

# Geographical Indications: The Current Landscape

Lynne Beresford\*

## INTRODUCTION: A VIEW FROM 30,000 FEET

If one were to peer into the minds of officials from the United States Patent and Trademark Office (USPTO) when geographical indications (GIs) are being discussed at various international fora, there are several guiding principles that one would find:

1. The United States has been protecting both domestic and foreign GIs for decades;
2. There is no GI controversy domestically in the United States;
3. The international controversy is about trade—not necessarily about intellectual property systems;
4. U.S. industries must be able to leverage their IP assets in the United States and abroad through open, fair, and transparent systems of protection; and
5. GIs are not just used on agricultural products; they also apply to such diverse products as water and clay.

In short, USPTO considers geographical indications to be not merely agricultural trade interests but private intellectual property rights. Such rights require a system for protection at the national level that is open, fair and transparent, a system that puts all businesses on an equal legal footing. Such a system should not rely on grandfathered rights, exceptions, or government-to-government negotiated lists of names. That open, fair and

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\* Commissioner for Trademarks, United States Patent and Trademark Office.

transparent system is exactly the type of system that has existed for decades in the United States and other countries for the protection of trademarks.

## I. WHAT ARE GEOGRAPHICAL INDICATIONS?

Geographical indications are defined at Article 22(1) of the World Trade Organization's (WTO) 1995 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) as "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."<sup>1</sup> Examples of geographical indications from the United States include: FLORIDA for oranges; IDAHO for potatoes; and WASHINGTON STATE for apples.

The TRIPs Agreement tells us that GIs are intellectual property (IP) rights and because TRIPs deals only with private rights,<sup>2</sup> GIs are private property rights. But a GI is not just a place name indicating where the goods originated—it must signal more than that to consumers for it to rise to the level of an intellectual property right requiring protection in the national law to meet the requirements of the TRIPs Agreement. A GI must be used (by the owner or by persons authorized by the owner) to identify a good or service with certain characteristics, including origin. In order to rise to this level, the GI must identify a *good with specific geographically related qualities*, and not just a *place*, and consumers in a jurisdiction must use that sign as material information when making purchasing decisions.

A private property right has an "owner" and that owner for the purposes of trademark law is the one that made the investment to commercialize the goods bearing that "sign." As we know, trademark law is designed to protect the consumer's expectation as to the source of the product (the source-identifying function), the

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<sup>1</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, art. 22(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments—Results of the Uruguay Round, 1869 U.N.T.S. 299, 33 I.L.M. 1125, 1197 [hereinafter TRIPs].

<sup>2</sup> See *id.* Preamble ("[r]ecognizing that intellectual property rights are private rights").

consumer's expectation of quality, even low quality (the quality-guarantee function), and the commercial investment by the "owner" to develop good will in the mark with consumers (business-interest function). GIs are no different than trademarks with regard to their functions: they are source indicators (source includes the "owner," i.e., the producers, as well as the geographic origin), they are quality guarantees (quality controlled by the owner/producers, standardized production methods, soil characteristics, etc.), and they are business interests (value created by commercialization by the owner/producers).<sup>3</sup> Therefore, there should be little difference, if any, in the systems used to protect GIs and trademarks. For that reason, the United States views geographical indications as a subset of trademarks and protects them through the trademark system—usually as certification and collective marks.<sup>4</sup>

## II. FLEXIBILITY AND DEPENDABILITY OF THE TRADEMARK SYSTEM

Protecting GIs as trademarks, collective or certification marks employs the existing trademark regime, a regime that is already familiar to businesses, both foreign and domestic. It uses administrative trademark structures already in place, and provides opportunities for any interested party to oppose or cancel the registration of a trademark/GI if that party believes that it will be damaged by the registration or the continued existence of a registration.<sup>5</sup> The same governmental authority processes applications for both trademarks and GIs. Another feature of a trademark/GI system is that it provides the trademark or GI owner with the exclusive right to prevent the use of the mark/GI by unauthorized parties when such use would likely cause consumer confusion, mistake or deception as to the source of the goods/services.<sup>6</sup> In this way, a prior right holder has priority and exclusivity over any later uses of the same or similar sign on the same, similar, related, or in some cases unrelated goods/services

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<sup>3</sup> Compare *id.* art. 22, with 15 U.S.C. § 1052 (2007).

<sup>4</sup> See 15 U.S.C. § 1054 (2007).

<sup>5</sup> See *id.* at §§ 1063–64.

<sup>6</sup> See *id.* at § 1125(a)(1)(A).

where consumers would likely be confused by the two uses.<sup>7</sup> Furthermore, the system easily accommodates geographical indications that are not merely place names, but signs such as words, slogans, designs, 3-dimensional marks, colors or even sounds and scents.<sup>8</sup>

#### A. Common-Law Geographical Indications

In the United States, geographical indications can be protected through the common law without being registered by the USPTO. For example, the USPTO's Trademark Trial and Appeal Board (TTAB) held that COGNAC is protected as a common-law (unregistered) certification mark in the United States.<sup>9</sup> The Board found that "Cognac" is a valid common law regional certification mark, rather than a generic term, because purchasers in the United States primarily understand the "Cognac" designation to refer only to brandy originating in the Cognac region of France, and because the designation, whose use is controlled and limited by the Institut National Des Appellations d'Origine, meets certain standards of regional origin.<sup>10</sup>

Of course, registration via the USPTO provides additional benefits to the GI owner and producers such as: 1) an evidentiary presumption of ownership, validity, and the right to use;<sup>11</sup> 2) border enforcement;<sup>12</sup> 3) the right to use ® for notice purposes;<sup>13</sup> and 4) it can be used as a basis for applying for protection in other countries.<sup>14</sup> There are three types of registrations than can be used

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<sup>7</sup> See e.g., *Tea Board of India v. The Republic of Tea, Inc.*, 80 U.S.P.Q.2d 1881, 1896-98 (T.T.A.B. 2006).

<sup>8</sup> See 15 U.S.C. § 1052 (2007) (delineating only those marks which cannot qualify for registration).

<sup>9</sup> *Institut National Des Appellations v. Brown-Forman Corp.*, 47 U.S.P.Q.2d 1875, 1884 (T.T.A.B. 1998).

<sup>10</sup> See *id.* at 1884-85.

<sup>11</sup> 15 U.S.C. § 1115 (2007).

<sup>12</sup> *Id.* at § 1124.

<sup>13</sup> *Id.* at § 1111.

<sup>14</sup> *Id.* at § 1141(a).

to protect GIs: certification marks,<sup>15</sup> collective marks,<sup>16</sup> and even trademarks under certain conditions.<sup>17</sup>

### *B. GIs as Certification Marks*

GIs can be registered as certification marks. A certification mark is any word, name, symbol, or device used by a party or parties other than the owner of the mark to certify some aspect of the third parties' goods/services.<sup>18</sup> There are three types of certification marks used to indicate: 1) regional or other origin; 2) material, mode of manufacture, quality, accuracy or other characteristics of the goods/services; or 3) that the work or labor on the goods/services was performed by a member of a union or other organization.<sup>19</sup> The purpose of a certification mark is to inform purchasers that the goods/services of the authorized user possess certain characteristics or meet certain qualifications or standards. The certification mark owner controls the use of the mark by others on the certified goods/services. That control consists of the taking steps to ensure that the mark is applied only to goods/services that contain or display the requisite characteristics or meet the specified requirements that the certifier/owner has established or adopted for the certification. Any entity that meets the certifying standards and is certified by the owner is entitled to use the certification mark.

As for the enforcement of the certifiers' standards, competitors and consumers—those with the greatest interest in maintaining accuracy and high standards—ensure that certifiers maintain the requisite quality. With respect to protection of GI certification marks, affected parties can oppose registration or seek to cancel registrations, all within the existing trademark regime in the United States.<sup>20</sup> So, if a party believes that the certifier is not following its own standards or is discriminating by denying use of the mark to a

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<sup>15</sup> *Id.* at § 1054.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at § 1052.

<sup>18</sup> See Certification Mark, Glossary, U.S. Patent and Trademark Office, <http://www.uspto.gov/main/glossary/index.html#c>.

<sup>19</sup> See *id.*

<sup>20</sup> See 15 U.S.C. §§ 1063–64 (2007).

qualified party, that party can file an opposition or cancellation proceeding against the certification mark or an action in federal court.

### *C. GIs as Collective Marks*

Collective trademarks and collective service marks indicate commercial origin of goods or services just as “regular” trademarks and service marks do, but as collective marks they indicate origin in members of a group rather than origin in any one member or party.<sup>21</sup> All members of the group use the mark; therefore, no one member can own the mark, and the collective organization holds the title to the collectively used mark for the benefit of all members of the group. An agricultural cooperative of produce sellers is an example of a collective organization, which does not sell its own goods, or render services, but promotes the goods and services of its members.

### *D. GIs as Trademarks*

Finally, under the U.S. regime, it is possible to protect geographical indications as trademarks, although this is relatively rare. Pursuant to well-established U.S. trademark law, geographic terms or signs are not registrable as trademarks if they are geographically descriptive or geographically misdescriptive of the origin of the goods (or services).<sup>22</sup> If a sign is misdescriptive for the goods/services, consumers would be misled and/or deceived by the use of the sign on goods/services that do not come from the place identified.

However, if a geographic sign is used to identify the source of the goods/services and over time, consumers start to recognize it as identifying a particular company or manufacturer or group of producers, the geographic sign no longer describes only where the goods/services come from, it also describes the “source” of the

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<sup>21</sup> See Collective Mark, Glossary, U.S. Patent and Trademark Office, <http://www.uspto.gov/main/glossary/index.html#c>.

<sup>22</sup> 15 U.S.C. § 1052(e).

goods/services.<sup>23</sup> At that point, the sign has “secondary meaning” or “acquired distinctiveness.” The primary meaning to consumers is the geographic place; the secondary meaning to consumers is the producing or manufacturing source. If a descriptive sign has “secondary meaning” to consumers, the sign has a source-identifying capacity and is protectable as a trademark.<sup>24</sup> Because of this feature of U.S. trademark law, GIs can also be protected as trademarks or collective marks.

### *E. Opposition and Cancellation*

A trademark system for the protection of GIs also offers the use of existing administrative structures like opposition and cancellation of applications and registrations by interested third parties.<sup>25</sup> If a party would be aggrieved by the registration of a trademark, service mark, certification mark or collective mark or would be damaged by the continued existence of a U.S. registration, that party may institute a proceeding online or on paper at the TTAB, an administrative body at the USPTO.<sup>26</sup> The TTAB has jurisdiction over opposition and cancellation proceedings as well as over appeals from an examining attorney’s final refusal to register a mark in an application.

The losing party at the TTAB level may appeal the TTAB’s decision to the Court of Appeals for the Federal Circuit, a court with jurisdiction, *inter alia*, over intellectual property matters.<sup>27</sup> From that court, the losing party may appeal to the U.S. Supreme Court.

## III. INTERNATIONAL CONTROVERSY: AGRICULTURAL TRADE INTEREST OR INTELLECTUAL PROPERTY?

When evaluating the United States’ approach to GIs as noted above, it is easy to see why the approach being advanced by the

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<sup>23</sup> See E. H. Schopler, Comment Note, *Doctrine of Secondary Meaning in the Law of Trademarks and of Unfair Competition*, 150 A.L.R. 1067 (1944).

<sup>24</sup> See *id.*

<sup>25</sup> See 15 U.S.C. §§ 1063–64 (2007).

<sup>26</sup> 15 U.S.C. § 1070.

<sup>27</sup> 15 U.S.C. § 1071(a)(1).

European Communities and certain other countries at the WTO is problematic for the United States, as well as other WTO Members. The European Commission (EC) approach to GI protection is one that focuses on GIs as an agricultural trade interest that can and should be negotiated amongst governments.<sup>28</sup> In contrast, the U.S. approach is one focused on GIs as private property interests and where the responsibility of governments is to negotiate for appropriate systems for protection of IP rights, not for the individual rights themselves.<sup>29</sup> Yet, one can see why the Europeans might approach GIs in that way in the context of their policy goals for trade in agricultural goods.

#### A. *European Agriculture Policy*

The EC is under pressure at the WTO to reduce domestic agriculture subsidies by WTO Members who want better market access in Europe and view domestic agriculture subsidies as a barrier to access. Moreover, the EC is under pressure from its own taxpayers to decrease agriculture subsidies in light of the newly acceding EU Member states that are heavily agricultural and therefore will likely demand heavy government subsidies. However, both the European Commission, and Europeans in general, appear to want to maintain the rural landscape in Europe, preserving both the current way of life as well as tourism income.

In the context of the Doha Round<sup>30</sup> at the WTO, where agreement on agriculture issues is viewed by many as the linchpin for the success or failure of the Round, the EC must at least appear to address WTO Member pressure to reduce agriculture subsidies. To retain support by European farmers for continuing the Doha

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<sup>28</sup> Council Regulation 2081/91, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 1992 O.J. (L 208) 1 (EC), *superseded by* Council Regulation 510/06, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 2006 O.J. (L 93) 12 (EC).

<sup>29</sup> See Panel Report, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, ¶ 7.246, WT/DS174/R (March 15, 2005).

<sup>30</sup> The Fourth WTO Ministerial Conference took place in Doha, Qatar in November 2001, launching the round of trade negotiations referred to as the Doha Round. WTO, [http://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/min01\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min01_e/min01_e.htm).

talks while offering to reduce agricultural subsidies for those European farmers, the EC arguably must replace their farmers' government subsidy with a market subsidy.

Essentially, the EC proposes to export the cost of domestic subsidies to the rest of the world in the form of a mandatory licensing fee—the value-added rent associated with world-wide monopoly rights in a given term.<sup>31</sup> This proposal for a market subsidy for European farmers has manifested itself as the EC GI agenda.

The EC GI agenda consists of three different proposals at the WTO, which at their core, are intended to result in worldwide monopoly rights for European GIs. If successful, these proposals would provide monopoly rights for European GIs in WTO Member markets. It follows, therefore, that European producers could then charge monopoly prices. Thus the promise of these monopoly rents could be an incentive for European farmers to agree to a reduction in their government subsidies. To achieve the subsidy shift, the EC must:

1. Require governments to negotiate lists of GIs for protection by other governments;
2. Require governments to extinguish all existing uses and enforce the GIs against future infringing uses (therefore relieving the GI owner of any cost of enforcement); and
3. Reserve terms in future export markets.<sup>32</sup>

If met, these objectives can result in worldwide monopoly rights with no costs to its producers, becoming the perfect market subsidy. Arguably, these objectives can only be met through trade negotiations, wherein governments agree to override existing rights or uses that conflict with the foreign GI and agree to have taxpayers, rather than the owners, fund the enforcement of the right—through label approval or through direct government enforcement action.

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<sup>31</sup> See *Making Hong Kong a Success: Europe's Contribution*, at 4 (Oct. 28, 2005), available at [http://www.ictsd.org/ministerial/hongkong/docs/05-10-28\\_EUproposal.pdf](http://www.ictsd.org/ministerial/hongkong/docs/05-10-28_EUproposal.pdf).

<sup>32</sup> See *id.* at 6–7.

One of the linchpins of the EC's agenda requires that WTO Members must put primary significance on whether the GI is protected in the country of origin.<sup>33</sup> Normally, IP rights are considered territorial in nature e.g., protection and rights exist on a country by country basis. So, although ownership of a trademark registration in one country provides a basis for filing and acquiring rights in another country, each country must assess such an application, based on a foreign registration, according to its own laws and the rights already claimed within its territory.<sup>34</sup> There is never an automatic right to registration or an automatic presumption of the validity of the mark.

### *B. EC Proposals*

However, under the EC proposals, there is a presumption that a GI, valid in its country of origin, is *entitled* to protection in other member states unless an objection is filed. Forcing such an interpretation of TRIPs GI obligations may not be very hard in the current climate, even though such an interpretation is completely unsupported by the TRIPs Agreement itself! Lack of understanding by WTO Members of current GI obligations and how to determine whether a GI meets the TRIPs definition under their national law could easily result, if it hasn't already, in situations where the receiving country merely accepts the originating country's determination that it meets the TRIPs definition without examination. Countries lack a better way to handle the notified GI. Of course, national trademark systems already provide for proper GI handling, but for whatever reason, many WTO Members choose to believe the erroneous claims that a trademark system cannot handle GIs. It is obvious, however, that proliferation of trademark system protection for GIs would not facilitate the EC approach to GIs and would actually prevent the EC from achieving their goals of automatic worldwide exclusivity for foreign GIs.

For many governments, it might be easier to exchange lists with other governments for reciprocal protection of GIs because

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<sup>33</sup> See *id.* at 7.

<sup>34</sup> See TRIPs, *supra* note 1, art. 21.

there would be no analysis required of whether the GI meets the definition in the receiving country (as with a trademark system), just reliance on the country of origin's protection. For countries with limited resources and struggling IP systems, such an exchange of lists would be quite easy. But such a practice surely discriminates against trademark owners from countries that protect GIs through unfair competition systems or trademark systems and are not in a position to have their governments negotiate GI protection with other countries. Further, it puts the burden on the trademark owner to go from one country to another to try to defend its rights when a similar term has been put on the lists being exchanged. This is hardly a fair result and puts the "cost" of the system on the backs of private right holders. Further, it appears to turn the time tested IP principles of territoriality and "first in time first in right" on their heads!

So, it is no wonder that the United States and the European Community are at odds on the issue of geographical indications at the WTO.

#### 1. Claw-Back

In the WTO Agriculture Committee, the EC has proposed a "claw-back" list currently containing 41 terms for which the EC has demanded immediate exclusivity in all WTO markets and in all translations.<sup>35</sup> The list includes parmesan, feta, champagne, port, sherry, asiago, and mozzarella di bufala campagna.<sup>36</sup> This proposal requires that WTO Members accept these terms for protection, without examination and without question, and both extinguish all prior valid trademarks that conflict with the terms on this claw-back list as well as prohibit the use on labels or advertising of these terms in any way, including as generic terms.<sup>37</sup> This proposal would accomplish all three of the EC objectives of 1) governmental negotiation; 2) extinguishing prior uses; and 3)

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<sup>35</sup> *A Proposal For Modalities in the WTO Agriculture Negotiations*, Annex W, Feb. 5, 2003, available at [http://trade.ec.europa.eu/doclib/docs/2005/september/tradoc\\_112403.pdf](http://trade.ec.europa.eu/doclib/docs/2005/september/tradoc_112403.pdf).

<sup>36</sup> *Id.*

<sup>37</sup> *Id.* at Part III, art. 4.

reserving terms for future use even if not exported currently.<sup>38</sup> However, this list only applies to the 41 (and growing) most economically valuable GIs in Europe and therefore this proposal by itself, most likely could not garner support of enough European farmers in order for the EC to reduce subsidies for all agriculture products.

## 2. Multilateral System

In the WTO TRIPs Council, the EC has proposed an international register of geographical indications for all goods which would receive TRIPs Article 23 level protection (see below on “extension”) once accepted by WTO Members.<sup>39</sup> WTO Members would send their list of protected GIs to the WTO to be automatically “registered” on an international register. WTO Members, even those that do not notify any GIs to the register, would have 18 months to evaluate whether to take reservation on a particular term.<sup>40</sup> However, Members can only take a reservation if: 1) the notified term doesn’t meet the TRIPs GI definition; 2) the notified term is literally true but falsely represents to the public that the goods originate in its territory; or 3) the notified term is the common name for a wine or spirit in the receiving Member’s territory with respect to products of the vine or it is the same as a plant variety or animal breed existing in the receiving Member’s territory as of the date of the amendment to the TRIPs Agreement.<sup>41</sup> Any other objection to the notified GI can only be raised as a defense by an interested third party in a proceeding before national courts.<sup>42</sup>

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<sup>38</sup> See WTO Talks: EU Steps Up Bid for Better Protection of Regional Quality Products, Aug. 28, 2003, <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/03/1178&format=PDF&aged=1&language=EN&guiLanguage=en>.

<sup>39</sup> See Making Hong Kong a Success: Europe’s Contribution, at 7, (Oct. 28, 2005), available at [http://www.ictsd.org/ministerial/hongkong/docs/05-10-28\\_EUproposal.pdf](http://www.ictsd.org/ministerial/hongkong/docs/05-10-28_EUproposal.pdf).

<sup>40</sup> Communication from the European Communities and their Member States Revision, *Implementation of Article 23.4 of the TRIPs Agreement Relating to the Establishment of a Multilateral System of Notification and Registration of Geographical Indications*, 5, IP/C/W/107/Rev.1, (Jun. 22, 2000), available at <http://trade.ec.europa.eu/doclib/html/113496.htm> [hereinafter Multilateral System].

<sup>41</sup> *Id.* at 4.

<sup>42</sup> *Id.* at 2.

However, such a court case would be impacted by the fact that the receiving country is obliged under the EC proposal, if no reservation is made, to bestow on the notified GI a “presumption of eligibility for the protection of the geographical indication.”<sup>43</sup> The language is unclear but it could mean that the GI is granted an evidentiary presumption of validity that must be overcome by a prior trademark holder in that jurisdiction (who may also hold an evidentiary presumption of validity in the conflicting trademark).

Linking this proposal to the EC modalities for obtaining exclusivity, the EC multilateral register proposal grants nearly automatic extraterritorial effects to all WTO Members emanating from the protection for the GI in the country of origin because of the limited grounds for taking a reservation and because of the nearly automatic “presumption” granted to the foreign GI in all territories. This proposal demands governmental negotiation, essentially provides for extinguishing prior trademarks and generic uses by virtue of the presumption granted to the notified GI, and reserves future terms as it does not require or provide a reservation for a notified GI that is not in use in commerce in that jurisdiction.

### 3. Extension

In the WTO TRIPs Council, the EC and certain other countries are calling to extend the protection given to GIs for wines and spirits in Article 23 to GIs used on any goods.<sup>44</sup> Currently, WTO Members must provide the legal means to prevent the use and registration as trademarks of geographical indications where such use or registration would be misleading as to origin or as to other characteristics of the goods.<sup>45</sup> TRIPs Article 23 indicates that Members must provide the legal means to “prevent [the] 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

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<sup>43</sup> *Id.* at 5.

<sup>44</sup> See The Extension of the Additional Protection for Geographical Indications to products Other Than Wines and Spirits, Jun. 24, 2002, available at [http://ec.europa.eu/trade/issues/sectoral/intell\\_property/wto\\_nego/intel4a.htm](http://ec.europa.eu/trade/issues/sectoral/intell_property/wto_nego/intel4a.htm) [hereinafter Extension Proposal].

<sup>45</sup> See TRIPs, *supra* note 1, art. 23(1).

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>46</sup>

Because Article 23 contains no explicit reference to misleading use or unfair competition, and because it provides for protection in translation, many portray Article 23 protection as “absolute.” This is the interpretation that is being advanced by the EC and certain other countries, and if they are successful, such an interpretation would lead to automatic worldwide exclusivity for claimed EC GIs. If one interprets Article 23 in this way, so-called “absolute” protection means that if it is a GI, then it may not be used by anyone in any form/translation except by the producers from the place identified by the GI, even if consumers would not be misled by the use. This could even mean that the GI is protected even if consumers have never heard of it and even if it is never used in that jurisdiction. Of course the hard part for the owner of a GI/trademark is getting one’s sign recognized as a GI in all WTO jurisdictions so that this broad protection can be obtained. So if the EC and other countries are successful in establishing their changes to the TRIPs Agreement, owners of GIs would be able to establish protection in each of their export markets or future export markets, without taking any action or spending a dime! Owners of existing trademarks would have to foot the bill for opposition to GI rights on a country-by-country basis.

Clues to how this recognition will be obtained can be found in the text of the EC extension proposal. In that document the EC claims that the TRIPs Article 24 exceptions would apply, presumably to appease those concerned about the breadth and impact of this demand on existing uses in WTO Member markets.<sup>47</sup> Yet the EC interpretation of Article 24 exceptions actually reinforces the GI protection in the country of origin and creates a presumption of protection in all other territories, completely undermining Article 24 exceptions. If an Article 24 exception is the only way to *avoid* being obligated to provide

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<sup>46</sup> *Id.*

<sup>47</sup> See Extension Proposal, *supra* note 44, ¶ 36.

protection for a GI, then it follows that a GI protected in the country of origin must be a universal right (contrary to territorial IP rights).

With this interpretation, there is a suggestion that there is little need for governments to actually examine foreign GIs for compliance with national law (*i.e.*, for whether the GI is distinctive in the receiving territory as well as for conflicts with prior rights) because, under this theory, the “right” in the GI is created when it is established in the country of origin. Following this line of interpretation, the GI must immediately trump all prior rights in all territories as of the date of establishment of the right in the country of origin. This makes GIs “super-rights” in the minds of those advancing this approach.

While the idea that GIs could be created in all WTO Members upon establishment of protection in the country of origin is a bit daunting to say the least (*i.e.*, extraterritoriality). The fact is, many WTO Members do not examine GIs and thus, they rely on the existence and substantiation of protection in the country of origin to grant protection in the receiving country. for example, via bilateral agreements. So in effect, these countries are granting priority to the GI in the foreign country over existing uses, without evaluating whether the sign actually meets the TRIPs definition in the receiving country. Because of this practice, the European proposals, which are premised on extending the protection in the country of origin to other WTO Members, seem reasonable to some.

So, if all that is needed is a list from a foreign government of terms and translations to establish protection in WTO Members, Article 23 extension would, in fact, achieve a high level of protection against any uses in any translation in European export markets. And, if WTO Members do not have a system for examining and registering foreign GIs, but theoretically (at least in the European view) have an obligation to protect foreign GIs once they are established in the country of origin, these WTO Members will demand lists of GIs from other governments so as to ensure they are implementing their TRIPs GI obligations, particularly as to translations wherein a foreign government may have no

knowledge of foreign language or foreign character set translations of the GIs.

In this way, the EC extension proposal, as it is combined currently with the EC's multilateral system proposal, implicitly demands governmental negotiation. It also calls into question the validity of any prior rights or prior uses in a jurisdiction, if indeed the GI is considered a universal right in all WTO Members upon establishment of protection in the country of origin. Finally, if lists are actually produced and accepted for protection via bilateral agreements or at the WTO (for example, the EC multilateral register proposal), then foreign GIs would be reserved for future export markets under extension.

### *C. The Trademark Paradigm—A Familiar Road*

For trademark experts (as well as patent, copyright and other IP experts), it is difficult to accept the idea that protection of a GI in the country of origin should establish the GI right in all WTO Member jurisdictions. That kind of extraterritoriality is not a feature of existing IP systems.

It would be difficult for national trademark offices and their examiners, as well as judges, to know of every geographic location in the world, every geographic designation in the world, and every possible translation of those designations to prevent registration or use of marks that conflict. Even more difficult is the ability of businesses to obtain legal certainty as to their trademarks in their domestic market, as well as in their export markets when there is no way to know when a foreign GI may come to light and impact the validity of their marks.

There is another way to approach GIs, as outlined in the first half of this paper, that is manageable, transparent, and fair to domestic and foreign GI holders as well as trademark holders or generic term users. As with trademarks that consist of geographically descriptive signs, a requirement of acquired distinctiveness in the receiving country market for GIs, whether domestic or foreign, can provide the necessary balance between protection for the investment of the owner in the use of the GI and

the protection of interested third parties and traders who may be impacted by claims of exclusivity by one particular group.

As the TRIPs definition tells us, the geographical indication must “identify a good,” and not merely a place.<sup>48</sup> Presumably, then, there must have been an investment by producers to exploit the terrain and produce the goods. That investment (production, marketing, and sales), experienced by consuming the goods or by reputation, creates the association between the place and the goods in the minds of consumers. Because of that investment, the producers in the area that produce the specific goods identified have created a private property right (with the right to exclude others) and are therefore the “owners” of the geographical indication. The GI is therefore associated not just with the goods having some qualities or characteristics attributable to the place, but also to the producers. Consumers’ mental association between the indication, the place, the goods, the qualities or characteristics of the goods, and the producers elevates a geographic sign to the level of a “distinctive source identifier”<sup>49</sup> in that it functions to distinguish one producing source from another producing source when used on particular goods. In trademark terms, this would mean that geographical indications are those with secondary meaning in the country where protection is being asserted.

But of course, this approach would limit the ability of European producers to reserve their terms in future export markets as such a requirement of distinctiveness necessitates that the GI be used in that market or at least have obtained a reputation in that market, even if not used, for distinctiveness to have been acquired. And this means, following regular trademark principles, that a GI cannot acquire distinctiveness in a market if there are already unauthorized third party uses of the GI in that market, either as trademarks, as part of trademarks, or as generic terms. So that

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<sup>48</sup> TRIPs, *supra* note 1, art. 22(1).

<sup>49</sup> Second Submission of the United States, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, ¶ 199, WT/DS174 and WT/DS290 (Jul. 22, 2004), available at [http://www.ustr.gov/assets/Trade\\_Agreements/Monitoring\\_Enforcement/Dispute\\_Settlement/WTO/Dispute\\_Settlement\\_Listings/asset\\_upload\\_file455\\_5560.pdf](http://www.ustr.gov/assets/Trade_Agreements/Monitoring_Enforcement/Dispute_Settlement/WTO/Dispute_Settlement_Listings/asset_upload_file455_5560.pdf).

does not assist European producers that have not been active in preventing unauthorized uses in foreign markets.

#### IV. MOVING BEYOND THE WTO

Instead of looking to the WTO to address perceived problems in the protection for geographical indications at the international level, we should focus on the problems, misunderstandings, and difficulties with implementation of current GI obligations at the national level. Yet it is difficult to do so with the distracting noise generated at the WTO arguing that protection at the international level for GIs will cure all of the evils of the world. Just as strong intellectual property protections at the national level can indeed help with social and economic development, GI protection plays an important role in national IP systems. But focusing on GIs as super-rights and forcing an interpretation of extraterritoriality has WTO Members going down rabbit-holes instead of discussing and solving actual problems in the creation and administration of national GI systems.

What does not seem to be acknowledged is that the current text of the TRIPs Agreement provides strong protection for geographical indications that are commercialized or have reputation around the world, if implemented properly.<sup>50</sup> In the United States, we have many registrations of both domestic and foreign origin, dating back decades, which receive significant protection against infringement, including border enforcement.<sup>51</sup> The European Community has one foreign application pending, yet over 700 domestic GIs registered (excluding wines which number into the thousands).<sup>52</sup> The EC's current system for protecting GIs has been in place since 1992 and has been closed to the GIs from

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<sup>50</sup> See TRIPs, *supra* note 1, art. 22(1)–(2).

<sup>51</sup> See 15 U.S.C. § 1124 (2007).

<sup>52</sup> See PDO/PGI: List of applications, European Commission, [http://ec.europa.eu/agriculture/foodqual/protec/applications/pdopgi\\_amend\\_list310307.pdf](http://ec.europa.eu/agriculture/foodqual/protec/applications/pdopgi_amend_list310307.pdf) (listing an application from the United Kingdom for “Scottish Farm Salmon”) (last visited Apr. 19, 2007); Protected Designation of Origin (PDO) / Protected Geographical Indication (PGI), European Commission, [http://ec.europa.eu/agriculture/qual/en/1bbaa\\_en.htm](http://ec.europa.eu/agriculture/qual/en/1bbaa_en.htm) (last visited Apr. 19, 2007).

any other country!<sup>53</sup> Yet this is the system that is being touted as the best! Instead of renegotiating the TRIPs Agreement to push for extraterritorial effects of domestic law protections for GIs, attention should be given to promoting domestic registration systems that are cost-effective, efficient, open, transparent, and fair for both domestic and foreign GI owners. For the most part, these registration systems already exist in national trademark offices, fulfilling TRIPs obligations as to GIs, trademarks, national treatment and most-favored nation protection, as well as enforcement obligations without having to reinvent the wheel.

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<sup>53</sup> See Council Regulation No. 510/2006, On the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs, 2006 O.J. (L 93) 15 (EC). Although the website indicates that third countries can apply for protection of their GIs with the EC as of April 3, 2006, see [http://ec.europa.eu/agriculture/foodqual/quali1\\_en.htm](http://ec.europa.eu/agriculture/foodqual/quali1_en.htm), I know of none that have been granted as of April 20, 2007. For a further discussion of these issues, see Justin Hughes et. al, *Panel II: That's a Fine Chablis You're Not Drinking: The Proper Place for Geographical Indications in Trademark Law*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 933, 938 (2007).