendy to describe the chunky Harleys, the company sought to reclaim the term as its own. *Id.* at 809. It is unknown how much this flip-flop by the company affected the court's holding and whether it will remain good law. It does appear to be based on fairly sound reasoning.

<sup>200</sup> *Id.* at 808.

<sup>201</sup> See, for example, WEBSTER'S NEW WORLD DICTIONARY OF THE AMERICAN LANGUAGE (David B. Guralnik ed., William Collins + World Publishing Co. 2d coll. ed. 1974), which defines champagne as: "1. any of various wines produced in Champagne, France 2. a) now, any effervescent white wine made there or elsewhere: regarded as a symbol of luxurious living b) the typical color of such wine; pale, tawny yellow or greenish yellow."

registerable,<sup>202</sup> so presumptively they are protectable. They include "indications of regional origin."<sup>203</sup> Geographical names have been registered as certification marks.<sup>204</sup> The common law of unfair competition also recognizes certification marks as protectable under unfair competition doctrines.<sup>205</sup> The federal law contemplates the concept of geographical indications as consumer assurances of quality and origin. The U.S. also recognizes geographical indications through its law on collective marks, when those geographical indications are used by a collective group to indicate membership.<sup>206</sup> The members of the group own the mark, unlike certification marks. Collective marks are privately enforced through individual member actions.<sup>207</sup>

Since there is already U.S. law that addresses the subject, incorporating international law concepts into domestic law is wise for two reasons. First, it makes the law consistent and predictable. Second, it makes the law understandable by the courts which apply the law. Trademark law in the EU operates in this fashion; each member has to create and change its domestic law to reflect and be consistent with EU law. As previously mentioned, the U.S. legal system, consisting of both state and federal law, is already accustomed to preventing conflict within its two-tiered structure, and so has already proven that it is capable of achieving the above purposes.

Collective marks are owned and policed by a group, usually the producers themselves.<sup>208</sup> Certification marks are owned and policed by a different entity than the users of the mark.<sup>209</sup> Trademark law, which deals with both collective and certification

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<sup>202</sup> 15 U.S.C. § 1054 (2000).

<sup>203</sup> *Id.* ("[C]ollective and certification marks, including indications of regional origin, shall be registrable under this Chapter . . .").

<sup>204</sup> See, e.g., *Community of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 497 (2d Cir. 1962) ("[A] geographical name may be registered as a certification mark even though it is primarily geographically descriptive.").

<sup>205</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 11 (1995). See also 3 MCCARTHY, *supra* note 7, § 19:90, at 19-265 to 19-266. "The Restatement takes the position that certification marks do exist at common law. For example, the Trademark Board held that the term COGNAC was not a generic name for brandy and was a valid common law certification mark certifying that the brandy came from the Cognac region of France." *Id.* § 19:90, at 19-266; see also *Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d 1875 (T.T.A.B. 1998).

<sup>206</sup> 3 MCCARTHY, *supra* note 7, § 19:99, at 19-290.

<sup>207</sup> 3 MCCARTHY, *supra* note 7, §§ 19:98-19:101, at 19-289 to 19-294.3.

<sup>208</sup> 15 U.S.C. § 1127 (2000) ("The term 'collective mark' means a trademark or service mark—(1) used by the members of a cooperative, an association, or other collective group or organization, or (2) which such cooperative, association, or other collective group or organization has a bona fide intention to use in commerce . . ."); 3 MCCARTHY, *supra* note 7, § 19:98, at 19-289.

<sup>209</sup> 3 MCCARTHY, *supra* note 7, § 19:91, at 19-266 (defining "certification mark" as a "mark owned by one person and used by others in connection with their goods or services to certify quality, regional or other origin.").

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marks, lends itself nicely to adoption of TRIPS' geographical indication provisions.

A foodstuff example for certification marks is Roquefort, recognized as a mark certifying that the cheese has been cured in caves in Roquefort, France, from sheep's milk from the region.<sup>210</sup> As discussed in *Abercrombie & Fitch*,<sup>211</sup> descriptive terms are not highly protected, but may be recognized and protected. If, however, the term is found to have become generic, then the registration application can be denied or the registration can be cancelled.<sup>212</sup>

#### CONCLUSION

Geographical indications have long been recognized in Old World countries with fine manufacturing reputations. The concept has now become part of the international law regulating protection of intellectual property. How the newly embraced concept will fit into nations' already developed intellectual property constructs remains to be seen. In the U.S., if geographical indication doctrines become part of trademark law, the carefully crafted logic of trademark law may be unable to sustain the same level of protection for geographical indications as is advocated by some Old World countries.

U.S. trademark law protects a business's economic interests by encouraging consumers to associate a word or mark with the business and its products. Trademark law has well-developed parameters and protects economic interests. The more recent recognition of protection for geographical indications has strained the seams of trademark law. When a conflict arises, which law is paramount? For example, "Champagne" is a place in France and the name for a specific type of wine that was developed there. In the U.S., the word "champagne" cannot be trademarked because among consumers, it is not associated with a certain product of a certain business. However, under international law the word "champagne" is protected as a geographical indication so that other producers of wines like it cannot describe their wines as "champagne."

The U.S. does not broadly protect geographical indications, but it should provide broader protection than currently exists. It should develop a clear approach consistent with its trademark law. This would benefit both international and domestic businesses. The constructs for appropriate levels of protection may

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<sup>210</sup> *Id.* § 19:91, at 19-268.

<sup>211</sup> *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976).

<sup>212</sup> 3 MCCARTHY, *supra* note 7, § 19:91, 19-268 to 19-269.

be found in already-drafted Lanham Act language recognizing protection for collective and certification marks.

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**Appendix A****List of Geographical Indications Claimed by the European Union<sup>213</sup>****Wines & spirits**

Beaujolais

Bordeaux

Bourgogne

Chablis

Champagne

Chianti

Cognac

Grappa di Barolo, del Piemonte, di Lombardia, del Trentino,  
del Friuli, del Veneto, dell'Alto Adige

Graves

Liebfrau(en)milch

Malaga

Marsala

Madeira

Médoc

Moselle

Ouzo

Porto

Rhin

Rioja

Saint-Emilion

Sauternes

Jerez, Xerez

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<sup>213</sup> Press Release, European Commission, *supra* note 90. This list was created by the EU for negotiation purposes. The EU proposed that these geographic indicators be protected. According to the EU, the list also covers translations, such as "Burgundy," "Champaña," "Coñac," "Port," "Sherry," "Parmesan/o," "Parma ham." Transliterations in other alphabets, such as "КОНЬЯК" for Cognac, are also covered. The EU adds to this list when other countries with geographical indications accede to the EU.

**Other products**

Asiago  
Azafrán de la Mancha  
Comté  
Feta  
Fontina  
Gorgonzola  
Grana Padano  
Jijona y Turrón de Alicante  
Manchego  
Mortadella Bologna  
Mozzarella di Bufala Campana  
Parmigiano Reggiano  
Pecorino Romano  
Prosciutto di Parma  
Prosciutto di San Daniele  
Prosciutto Toscano  
Queijo São Jorge  
Reblochon  
Roquefort

**Appendix B****Agreement on Trade-Related Aspects of  
Intellectual Property Rights****SECTION 3: GEOGRAPHICAL INDICATIONS*****Article 22***  
***Protection of Geographical Indications***

1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- (b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).

3. A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

4. The provisions of the preceding paragraphs of this Article shall apply to a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

***Article 23***  
***Additional Protection for Geographical Indications  
for Wines and Spirits***

- 1. Each Member shall provide the legal means for interested

parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.<sup>214</sup>

2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if domestic legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22 above. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for Trade-Related Aspects of Intellectual Property Rights concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

#### ***Article 24*** *International Negotiations; Exceptions*

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4–8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

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<sup>214</sup> Notwithstanding the first sentence of Article 42, Members may, with respect to these obligations, instead provide for enforcement by administrative action.

2. The Council for Trade-Related Aspects of Intellectual Property Rights shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the Agreement Establishing the MTO. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the Agreement Establishing the MTO.

4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least ten years preceding the date of the Ministerial Meeting concluding the Uruguay Round of Multilateral Trade Negotiations or (b) in good faith preceding that date.

5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

- (a) before the date of application of these provisions in that Member as defined in Part VI; or
- (b) before the geographical indication is protected in its country of origin;

measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other

Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the Agreement Establishing the MTO.

7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.

8. The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, his name or the name of his predecessor in business, except where such name is used in such a manner as to mislead the public.

9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.