

123 YEARS AT THE NEGOTIATING TABLE AND STILL NO
DESSERT? THE CASE IN SUPPORT OF TRIPS GEOGRAPHICAL
INDICATION PROTECTIONS

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EXECUTIVE SUMMARY

TRIPS Article 22(1) provides the definition for geographical indications. More broadly, however, the TRIPS Agreement defines geographical indications as intellectual property rights, and therefore as private rights. Since private property rights are territorial (unless a treaty specifically provides for reciprocal recognition, which the TRIPS Agreement and Paris Convention explicitly do not), it appears that national law can, and arguably should, require that the geographical indicator “identify a good,” under the meaning of Article 22(1), to the consumers in the country where protection is being asserted (not merely the country of origin).

It follows that if the indication actually “identifies a good” (and not merely a place) to consumers, then there must have been an investment by producers to exploit the terrain and produce the goods. That investment (production, marketing, and sales), experienced by consuming the goods or by reputation, creates the association between the place and the goods in the minds of consumers. Because of that investment, the producers in the area that produce the specific goods identified have created a private property right (with the right to exclude others) and are therefore the “owners” of the geographical indication. The geographical indication is therefore associated not just with the goods having some qualities or characteristics attributable to the place, but also to the producers. The consumers’ mental association between the indication, the place, the goods, the qualities or characteristics of the goods, and the producers elevates a geographic sign to the level of a “distinctive source identifier” in that it functions to distinguish one producing source from another producing source when used on particular goods. In trademark terms, this would mean that geographical

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indications are those with secondary meaning in the country where protection is being asserted.

While it may be clear from the label in some cases that the goods do not come from the place identified by the geographical indication because the “true” origin is indicated, use of a “distinctive” identifier on non-conforming goods will mislead or deceive consumers as to characteristics of the goods that go beyond mere geographic origin. A geographical indication is not a descriptive term, but a distinctive sign, and as such, conveys many important signals to consumers. When any one of those signals is untrue, under unfair competition principles, the sign is used deceptively. Article 22(1) sets a high threshold for what qualifies as a geographical indication in the country where protection is being sought. Article 22(2) provides that use of a geographical indication that misleads the public or is an act of unfair competition will be actionable—this could include variations of the geographical indication and use on similar/related/unrelated goods. Article 23 contains no language as to “misleading” use, leading some to assert that Article 23 is “absolute” protection for geographic terms. But such an interpretation, by distancing Article 23 from the underlying definition of what constitutes a geographical indicator, would make effective protection impossible. IP systems are unable to provide “absolute” protection in the absence of defined and internationally-notified lists of geographic signs, and such lists do not exist. In this light, it would seem logical to infer that the implementation of Article 23 depends on some other basis of evaluation. The most likely basis is that the use of a distinctive sign on non-conforming or non-originating goods would be per se deceptive—not necessarily because consumers are deceived about whether the goods come from the place, but because there is a false suggestion of a connection that deceives consumers as to the place, producers, production method, or materials (signals that are conveyed to the consumer by the geographical indicator). This interpretation would make the Article 23 obligations more manageable, but would also place significant emphasis at the national level on the threshold question of whether a sign is a distinctive source identifier in the country where protection is being asserted.

INTRODUCTION

Geographical indications have been the subject of over a century of negotiations on the international stage. Beginning with the negotiations¹ for

1. See G.H.C. BODENHAUSEN, *GUIDE TO THE APPLICATION OF THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY* 138 (1968) (citing *Actes de Paris I*, at 27, 100–04, 144–45).

the Paris Convention for the Protection of Industrial Property² in 1883 and the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods³ of 1891, countries have been demanding protection for these identifiers and have negotiated language in five international instruments over the past 123 years in attempts to define that protection. Yet even now there are allegations that the international protection for these identifiers is discriminatory and insufficient. Why is it that the existing international protections are thought insufficient to protect these identifiers? Why is it that countries are demanding extension of the negotiated protection for wine and spirit geographical indications when they arguably have not achieved the benefits of that existing protection to date?⁴ Presumably, the TRIPS Agreement,⁵ or perhaps the implementation of the TRIPS Agreement by World Trade Organization (“WTO”) members, has not proved sufficient to meet the demandeurs’ policy goals for geographical indications, and therefore WTO members are back at the negotiating table. But arguably, the TRIPS Agreement will never realistically be able to achieve what it appears that the demandeurs desire: automatic exclusivity for geographical indications in all WTO member countries premised on the protection in the country of origin. This is quite a conundrum in the context of the WTO Doha Round negotiations wherein demandeurs are asking for this protection—and the consequent increased revenue for their farmers—as a trade-off for decreased domestic agricultural subsidies.⁶

2. For the full text of the amended version, see Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, as revised at Stockholm, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter Paris Convention], available at http://wipo.int/treaties/en/ip/paris/pdf/trtdocs_wo020.pdf. The Paris Convention entered into force in 1884 with administrative tasks handled by the United International Bureaux for the Protection of Intellectual Property (“BIRPI”), the predecessor of the World Intellectual Property Organization (“WIPO”). For general information about WIPO, see WIPO, General Information, <http://wipo.int/about-wipo/en/gib.htm> (last visited Feb. 10, 2007).

3. For the full text of the amended version, see Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Apr. 14, 1891, as revised at Lisbon, Oct. 31, 1958, 828 U.N.T.S. 165 [hereinafter Madrid Agreement], available at http://wipo.int/treaties/en/ip/madrid/pdf/trtdocs_wo032.pdf.

4. Had they obtained what they wanted, the demandeurs would have little need to negotiate wine bilateral agreements with various countries—such as South Africa, Chile, Switzerland, or Australia—in which the European Commission negotiates for Article 23 level protection for all of their 4,500 to 10,000 wine appellations. See European Commission, Agriculture: Wine, http://ec.europa.eu/agriculture/markets/wine/third/index_en.htm (last visited Feb. 10, 2007).

5. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement], available at http://www.wto.org/english/docs_e/legal_e/27-trips.pdf.

6. See European Commission, *Why Do Geographical Indications Matter to Us?* (European Commission Discussion Paper, July 30, 2003), available at http://trade.ec.europa.eu/doclib/docs/2003/october/tradoc_113900.pdf.

Even the most specifically defined protection for appellations of origin, the 1958 Lisbon Agreement for the Protection of Appellations of Origin and their International Registration,⁷ can, as a practical matter, only be implemented within the constraints of the members' existing intellectual property legal systems, which are designed to balance interests of the owners and of third parties. What the demandeurs appear to be hoping to accomplish, with the proposed negotiation of lists and extension of existing protections, is "absolute" protection with no regard for the role of the consumer or of third parties. They claim that these proposals would, in fact, protect consumers from "false" indications of source. But the fact is, if consumers do not perceive a sign on a label as an indicator of source or origin, they are not buying the product with any expectation of characteristics or qualities that will not be met if the goods do not come from the place specified. Protection in those instances is driven solely by protection for the owner, rather than by a desire to balance the interests of all (owners, consumers, and interested third parties) as provided for by trademark systems.

The tension in the WTO's Agreement on TRIPS and the tension in agreements that have come before it is that "absolute" protection or protection against "false" uses (as the demandeurs portray their hopes for various international treaty obligations) cannot be implemented in existing intellectual property systems, because they are not set up to grant "absolute" protection. This is because—to the extent that geographical indications have been defined in the 1994 TRIPS Agreement as intellectual property rights and therefore as private rights—the logical way to understand geographical indications, as that term is used in the TRIPS Agreement, is to consider that they must be "distinctive" identifiers (i.e., such that consumers perceive the term as indicating the source of specific goods) pointing to the producing source, not merely the geographic source. Distinctive identifiers, when used by unauthorized parties in a way that is likely to confuse or mislead consumers, will always be "false" and therefore actionable. Moreover, these identifiers are only distinctive when used on particular goods, thus defining the scope of the right.⁸ With that in mind, it is clear that the real issue becomes whether an identifier is a "geographical indication" rather than what level of protection that identifier will receive (i.e., TRIPS Article 22 or Article 23 level protection).

7. Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration, Oct. 31, 1958, as revised at Stockholm, July 14, 1967, 923 U.N.T.S. 205 [hereinafter *Lisbon Agreement*], available at http://www.wipo.int/lisbon/en/legal_texts/pdf/lisbon_agreement.pdf.

8. The scope of the right would be defined as to those uses that would deceive consumers, which may include instances where the sign is used on the same, similar, related, or even unrelated goods (or services, where applicable).

But of course, a WTO member can interpret the definition of a geographical indicator in whatever way dictated by that member's policy goals as to the protection for both domestic and foreign geographical indicators, as long as the approach is consistent with the TRIPS obligations. But it appears that one such approach—the trademark approach—is bolstered by negotiating history over the past 123 years. Tracing the evolution of protection for geographic identifiers illustrates that even defining the protection as absolute still results in implementation with a deceptive test, which happens to be a fundamental feature of trademark systems around the world.

I. PARIS CONVENTION (PRE-LISBON CONFERENCE)

The protection that the Paris Convention provided to indications of source and appellations of origin prior to the revision conference in Lisbon in 1958 included:

- protection against importation of *false* indications of source when combined with a fictitious trade name or fraudulent intention;⁹
- recognition of competitors as *interested parties* for purposes of preventing importation of goods bearing false indications of source;¹⁰
- protection against acts of unfair competition that are liable to create *confusion* with an establishment or goods of a competitor;¹¹
- an understanding that Paris members should not be registering *deceptive* trademarks;¹² and
- a requirement for Paris members to protect foreign *collective* marks.¹³

The pre-Lisbon Conference Paris Convention text essentially defined use of an indication of source that is “false” as an act of unfair competition. However, while the falsity of the indication was a question of fact, the real analysis appeared to be whether the user had an intent to misuse the term. Since there was no way to know which indications were false unless authorities were familiar with every place name around the world, the only manageable approach would have been to determine whether there was an

9. Union Convention of Paris for the Protection of Industrial Property art. 10(1), June 2, 1934, 192 L.N.T.S. 17 [hereinafter Pre-Lisbon Conference Paris Convention].

10. *Id.* art. 10(2).

11. *Id.* art. 10bis.

12. *Id.* art. 6(B)(1)(3); see also BODENHAUSEN, *supra* note 1, at 116 (“The purpose of this addition [adding the deceptive element to Article 6quinquies] was to enable the member states to refuse or invalidate trademarks containing suggestions that the goods concerned possessed non-existing qualities, or unjustified references to rewards or to protection by a patent, etc. The provision will also apply to trademarks containing misleading indications of geographical origin.” (footnotes omitted)).

13. Pre-Lisbon Conference Paris Convention, *supra* note 9, art. 7bis.

intention to misuse the term. If there was intent, it must have been because the user was aware of the place and the reputation for particular goods and was attempting to gain some unfair advantage from its use. If such intent was proven, then the use of the indication of source when the goods did not come from the place indicated could be viewed as “false.” In this text, an indication of source does not appear to have been considered a private property right, so there were no “owners” to challenge misuse of indications of source.¹⁴ For that reason, Article 10(2) provided that competitors were interested parties for purposes of challenging the use of the false indication of source. This was not an “infringement” action in the present day sense, but an unfair competition action more generally.

II. MADRID AGREEMENT FOR THE REPRESSION OF FALSE INDICATIONS OF SOURCE

At the same time that revisions to the 1883 Paris Convention were being discussed, there were some countries that wanted to have more specific provisions on indications of source and appellations of origin than was thought possible or appropriate in the Paris Convention. The result of those discussions was the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods.¹⁵ The protection that the Madrid Agreement provided to indications of source prior to the 1958 revision efforts included:

- protection against the importation of *false* indications of source;¹⁶
- protection against the use of *deceptive* indications of source; and¹⁷
- protection, under national law, against regional *appellations* concerning the source of products of the vine becoming *generic*.¹⁸

At the time that the original text of the Paris Convention required that a false indication of source had to be used with a “fictitious trade name” or be used with “fraudulent intention” in order to qualify for seizure under Article 10, the Madrid Agreement, by contrast, did not include the requirement of trade name or intent. Interestingly, the original Madrid text targeted “false indications of source” but expanded or clarified the lan-

14. See BODENHAUSEN, *supra* note 1, at 140 (“The difficulty in these cases is that a geographical indication is generally not privately owned, so that, contrary to the situation which prevails regarding trademarks, trade names and false indications of identity, there is no owner or other person obviously competent to object to the use of false geographical indications.”).

15. For the amended version, see Madrid Agreement, *supra* note 3.

16. See Madrid Agreement for the Repression of False Indications of Source on Goods art. 1(1), June 2, 1934, 74 L.N.T.S. 9.

17. *Id.* art. 3bis.

18. *Id.* art. 4.

guage of Article 1(1) in 1958 such that the Agreement targeted “false *or deceptive*” indications of source.¹⁹ Since, theoretically, a deceptive indication will always be false but a false indication may not always be deceptive, it appears that the addition of the word “deceptive” actually narrows the provision to only those that are deceptive. One could surmise that adding the word “deceptive” was a necessity with the deletion of the “fraudulent intention” requirement in the Paris Convention text in order to define the scope of the offense more clearly.

With this background, the 1958 revision of the Madrid Agreement appears to equate false with “deceptive,” an interpretation further bolstered by the provision in Article 2 prohibiting *use* of “deceptive indication[s] of source.”²⁰ Generally speaking, if national law systems prohibit imported goods bearing a “false” indication of source, those systems cannot allow domestic goods to bear “false” indications of source either. Such a provision would likely be a national treatment violation under Article III of the 1994 General Agreement on Tariffs and Trade²¹ and/or TRIPS Article 3 as treating foreign goods or nationals differently than domestic goods or nationals. So if there is an obligation to provide the legal means to prevent the use (and/or registration) of a *deceptive* indication of source, it follows that WTO members should also prohibit imported goods bearing a *deceptive* indication of source.

Lastly, since there is no “list” or notification mechanism in the Madrid Agreement, the word “false,” for all intents and purposes, is essentially equated with the term “deceptive” in Article 1. Without a list, it is not clear how a Madrid member could possibly prohibit, *ex officio*, the importation of a “false” indication—where the goods bearing the indication do not come from the place named—unless as consumers, the customs authorities were familiar with the foreign indication of source.

III. 1947 GENERAL AGREEMENT ON TARIFFS AND TRADE

The obligations as to marks of origin in the 1947 General Agreement on Tariffs and Trade²² required contracting parties to cooperate with each

19. See *Travaux et Rapports: Quatrième Commission*, in ACTES DE LA CONFERENCE REUNIE A LISBONNE DU 6 AU 31 OCTOBRE 1958, at 806 (1963); see also Madrid Agreement, *supra* note 3, art. 1(1).

20. Madrid Agreement, *supra* note 3, art. 2.

21. General Agreement on Tariffs and Trade 1994, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1A, 1867 U.N.T.S. 187, 33 I.L.M. 1154 (1994), available at http://www.wto.org/english/docs_e/legal_e/06-gatt.pdf.

22. General Agreement on Tariffs and Trade, Oct. 30, 1947, T.I.A.S. No. 1700, 55 U.N.T.S. 187, amended version available at http://www.wto.org/english/docs_e/legal_e/gatt47_e.pdf.

other “with a view to preventing the use of trade names in such manner as to misrepresent the true origin of a product, to the *detriment* of such *distinctive* regional or geographical names of products of the territory of a contracting party as are protected by its legislation.”²³ While the obligation in Article IX is only a promise to cooperate and appears in the Article on “Marks of Origin” (which could arguably cover country-of-origin labeling requirements and not touch on intellectual property rights), the use of the term “distinctive” in paragraph 6 of the Article is informative. Paragraph 6 appears to be referring to indications of source that are “distinctive,” a specific term of art in trademark and unfair competition law. The provision also clearly defines the identifiers that should be protected: those that name *products*, not just places. Moreover, since the identifiers are associated with products and not just places, the reference is to those identifiers that are *distinctive*.

IV. LISBON AGREEMENT FOR THE PROTECTION OF APPELLATIONS OF ORIGIN AND THEIR INTERNATIONAL REGISTRATION

The 1958 Lisbon Agreement for the Protection of Appellations of Origin and their International Registration²⁴ obliges its member states to protect the appellation of origin of products of other member states recognized and protected as such in the country of origin and registered at the World Intellectual Property Organization (“WIPO”). The Lisbon Agreement is an international notification system for its members and provides for:

- creation of a notification system and international register of appellations of origin of Lisbon members;²⁵
- a definition of appellations including reference to *reputation*;²⁶
- protection against use that constitutes a *usurpation or imitation* of the appellation or its *translations*;²⁷
- optional notification of claimed translations;²⁸
- one year for members to refuse to accept a notification under national law;²⁹

23. *Id.* art. IX(5) (emphasis added) (moved to art. IX(6) in amended version on website).

24. *See* Lisbon Agreement, *supra* note 7.

25. *Id.* art. 1.

26. *Id.* art. 2.

27. *Id.* art. 3.

28. Regulations under the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration (as in force on April 1, 2002), R. 5(3)(ii) [hereinafter Lisbon Agreement Regulations], available at http://wipo.int/treaties/en/registration/lisbon/pdf/trtdocs_wo013.pdf.

29. Lisbon Agreement, *supra* note 7, art. 5(3).

- an optional two year phase-out period for prior existing rights once a notification has been accepted;³⁰ and
- prevention against genericness.³¹

The Lisbon Agreement defines an appellation of origin as “the geographical name of a country, region or locality which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.”³² Although the definition does not specifically require that the appellation be protected by an act of state, the treaty only applies to appellations of origin “recognized and protected as such in the country of origin” and members may only give notice of those appellations protected by a legislative, administrative, or judicial act.³³ This appears to define appellations of origin as those created by fiat by the state and controlled by the state—a public right, not a privately owned right.

The Lisbon Agreement represents the most specifically defined and, some would argue, the broadest protection for appellations of origin to date. These “broad” obligations could conceivably cause serious implementation problems in receiving member states while attempting to define the subject matter, the scope of the protection given, the actionable translations, the actionable uses, and the role of *ex officio* enforcement versus private action. However, there are two elements that are helpful to members in defining and managing their obligations along with other members’ expectations: (1) members have the ability to object to notified appellations (and there are no specified grounds in the Agreement limiting those objections); and (2) the subject matter is fairly well defined. Firstly, the appellations covered are those clearly defined by an act of state. Secondly, WIPO compiles and publishes a list of all of the appellations of origin that are to receive this protection. Thirdly, members may give notice of the claimed translations for which they desire protection (even though the obligation could be interpreted to cover every conceivable translation).

That being said, the scope of the right, for purposes of implementation, is not well defined: there appears to be no limitations on the types of goods that are covered or the types of uses that are covered. One key reference is the use of the term “reputation” in Article 2(2). If a Lisbon member

30. *Id.* art. 5(6).

31. *Id.* art. 6.

32. *Id.* art. 2(1).

33. *See id.* art. 1; Lisbon Agreement Regulations, *supra* note 28, R. 5(2)(vi). This requirement, of course, limits membership to only those countries that protect appellations of origin as such, and which do so through some sort of formal administrative, legislative, or judicial recognition procedure by the state.

could require that an appellation have a “reputation” in the receiving territory in order for it to accept the notified appellation, then the obligation under Article 3 would essentially function as protection against deceptive use, in that any use of an appellation on non-conforming goods would be deceptive if consumers were familiar with the appellation as having a reputation for goods with certain characteristics. Moreover, the scope of the protection in Article 3 would be clearer; “absolute” protection of the appellation across all goods would not be required because the appellation does not have a reputation as to other goods. So members would conceivably only protect the appellation against usurpation on those goods that the consumer would think may come from the place identified, i.e., on deceptive uses, but not all strictly “false” uses where the goods do not come from the place. But even if the term reputation only refers to the appellation as it is known in the originating country, the terms “usurpation or imitation” may give some guidance on implementation obligations. One could suppose that an appellation could only be usurped or imitated on goods that are the same (or similar) as the goods that are “designated” by the appellation.

So while it appears that the Lisbon Agreement may provide very broad “absolute” protection, it is in fact highly unlikely that it can be implemented to effect such absolutist protection, even with a list of the appellations and some of the translations covered. If the notification of translations is optional, yet members have an obligation to protect all translated forms, there is no way for trademark offices, customs authorities, or judges to know all the potential translations for which they are obligated to prevent registration, use, or importation. It appears that to implement Article 3, the only protection that is absolute is the prohibition on use of the exact appellation or notified translation on the exact goods for which the appellation has a reputation (either in the country of origin or in the receiving Lisbon member). The protection on other goods and the protection of potential translations can only be effected, from a very practical standpoint, by using a “misleading” or “deceptive” analysis to limit the scope of the right in some way.

V. PARIS CONVENTION (POST-LISBON CONFERENCE)

The protection that the Paris Convention currently provides to indications of source and appellations of origin includes:

- protection against importation of *false* indications of source;³⁴

34. Paris Convention, *supra* note 2, art. 10(1).

- recognition of competitors as interested parties for purposes of preventing importation of goods bearing false indications of source;³⁵
- protection against use that is liable to create *confusion* with an establishment or goods of a competitor;³⁶
- protection against use that is liable to *mislead* consumers as to the nature of the goods or their characteristics;³⁷
- an understanding that Paris members should not be registering *deceptive* trademarks;³⁸ and
- a requirement for Paris members to protect foreign collective marks.³⁹

In an effort to improve protection for indications of source against misuse and presumably to incorporate some of the broader protections developed independently within the Madrid Agreement and the Lisbon Agreement, Article 10 of the Paris Convention was revised during the Lisbon Conference of 1958 to eliminate the requirement that the false indication be linked with a fictitious trade name or used with fraudulent intent, and to state that the false indication could be “direct or indirect.”⁴⁰ The nuanced shift in Article 10 from the original Paris Convention to the Lisbon Conference illustrates that indications of source had moved away from notions of mere unfair competition regarding use of false information on labels to protection for these indications as distinctive identifiers that convey more than just from where the goods came.

The Paris Convention never included the additional word “deceptive” in Article 10, as the Madrid Agreement did in the 1958 revisions. But it appears that the addition of the word “deceptive” to the Paris Convention was not considered necessary since most delegates understood that, for purposes of applying Article 10’s prohibition on importation of false indications of source, the “domestic legislation of the country where protection is sought will apply” rather than a foreign country’s law.⁴¹ A determination of whether an indication was “false” was to be made by virtue of consumers’ understanding of the term in the receiving country (i.e., the signals conveyed to consumers by the indication—origin, type of goods, characteristics, producers, etc.), not by virtue of whether a term was protected in the country of origin.

35. *Id.* art. 10(2).

36. *Id.* art. 10bis(3)(1).

37. *Id.* art. 10bis(3)(3).

38. *Id.* art. 6quinquies(B)(3).

39. *Id.* art. 7bis.

40. *Id.* art. 10.

41. BODENHAUSEN, *supra* note 1, at 139 (emphasis omitted).

The idea that indications of source used on goods are capable of conveying more than just origin is supported by the earlier 1934 London Conference amendment to Article 6quinquies that provides for refusing registration to trademarks that are deceptive because of suggestions that the goods have non-existing qualities. It was intended that the provision would “also apply to trademarks containing misleading indications of geographical origin.”⁴² Thus, the Paris negotiators provided for refusal of trademarks that are deceptive (not just false) as to characteristics in general, and not just as to origin. This amendment certainly spawned a further amendment to Article 10bis during the 1958 revision effort that does essentially the same thing. Article 10bis was broadened to include a third example of unfair competition: indications liable to mislead as to the nature or characteristics of the goods.⁴³ The amendment to Article 10bis⁴⁴ likely would cover uses of false indications of source where the goods do not come from the place indicated because a characteristic of the goods (other than origin) or a manufacturing process could be an integral feature of what makes the indication of source distinctive for purposes of intellectual property protection.⁴⁵

VI. PARIS REVISION CONFERENCE (1975–1984)—PROPOSED ARTICLE 10QUATER

The effort to revise the Paris Convention beginning in 1975 meant, among other things, determining whether protection for “geographical indications” should be further addressed in the Convention.⁴⁶ The text that was developed in those discussions—even though there was no consensus to add that text to the Paris Convention—forms a substantial part of what ultimately became Section 3 of the TRIPS Agreement.

In 1977, the Director General of WIPO directed a study on geographical indications and trademarks in the context of the Paris Revision discus-

42. *Id.* at 116.

43. The original Article 10bis proposal for subparagraph 3 included the concept of “misleading as to origin.” However, the United States objected to the inclusion of the language “as to origin” in the revised Article 10bis, because the use of the term was causing confusion with other provisions in the Convention and because of the interpretation of that phrase intended by some countries. *Travaux et Rapports: Quatrième Commission*, *supra* note 19, at 790.

44. Paris Convention, *supra* note 2, art. 10bis(3)(3) (prohibiting “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, the characteristics, the suitability for their purpose, or the quantity, of the goods”).

45. *But cf.* BODENHAUSEN, *supra* note 1, at 146.

46. *See Report of Ad Hoc Group of Governmental Experts on the Revision of the Paris Convention*, WIPO Doc. PR/GE/1/10, para. 70 (Feb. 21, 1975).

sions.⁴⁷ The study indicated that the Ad Hoc Group of Governmental Experts on the Revision of the Paris Convention understood “geographical indications of source” to be indications that, when used for specific goods, are understood by consumers to be an indication that the goods on which they are used come from the place or region indicated.⁴⁸ These indications are “indications of source” within the meaning of Article 1(2) of the Paris Convention.⁴⁹ As the Paris Revision Conferences continued on from 1975 to 1984, the term “geographical indication” became the shorthand for “geographical indication of source” as identified in the 1977 study.

Under the proposed Article 10quater as it reads in a 1984 Group B proposed text, Paris Union members would have an obligation to

refuse or to invalidate registration of a trademark which contains or consists of a geographical or other indication denominating or suggesting a country of the Union, a region or a locality in that country with respect to goods not originating in that country if the use of the indication for such goods is of a nature as to mislead the public as to the true country of origin⁵⁰

Members also would have had an obligation to “prohibit the use of such an indication if that use for such goods misleads the public as to the true country of origin.”⁵¹

The most interesting feature of the Article 10quater discussions is the proposal for text on geographical indications from the developing countries. Paragraph 4 of the text provides that developing countries can deposit lists of geographical names denominating a region or a locality located in their territories with the instruments of accession for protection by the other Paris members.⁵² Members must refuse or invalidate trademark registrations of these names for goods identical or similar to those notified if the trademark application was filed after the date of publication by WIPO of the notified geographical name, or after the date of entry into force in that country, whichever is later.⁵³ Members must also prohibit the use of these

47. See W. Oppenhoff, *Studies on Questions Concerning the Revision of the Paris Convention, Geographical Indications and Trademarks*, WIPO Doc. PR/S/15, para. 6 (June 1977).

48. *Id.* at para. 10.

49. *Id.*

50. Diplomatic Conference on the Revision of the Paris Convention, *Article 10quater: Proposal by the Delegation of the Federal Republic of Germany, Supported by the Delegations of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Japan, Liechtenstein, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States of America*, WIPO Doc. PR/DC/51, at 2 (Mar. 5, 1984) [hereinafter Article 10quater Proposal].

51. *Id.*

52. *Id.*

53. *Id.* at 3.

names if use started after the dates noted above.⁵⁴ Protection for the names would last for twenty years from publication, unless a country determines that, after ten years, use is required in either the notifying country territory or the receiving country territory.⁵⁵ The text also provides for homonymous use if two developing countries notify the same name; but if a geographical indication is already well known in international trade as to one member's territory, members have no obligation to protect a developing country's notified geographic name that is in conflict with that well-known geographical indication already in use.⁵⁶

For developed countries, the "misleading" test was to be used to determine what geographical indications were to be protected: only those distinctive geographic signs, which, when used on non-conforming/non-originating goods, would mislead the consumer. But for developing countries—whose geographic names may not yet be commercialized domestically, much less exported abroad, and therefore would not be known outside the country of origin—provision was made to notify terms to WIPO for protection in all Paris members. The protection was not defined by way of whether or not consumers would be misled, since in these cases consumers would not have had a chance to become familiar with the foreign geographic names (as they had not been commercialized and/or exported). Protection was "absolute" (it had to be if there was no knowledge of the term in the receiving country) but limited to the same or similar goods, and protection was prospective and only as to those notified terms that did not conflict with prior rights (as trademarks or as generics). This was to function as a reservation system for developing country geographic names for later export.

Interestingly, in implementing the provisions, members could take into account all circumstances including the

meaning of the trademark and of the geographical or other indication in the country in which the challenge is made, taking into account the extent to which the place denominated or suggested is known, the reputation of the indication, the length of time the trademark has been in use, and any distinctive character the trademark may have acquired through use.⁵⁷

In evaluating the eligibility for protection of a proposed geographical indication, this allows for a case-by-case analysis of prior rights at the time of

54. *Id.*

55. *Id.*

56. *Id.*

57. *Id.* at 4.

implementation of the provisions. However, the Paris Revision Conferences ended in 1984 and the text remained in draft form.

VII. WTO AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (“TRIPS”)

During the WTO Uruguay Round negotiations in the late 1980s and early 1990s, the issue of geographical indications was proposed to be included in the text of the TRIPS Agreement.⁵⁸ In fashioning the basic text, the negotiators examined the existing international standards governing geographical indications. The protection provided to “geographical indications” in the TRIPS Agreement includes those protections in the Paris Convention (incorporated into TRIPS via Article 2(1)), along with

- specifying that geographical indications are *private* property rights;⁵⁹
- a definition of geographical indication;⁶⁰
- requiring WTO members to provide the legal means to prevent the use of *misleading* geographical indications or acts that constitute *unfair competition*;⁶¹
- requiring WTO members to refuse or invalidate the registration of trademarks (either *ex officio* or at the request of an interested party) containing or consisting of geographical indications that are liable to *mislead* the public;⁶²
- requiring WTO members to provide the legal means to prevent the use (or registration as a trademark) of a homonymous geographical indication when used to *falsely represent* a different country of origin;⁶³
- requiring WTO members to provide the legal means to prevent the use of a geographical indication for wines/spirits *not originating* in the place identified even when used in *translation*;⁶⁴ and
- requiring WTO members to refuse or invalidate registrations of trademarks (either *ex officio* or at the request of an interested party)

58. See Negotiating Group on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, *Synoptic Tables Setting Out Existing International Standards and Proposed Standards and Principles*, WTO Doc. MTN.GNG/NG11/W/32/Rev.1 (Sept. 29, 1989).

59. TRIPS Agreement, *supra* note 5, pmb1.

60. *Id.* art. 22(1).

61. *Id.* art. 22(2).

62. *Id.* art. 22(3).

63. *Id.* art. 22(4).

64. *Id.* art. 23(1).

containing or consisting of geographical indications for wines/spirits where the goods do not come from the place identified.⁶⁵

The definition of a geographical indication in Article 22(1) of the TRIPS Agreement became “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.”⁶⁶ In order for an indication to identify a good with particular characteristics—rather than merely indicating the good’s origin—the indication must convey more than just the place. Therefore, it logically follows that a national law could require that the indication have acquired something akin to “secondary meaning,” to use a trademark term of art. The “primary meaning” of a geographic sign is the place identified by the sign. The “secondary meaning” of a geographic sign transcends the mere geographic reference to identify more than just the place: it is the association between the goods and the place in the minds of consumers that is created by the producers who produce those goods in that place.⁶⁷

Following the logic of this paradigm, the geographical indication with secondary meaning functions as a “distinctive” source identifier and one that can distinguish one producing source from another. The use (through production, marketing, and sales) of the sign by the producers creates the association between the place and the goods in the minds of consumers. Because of that investment, the producers in the area that produce the specific goods identified are the “owners” of the private right that is the geographical indication. A term that merely identifies a place—and not a good—is not “distinctive” and does not have an owner; thus, it is hard to see how it can be the subject of a private property right as set out in the TRIPS Agreement. Moreover, if there is no defined right (i.e., an association between a place name and specific goods emanating from the use of

65. *Id.* art. 23(2).

66. *Id.* art. 22(1).

67. For an explanation of secondary meaning in U.S. law, see *French Republic v. Saratoga Vichy Spring Co.*, 191 U.S. 427, 435 (1903) (“[G]eographical names often acquire a secondary signification indicative not only of the place of manufacture or production, but of the name of the manufacturer or producer and the excellence of the thing manufactured or produced, which enables the owner to assert an exclusive right to such name as against every one not doing business within the same geographical limits; and even as against them, if the name be used fraudulently for the purpose of misleading buyers as to the actual origin of the thing produced, or of palming off the productions of one person as those of another.”).

the sign by the producers in an area), there is no private right of action to exclude others from its use.⁶⁸

VIII. DISTINCTIVE SIGNS—THE ROLE OF “REPUTATION OR OTHER CHARACTERISTICS”

Secondary meaning is created in the minds of consumers through direct (consumption) or indirect (reputational) experience with the product. That experience, of course, results from the investment by the “owners” who exploit the terrain in the area to produce the goods and create a demand for the goods through sales and marketing. Controversially, it follows from this logic that if the distinctiveness of the terrain or its relationship to the product was not yet known by consumers, that indication does not rise to the level of a geographical indication until such time as the indication “identifies” a good (and not just a place) to the consumer.⁶⁹ To say it another way, reputation is the critical element for secondary meaning to arise. Reputation is developed by way of consumers’ experiences with the particular qualities or characteristics of the goods. Therefore, the reputation creates the “association” between the geographical indication and the goods that is inherent in the TRIPS Article 22(1) definition. The geographical indication then conveys these shorthand signals about the goods (i.e., the goods, the quality, the producers, and the place) that are critical to purchasing decisions of consumers.

IX. BUT DISTINCTIVE IN WHICH COUNTRY?

It has taken over 123 years to move from the concept of vaguely defined (although passionate) indignation over the “false” use of geographic place names to the more precise concept of “geographical indications,” a protectable private intellectual property interest that, by treaty, cannot be misappropriated by unauthorized parties. This evolution is most notably reflected in the inclusion of geographical indications in TRIPS as a private property right—not a public right. Unauthorized use of a geographical indication is infringement of a property right, not merely an act of unfair competition as originally identified in the Paris Convention. And to be a protectable private property interest, that right must be created and recog-

68. See Burkhart Goebel, *Geographical Indications and Trademarks—The Road from Doha*, 93 TRADEMARK REP. 964, 970 (2003) (“The very essence of a private property right is that it grants the legal possibility to exclude others from its use.”).

69. Even if it does not yet rise to the level of a geographical indication, that does not mean that the “sign” cannot be protected via other means, such as trademark or unfair competition laws, depending on the circumstances of the use of the identifier on the goods.

nized under the laws of a country. But of course, absent agreement to the contrary, that recognition and protection for the right ends at the territorial border of the country. International treaties can provide for recognition of private property rights of third country nationals, where appropriate, for extraterritorial recognition.

But what we have seen in the case of the evolution of geographical indications is a tension between a desire for extraterritorial application of rights in geographic names (a public right concept) versus intellectual property law (private property rights) where territoriality is the general rule. Those pushing for extraterritoriality and reciprocity⁷⁰ have arguably not achieved that treatment for their names: none of the agreements mentioned herein appear to require extraterritorial application of another country's laws or automatic recognition of foreign private property rights.⁷¹ With that in mind, national law certainly could, and arguably should, dictate that distinctiveness of the geographical indication is required in the country where protection is being asserted, and not merely in the country of origin.

The TRIPS definition reflects a logical evolution from the earliest indication-of-source discussions in Paris and Madrid Agreement negotiations. As demonstrated, the use of the term "false" in these early agreements equates to "deceptive," because indications of source are not just place names but convey more information than mere origin; they are source identifiers and therefore "distinctive." That means that consumers in the territory are familiar with these indications and they associate the indication with specific goods and specific producers in a specific place. Consumers will be misled or deceived by the use of a geographic sign on non-conforming/non-originating goods. But more practically, there is no workable way to limit the scope of protection granted to the indication unless it is one with which consumers in the receiving country are familiar, and thus would be deceived by its unauthorized use.

70. For a discussion of national treatment as contrasted with reciprocity, see BODENHAUSEN, *supra* note 1, at 29.

71. Lisbon moves closer to the concept of reciprocity, but of course, in a voluntary arrangement. Lisbon member governments apply for what appears to be reciprocal recognition of foreign appellations in exchange for protection of domestic appellations in other Lisbon members. While there is nothing in the treaty that prevents a Lisbon member from refusing protection to an appellation on the grounds that there is no "reputation" in the receiving country, it is unlikely that this is actually done. But if there is no reputation for the foreign geographical indication because a prior trademark exists for the term or it is used generically, a Lisbon member may refuse to recognize the appellation and it will not be protected in that country. In this way, the reputation of the appellation is not given extraterritorial effect in all Lisbon members without the consent of the receiving country government under its national law regime.

X. AND THEN THERE WAS TRIPS ARTICLE 23 . . .

So if history teaches anything, it is that one should not lightly assume that the TRIPS Agreement automatically provides extraterritorial effect for foreign geographical indications simply because they are protected in the country of origin.

Firstly, the agreements on indications and appellations predating TRIPS protect indications of source that are already distinctive in the receiving country, such that misuse would deceive consumers. Otherwise, these signs are just place names that may either identify merely a place to consumers or be too obscure or remote to mean anything at all. Once those signs are associated in the mind of the consumer in the receiving country with a specific good (due to the investment by an “owner” to produce, market and sell those goods identified by the signs), the signs are protectable under the Paris Convention and under TRIPS.

Secondly, the geographical indication definition in TRIPS says that the indication must identify a good. When implementing this under national law, governments would most likely define a geographical indication as one that identifies a good to its consumers/public, not to the public in the country of origin. If the receiving country’s government conditioned protection for the indication on the perception in the country of origin, there would be no accurate way for that government to measure that perception.

Lastly, in the Paris Convention revision discussions ending in 1984 (just five years prior to the initial Uruguay Round discussions), it appears that developed countries were to be entitled to protection for geographical indications that were used and/or registered and/or had reputation in the country where protection was being asserted.⁷² If they were not used or registered or had no reputation in that country, then there was no obligation to protect the terms. For developing countries, protection was envisioned for developing country geographic names that had not yet been commercialized either in the country of origin or in the receiving countries. These names were to receive so-called absolute protection against any use on same or similar goods because there was no way that consumers could be misled if they were not familiar with the terms.

For *developed* countries, reserving names for future use by granting “absolute” protection was not contemplated by the Group B members, or if contemplated, not agreed upon. Geographical indications protected under this text were those that were known to consumers. Since it was very clear what the distinction was in the revision text proposal, it seems unlikely that

72. See Article 10quater Proposal, *supra* note 50.

the TRIPS text would have been intended to create extraterritorial effects of foreign geographical indications in third country territories (i.e., obligations to protect foreign geographical indications that are not distinctive in the receiving country) without explicit language in the text. The Paris negotiators did it clearly; there is no reason to think that the TRIPS negotiators would not have been just as clear had that been their intention.

TRIPS Article 22(2) follows the pattern of the agreements that came before: WTO members must provide the legal means to prevent the use (and registration in Article 22(3)) of geographical indications where such use would be misleading as to the geographic origin or would be an act of unfair competition that would be misleading as to other characteristics of the goods.⁷³ Article 22(2) not only addresses whether the goods come from the place named, but also whether the goods have the quality, reputation or characteristics that are conveyed by the geographical indication, including having been produced in an area by the producers in that area. Since “geographical indication” in Article 22(1) should most logically be understood as meaning a distinctive identifier in the country where protection is being asserted, the Article 22(2) obligation is entirely consistent with obligations from Paris, Madrid, and even Lisbon to prevent misleading and/or deceptive uses. The scope of the obligation would then be understood to extend to those goods and those forms of use (adjectival) where such use would be misleading to the consumer, however that is defined under national law.

TRIPS Article 23 indicates that members must provide the legal means to

prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind,” “type,” “style,” “imitation” or the like.⁷⁴

The scope of the obligation here is limited to the exact same goods (wines or spirits) for which the geographical indication is known. Moreover, the obligation can be limited under national law to only those terms that are “distinctive” in the country where protection is being asserted, and therefore to those terms that have an “owner” (since geographical indications are private rights).

Because Article 23 contains no explicit reference to misleading use or unfair competition, and since it provides for protection in translation, many

73. TRIPS Agreement, *supra* note 5, art. 2(2).

74. *Id.* art. 23(1).

portray Article 23 as “absolute.” If any use—advertising, menus, wedding invitations, ingredient lists, etc.—and any translation used are actionable, even if consumers are not misled, then this is broad protection indeed. But is it possible to protect a term absolutely? From a practical standpoint, as we have seen with Lisbon and Madrid, protecting against “false” uses really means protecting against deceptive uses, because the threshold issue is whether an identifier qualifies as a protectable private property right. If it is, then uses by unauthorized parties are misleading or deceptive to consumers, not only as to geographic origin, but also as to other qualities or characteristics of the goods that consumers have come to expect.

In other words, use of a geographical indication (i.e., a distinctive source identifier and the subject of a private property right) on non-conforming or non-originating goods (the same as those identified by the geographical indication) should be actionable under Section 3 of TRIPS, whether or not the consumer is technically misled as to the specific geographic origin of the goods. This interpretation, of course, is premised on an interpretation of Article 22(1) that sets a high threshold for what qualifies as a geographical indication (i.e., a distinctive source identifier) in the country where protection is being sought. Article 22(2) provides that use of a distinctive geographical indication that misleads the public or is an act of unfair competition will be actionable—this could include variations of the geographical indication and use on similar/related/unrelated goods. Logically, then, Article 23 functions as a presumption of misleading use when the geographical indication itself is used on non-conforming/non-originating goods, the kind for which the geographical indication is known.

XI. ABSOLUTE PROTECTION REQUIRES A LIST—AND TRIPS DOES NOT REQUIRE A LIST

It seems as if the only way that “absolute” protection could realistically be achieved would be if there were a clear list of terms and translations that would be traded about by countries, perhaps in a bilateral or multilateral agreement. There is no such list in the TRIPS Agreement, so it is hard to imagine that the “absolute” protection in Article 23 could ever be provided based on the current TRIPS text. Certainly, Article 23(4) refers to a system of notification of foreign geographical indications; however, the language of Article 23(4) only refers to a voluntary arrangement and should not be interpreted as providing the definitive list that governs all WTO members’ implementation of Article 23 obligations. Moreover, the text of Article 23(4) only applies to wines and not to spirits, yet Article 23(1) ap-

plies to both. Lastly, the Article 23(4) system does not exist, yet the Section 3 obligations have been in force for eleven years for many WTO members.

CONCLUSION

One commentator noted soon after the TRIPS Agreement went into force that “[t]he French have worked for almost 100 years to attain unattainable protection for terms like ‘champagne’ and ‘chablis,’ and they can be expected to challenge any argument that the TRIPS Agreement has not finally given them the protection they have long sought.”⁷⁵ Even so, the demandeurs appear to recognize that the text of the TRIPS Agreement does not provide the mechanism by which to accomplish their policy goals. Hence their introduction of a proposal for “claw-back” of terms—most of which have become generic around the world—in the WTO Agriculture Committee, and not in the TRIPS Council.⁷⁶ Accomplishing their policy goals does, in fact, appear to necessitate an international agreement on a list, in addition to the subsequent, onerous changes to domestic legal systems required to implement the protection demanded in the Agriculture Committee proposal and the TRIPS Council proposals.⁷⁷

What is not acknowledged is that the current text of the TRIPS Agreement provides robust protection for geographical indications that are commercialized or have a reputation around the world, if implemented properly. That is to say, instead of renegotiating the TRIPS Agreement to push for extraterritorial effects of domestic law protections for geographical indications, attention should be given to promoting domestic registration systems that are cost effective, efficient, open, transparent, and fair for both domestic and foreign geographical indication owners. For the most part, these registration systems already exist in national trademark offices—an easy solution to a perceived international conundrum.

75. Paul J. Heald, *Trademarks and Geographical Indications: Exploring the Contours of the TRIPS Agreement*, 29 VAND. J. TRANSNAT'L L. 635, 648 (1996) (footnotes omitted).

76. See Special Session of the Committee on Agriculture, *A Proposal for Modalities in the WTO Agriculture Negotiations*, WTO Doc. JOB(03)/12 (Feb. 5, 2003).

77. See Special Session of the Council for Trade-Related Aspects of Intellectual Property Rights, *Geographical Indications: Communication from the European Communities*, WTO Doc. TN/IP/W/11 (June 14, 2005). For information on all proposals relating to geographical indications, see the WTO website at http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm#wines_spirits.