Trans-Atlantic Protection of Geographical Indications

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Executive Summary

In an increasingly globalized world, producers face competition to attract consumers and retain profitability. By protecting themselves with strong intellectual property rights, producers can create a monopoly for themselves and offset some of the effects of competition. Because of this it could be argued that to salvage the potential and value of intangible assets such as trademarks and patents is of great importance.

One example of this is the case of Geographical Indications as intellectual property rights. GI:s are, as the name entails, indicators of a certain geographical origin. This origin is in its turn often associated by consumers with certain qualitative traits or characteristics of the product. While the intellectual property right itself is unlikely to be seen as famous, many of the terms it aims to protect are. The most famous one is arguably “Champagne”, the sparkling wine sharing its name with the geographical area in France where it is produced.

As GI:s aim to protect the commercial use and labeling of this origin, unlike trademarks, GI as an intellectual property right are not tied to a single producer but instead an array of producers operating in that specific region. The protection of such GI:s is typically advocated as protecting both competitors from free-riding but also consumers from buying “mislabeled” inferior goods.

While there are some international agreements on the subject, namely the TRIPS Agreement, a huge discrepancy on how to treat these matters exists. The TRIPS Agreement set certain standards of protection for GI:s but it is up to the respective jurisdictions to implement them in a way they deem suitable. The conflicting views on how to treat GI:s lies between “the old world” consisting of the countries in the European Union and “the new world” namely the US but also Australia, New Zealand and others. In the EU the regulation of GI:s are treated as a separate intellectual property right, a sui generis approach. In the US the same GI:s are instead treated as trademarks. The EU tend to favour a more extensive GI protection than the US. Arguably because the EU reap greater economic benefits from such practice.
## Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>CFR</td>
<td>Code of Federal Regulations</td>
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<td>EC</td>
<td>European Communities</td>
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<td>ECJ</td>
<td>Court of Justice of the European Union</td>
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<td>EU</td>
<td>European Union</td>
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<td>GI</td>
<td>Geographical Indication(s)</td>
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<td>PDO</td>
<td>Protected Designation of Origin</td>
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<td>PGI</td>
<td>Protected Geographical Indication</td>
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<td>TRIPS</td>
<td>The Agreement on Trade-related Aspects of Intellectual Property Rights 1994</td>
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<tr>
<td>TSG</td>
<td>Traditional Speciality Guaranteed</td>
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<td>TTB</td>
<td>Alcohol and Tobacco Tax and Trade Bureau</td>
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<tr>
<td>UK</td>
<td>The United Kingdom</td>
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<tr>
<td>US</td>
<td>The United States of America</td>
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<tr>
<td>USPTO</td>
<td>United States Patent and Trademark Office</td>
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<td>WIPO</td>
<td>World Intellectual Property Organization</td>
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<td>WTO</td>
<td>The World Trade Organisation</td>
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1. Introduction

Although already having been a hot topic for the past decades, globalization keeps pushing producers around the world to find innovative ways of retaining profitability. Some have managed to do so by lowering margins but utilizing large volumes. Other have chosen to specialize and differentiate themselves regarding quality, niche, character or even experience in relation to their goods. For those who have succeeded in this there might lie tremendous value in conveying this differentiation effectively to consumers, but also in making sure other producers cannot just enjoy this reputable differentiation without having contributed to the development of it.\footnote{This is often referred to as \textit{free-riding}, See below under Chapter 3 of this thesis.} One way to ensure this is through protection of intellectual property rights. For this reason it could be argued that intellectual property rights have never been more economically or politically important than they are today. For those familiar with intellectual property rights the first of these examples will likely bring trademarks (TM:s) into mind, while the second one typically would be protected by a patent. However this is not always applicable to all goods and it might not always make justice to the intellectual property that producers deem necessary to protect.

One example of this is the case of Geographical Indications\footnote{Geographical Indications is the term used primarily in EU jurisdictions and the TRIPS Agreement. As will be demonstrated in this thesis there are several terms that in effect have the same meaning, however due to lack of international consensus of which term which is to prefer this thesis will utilize the word Geographical Indication to refer to labeling of goods indicating an origin from a certain geographical area, as well as referring to the specific intellectual property right with the same name as found in the TRIPS Agreement.} (GI:s), which will be the topic of this thesis. GI:s are a special type of intellectual property rights that aims to protect labels with indications of a certain geographical origin as a specific intellectual property right. These geographical areas in their turn are often associated with superior quality or other positive traits, when they in practice do not adhere from that region. Arguably the most famous example would be
“Champagne”, the white sparkling wine named after the French area which carries the same name. Although the idea of this intellectual property right itself is not new in any way, it is becoming an increasingly hot topic due to greater volume and intensity of international trade and competition along with a lack of international consensus on how to handle these intellectual property rights.

1.1. Purpose

This thesis examines GI:s, both what they are, reasons to protect them, and the different international legal frameworks that aim to protect them. In contrast to many other intellectual property rights the protection of indications of geographical origin is coloured by international disagreement on a favoured framework. Unlike many other areas of intellectual property regulation, where developed nations tend to more or less unanimously support stronger intellectual property rights, there is a notable discrepancy between the view of the United States and the European Union countries. This thesis aims to account for these differences by comparing how the different jurisdictions handle the legal aspect of the protection as well as explaining the drivers to why the situation culminated to where it is today.

1.2. Method and Material

This thesis will examine different legal frameworks, on both an international and national level, which aims to protect GI:s. These frameworks will be reviewed and presented as well as compared to each other to give the reader an insight into the international situation of GI protection today. As stated above the comparison will focus on the different views of the “old world”, in this thesis represented by the EU, and “the new world”, in this thesis represented by the US, and their respective protection of GI:s. This means that the method used in this thesis is the
comparative method, where the regulations regarding GI:s could be seen as legal transplants. Such transplants have arguably taken place because of the increased global exposure that producers and their intellectual property rights have received due to globalization.

Because of the international discrepancy in views of protection of GI:s, as will be accounted for in the delimitation chapter, case law will not play a big role in the thesis. Taking into account the dynamic and international nature of the subject the weight of review will be focused on articles from law review journals from across the globe. As the EU countries typically have a stronger culture of GI utilization, and most often are the advocates for strong GI protection, it comes as little to no surprise that most the law review material available on the subject is written by EU based authors. Because a large portion of this thesis focus on a descriptive approach to GI:s this imbalance should not impair the quality of the work, although it naturally this imbalance must be taken into account. The research questions of this thesis can be summarized as:

- What is a GI? What are the reasons to protect GI:s?
- How does the protection of GI:s differ from other intellectual property rights (namely TM:s)?
- What protection is offered for GI:s in the US and EU respectively? Are there any international agreements?

While not constituting the research aim of this thesis, some reflection and recommendations for GI protection will be given by the in the end of the thesis.

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3 A legal transplant can be defined as ““As the moving of a rule or a system of law from one country to another, of from one people to another”. See Watson, Legal Transplants: An Approach to Comparative Law, Edinburgh 1974, p. 21.

4 It has been said that globalization “(...) Brings laws and legal cultures into more direct, frequent, intimate, and often complicated and stressed contact. It influences what legal professionals want and need to know about foreign law, how they transfer, acquire and process information, and how decisions are made. We might expect the field of comparative law, therefore, to be (full) with efforts to comprehend globalization and its impacts on law and to develop strategies for dealing with them”.

1.3. Delimitation

As the biggest discrepancy in attitude toward GI protection arguably lies between “the old world” and “the new world”, rather than between specific countries, this thesis will utilize the EU as an example for “the old world” and the US as an example for “the new world”, thus the focus of this essay will be on GI protection itself and possible issues for such protection when dealing with Trans-Atlantic trade. For this reason thesis will not aim to cover possible differences between EU legislation and domestic legislation in EU member states.

While this thesis occasionally refers to cases to highlight points or issues, as pointed out in the method and material chapter above, case law will not play a major role in this thesis. This is because this thesis aims to describe existing legal frameworks, the differences between them and the reasons for it being that way. This has little to nothing to do with legal uncertainties. Rather, as this thesis will entail, it has more to do with economic and political reasons and is thus highlighted best by the analysis of law review journals on the subject.

1.4 Disposition

To give the reader a better understanding of what GI:s are today, the initial part of this thesis will familiarize the reader with the historical development of GI:s and the drivers for this development. The later largely consisting of the economic aspects that are related to the possibilities of utilizing such intellectual property rights. This thesis will then examine the current relevant international agreement regarding GI:s, the common ground, before examining the relevant individual laws of the EU and federal US respectively. The finish part of this thesis then analyzes the differences between the two jurisdictions and their view on GI:s, followed by conclusions and recommendations by the author.
2. Historical Evolution of Geographical Indications

Geographical indications are today an instrument for protection of intellectual property. However, as will be accounted for below, this has not always been the case. The most significant event for this change was the 1994 Agreement on Trade-Related Aspects of Intellectual Property, TRIPS, signed by the member states of the newly founded World Trade Organization, hereafter referred to as the WTO.\(^5\) Some has referred to GI:s in terms of intellectual property protection as an invention by the TRIPS agreement after though negotiations from European Communities.\(^6\)

As the evolution of GI:s, especially that preceding the TRIPS agreement, largely has developed under national law the terminology around it has been diverse and fragmented – no generally accepted terminology exists. However there are two common terms in the literature addressing the issue; ‘Indication of Source’, referring to a sign indicating the specific geographical region from which the product originates, and ‘Appellation of Origin’, which refers to a sign indicating the geographical origin of the product only if the characteristic qualities of the product can be adhered to that specifically geographical microenvironment, whether it is due to climate or human factors. The term ‘Geographical Indication’ is generally seen as including both of the previous concepts.\(^7\) The reason for this is best understood by putting it into its historical context, as can be found below.

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\(^5\) Agreement on Trade-Related Aspects of Intellectual Property Rights, Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April 1994 (Hereafter referred to as the TRIPS Agreement).


\(^7\) See Blakeny, Geographical Indications and Trips: Case Studies of Agricultural Products in Africa, Routledge 2012, p. 2.
Established in 1883, the Paris Convention\(^8\) was the first international multilateral agreement to make notice of indications of source and appellations of origin. Between other, already at the time internationally established, intellectual property rights such as patents, copyrights, and TM:s, it is mentioned in Article 1(2) that “The protection of industrial property has as its object [...] indications of source or appellations of origin”. However these terms are left undefined and the terms are not mentioned again in the convention. Article 10(1) of the convention stipulates the requirement for contracting parties to treat “cases of direct or indirect use of a false indication of the source of the goods” with the same provisions as for goods which unlawfully bear a TM or trade name. This is, according to Article 9(1) and 9(2) the seizure of the goods upon importation or in the country. The very general nature and lack of definition of the GI-related terminology has been suggested as accounting for the lack of positive effect of the convention for the protection of GI:s internationally. Since its introduction the Paris convention has been revised several times. One of the most important revisions was the 1958 add of Article 10bis(3) which added a prohibition for “indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, [or] the characteristics, [...] of the goods. Something which has been suggested not directly aiming at protection of GI:s but which nevertheless is important in the history of GI:s as it has been suggested to be a part of the launching point for the protection of GI:s under the TRIPS agreement.\(^9\)

Eight years later, in 1891 the Madrid Agreement\(^10\) became the first multilateral agreement that focus specifically on protection of geographical origins. As can be seen in Article 1(1) of the agreement it however, similarly to the Paris Convention, only aimed to assure protection at the borders, by allowing the seizure of goods,

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\(^10\) The 1891 Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods. (Hereafter referred to as the Madrid Agreement).
with false or deceptive source indication, at import.\textsuperscript{11} However the Madrid Agreement does offer a slightly higher level of protection than the Paris Convention as it also includes ‘deceptive’ indications of source, meaning indications of source that might be true in a literal sense but in practice are to be seen as misleading.\textsuperscript{12}

The article 4 in the Madrid Agreement deals with the issue of appellations with generic character. It gives each nation the right to, by their courts’, decide what appellations that should be seen as generic and therefore fall outside the protection offered in the agreement. However It should also be noted that the Madrid Agreement goes further than the Paris Convention when it comes to the protection for indications of source of wine, as can be seen in the Article 4 which excludes “regional appellations concerning the source of products of the vine” from this right. It has been said that the original draft of the Article 4 did not give this special status of wine. However a Portuguese delegate insisted agricultural products should be given an exemption from being able to be seen as generic. The reason for this was his belief that geographical indications used for agricultural products never could become generic or reduced to being merely descriptive. This was due to the fact that agricultural products, in contrast to products that are manufactured, to a much larger extent will have influences on their quality from the microenvironment from which they derive. This is how the term terroir made its entrance into the international debate of intellectual property rights. Terroir, the microenvironment where the agricultural product is made, allegedly had such a strong and unique link to the quality of the product that it could never become a descriptive and generic term, while it would have little or no contrast on factory manufactured goods. Agricultural products were never given this exemption from

\textsuperscript{11} Compare the Article 1(1) of the Madrid Agreement with Article 9(1) and (2) of the Paris Convention.

the rules regarding generic goods in Article 4, but geographical indications regarding wine was.\textsuperscript{13}

In conclusion it can be said that The Madrid Agreement offered a stronger material GI protection than the Paris Convention but was not very popular. Only a few countries have entered the agreement and the US is not one of them. However it must be noted that it raised the issue of stronger protection for certain products and it launched the term terroir into the world of intellectual property rights.

In 1958 the Lisbon agreement was made, creating an opportunity for international registration of appellations of origin.\textsuperscript{14} The appellations are then listed in an International Register which the World Intellectual Property Organization (hereafter: the WIPO) administers.\textsuperscript{15} At the time it was “the most serious attempt to achieve effective and enforceable international protection for GI”\textsuperscript{16} In contrast to the Paris Convention, the Lisbon agreement defines the meaning of “appellation of origin” as:

the geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.\textsuperscript{17}

Here it becomes clear that the term appellation of origin puts a demand for the quality or characteristics of the product to wholly or in great part derive from the

\textsuperscript{14} Article 1(2) of the Lisbon Agreement.
\textsuperscript{15} The list of registered Appellations of Origin can be found using the “Lisbon Express” at WIPO:s website. As of 2014-08-15 there was 929 entries to be found. URL: http://www.wipo.int/ipdl/en/lisbon/search-struct.jsp
\textsuperscript{17} Article 2(1) in combination with Article 2(2) that clarifies the definition of country of origin.
region from which it is produced within; it is simply not enough that the product has its origin in the region but there must be some expected quality associated with that origin. In terms of protection of the appellation of origin the system established in the Lisbon agreement is rather straightforward and with a thorough scope of protection. According to Article 3, once a good is protected the protection will cover any imitation, even when the true origin of that product is indicated and even if the appellation is accompanied by tags such as ‘kind’, ‘type’, ‘style’ et cetera. The Lisbon agreement, in its Article 6, also contains a protection for appellations of origin for never being able to become generic in the country of which they were registered in. As stated in Article 8, legal action to ensure the protection of appellation of origin is can be taken in any country that has signed the agreement and will be subject to the local national law. This means that once holding an appellation of origin, the holder has an extensive right to stop wrongful use of the appellation of origin.

However the extensive protection offered by the Lisbon agreement system cannot be said having gained a great international recognition. The most recent contracting partner, Macedonia, had their accession on July 6th 2010, making the 28th contracting partner of the Lisbon agreement18, in comparison to the Paris Convention boasting 175 contracting partners.19 Comparing the two lists of contracting partners one can see that the Lisbon Agreement not only has a weak participation internationally but even within the EU. France, Italy, Hungary and, naturally, Portugal are the only EU states to sign the agreement. It has been suggested that this lack of participation could be one of the big drivers for GI advocates to make sure protection of GI:s was included in the TRIPS agreement.20

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18 The full list of contracting parties can be found at WIPO:s website. http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=10 (As of 2014-08-15)
19 The full list of contracting parties can be found at WIPO:s website. http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=2 (As of 2014-08-15)
20 See Hughes, supra note 9, p. 313. For the interested reader Hughes further refers to pre-TRIPS communication of the European Community, see p. 313, footnote 82.
In hindsight one can see how the protection of GI:s has gradually grown, although without a major international breakthrough in its first one hundred years of existence, it has come to lead to the situation today. A situation where the TRIPS Agreement from 1994 has the key role for maintaining and developing the international protection for GI:s, something which be credited to its extensive standard of protection and its fairly large number of contracting parties. A review of the protection of GI:s under the TRIPS Agreement will be accounted for below in Chapter 4.
3. Economics of Geographical Indications

One of the fundamental elements of intellectual property rights is the economic benefits that protection offers. Regarding GI:s the economic aspects differ somewhat from other forms of intellectual property rights protection. For example regarding patents, the legitimate property right holder will be granted a time based monopoly, aiming to encourage innovation by making risk taking and development cost less of a burden as expected returns from the monopoly time period will be higher than in a regular market. This protection will be granted on a product basis. GI protection on the other hand will not protect a specific product. It will not even protect a specific producer. Instead the protection will be targeted to protect the reputation of quality attributes for products deriving from a certain geographical area. Though this reputation of quality wholly or partially can derive from craftsmanship and innovative techniques of production used in that area, the protection itself has little or nothing to do with innovation in a direct sense. It has been said that it sometimes even might hinder innovation. This would be because the GI heavily relies on the terroir of that geographical area, making technological substitutes, even when they constitute what can be seen as improvements for the natural elements of that region, unattractive.

In conclusion the economics of GI can be said to largely lie in the opportunity to establish a preference among consumers by information and differentiation. According to some scholars this would primarily be attractive for experience and credence goods. To understand what an experience good is, it might be helpful to first look at its contrast; the search good. Search goods are products or services

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21 The absolute meaning of patents vary by jurisdictions, however their scope is typically the same. See for example the US Patent and Trademark Office information at http://www.uspto.gov/inventors/patents.jsp - and the UK Intellectual Property Office information at http://www.ipo.gov.uk/types/patent/p-about/p-whatis.htm

22 Josling, What’s in a Name? The economics, law and politics of Geographical Indications for foods and beverages, Discussion paper no. 109, Freeman-Spogli Institute for International Studies, Stanford University 2006, p. 3.

23 ld., p.3.
whose quality easily can be assessed before purchasing. An example of a search good could be the paper this thesis is printed on. Before purchasing the paper the consumer could easily compare it to other papers and evaluate its quality before making a purchase. Experience goods on the other hand are products and services for which the consumer cannot fully know its value until consuming or experiencing said product or service. A common example for this is bottle of wine when talking about products, and health care services when talking about a service. Experience goods are because of their nature typically purchased based on their reputation, as it is virtually impossible for the consumer to gain any insight in its quality by a mere physical examination.24

Credence goods are products and services for which their value will be impossible or near to impossible to evaluate for a consumer, even after experiencing them. Examples of this would be dietary vitamins, education or even business legal advice. The seller of the good might, but not always, know the utility impact of the good, while the consumer typically cannot be sure of this even after experiencing the good. Instead its value lies largely in faith and belief. The consumer will hope that it works and thus ideally think and also experience that it works. Just as the vitamins might have prevented an illness to occur, or the legal advice in the transaction potentially could save the client from future lawsuits, maybe none of it would have happened anyway.25

The reason GI:s primary usefulness is attributed to experience and credence goods is because of the information asymmetries associated with these goods.26 Because the consumer of search goods already can see the quality attributes of the product before or even without knowing the products geographical origin, it has little to

26 See below in Chapter 3.2 for a further explanation of information asymmetries and search costs.
gain from using a GI. However credence goods, where the consumer have a hard
time to determine the quality of the product even with experience, and experience
goods where consumers can minimize information asymmetries by repeated
purchases, thus gaining experience, the GI can constitute an attractive mean of
communication of quality from the producer to the consumer.\(^\text{27}\)

As seen in, for example, the TRIPS Agreement\(^\text{28}\) a lot of the provisions regarding
GI:s take aim at preventing misleading of the public. This has a strong connection
to the GI:s strength as a way for consumers to overcome the informational
asymmetric as described above. However it is also an effective mean for
producers to communicate to consumers but also to hinder competition from
enjoying reputation that is seen as unjustified, so called \textit{free-riding}. Thus it is
obvious that the GI protection is not solely neither a consumer nor a producer
oriented protection. The two most prominent reasons for GI protection in regards
of economics could therefore be said to be producer-protection by differentiation
and protection against dilution, and consumer-protection through protection from
misleading labeling, both of which will be accounted for below.

\section*{3.1. Geographical Indications as Means of Differentiation}

Although GI:s have some characteristics that are beneficial to the consumers it
must be noted that the strongest advocates for GI protection typically are producer
groups. As noted by one scholar, the disagreements on GI protection are generally
not attributed to consumers either, but between different producer groups. To be
able to label goods with a GI can constitute a type of power in the market. This is
because of the monopoly of the GI label, thus all positive associations that
consumer link to the label, can give the benefit of greater profits either by higher

\begin{itemize}
\item[27] Rangnekar, \textit{supra} note 6, p. 2.
\item[28] See Chapter 4.4 below regarding the TRIPS Agreements provisions against misleading labeling
\end{itemize}
price, selling in greater volumes, or ideally both. The principle of using a GI as a mean of differentiation, and the idea to protect it as such, thus can be said to constitute the producer-protection aspect of GI protection. This especially holds true for many cases where the GI itself is not misleading for the public regarding its true origin, but rather free-riding on the reputation a certain GI enjoys. An example of this would be the use of a protected GI along with a corrective label that removes any doubt of the products true origin, such as “California Style Chablis”. Advocates for strong GI protection argue that this kind of free-riding constitutes bad commercial practice and that it risks to dilute the reputation of the GI. As will be demonstrated in their respective chapters of this thesis, this issue is addressed in several of the legal frameworks.

Although producing products with GIs because of these reasons come with a great responsibility for the producers to live up to the qualitative expectations associated with the GI, it cannot be said to effectively constitute a burden for the producers. The observant reader will realize that naturally the producers that operate within the region are not forced name their products after the GI in the unlikely case of a GI with strong negative associations among consumers. The use of GI labels is therefore an option for producers most likely just to be applied in situations where it will add value for them. As one scholar noted, for a firm to transition from a market of perfect competition to the status of a monopolistic competition is a major transformation. Instead of being another supplier of fungible commodities the producer can participate as a specialized product supplier, potentially enabling a stronger negotiation position and bigger financial marginal. Unless this is accompanied by strong information provision related to the GI then it would potentially lead to consumer costs. The scholar refers to previous studies on the economics to GIs to highlight his point, stating that when

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29 Josling, supra note 22, p. 5.
30 Rangnekar, supra note 6, p. 2.
product differentiation increases market power it might lead to a loss for consumers even though producers have gained.\textsuperscript{31}

3.2. Information Asymmetries and Consumers’ Search Cost

The consumer-protection element of GI:s arguably lies in its potential to minimize information asymmetries and to cut consumer’s search cost. For this principle to work naturally the GI needs to be protected in a matter so that other producers cannot mislead\textsuperscript{32} the public regarding the true origin of their goods. The exception to this naturally GI:s which are considered to have become generic and rather describe a certain good than its origin.\textsuperscript{33}

Arguably the most important aspect of a GI is the link between the geographical place, the \textit{terroir}, and the quality and other related attributes that the name of that place is associated with by consumers. For legal reasons it has been said that there must be a link between this terroir and the expected quality or other characteristics of the product. It could be argued that not imposing legal restrictions as such for the registration and or use and protection of GI:s would be impractical as it potentially would flood the system with a vast amount of GI:s that bear little or no real value for consumers nor producers. What is interesting is that this extreme also carries an economic aspect too. If there would be no actual qualitative or other positive characteristic for a good which carries a GI label, and thus likely priced thereafter, one can imagine that the consumers would soon learn this and later on deem the GI as worthless. This discrepancy in knowledge regarding the quality of the product is called an information asymmetry. Information asymmetries may refer to different kind of knowledge gaps between two parties. Typically when dealing with products it will refer to the knowledge gap regarding the quality of the product that exists between the producer and consumer. As not

\textsuperscript{31} See Josling, \textit{supra} note 22, p. 342
\textsuperscript{32} See Chapter 4.3. below regarding potentially misleading GI use.
\textsuperscript{33} Ragnerkar, \textit{supra} note 6, p. 13.
all features and characteristics of a product can be known before the purchase, naturally the producer will have a much greater knowledge regarding the product's quality than what the consumer has. This is a problem that extends beyond just the individual purchase; research has suggest that asymmetries in information can lead to market failures since it can make consumers favour goods or services that are mediocre. Something which they would not have favoured with more information, which would have enabled a rational decision. Ideally this ability to inform through GI:s would result in a reduction of the information asymmetry between producer and consumer, enabling more than just geographical information to be conveyed through the use of the GI.\textsuperscript{34}

The use for GI:s to lower information asymmetries would also benefit consumers by lowering their search costs. Search cost for a consumer is not a direct financial cost but rather the time and energy, or effort, required to find the good or service that matches the criteria and requirements which the consumer has for said good or service at the given price. For products where information asymmetries are substantial then the search cost will typically also be substantial, as the consumer need to spend a lot of time and effort just to get an idea of the quality and characteristics of the product. If this could be efficiently and effectively conveyed through the use of a GI the consumer will cut her search cost considerably. As stated above this holds true especially for credence and experience goods, as a consumer that have tried other goods from the same geographical origin as the GI, will have an idea of the quality and characteristics for that type products of that area. Even without prior experience, a similar effect can be reached if the consumer has heard good things about said product which derives from the area of the GI indicated on the label.\textsuperscript{35} In this manner there are similarities between GI:s and TM:s. The main difference is instead that while the mental shortcuts for reduced search costs given by GI:s will relate to the geographical origin of the


\textsuperscript{35} Moschin, \textit{supra} note 32, p.795.
product, thus allowing it to be used by several producers, while the TM typically only can be used by one producer.\textsuperscript{36}

In conclusion it can be said that in this way the GI can serve an important function for identifying goods which have certain characteristics because of the microenvironment from which they derive, without flooding the market with several identifications, as a TM potentially would. The positive effect for consumers by lowering search costs should not be confused with being GI positive by definition. The experience or rumor of a certain GI labeled product might be either good or bad. The importance is that having that information more readily available will enable the consumer to act a certain way in regards to the product offered. The outcome of the lowered search cost; a preference for, indifference to or rejection of the good carrying the GI can however in its turn lower the search cost even more by the accumulation of experience that will occur over time.

3.3. Limiting Risk of Geographical Indication Becoming a Generic Term

Regarding most intellectual property rights they all have in common the requirement for the object of protection to be \textit{distinctive}.\textsuperscript{37} If the name is not distinctive but merely descriptive few would argue for it to be legally protected as intellectual property. Conversely if a name is very distinctive, and ideally associated with positive qualities and or characteristics, it could be argued that it is important for producers to have the opportunity to by legal means protect infringement and illegitimate use of the name.

Both GI:s and Trademarks are similar in the aspect that the right to legal protection can be eroded in the case where the name have lost its distinctive


\textsuperscript{37} Compare with i.e. TM:s. See Chapter 7.1 below.
character due to becoming *generic*. For Trademarks this would be when the mark no longer refers to a specific product or brand but rather a group of products with similar characteristics, despite who the producer is. For a GI to become generic it means that it no longer is seen as identifying goods from a specific geographical region but goods of a certain character, no matter where the producer of said good is based. As one scholar put it; when a product’s geographic name becomes accepted as signifying the type of product, rather than its geographic source”.$^{38}$

It is vital to note that that despite the contrasts of Trademarks and GI:s in terms of protection itself, i.e. the protection for one specific commercial producer versus the protection of a group of producers who are based in one delimited geographical area, they both carry the risk of losing their protection due to the same factor; becoming generic. This typically happens by an extensive linguistic use of the term, where the original source that the GI indicates is not taken into account. With time the distinctive character of the GI is lost. This is why almost all of the legal protection for GI:s will contain some exclusion from protection of GI:s that has become generic. The risk of losing the monopoly that a GI entitles the producer within the region is naturally a great fear for many producers as it could impact on their business. This has made the debate regarding “genericness” one of the cornerstones of the international GI discussions.$^{39}$ This can be seen when dealing with the contrasting ways to handle GI:s in the EU and the US. The US largely resorts to TM:s to solve protection and legal issues related to GI:s, while GI:s in the EU has their own stance as an intellectual property right. The US also considers many GI:s generic or semi-generic, an approach which the EU does not adhere to. This has resulted in a situation where many GI:s that are considered as under GI protection in the EU, in the US instead are considered generic and therefore under feeble protection or sometimes no protection at all.$^{40}$

$^{39}$ See for example Gangjee, *supra* note 13, p. 69.
4. Protection of GI:s in TRIPS

As mentioned above, after being signed in 1994 the TRIPS Agreement is the multilateral agreement that, through its standard of protection and number of signatory states, holds the greatest opportunity for developing an international protection for GI:s. The TRIPS Agreement is not solely focused on GI:s, but Part II, Section 3, of the agreement is dedicated to GI:s and consist of three articles that: define GI:s and sets out general standards of protection for them, present the additional protection for wines and spirits as well as the requirements of future negotiations, largely aimed at increasing protection for wines and spirits, as well as exceptions from GI protection.41

4.1. TRIPS Definition of Geographical Indications

The definition of GI:s is found in Article 22.1 and is best to be cited in whole:

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.

The observant reader will notice the subtle but vital differences between what is covered by the Madrid Agreement (Indications of source; geographical origin with direct or indirect connotation), the TRIPS Agreement (GI; geographical origin with direct or indirect connotation plus a quality, characteristics or reputation requirement) and the Lisbon Agreement (Appellations of origin; geographical origin only with direct connotation plus a quality or characteristics requirement (reputation not covered)).

41 Part II Section 3, Article 22 – 24, TRIPS Agreement.
4.2 The Floor Protection and Minimum Standards

Article 22 is said to hold the floor protection for GI:s of the TRIPS Agreement. This is referring to the fact that it covers all type of products, while some products enjoy a more extensive protection under other articles. What is clear is also that the protection only covers products (“good[s]”), thus services are not covered. Nevertheless the protection given by Article 22 is rather strong put in a historical context. Article 22.2 states that every member\(^{42}\) state is obliged to provide legal means for interested parties to protect their GI:s against misleading use or that is unfair competition in accordance to the Article 10bis of the Paris Convention.\(^{43}\) Article 22.3 states an requirement for the member state to *ex officio* refuse or invalidate registration of a TM, if the TM consists of, or contains, a GI, if it is misleading of the true origin of the product. So called deceptive use. Article 22.4 in its turn states that the definition of a GI in 22.1 as well as the protection of it given in 22.2 and 22.3 also applies to products which use indications that literally can be said to hold true but which misleads the public to think the good originates from another territory than it actually does. What must be noted about this GI protection is that it covers even goods which are merely implying a certain origin, even though this is not done by a place name. This can be made through, for example, “words/phrases, iconic symbols and emblems, scripts and pictorial images, etc.”.\(^{44}\) This is one of the key differences between the Lisbon Agreements *appellations of origin* and the TRIPS GI:s.\(^{45}\)

4.3 Extended Protection of Wines and Spirits

In Article 23, the second TRIPS article regarding protection of GI:s, there is stipulated a more extensive protection of certain goods, than what the floor protection

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\(^{42}\) Member of the WTO.

\(^{43}\) See Chapter 2.1 regarding the discussion of the Paris Conventions Article 10bis and its importance for the TRIPS Agreement GI-protection, and Hughes, *supra* note 9, p. 311.

\(^{44}\) See Rangnekar, *supra* note 6, p. 10.

\(^{45}\) See The Lisbon Agreement, Art 2 (1) and Chapter 2.1 above.
Protection in Article 22 gives. These goods are namely wines and spirits. Similarly to Madrid Agreement this means that no extra protection is offered for agricultural products such as cheese or meat products. Despite having the same purpose as Article 22 and despite the fact that Article 22 also encompass wines and spirits, Article 23 due to its structure extends this protection. This is done by stipulating that it is the responsibility for every member state to provide satisfactory legal means to any interested parties to protect wrongful use of GI:s. Wrongful use in terms of Article 23 constitutes identifying wines or spirits as originating from a place (that is protected as a GI) from which they are not. This applies even in the situation where this identification is followed by any type of corrective label such as “type” or “style” as well as if the actual origin also is indicated on the product. This is what sets the extended wine and spirits protection apart from the floor protection in Article 22, as presented above, where the use of a GI is seen as legitimate as long as it is accompanied by such corrective label.

Article 23.4, which is the final paragraph of Article 23, states that negotiations must be held in the future, with the aim of establishing a “multilateral system of notification and registration” of GI:s for wines, which would better protect GI:s for wines internationally. However the observant reader will notice that the paragraph only prescribes negotiations of the establishment of such mechanisms, and not the mechanisms themselves nor does it stipulate any deadline for the implementation of such.

4.4 Article 22 versus Article 23: Misleading and Corrective Labels

As stated above the wordings of Article 22 and Article 23 will, at a first sight, appear rather similar. However by looking closely at the actual protection afforded this notion cannot be said to hold true. The 22nd Article of the TRIPS agreement only prohibits the use of GI:s in the case where they can be said to mislead the public or if it can be said to constitute unfair competition. In practice
this means that when dealing with goods which only afford the “floor protection” of Article 22 (everything except wines and spirits that is, e. contrario of Article 23) the use of a corrective label can make the use of a GI acceptable. Because of the requirement for the use to constitute a false misrepresentation for the prohibition in Article 22 to be applied, it can effectively be circumvented by the addition of a corrective label. For example “Roquefort” is a GI for cheese made in that region. If a Swedish producer wishes to call her cheese “Roquefort” it would not be a breach of TRIPS Article 22 as long as it is accompanied by a corrective label such as “Roquefort style cheese from Sweden”.

Regarding Article 23 this is not the situation. Article 23 prohibits the use of a GI in any way and does in contrast to Article 22 not limit itself to situations where the public is misled. It is therefore not required to prove that there is a risk of confusion or unfair practice when dealing with misuse of GIs for wines and spirits. This means that for the products protected under Article 23 it will always be a wrongful use of a GI if a product is labeled as originating from that area when it is not, even if accompanied by such corrective labels as described above. It should be observed however that the protection of Article 23 only applies when the GI is used for wines or spirits not originating from the area. It can be said to be targeting wines and spirits as a product category for which the protection applies. For example the American biscuit producer Pepperidge Farm who uses the name Bordeaux for one of their biscuit products can do so without violating the TRIPS protection for GIs, while naming a wine product which such a name would be a misuse as defined by Article 23. However Article 22 might still apply. If the good is found to be misleading the public, or resulting in unfair competition, the protection for Article 22 will apply. If, as in the case above, the true origin of the product is not the same as the GI – and the public has been effectively mislead thereby – it would be considered a breach of Article 22.

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46 Addor and Grazioli, supra note 12, p. 27.
47 Hughes, supra note 9, p. 317 – 319.
48 Addor and Grazioli, supra note 12, p 882.
The reason that GI:s primarily identify the designations on a categorical basis, as noted above with wines as an example, is largely economical and related to the problem of free-riding. This is because the economic aspect of free-riding is seen as particularly beneficial and attractive for products within the same category, and the economic damage the biggest for the lawful producers.

In conclusion this means that the legitimate users of a GI, who wishes to prevent illegitimate use of a GI, will have different burdens of proof depending on if the product is just affected by Article 22 or if it, as a wine and spirit, also enjoy the protection of Article 23. In the case of wines and spirits the legitimate users of the GI only needs to show that the illegitimate product does not originate from the area that the GI indicates. For interested parties this burden is much lighter than the demand to prove public misleading or creation of unfair competition as in Article 22. As noted by one scholar, this makes the protection under Article 23 both more efficient, effective as well as cheaper to enforce.

Both Article 22.3 and 23.2 respectively, deals with the relationship between GI:s and their relation to TM:s. Member states are obligated to provide legal means, in their national legislation, to invalidate or refuse any registration of TM:s that contains a GI not originating from the territory indicated for wines and spirits (Article 23.2), but for other products only if the use of that GI is misleading to the public regarding its true origin (Article 22). Both Articles stipulates that this should apply at the request of an interested party or ex officio by the country in which the application is made.

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49 For more information see Chapter 3. below regarding the economics of GI:s
50 Addor and Grazioli, supra note 12, p 882.
51 Id.
4.5 Exceptions from Protection

As mentioned above the protection for GI:s that is offered in Article 22 and 23 of the TRIPS Agreement is not unconditionally universally applicable – there are a few exceptions. These exceptions can be found in the 24th Article of the agreement. These exceptions are a way to render some of the provisions of the previous articles as obsolete and thus can be said to represent a safety valve of the TRIPS Agreement to better accommodate the current international disagreements regarding the extent of GI protection. During the TRIPS negotiations disagreements on the extent of protection were present. By putting Article 24 in contrast to the lack of corresponding articles regarding other intellectual property rights in the TRIPS Agreement, such as patents and copyrights, it is clear that this is a reflection of the international gap of attitude towards GI:s that exists among the Member States. Article 24 contains three main categories of exceptions, found in Article 24.4, 5 and 6 respectively, for which will be accounted below, as well as I 1 which is an agreement for further negotiations to increase the protections of GI:s offered by Article 23.

The first exception, Article 24.4, takes aim on wines and spirits and states that Member State are not required to prevent or take actions against “[..]continued and similar use” of a GI by local producers provided that the producer has used this GI “[..]in a continuous manner with regard to the same or related goods”, as long as this labelling of goods has been in practice for at least, or in good faith, exceeding 10 years preceding the 15th April of 1994. Put into context with Article 24.1 it is clear that there is a wish amongst many, though evidently not all, of the Member States to strengthen the protection of wines and spirits. Article 24.4, as suggested by Goldberg, that this shows by its acceptance for already executed and incorporated GI use which would have been seen as illegitimate under Article 23 if first initiated as of today.

52 Hughes, supra note 9, p. 320.
53 Goldberg, supra note 38, p. 121.
Compared to Article 24.4, Article 24.5 is more neutral in its nature as it does not take aim at a specific type of good like wines and spirits. It states that Member States can introduce the GI protection as in Article 22 and 23 without “prejudice” validity for the registrations made of TMs solely on the basis that such TMs is identical with, or similar to, a GI. This exception is however dependent on a few factors. The TM at hand must have been “applied for or registered in good faith”. It must also have been applied for or registered before that GI became protected in its country of origin or at least before the TRIPS Agreement came into force. This also applies for the situation when the TM has been acquired by use, as long as that use was in good faith. In conclusion this means that TMs applied for, registered or used in good faith before the Member State entered TRIPS can trump GI:s. An example of this is the “Parma” ham TM in Canada. The Canadian producer had registered its TM before TRIPS came into force in Canada and was therefore able to continue the use of its TM despite the fact that it, if introduced today, would be an obvious breech against Article 22 due to the famous Italian GI of Parma ham.54

The third exception is the one in Article 24.6 and it deals with the important aspect of generic GI:s. A GI can be said to have become generic when “[..] a product’s geographic name becomes accepted as signifying the type of product, rather than its geographic source”55, or as put in the Article itself when the GI is “identical with the term customary in common language as the common name for such goods or services in the territory of that Member”. In that case, according to the article, no Member State is required to take action against producer using that generic GI as their own. The second sentence of the article relieves Member States from protecting even wine GI:s, as long as the GI is identical to the customary name for a certain grape variety that already existed in the member state when entering the WTO Agreement.

54 Hughes, supra note 9, p. 319.
55 O’Connor, supra note 36, p. 95.
Taking into account the strong provisions for wine GI:s and its protection against becoming generic that is offered in Article 23, the relief offered by Article 24.6 is not without controversy. It is these exemptions that have enabled wine producers of Argentina to continue to label their sparkling wine as “Champagne” despite having entered the TRIPS Agreement. What in France (and many other Member States) is considered a protected GI is in Argentine considered a generic, customary, term for that type of wine.\textsuperscript{56} As pointed out by one scholar, there are more countries than Argentina in which “Champagne” can be said to have become the generic term for sparkling wine. The US is one of them and it is not surprising to see that Californian wine producers still label their sparkling wine as “Champagne”, although often accompanied by a corrective label.\textsuperscript{57} Even though the results of Article 24.6 becomes more apparent when put into context with wines it must be noted that it covers all type of goods. One notable example is “Feta”, which recently has been admitted by a number of European governments as a generic term for a specific type of cheese, rather than cheese specifically from the geographical area of Greece with the same name. Namely the German, Danish and French governments whereas the latter typically have held a very firm attitude toward GI:s possibility of becoming generic. To no surprise the Greek government does not agree in the matter.\textsuperscript{58} 

Article 24.7 aims to offer further legal security to TM-holders by adding to the exceptions from GI protection. This is done by imposing a time-limitation for objections against the use or registration of a TM. Any party that wishes to object the use or registration of a TM which contains or implies a GI must do so within five years of that “adverse use” becoming “generally known” to said party, or within five years of the TM being registered. As with the other exceptions this use or registration must have been done in good faith for the TM-owner to be able to appeal to Article 24.7. Article 24.8 offers anyone the right to use their own name

\textsuperscript{56} Hughes, supra note 9, p. 319.
\textsuperscript{57} Id., p. 374.
\textsuperscript{58} O’Connor, supra note 36, p. 96.
in business, even though it is identical to a protected GI. However this only holds true provided that it does not mislead the public regarding the true origin of the good.

Article 24.9 contains the last exception of GI protection, which says that a TRIPS Member State only is responsible to protect a GI which has gained protection in its own country of origin. A GI that for some reason is unprotected or seen as generic in its country of origin will therefore not have to be protected in other Member States. While this rule is very important theoretically it must been said that, taking into account the political and economic importance of many GI:s, it is very unlikely that a Member State in practice would consider their own GI:s as generic.

**4.6 Conclusion**

In conclusion it can be said that the TRIPS Agreement, taking into account its number of Member States, gives an extensive protection for GI:s, especially those which are either wine or spirits. However as can be seen above the TRIPS Agreement has been coloured by the international disagreements regarding the extent of the protection. The result of this, Article 24, erodes a lot of the protection offered by its preceding articles. The responsibility for each Member State to independently implement the protection of TRIPS might serve its purpose but it also renders legal uncertainty for international GI protection, as the TRIPS Agreement is unable to create an international harmonious system to handle legal questions regarding GI:s.
Protection of Geographical Indications in the European Union

The EU has taken a *sui generis* approach to GI:s and have imposed a number of legal frameworks specifically intended to protect GI:s as a separate intellectual property right. These are typically regulations which in their turn are directly applicable in the EU Member States, without requiring national implementation. Notable regulations are Regulation 509/2006 on agricultural products and foodstuffs as traditional specialties guaranteed, Regulation 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, and Regulation 497/2008 on the common organization of the market in wine. Both of the regulations from 2006 have recently been replaced by a new regulation which aims to provide GI protection for agricultural products and foodstuffs; Regulation 1151/2012. However the two regulations from 2006 will also be accounted for below as their history gives a background for the evolution of GI protection within the EU.

Traditional Specialties Guaranteed

In 2006 the Regulation 509/2006 on Agricultural Products and Foodstuffs as Traditional Specialties Guaranteed (hereafter TSG) came into force. The regulation was designated to be applied for agricultural products which were intended for human consumption and other type of “foodstuffs”, which the

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regulation define in its annex in list form. Examples of included products are beer, pasta, bread, soups as well as chocolate.\textsuperscript{63}

The reason for the introduction of TSG was, according to the EU, to encourage diversification of agricultural products. This would, according to the EU, lead to an increase of farmers’ revenues, promote rural economy. The EU also states that it would increase the market value of products by the added possibility of making the goods distinguishable from its competitors as well as lowering consumer search costs as it would enable them to make more informed choices based on these identifications. The latter being comparable to the differentiation aim and lowering of consumer search costs as presented for GI:s in the TRIPS Agreement above.\textsuperscript{64}

According to the regulation TSG:s, the goods which it aims to protect, are “traditional” names for “traditional” agricultural and other foodstuff products which are produced in a “traditional way”, which in its turn is recognized for its “specific character”. The definitions of what the regulation aim to protect can be found in its Article 2.1. Traditional is defined as having a “proven usage on the Community market” which last over generations. One generation being a human generation, set to be at least 25 years. Specific character means that the characteristics of the product clearly separate it from other similar products of the same category.\textsuperscript{65}

For a TSG to be recognized it must be registered with the commission.\textsuperscript{66} In order to be eligible for registration the product must "either be produced using

\textsuperscript{63} Regulation 509/2006, Article 1.1(a) and 1.1(b) which refers to Annex 1.
\textsuperscript{64} The rationales and aims of TSG:s are explained before Article 1 in the Regulation 509/2006. The summary of the regulation also gives a straight forward explanation of these can be found at the EU:s website: http://europa.eu/legislation_summaries/agriculture/food/l66043_en.htm (Last Checked 2014-08-15)
\textsuperscript{65} Regulation 509/2006 Article 2.1
\textsuperscript{66} Regulation 509/2006 Article 3
traditional raw materials or have a character which consists by a “traditional composition or a mode of production and/or processing reflecting a traditional type of production and/or processing.” The name must in its turn be either specific in itself or convey the specific character of the product. The name must be traditional and follow national legislation or be “established by custom” and names with descriptive characters may not be misleading.69

In conclusion it can be said that TSG:s does not aim to specifically protect the geographical origin of products, such as the GI:s of the TRIPS Agreement do. It rather seems to aim for consumer-protection and information asymmetry minimization through direction attention towards the raw materials and ingredients used in the production. This consumer-protection rationale can arguably be seen in the prohibition of misleading names as seen above in Article 4.3 (b). However it should be noted that through the Regulation 509/2006 there is no mention of the use of corrective labels, why it is unclear if the use of such would allow a product to evade being seen as misleading in situations where it would have been seen as misleading without said corrective label.

5.6 Designation of Origin and Geographical Indications

In the same year, 2006, another regulation came into place; regulation 510/2006 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs. The regulation introduced two doctrines for GI protection, which the TSG doctrine did not offer. This was, as the title of the regulation suggests, the Protection of Geographical (hereinafter PGI) Indications and the Protection of Designations of Origin (hereinafter PDO).

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67 Regulation 509/2006 Article 4.1
68 Regulation 509/2006 Article 4.2 (a) and (b)
69 Regulation 509/2006 Article 4.3 and 4.3 (a) and (b)
Similarly to TSG:s, for a product to enjoy protection under any of these two doctrines it must be registered. Just as with the case for TSG:s the application for registration is ought to be done by a group of producers.\(^70\) If the name that the producers want to register is considered generic it cannot be registered. Conversely if the name is registered it cannot become generic.\(^71\) Because of this, the introduction of PGI:s and PDO:s in the EU can be said to represent an important aspect of the different views of GI protection that exist between the EU and the US. While a registered GI in the form of PGI or PDO never can become generic, the registered TM of a GI in the US still can.\(^72\)

Both PGI:s and PDO:s have been integrated in the Regulation 1151/2012 and the difference between PDO:s and PGI:s largely lies in their respective requirements for protection. For a product to enjoy protection as a PDO it must solely originate from the geographical area that the label indicates. This means that all lines of production, including processing and preparation, must be executed in the specific area indicated by the product label. The product must also have qualities and or characteristics which “essentially or exclusively due to a particular geographical environment with its inherent natural and human factors”\(^73\). The requirement for a quality or characteristic connection to the microenvironment is comparable to the use of the term terroir in the GI debate. The human factors have no direct connection to the terroir but will typically consist of craftsmanship and tradition that have been passed through generations amongst producers in the specific area.\(^74\)

The relative high and strict requirements for the direct connection between the PDO product’s label and its geographical origin can be seen in the case of

\(^70\) Regulation 510/2006 Article 5.1 and Article 13.1
\(^73\) Regulation 1151/2012 Article 5.1 (a), (b) and (c).
\(^74\) Hughes, *supra* note 9, p. 325.
Consorzio de Prosciutto di Parma v. Asda Stores Ltd. where the European Court of Justice in Luxembourg ruled that the British company Asda Stores Ltd. could not call its ham Parma ham (the registered PDO “Prosciutto di Parma”). While the ham which Asda sold came from the Parma region in Italy, which is the origin of the prestigious GI, it was sliced and packaged in the UK thus not fulfilling the requirement in Regulation 1151/2012 Article 5 that demands full production and preparation in the geographic region which is specified on the label. Not even Asda’s upscale Parma ham, sliced right in front of the customer in their UK stores, was seen as sufficient to fulfill the EU PDO requirements. The court expressed that: "Maintaining the quality and reputation of Parma ham justifies the rule that the product must be sliced and packaged in the region of production" and that he slicing and packaging of the ham "constitute important operations which may damage the quality and authenticity, and consequently the reputation, of the PDO if those requirements are not complied with". In conclusion this judgment shows the seriousness and literal construction of the requirement for full production within the geographical region which the PDO refers to as well as brining attention to the importance of not only microclimate but also the local craftsmanship and skills (“human factors”).

The requirements for qualifying as a PGI can be found in the regulation 1151/2012 Article 5.2. The requirements for the PGI are very similar to those of a PDO. However Article 5.2 (b), which deals with PGI:s, only requires a quality, characteristic or reputation which “essentially” relates to its geographical origin, while 5.1 (b) for PDO:s requires “quality or characteristics [that] are essentially or exclusively due to” the microclimate. There is also a difference regarding the requirement for execution of the production. Goods using PGI labels must only have one (or more) of the production steps executed within the geographical area that the label indicates as the goods origin. This means that if Parma ham was a PGI instead of a PDO it would be fully legitimate for Asda to call their Parma produced but UK sliced ham “Prosciutto di Parma”.

75 C-108/01, Consorzio de Prosciutto di Parma v. Asda Stores Ltd.
While Article 5.1 and Article 5.2 takes aim on PDO:s and PGI:s respectively, Article 7 constitutes of requirements which applies to both these kinds of GI protection. What the article states is that for GI labeled products that are either of agricultural character or foodstuffs they must comply with product specification to acquire protection as either a PDO or a PGI. The content of this specification is quite extensive and covered in Article 7.1 (a) through (h) and can be summarized as an description of the product at hand, whether an agricultural such or foodstuff, the GI which is used, raw materials and/or characteristics of the product, evidence that the product adheres from this geographical area, detailed information of the acquirement and for PDO:s product-specific justification as to why the packaging must take place in the defined geographical area. In Article 7.1 (f)(i) and (f)(ii) it is also stipulated that the specification must contain a description of the link between the products quality and/or characteristics and the microenvironment of the GI in the manner required by Article 5.1 and 5.2 respectively.

After the PDO or PGI have been registered it will enjoy an extensive protection from misuse within the EU. This protection can be found in the Article 13 of the regulation and it does not differentiate between PDO:s or PGI:s. Article 13 grants protection of the registered name for any direct or indirect commercial usage of the name by products not covered by the registration (a). This use also covers imitations of the name where “style”, “type”, “similar” and other corrective labels have been used (b), any other false or misleading indications with relation to the origin or qualities of the product (c) as well as a consumer safety protection (d). The protection for consumers is similar to the one in TRIPS, which is a prohibition against labels that might mislead the consumer regarding the true origin of the product or foodstuff. As stated above this protection is extensive to its character and the observant reader will note that it matches the highest level of

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76 Regulation 1151/2012 Article 7.1
GI protection offered in the TRIPS Agreement. While Article 13.2 states that, once protected, a PDO or a PGI:s name cannot become generic, Article 6.1 states that, conversely, generic terms cannot be registered as a PDO nor a PGI. Thus a PDO or a PGI cannot be used to “take over” a term which is already generic.

5.7 The European Union Protection in Relation to Trademark

Regarding the relationship between the EU protection of GI:s, through its PDO and PGI regimes, and TM:s it must be noted that while both registered PDO:s and PGI:s are protected against TM registration of names that are identical or similar. However the opposite does not necessarily hold true. It is possible to register a GI as a PDO or PGI even in the cases where a TM with the same GI already exists, as long as that PDO or PGI does not mislead consumers as to the true identity of the product. This distinction is notable because it not only shows the EU:s tendency towards favouring GI:s over TM:s but it also conveys how consumer protection, and not only produces interests, is seen as the reason for a potential registration rejection.

5.8 The Protection of Wine

Similarly to the TRIPS Agreement the EU also have regulations specifically targeting the protection of wine products. In the EU this is done through Regulation 479/2008 on the Common Organisation of the Market in Wine, a

77 If put side by side for comparison it can be seen that the protection offered in Regulation 1151/2012 Article 13.1 (a) through (d) matches the additional GI protection offered for wines and spirits offered in the TRIPS Agreement 23.
78 Regulation 1151/2012 Article 13.1 says registered PDO:s and PGI:s should be protected while Article 14.1 states that what is protected under Article 13.1
79 Regulation 1151/2012 Article 6.4
80 A more detailed analysis of GI:s as a whole and their relation to TM:s can be found in Chapter 7.1 of this thesis.
regulation which aims to cover both PDO:s and PGI:s regarding wine products. The protection itself is very much like the protection for all goods in Regulation 1151/2012 as described above and, similarly to said regulation, the Regulation 479/2008 also demands proof of a link between the wine product, its quality and characteristics and its geographical origin. The definition and requirements to be seen as a PDO or PGI according to the regulation can be found in its Article 31.1 (a) and (b). It is very much similar to the requirements in Regulation 1151/2012 regarding PDO:s and PGI:s but with the addition that a wine, to gain protection as a PDO, must have grapes exclusively from the geographical area indicated on its label, while the PGI:s corresponding requirement is set at 85 percent or more.\footnote{Regulation 479/2008 Article 34.1 (a)(ii) and (b)(ii)} The relation between wine PDO:s, PGI:s and TM:s corresponds to the relation for other products given in Regulation 1151/2012 as described above in Chapter 4.3 The European Union Protection in Relation to Trademark.\footnote{See Regulation 479/2008 Article 44.2 and 45.2 in comparison to Regulation 1151/2012 Article 6.4, 13.1 and 14.1.}
6. Protection of Geographical Indications in the United States of America

The protection of GI:s in the US have many differences from its European counterpart. The most obvious difference is, but not limited to, the foundation on which it rests. In contrast to the EU:s *sui generis* approach, the US instead bases its GI protection on a TM regime.\(^{83}\)

The great differences between protection offered for GI:s in the EU and the US has been suggested to rest largely on the opinion that from an American point of view “almost all advantages from [protection of] geographical indications would accrue to European countries.”\(^{84}\) Taking this into consideration it is not surprising that the US would feel no urge to tailor a protection system for that specific intellectual property right. Instead the available protection has to be sought in already established legal frameworks such as unfair competition law and, as suggested above, TM law.\(^{85}\) It should be noted that this distinction between the EU and the US system, while significant to its character, does not mean that a GI would be unprotected in the US. While the protection is rather commercial origin oriented rather than geographical origin oriented, there are GI:s in the US. Examples of such include Idaho potatoes, Florida oranges and Washington State apples.\(^{86}\)

To rest the protection on TM law has however resulted in complications for GI:s, since they by definition are referring to geographical places which by US TM law typically is seen as descriptive and therefor are not likely to become protected as a

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\(^{84}\) Hughes, *supra* note 9, p. 331.

\(^{85}\) Goldberg, *supra* note 38, p. 136.

\(^{86}\) USPTO, p.1.
Nor does the US protect GI:s that are generic for goods or services. Once considered generic, any producer is free to use that GI for its products. According to US law GI is generic when “so widely used that consumers view it as designating a category of all of the goods/services of the same type, rather than as a geographic origin.” Conversely however, a GI that over a prolonged period of time has been used in a way so that it, to consumers and the general public, instead is synonymous with the identification of a particular company or manufacturer, rather than the geographical area, it can instead be seen as describing the source of the good. In US TM law this phenomenon is dubbed that the name acquires a “secondary meaning” referring to that the first meaning to consumers is the geographical origin of the product and the secondary meaning of the name is the commercial source. If a GI gains this secondary meaning, despite the descriptive nature of the GI name, it can be said to have “source-identifying capacity”, which renders it protectable under US TM law.

Perhaps the most well-known and influential legal framework for GI:s in the US is the US Trademark Act of 1946, also referred to as the Lanham Act, and the Alcohol and Tobacco Tax and Trade Bureau (TTB), which will be accounted for below in Chapter 5.1 and Chapter 5.2 respectively.

### 6.1 The Lanham Act: Certification Marks and Collective Marks

Unsurprisingly the differences between the GI protection in the EU and US systems are not without differences in terminology for said legal frameworks.

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87 Josling, *supra* note 22, p. 12. Also see USPTO, p. 5: “[a] geographic terms or signs are not registrable as TM:s if they are geographically descriptive or geographically misdescriptive of the origin of the goods (or services)”
88 USPTO, p. 1.
89 Trademark Act (1946) [cit. Lanham Act], 15 USC §§ 1051 – 1127.
90 Labeling Laws and Regulations can be found at http://www.ttb.gov/labeling/laws_and_regs.shtml - (Last viewed 2014-08-15)
With the exception of TM:s the two key terms for GI protection in the US are *certification marks* and *collective marks*.\(^91\)

The Lanham Act stipulates that geographic names and signs which could, as described above, be seen as geographically descriptive and therefore not possible to register as TM:s, can be registered as certification marks. This applies to 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.”\(^92\) There are three kinds of certification marks; regional or origin-related, material, quality or other type of characteristics-related and work, labour or skillset-related indications. These categories are non-exclusive, meaning that the same mark can be used to certify more than one of the named indications. One example of this is Roquefort, which is registered in the US and is used to indicate cheese that is not only manufactured by sheep milk but also cured in the caves in Roquefort, France, and in accordance to their traditional manufacturing process, thus combining all three indications for one mark.\(^93\)

The ownership and user structure of certification marks differ from both TM:s and GI:s. The owner of the certification mark is prohibited from using the mark herself, nor can any producer within that region use the mark as they please. Instead the owner of the mark has the authority to authorize use of the mark by others. This would typically be done after controlling that these producers live up to certain characteristics and requirements established by the owner.\(^94\) The rationale behind this is suggested to be consumer protection rather than producer favouring and efficiency of said protection arguably lies in the fact that it is someone other than the producer who guarantees the products quality and characteristics.\(^95\)

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\(^{91}\) Both of the terms which are introduced and defined in the Lanham Act, 15 USC § 1127.

\(^{92}\) USPTO, p. 2.

\(^{93}\) USPTO, p. 2 – 3.

\(^{94}\) USPTO, p. 3.

\(^{95}\) USPTO, p. 3.
The other type of mark, collective marks, itself has two sub-marks; collective TM:s or collective service marks and collective membership marks. The first is a mark used by an organized collective group, such a union or a cooperative, for which use is exclusive to its members using the mark do differentiate themselves from non-members and their product or services. Similarly to certification marks the owner itself, for example the collective entity itself but not its members, will not sell any goods or services under the collective TM. However it might advertise and promote the image of goods using the mark which it owns. A collective membership mark is a mark whose purpose is to show that the producer using the mark is a member of an organized collective group, such as a union. In contrast to the other collective marks the collective membership mark does not aim to differentiate any good or services but rather just bring attention to the producers’ collective group membership.\(^96\)

**6.2 Special Geographical Indication Protection of Wines and Spirits**

The US, similarly to the EU, have special regulations regarding the protection of geographical indications, although referred to as “having geographical significance”, together with other kinds of labeling, for both wines and spirits. This is regulated through statutory provisions issued by the Alcohol and Tobacco Tax and Trade Bureau. These provisions can be found in Section 205(e) of the Federal Alcohol Administration Act under Title 27 - Code of Federal Regulations (CFR). The 27 CFR contains several parts of which part 4, 5 and 7 regulates the labeling of wine, distilled spirits and malt beverages respectively.\(^97\)

\(^{96}\) As described by the Trademark Trial and Appeal Board in the case *Aloe Creme Laboratories, Inc. v. American Society for Aesthetic Plastic Surgery, Inc.*, 192 USPQ 170, 173 (Trademark Trial and Appeal Board, 1976)

\(^{97}\) The provisions can be found at the Alcohol and Tobacco Tax and Trade Bureau website: http://www.ttb.gov/labeling/laws_and_regs.shtml - last checked 2014-08-15.
In 27 CFR Part 4(24) it is stated that geographical indications for wines either are generic, semi-generic or non-generic. If a wine is to be considered generic or semi-generic is decided by an Administrator appointed by the TTB.\textsuperscript{98} Regarding what is considered to be generic it is stipulated in Part 4(24) (a)(1) that it is when the geographical indication also is seen as the “designation of a class or type of wine”, thus it differs little from the EU view on genericness. The biggest difference here is instead the addition of the term *semi-generic*. According to the same articles (b)(1) a semi-generic geographical indication is also one which is considered a “designation of a class or type of wine” however it can only be used on labels of wines not originating from that area if that label also contains an “appropriate appellation of origin disclosing the true place of origin of the wine”. This means that a producer outside of a protected region can still use that regions name provided that it is found semi-generic by the TTB appointed administrator and that the producer include the true origin of the wine in connection to the geographic indication that is used. This shares many similarities with the corrective labels found in TRIPS Article 22. Although TRIPS Article 23 prohibits the use of such labels mending a wrongful use of a GI, thus the outcomes in practice oppose each other. Part 4(24) (a)(2) lists Vermouth and Sake as examples of generic names, and its (b)(2) lists several semi-generic names, namely such as Burgundy, Champagne and Sherry. Champagne’s status as a semi-generic name in the US is thus what has enabled some wine producers in California to name their sparkling wine “California Style Champagne”. Conversely however non-generic names are, as described in Part 4(24) c(1) geographic indications that have not yet been deemed as neither generic nor semi-generic by the appointed administrator. Examples of such are named in (c)(3).

\textsuperscript{98} See 27 CFR Part 4(24) (a)(1) and (b)(1)
7. Comparison of the Trans-Atlantic Protection of Geographical Indications

As both the EU and the US have entered the TRIPS Agreement it is their task to implement the standards for GI protection on a national level. This can be done in two ways: either through a specific protection for GIs, as in the EU, or through a TM-based system. While EU has chosen to do it through specific GI protection, the US has instead utilized the TM-based approach. However after reviewing how GIs are treated in the EU and in the US, and put into context with the negotiations behind the current state of the TRIPS Agreement, it is also evident that the biggest difference between how GIs are treated and protected is not only their legal vehicles, but also in how they relate to already existing TMs which share an identical or similar name. To better understand this rationale it is important to compare and analyze the different dynamics of both GIs as well as TMs as intellectual property rights. In this chapter conflicts that might arise because of these differences will be reviewed and put into context with the different attitudes towards GI protection that the EU and US have.

7.1 What are the Differences between Geographical Indications and Trademarks?

"The main advantage of geographical indications as a means of protection for informal innovation is the ‘relative impersonality’ of the right, i.e. the protected subject-matter is related to the product itself (its attribute or definition) and is therefore not dependent on a specific right holder. In fact, while other IPRS are necessarily attached to a single and clearly distinguishable right holder, geographical indications are not."  

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99 As explained above in Chapter 5. for the EU and Chapter 6. for the US.
As noted in this thesis GI:s and TM:s both share many similarities. In essence they have the same aim, which is to indicate the source of the product and protect the associated There are however many differences between GI: and TM:s too. While a TM identifies the commercial origin of a good, a GI identifies the geographical origin of that good. In essence the TM works to differentiate the good of a certain producer from any other good in the market, while the GI aim to reach differentiation through implying that it has certain qualities that goods from that region typically enjoy. This however also means that protection as a GI can only be granted as long as the product also have the qualities, characteristics or reputation that is to be expected by goods from the area of that GI. For a TM no such requirements exist, it lies only on the producer to decide the quality of the product which carries the TM.101

Opposed to GI:s, while TM names, often in the form of certification marks, can imply that the goods are produced in a certain area, their names are not predetermined by the place of production. This is where yet another difference comes to question; the one regarding the ownership rights to the intellectual property. Since GI:s indicate a certain geographical origin, and not a certain producer, they are unlike TM:s not an individual102 ownership right and they cannot be licensed to third parties. They are still an exclusive intellectual property right as they are limited to producers who meet certain criteria, namely those related to terroir and traditional craftsmanship of that area. An example that highlights this difference would be the case of the protected GI “Café de Colombia”, which only can be used by coffee producers in Colombia, while a TM such as “Starbucks Coffee” can be used for coffee of any geographical origin.103

101 O’Connor, supra note 36, p.113.
102 The Lanham Act 15 U.S.C. § 1127 (2004) defines a TM as: “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.
103 O’Connor, supra note 36, p.113
Another important often overlooked aspect when talking about the differences between GI:s and TM:s is that they are not mutually exclusive. It is very likely in most cases, producers who enjoy GI protection typically enjoy a TM protection for their individual brand name. For example the Champagne producer Moët & Chandon enjoy a TM protection for their commercial name simultaneously as enjoying, among other producers, rights to the GI Champagne.

TM:s and GI:s also differ in the case of homonymous names, which are names that are spelled and pronounced the same albeit having different meanings. Once a TM is registered then only the owner of that intellectual property right is allowed to use the name. For a GI however there might be situations where another geographical area has the same, or a very similar, name. As the aim of GI protection is to ensure the products that are using a GI label are indicating their true origin, then the existence of homonymous GI:s must be allowed as they in practice designate the true origin of the good, this fact does not change merely because another location has a similar name. However this could result in a weaker producer-protection, as the differentiation potential diminishes, as well as a weaker consumer-protection, if the label would in effect mislead consumers to expect certain qualities from the product for which it could not meet. However this problem only arises when the GI-labeled goods are in the same market and otherwise similar or identical. This has been partially addressed in the TRIPS Agreement Article 22.4 and 23.3 for all goods and wines and spirits respectively.104 One example of a homonymous GI is *Rioja* which is a region both in Spain as well as in Argentina and it is used for wine produced there in both of these regions.105

Other aspects of TM:s are that while they are not geographical, they are to some extent *regional*, meaning that there can exist a TM in one jurisdiction with the exact same name as a TM in another jurisdiction. This is in no way to be confused

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104 Id., p. 104.
105 Id.
with the acceptance of homonymous names as presented above, since this only is applicable when the TM:s operate on separate national markets. Once the producers start to cater to the same market a TM conflict will ensure.\textsuperscript{106} One example of this is that there is a “Budweiser” TM registered in the Czech Republic as well as one registered in the US. Both of these TM:s are valid in their own national markets, however as they both operate in the same markets in some places it has led to a huge conflict and several international court cases. The view of the Czech producer, likely shared by the EU, is that “Budweiser” not only constitutes a Czech TM but also a GI and thus precede over the American TM. The American producers, and likely the US, view is that the TM takes place before the conflicting GI.\textsuperscript{107} As noted in Chapter 5.2 of this thesis, one of the most important differences between the protection of GI:s in the EU and the protection they enjoy through the TRIPS and consequently in the US, is that GI:s in form of PGI:s and PDO:s in the EU cannot become generic, as long as they are registered. This contrasts with how they would be treated in the US, as it then would be registered as a TM and thus exposed to the risk of becoming a generic term.\textsuperscript{108} The main differences between GI:s and TM:s has be summarized as a table an can be found in the end of this chapter.

### 7.2 Conflicts between GI:s and TM:s

Taking into account the nature of GI:s, their possibility to be considered generic, homonymous names and the fact that GI:s and TM:s are not mutually exclusive it is to no surprise that conflicts regarding the better right to the name might arise. These three main types of conflicts that arise from this situation. The first one is when different producers use the same name as a TM and as a GI for the same

\textsuperscript{106} Kemp, p. 261.
\textsuperscript{107} See Zylberg, 2003, p.20-34, for a summary of the two companies history and examples of a few of the international court cases that has followed due to their disagreements on who has the better right to the name Budweiser.
\textsuperscript{108} Waggoner, supra note 70, p. 17.
type of product. The second situation is when different producers use the same name for a TM and a GI but for different goods, when the GI or TM already is well-known. The third situation is when an already established, well-known, TM utilizes a geographical name which is not the same as its designation of origin. 109

When a conflict lies purely between two TM:s it is typically resolved by applying the “first in time” rule. The sign which was registered first will precede over the later, and be able to prevent the use any conflicting similar sign. The latter right is referred to as the principle of exclusivity. However because of the differences between TM:s and GI:s this is not directly applicable, though similar solutions can be achieved through analogy. The solution that the right to a TM is granted to whoever registers it the first and that right excludes the possibility to register a similar GI, is referred to as the principle of priority. 110 This is often advocated by those who believe TM owners risk getting their brand name eradicated globally if GI:s are allowed to trump them. 111 One example of this can be found in Spain, where wine producer Miguel Torres lost its exclusive right to the TM “Torres” for wines, when another EU country allowed the use of GI “Torres” for wines originating from an area in Portugal called Torres Verdes. Some of the Torres Verdes producers even labeled their wines with only “Torres”, while Miguel Torres conversely risked having to stop using his prior existing TM. Miguel Torres protested this to the European Commission and it later on inspired regulations which stated the possibility for TM owners to continue their use of a TM that is identical to a GI, provided that the TM was registered first. 112

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109 O’Connor, supra note 36, p. 119
110 Id.
112 Zylberg Philippe, Geographical Indication v. Trademarks: Lisbon Agreement: A Violation of TRIPS?, University of Baltimore Intellectual Property Law Journal U. 11, 2003, p. 5. At first this limit in the EU was set to being registered 25 years before the GI became recognized. However later on this has been addressed in TRIPS Article 24(5) which only requires prior registration and good faith. See Chapter 4 above regarding the protection offered for GI:s in the TRIPS Agreement.
application of the principle of priority and the principle of exclusivity are deeply embedded in TM law and those who favour strong TM protection over strong GI protection believe that there is no reason to change the system at this point.\textsuperscript{113}

Another solution to possible conflicts is by the \textit{principle of specialty}, where identical or similar TM:s and GI:s can co-exist, provided that they are used for different type of goods. There is also the \textit{principle of territoriality}, which also promotes co-existence of identical or similar TM:s and GI:s, even in the situation they are used on identical products.\textsuperscript{114} Both of these principles promote co-existence, which arguably should be avoided since it risks undermining both intellectual property rights, as they could lead to confusion among consumers as well as enabling free-riding. Secondly it is a double-blow against TM:s, as one of the basic functions of a TM, the right to exclusivity for one producer, diminishes.

On the other hand there might be situations where GI:s and TM:s with the same name could co-exist without misleading the public. For example in the situation where the geographic area indicated in the TM is perceived by the public not as the physical location, but as some second meaning, often referring to the type of product that is sold. It is also possible when it is obvious that the geographical term the TM uses is not implying the origin of the product. This is the case of the TM “Antarctic” for bananas, as the public would not assume that the bananas are grown in Antarctica. This goes hand in hand with the principle of TM:s that the name should not be descriptive or deceptive.\textsuperscript{115} While a GI, because of its nature as referring to certain qualities of a good, could be argued to have a descriptive character. For this same reason some countries do not register GI:s as a TM even in the case that the product is produced exclusively in the specified geographic area. It is deemed as either too descriptive or not distinctive enough.\textsuperscript{116}

\textsuperscript{113} Monten, supra note 109, p. 329.
\textsuperscript{114} O’Connor, supra note 36, p.119
\textsuperscript{115} Id., p.120
\textsuperscript{116} Addor and Grazioli, supra note 12, p.871.
7.3 Main Arguments for Extensive Protection of Geographical Indications

The arguments for a stronger more extensive GI protection are in many cases the same as the arguments for any GI protection at all. One of the main arguments that the EU uses to justify its relatively strong GI protection, and thus the wish to export this internationally, is the argument that GI:s help deter free-riding\textsuperscript{117}, meaning that inferior quality products free-ride on the reputation of superior quality products. These products are argued to have superior quality due to the unique features of the terroir in which they were developed, as well as the tradition and craftsmanship that is said to be developed by the producers in that area. Proponents of strong GI protection argue that it is a way to curb this behaviour, which is believed to incur losses for the “legitimate” producers both to the reputation of the goods as well as financially due to loss of sales.\textsuperscript{118}

Another argument for a strong GI protection is the argument of consumer-protection\textsuperscript{119}. Proponents of a strong GI protection believe that the misuse of GI:s, even when accompanies by a corrective label, can incur influence on consumers behaviour and lead to them purchasing inferior quality goods. This would, according to the proponents, lead to a mistrust for GI:s among consumers. This again reconnects with the producer-protection as they believe this mistrust would hurt the reputation of their GI altogether and cause considerable economic losses. In line with this, many proponents for a stronger GI protection which for the TRIPS Agreement to be extended so it’s special protection for wine and spirits to encompass all types of goods.\textsuperscript{120}

\textsuperscript{117} As described above in Chapter 3 of this thesis.


\textsuperscript{119} As described above in Chapter 3 of this thesis.

\textsuperscript{120} See Grazioli, supranote 112.
7.4 Main Arguments Against Extensive Protection of Geographical Indications

The US view of stronger GI:s could be said to be far less optimistic, perhaps contrast, to the EU:s view. As previously mentioned this largely adheres from the US view that it is mostly European countries and their producers that have to gain from increased protection in this field.\textsuperscript{121} Another aspect to it is that American producers have traditionally used European place names for products, as many of them, or their families, once immigrated to the US from Europe.\textsuperscript{122} Their abilities to use the skills they brought with them from their home countries, and use them to produce similar good under the same GI used in their home country, would be lost.\textsuperscript{123} The practice of doing so is something that many US companies believes will enhance the value of the original product, as it becomes popularized.\textsuperscript{124} Many of those names have since become to be seen as generic. The US has chosen a rather generous approach regarding the consideration of place names as generic, even in the case of wines. Opposing stronger global GI protection and resisting to agree on a global registry of place names has thus enabled the US to continue allowing its producers to label their wines with names that are shared by GI regions in other countries.\textsuperscript{125} Breaking this status quo, it is claimed, would incur extra costs on country, producer and level. Governments would need to spend money to implement the more extensive protection nationally. Producers could see their sales affected negatively, as well as needing to invest in marketing for

\textsuperscript{121} Hughes, supra note 9, p. 331.
\textsuperscript{122} Barham, Translating "Terroir": Social Movement Appropriation of a French Concept, Santa Cruz 2001, p. 27. - Workshop Paper can be found at http://cgirs.ucsc.edu/conferences/agro/2374893432035342/papers/barham_paper.pdf (last checked: 2014-08-15)
\textsuperscript{123} Addor and Grazioti, supra note 12, p.885.
\textsuperscript{125} Monten, supra note 109, p. 332.
the new names, and consumers could be affected by increased search-costs, as the products they previously purchased would have changed names, or terms they saw as descriptive or generic before can no longer be found on the products.\textsuperscript{126} The last argument is notable since it implies the opposite of what the proponents of stronger GI-protection insists holds true regarding consumer-protection. It would also potentially lead to increased costs, through higher product prices, for consumers as producers pass their increased costs down the supply chain. Arguably this would however be offset by the increased competition.\textsuperscript{127}

\textit{Table 1}\textsuperscript{128}: Key differences between GI:s and TM:s

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Geographical Indications</th>
<th>Trademarks</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Collective. Open for all producers in the region.</td>
<td>Exclusive (Possibilities for collective use through certification and collective marks)</td>
</tr>
<tr>
<td>Transferability</td>
<td>Cannot be transferred.</td>
<td>Can be transferred by license.</td>
</tr>
<tr>
<td>Geographical Connection</td>
<td>Tied to the territory. Cannot be delocalized.</td>
<td>No geographical connection. Can be delocalized.</td>
</tr>
</tbody>
</table>

\textsuperscript{126} Addor and Grazioli, \textit{supra} note 12, p.885.
\textsuperscript{127} Addor, Thumm and Grazioli, \textit{supra} note 122.
\textsuperscript{128} Compiled by the author.
8. Conclusion and Reflections

The concepts of GI:s is indeed a very fascinating area of intellectual property law. This thesis has highlighted the differences of protecting GI:s either through a *sui generis* system or with TM:s as legal vehicles for protection of indications of geographical origin. However put into context with other intellectual property laws it is evident that GI:s and TM:s are in many ways identical. They are both tools for producers’ to communicate information to consumers’. Undoubtedly the emergence of the TRIPS Agreement has led to GI:s being essentially the same within the EU as well as in US federal law. Yet the differences that do exists has polarized the WTO. Considering the tremendous value that GI:s as intellectual property encompass it is not surprising that the actor which benefits the most from this, the EU, is pushing to ascertain and extend GI protection globally. For the same reason it is not surprising that the US and others in “the New World” are relatively uninterested in this. But which is the best approach?

Taking into account that the purpose of a TM is to set itself apart from other producers it might seem ironic to propose a system based on TM law for collective purposes. This irony also becomes evident when the GI name used is known for goods of certain characteristics. The GI is then more or less descriptive for such characteristics, which potentially breeches the TM principle of not allowing descriptive names. On the other hand US TM law is a very well-crafted and well-developed system. Together with the Lanham Act and existing regulations of unlawful competition, through the protection of collective and certification marks, the US system has full potential to develop a more consistent approach to GI:s and their relation to other intellectual property rights, than what the EU *sui generis* system can achieve.

A more extensive GI protection than today could potentially lead to existing producers losing the intellectual property rights to names they have used for an extensive period of time, perhaps built their own reputation with (as in the case of
Miguel Torres), for the sake of European producers being able to extract bigger profits. Naturally one could counter-argue that European producers risk losses due to free-riding. However, while this holds true, it does not mean that they could not enjoy protection for their GI through a TM-based system.

The focus that the EU puts on terroir as more or less the sole reason for forbidding the arguably reasonable use of corrective labels appears as a far stretch. If the terroir has such noticeable impact on the quality of the good then it can be assumed that the consumers will learn this. The selling of an inferior good in that matter would obviously be deceptive too, even according to the TM law regime. However for the situation that the quality does not differ noticeably, then one might ask why it ought to be protected in the first place. In my opinion for those reasons the terroir argument cannot pass as consumer-protection. Conversely it is a way for producers to use the monopoly of their name to increase their profits.

However the argument that regulation of GI:s is beneficial for consumers’ is hard to ignore. Consumers have the right to know what they are buying and from where it originates. However it is my opinion that it is hard to argue for this not being possible through a TM-regime. The strong protection that the EU advocates, as seen in the TRIPS Agreement regarding wines and spirits, appears to cater more to producers than consumers. By forbidding the use of corrective labels a group of producers can achieve a monopoly, and as it is commonly known monopolies seldom benefit consumers. I see no reason to extend this protection to encompass all types of goods. Rather I want to ask; if some GI:s can be used with corrective labels, why not all? To cater to both producers’ and consumers’ the protection of GI:s should focus on protecting descriptive use of geographical terms. That is, the information about the products non-geographic characteristics, such as quality, taste, character et cetera. After reviewing the different legal frameworks for GI:s in the EU, the US and TRIPS Agreement respectively, it is my firm opinion that this protection is best reached through existing TM laws.
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**Legal Documents and Agreements**


Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of April 14, 1891.

Paris Convention for the Protection of Industrial Property of March 20, 1883.


**Websites and Internet Resources**

**Alcohol and Tobacco Tax and Trade Bureau (US)**
http://www.ttb.gov/labeling/laws_and_regs.shtml
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**European Union**

**United Kingdom Intellectual Property Office**
http://www.ipo.gov.uk/types/patent/p-about/p-whatis.htm

**United States Patent and Trademark Office**
http://www.uspto.gov/inventors/patents.jsp

**World Intellectual Property Organization**
http://www.wipo.int/ipdl/en/lisbon/search-struct.jsp