

Pass the PARMESAN®?

What You Need to Know About Geographical Indications and Trademarks

by Eleanor K. Meltzer*

Recent developments at the World Trade Organization (WTO) make it important for U.S. intellectual-property practitioners to become familiar with the term “geographical indications.” Practitioners with clients in the agriculture, agribusiness, beer, cheese, dairy products, mineral waters, spirits and wine industries should be particularly familiar with international discussions on the relationship between geographical indications and trademarks.

This article explains why geographical indications are important to trademark practitioners and identifies ways to protect geographical indications in the United States.

You are probably familiar with the trademarks “BUDWEISER®” and “BUD®.” You might even be drinking a “BUD®” as you carefully annotate this article. The Anheuser-Busch Corporation, of St. Louis, Missouri, has been producing beer in the United States under the “BUDWEISER®” trademark since at least 1876. “BUDWEISER®” has been enjoyed in a number of countries around the world since early in the 20th century.

What you might not know is that the Czech Republic claims the terms “BUDWEISER” and “BUD” as proprietary *geographical indications* that identify beer from the town of Ceske Budejovice.¹ Under the theory that geographical indications are superior to trademark rights, a brewery from the Czech Republic has successfully cancelled Anheuser-Busch’s trade-

mark registrations for “BUDWEISER” and/or “BUD” in several European countries, including Austria, France, Germany and Greece.

Some WTO members—including the European Communities—believe that *geographical indications*, no matter when created or protected, should always be superior in right to a trademark. Of course, a “last-in-time, first-in-right” theory between GIs and trademarks can lead to anomalous results and is at odds with the established principle of “first-in-time, first-in-right” that generally applies in such circumstances.

What Are Geographical Indications?

The 1994 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) came into force in 1995, and had effect in developed countries—including the United States—as of January 1, 1996. Developing countries had until January 1, 2000, to comply with the

TRIPS standards with respect to geographical indications and least developed countries have until January 1, 2006, in which to comply.

TRIPS sets forth standards to regulate international intellectual property protection and enforcement and establishes international minimum standards for “geographical indications.” Part II, Section 3 of TRIPS, in Articles 22-24, specifies the minimum standards of protection that WTO members must provide for geographical indications.

Geographical indications are, for purposes of the TRIPS Agreement, a type of intellectual property (IP). “Geographical Indications,” (GIs) are defined, at Article 22(1) of the TRIPS Agreement, as “indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.” (Examples of geographical indications from the United States include “FLORIDA” for oranges; “IDAHO” for potatoes; and “WASHINGTON STATE” for apples.)

The TRIPS Agreement requires that WTO members provide the legal means for interested parties to prevent the use of a GI that indicates or suggests that a good originates in a geographical area other than the true place of origin in a manner that misleads the public as to the geographical origin of the good or constitutes an act of unfair competition.

The TRIPS Agreement also provides for an “enhanced” minimum level of protection for GIs that identify wines and spirits. WTO members are required to provide the legal means for interested parties to prevent the use of GIs, even if they do not imply that the wines or spirits originate in a place other than the true place of origin. (In other words, for wines and spirits, even if the public would not be deceived by use of a particular GI, a GI may not be used if the wines or spirits do not originate in the place indicated by the GI.)

The TRIPS Agreement provides some exceptions to these requirements. For instance, TRIPS does not require that a WTO member extend protection to a GI if that GI is the “generic” name for the goods in the member. As an example, in the

United States the word “CHABLIS” is often used to refer to any sort of white wine. Since “CHABLIS” is a generic term in the United States, the United States can continue to permit use of word “CHABLIS” as a synonym for “white wine.” (The word “champagne” is another prominent example of a generic term, which in the United States means any light-colored wine with bubbles.)

Another exception to the protection afforded GIs arises in situations where a trademark already exists. Where a trademark has been applied for or registered in good faith, or where the rights to the trademark have been acquired through actual use in good faith, either before the date of application of the TRIPS Agreement in a WTO member, or before the GI was protected in its country of origin, the trademark maintains its legal presumption of superiority, based on the principle of “first-in-time, first-in-right.”

Why Are Geographical Indications Important?

Geographical indications are valuable to producers from particular regions for the same reasons that trademarks are valuable. First, they are source-identifiers: They identify goods as originating in a particular territory, or a region or locality in that territory.

Geographical indications are also indicators of quality: They let consumers know that the goods come from an area where a given quality, reputation or other characteristic of the goods is essentially attributable to their geographic origin. In addition, GIs are business interests: GIs exist solely to promote the goods of a particu-

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lar area. Finally, GIs are intellectual property, eligible for relief from acts of infringement and/or unfair competition.

Geographical indications are used to indicate the regional origin of particular

goods, whether they are agricultural products or manufactured goods—provided that those goods derive their particular characteristics from their geographic origin. Any producer who meets the standards set by the GI owner can use a GI. In the United States, the owner of a GI can be any legal entity—be it a government, an association of producers or even an individual.

The TRIPS definition highlights the source-indicating capacity of the indication. Not every indication can rise to the level of a GI. There must exist a link between at least one characteristic of the good and the particular region where it was produced. In turn, that link must be material to the consumer’s purchasing decision.

Why Are Geographical Indications Suddenly an Issue?

WTO members and their nationals increasingly recognize that geographical indications, like trademarks, are valuable as marketing tools in the global economy. Furthermore, intellectual property owners are finding that protecting IP is no longer just a domestic endeavor. Some WTO members are interested in using the concept of geographical indications as a vehicle for “taking back” generic terms.²

As commentators have noted, inclusion of geographical indications in the TRIPS Agreement as a type of intellectual property was controversial.³ In fact, some WTO members still believe that geographical indications are not intellectual property.⁴ The belief that GIs are not intellectual property and should not be subject to IP disciplines has real-world consequences.⁵

Anheuser-Busch’s loss of its “BUDWEISER” and “BUD” trademarks is the result of a particular worldview that promotes GIs as universal rights that are always superior to trademark rights.

What Protection Does the United States Offer for Geographical Indications?

The United States offers robust protection for geographical indications, generally through registration as a *collective* or *certification* mark.⁶

Collective Marks

Section 45 of the U.S. Trademark Act, 15 U.S.C. §1127, defines “collective mark” as follows:

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

1. used by the members of a cooperative, an association or other collective group or organization, or
2. which such cooperative, association or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this Act, and includes marks indicating membership in a union, an association or other organization.

Under the U.S. Trademark Act, a collective mark must be owned by a collective entity even though the members of the collective use the mark.⁷ There are two types of collective marks in the United States—collective trademarks, or collective service marks, and collective membership marks. The Trademark Trial and Appeal Board of the U.S. Patent and Trademark Office explain the distinction between these types of collective marks⁸ as follows:

A collective trademark or collective service mark is a mark adopted by a “collective” (i.e., an association, union, cooperative, fraternal organization or other organized collective

them from those of nonmembers. The “collective” itself neither sells goods nor performs services under a collective trademark or collective service mark, but the collective may advertise or otherwise promote the goods or services sold or rendered by its members under the mark. A collective membership mark is a mark adopted for the purpose of indicating membership in an organized collective group, such as a union, an association or other organization. Neither the collective nor its members uses the collective membership mark to identify and distinguish goods or services; rather, the sole function of such a mark is to indicate that the person displaying the mark is a member of the organized collective group.

Section 4 of the Trademark Act of 1946, 15 U.S.C. §1054, provides for registration of both collective marks and certification marks without distinguishing between them, but §45 of the Act, 15 U.S.C. §1127, defines collective marks and certification marks separately, as distinctly different types of marks.

Collective Marks Distinguished from Certification Marks

A brief history should serve to put these sections in perspective.⁹ The earlier statutory provision, out of which §4 and the accompanying definitions in §45 grew, was the June 10, 1938, amendment of the Trademark Act of 1905. Under the Act of 1905, registration could be based only on a person’s own use of a mark. The purpose of the 1938 amendment was to provide for registration of a mark by an owner who “exercises legitimate control over the use of a collective mark.” “Collective marks,” however, were not defined and, as a result, registrations under the 1938 amendment include marks, which are now known as collective marks, as certification

marks, in §45, in order to avoid confusion and overlap.

Collective trademarks and collective service marks indicate commercial origin of goods or services just as regular trademarks and service marks do, but as collective marks they indicate origin in members of a group rather than origin in one party.¹⁰ All members of the group use the mark; therefore, no one member can own the mark, and the collective organization holds the title to the collectively used mark for the benefit of all members of the group. An agricultural cooperative of produce sellers is an example of a collective organization that does not sell its own goods or render services, but promotes the goods and services of its members.

The collective organization might conduct advertising or other promotional programs in which reference is made to the mark in order to publicize the mark and promote the business of the members, but this would be merely informational use or a publicity display of the mark.

In the United States, applications for registration of collective trademarks and collective service marks differ in form from applications for registration of other trademarks and service marks because of the difference in ownership and use of collective marks. Under the definition of “collective mark” in §45 of the Trademark Act, 15 U.S.C. §1127, a collective mark must be owned by a collective entity. The use of a collective trademark or collective service mark is by members of the collective; therefore, rather than asserting use or intended use of the mark, the applicant must assert either that the applicant is exercising legitimate control over the use of the mark in commerce by its members (in the case of applications based on actual use), or that the applicant has a bona fide intention to exercise legitimate

Certification marks inform purchasers that the goods or services of a person possess certain characteristics or meet certain qualifications or standards established by another person.

group) for use only by its members, who in turn use the mark to identify their goods or services and distinguish

marks and as trademarks used by related companies. The Act of 1946 undertook to define the separate types of marks specifi-

cally, in order to avoid confusion and overlap. control over the use of the mark in commerce by its members (for intent-to-use applications or applications claiming priority under the Paris Convention).

In certain situations, notwithstanding the use of a collective trademark or collective service mark by the members of the collective, the collective itself may also use the same mark as a trademark for the goods covered by the collective trademark or service mark registration. The “anti-use-by-owner rule” of §4 of the Trademark Act, 15 U.S.C. §1054, has been interpreted by the U.S. Courts as not applying to collective marks. The Trademark Law Revision Act of 1988, which became effective on November 16, 1989, amended §4 to indicate that the “anti-use-by-owner rule” in that section applies specifically to certification marks. Therefore, under certain circumstances the same mark can be used as a trademark or a service mark by a collective, in addition to being used as a collective trademark or a collective service mark by the members of the collective.

Certification Marks

Section 4 of the Trademark Act, 15 U.S.C. §1054, also provides for the registration of “certification marks, including indications of regional origin.” Section 45 of the Trademark Act, 15 U.S.C. §1127, defines “certification mark” as follows:

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

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

In the United States, there are three types of certification marks. First, there are marks that certify that goods or services originate in a specific geographic region (e.g., ROQUEFORT for cheese).¹¹ These are the type of marks most likely viewed as being “geographical indications.” Second, there are marks that certify that

the goods or services meet certain standards in relation to quality, materials or mode of manufacture (e.g., approval by Underwriters Laboratories).¹² Third, marks may certify that the performer of the services or the manufacturer of the goods has met certain standards or belongs to a certain organization or union (e.g., ILGWU—UNION MADE for clothing).¹³

The U.S. Trademark Act differentiates certification marks from trademarks or service marks. An important feature of a certification mark is that its owner does not use it. A certification mark does not indicate commercial source nor distinguish the goods or services of one person from those of another person. This means that any entity, which meets the certifying standards, is entitled to use the certification mark. However, certification marks are source identifying in the sense that they recognize the nature and quality of the goods and affirm that these goods have met certain defined standards.

A certification mark may not be used, in the trademark sense of “used,” by the owner of the mark. It may be used only by entities other than the owner of the mark. That is, the owner of a certification mark does not apply the mark to his or her goods or services. In fact, usually the owner does not attach or apply the mark at all. The mark is applied by other persons, to their goods or services, with authorization from the owner of the certification mark.

The owner of a certification mark does not produce the goods or perform the services in connection with which the mark is used, and thus does not control their nature and quality. However, the owner of the certification mark controls use of the mark by others on their goods or services. Control consists of the taking of steps to assure that the mark is applied only to goods or services that contain the requisite characteristics or meet the specified requirements that the certifier/owner has established or adopted for the certification.

Certification marks inform purchasers that the goods or services of a person possess certain characteristics or meet certain qualifications or standards established by another person. A certification mark does not indicate origin in a single commercial or proprietary source. The strong message

conveyed by a certification mark, when it is applied to goods or used in connection with services, is that the goods or services have been examined, tested, inspected or in some way checked by a person who is not their producer, by methods determined by the certifier/owner. The placing of the mark on goods or its use in connection with services thus constitutes a certification by someone other than the producer that the prescribed characteristics or qualifications of the certifier for those goods or services have been met.

In the United States, a geographical term may be used—either alone or as a portion of a composite mark—to certify that the goods originate in the particular geographical region identified by the term.¹⁴ Marks, which may be used to certify regional origin, are not necessarily limited to terms, which comprise precise geographical terminology. A distortion of a geographical term, an abbreviation of a geographical term, or a combination of geographical terms can be used as, or in, a certification mark indicating regional origin. It is also possible for a term, which is not technically geographical to have significance as an indication of origin solely in a particular region.¹⁵

In the experience of the United States, in most instances, the authority that can exercise control over the use of a geographical term as a certification mark is a governmental body or a body operating with governmental authorization. The right that a private person can acquire in a geographical term is usually a traditional trademark right, on the basis of exclusive use resulting in the term becoming distinctive of that person’s goods. When, however, circumstances make it desirable or necessary for many or all persons in a region to use the name of the region to indicate the origin of their goods, there would be no opportunity for the name to become distinctive for only one person. The term would be used by all persons in the region, not as a trademark indicating commercial origin, but as a certification mark indicating regional origin.

When a geographical term is used as a certification mark, two elements are of basic concern: The first is preserving the freedom of all persons in the region to use the term, and the second is preventing abuses or illegal uses of the mark that would be

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detrimental to all those entitled to use the mark. A private individual is not in the best position to fulfill these objectives satisfactorily. The government of a region is often the logical authority to control the use of the name of the region. The government, either directly or through a body to which it has given authority, would have power to preserve the right of all persons and to prevent abuse or illegal use of the mark.

Conclusion

At the international level, the relationship between geographical indications and trademarks is developing. Some countries do not offer any means for U.S. holders of geographical indications to obtain protection or to combat misuse of U.S. GIs.¹⁶ Some countries will extinguish existing trademark rights in favor of later-created GIs. However, in the United States, it is possible for anyone asserting rights in a GI to obtain formal protection via use of the trademark system, usually through registration as a collective or certification mark. ☞



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Meltzer participated in the "Section 211" WTO Dispute Settlement before the WTO and is part of the U.S. team involved with the United States' pending dispute settlement against the European Union with respect to EU Agriculture Regulation 2081/92.

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Endnotes

- * Attorney-Advisor, United States Patent and Trademark Office, Office of Legislative and International Affairs. The views expressed herein are solely those of the author.
- 1 The Czech Republic has notified the term *Budweiser Bürgerbrau* as an appellation of origin for "beer" under the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration ("Lisbon Agreement"), Registration No. 837. Current members of the Lisbon Agreement are: Algeria, Bulgaria, Bukina Faso, Congo, Costa Rica, Cuba, France, Gabon, Haiti, Israel, Italy, Mexico, Portugal, Moldova, the Czech Republic, Slovakia, Togo, Tunisia and Yugoslavia. Costa Rica and Israel have refused to extend protection to the notified term.
- 2 For example, the Italian government is promoting an April 2002 decision by the Codex Alimentarius Commission to postpone international standard setting for parmesan as granting Italy trademark rights in the term "parmesan." See *Trademarks Codex Protects Mark for Parmesan Cheese; Italy Hails Landmark for Geographic Names*, No. 77 Monday April 22, 2002, Page A-22, ISSN 1523-567X, The Bureau of National Affairs, Inc., Washington D.C.
- 3 See Lindquist, *Champagne or Champagne? An Examination of U.S. Failure to Comply With The Geographical Provisions of the TRIPs Agreement*, 27 *Gs. J. Int'l & Comp. L.* 309, 311-312 (Spring 1999) ("The inclusion of these [protection of geographical indications of source] caused heated debates during the Uruguay GATT Rounds and continues to generate discussion. The article that causes most debate is Article 23 which deals with the protection of geographical indications for wines and spirits . . . The current debate surrounding Article 23 is over how much protection should be given to geographical indications that have long been used beyond their boundaries and what obligations TRIPs imposes on its members.")
- 4 See, *Implementation of Article 23.4 of the TRIPs Agreement Relating to the Establishment of a Multilateral System of Notification and Registration of Geographical Indications*, Communication of the European Communities and their member States, IP/C/W/107/Rev.1; *Incorporation of elements raised by Hungary in IP/C/W/234 into the proposal by the European Communities and their member States on the establishment of a multilateral system of notification and registration of geographical indications*, Proposal by Hungary, IP/C/W/255. But see, *Proposal for a Multilateral System for Notification and Registration of Geographical Indications Based on Article 23.4 of the TRIPs Agreement*, "Communication from Canada, Chile, Japan and the United States, IP/C/W/133/Rev.1, all available from the World Trade Organization Web site at <http://www.wto.org>.
- 5 "Implementation of Article 23.4 of the TRIPs Agreement Relating to the Establishment of a Multilateral System of Notification and Registration of Geographical Indications," Communication of the European Communities and their member States, IP/C/W/107/Rev.1; "Incorporation of elements raised by Hungary in IP/C/W/234 into the proposal by the European Communities and their member States on the establishment of a multilateral system of notification and registration of geographical indications," Proposal by Hungary, IP/C/W/255.
- 6 See *infra*.
- 7 A collective mark is owned by the group or association of which it is a symbol, but not by a user thereof, and it indicates to the public that members of the association produced the merchandise

bearing the mark.

- 8 *Aloe Creme Laboratories, Inc. v. American Society for Aesthetic Plastic Surgery, Inc.*, 192 USPQ 170, 173 (TTAB 1976).
- 9 See, generally, Historical and Statutory Notes in Lanham Act, 15 U.S.C §§1051-1127.
- 10 See e.g., *Opticians' Ass'n of America v. Independent Opticians of America, Inc.*, 734 F. Supp. 1171; 14 U.S.P.Q. 2d 2021, reversed on other grounds 920 F.2d 187; 17 U.S.P.Q. 2d 1117.
- 11 U.S. Registration No. 571,798 ("ROQUEFORT") for cheese from France. Other examples of geographical indications protected as certification marks in the United States include: U.S. Registration No. 1,632,726 ("DARJEELING") for tea—India; U.S. Registration No. 2,014,628 ("PARMA HAM" for ham products—Italy); U.S. Registration No. 1,570,455 ("SWISS" for chocolate—Switzerland); and U.S. Registration No. 1,959,589 ("STILTON" for cheese—United Kingdom). Information regarding these and all other U.S. trademark registrations is available from the United States Patent and Trademark Office's (USPTO) Internet Web site at: www.uspto.gov.
- 12 U.S. Trademark Registration No. 654,922 ("UNDERWRITERS' LABORATORIES, INC. LISTED"). The registration indicates that the certification mark was first used in commerce in 1906. The certification mark is used to indicate the safety and effectiveness (e.g., electrical equipment not of a voltage exceeding 600 volts, etc.) of a variety of goods.
- 13 See, for example, U.S. Trademark Registration No. 768,516 ("LGWU INT. LADIES GARMENT WORKERS UNION UNION MADE AFL-CIO and Design"), certifying that members of the union performed the work or labor on ladies' and children's garments.
- 14 See, for example, U.S. Trademark Registration No. 2,369,315 ("MADE WITH FLORIDA CITRUS and Design."). The mark includes a silhouette of the State of Florida.
- 15 In addition, the United States protects geographical indications that are not registered. For example, the Trademark Trial and Appeal Board (an administrative appeal body within the USPTO) held that "COGNAC" is protected as a common-law (unregistered) certification mark in the United States. *Institut National Des Appellations v. Brown-Forman Corp.*, 47 USPQ2d 1875, (TTAB 1998)("Cognac" is a valid common law regional certification mark, rather than a generic term, since purchasers in the United States primarily understand the "Cognac" designation to refer to brandy originating in the Cognac region of France, and not to brandy produced elsewhere, and since opposers control and limit use of the designation which meets certain standards of regional origin.)
- 16 At the conclusion of the 1999 Special 301 review, the United States initiated a WTO dispute-settlement case against the EC based on TRIPs deficiencies in E.C. Regulation 2081/92. The European Communities' Regulation 2081/92, as amended, does not provide national treatment with respect to geographical indications, and does not provide sufficient protection to pre-existing trademarks that are similar or identical to a geographical indication. This situation appears to be inconsistent with the European Communities' obligations under the TRIPs Agreement, including but not necessarily limited to Articles 3, 16, 24, 63 and 65 of the TRIPs Agreement.

Updates on this dispute-settlement case may be found on the WTO Web site at: http://www.wto.org/english/tratop_e/dispu_e/

[distabase_wto_members2_e.htm](#) The complaint is titled "WT/DS174—European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs."